



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

David A. Vaudt, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

**NEWS RELEASE**

FOR RELEASE March 31, 2006

Contact: Andy Nielsen  
515/281-5834

Auditor of State David A. Vaudt today released the State of Iowa's Single Audit Report for the year ended June 30, 2005. The report covers the disbursement of federal funds by all state agencies, institutions and universities and includes a review of internal controls and compliance with federal laws and regulations.

The state expended \$4.6 billion of federal funds in fiscal year 2005, an increase of .4% over the prior year. Disbursements included approximately \$1.6 billion for medicaid, \$338 million for highway planning and construction, \$329 million for unemployment insurance, \$285 million for federal direct student loans, \$210 million for food stamps, \$108 million for special education and \$103 million for temporary assistance for needy families. Although the State of Iowa administered approximately 550 federal programs during the year ended June 30, 2005, these seven programs accounted for over 64% of total federal disbursements.

Vaudt also reported internal control deficiencies at various state agencies. These items, with management's responses, are included in the Schedule of Findings and Questioned Costs.

A copy of the report is available for review in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/index.html>.

###

**STATE OF IOWA  
SINGLE AUDIT REPORT**

**INDEPENDENT AUDITOR'S REPORTS  
IOWA COMPREHENSIVE ANNUAL FINANCIAL REPORT - FINANCIAL SECTION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**JUNE 30, 2005**

**ENTITY IDENTIFICATION NUMBER  
EIN-42-0933966**

**State of Iowa**

## Table of Contents

|  | <u>Page</u> |
|--|-------------|
| Independent Auditor's Report-----  | 5-6         |
| Iowa Comprehensive Annual Financial Report - Financial Section:  |             |
| Management's Discussion and Analysis-----  | 8-17        |
| Basic Financial Statements-----  | 20-79       |
| Required Supplementary Information-----  | 82-88       |
| Supplementary Information-----   | 90-135      |
| Schedule of Expenditures of Federal Awards-----  | 138-180     |
| Notes to Schedule of Expenditures of Federal Awards-----   | 182-183     |
| Independent Auditor's Report on Internal Control over Financial Reporting<br>and on Compliance and Other Matters Based on an Audit of Financial<br>Statements Performed in Accordance with <u>Government Auditing Standards</u> -----        | 185-186     |
| Independent Auditor's Report on Compliance with Requirements<br>Applicable to Each Major Program, on Internal Control over Compliance<br>in Accordance with OMB Circular A-133 and on the Schedule of Expenditures<br>of Federal Awards----- | 187-188     |
| Schedule of Findings and Questioned Costs:   |             |
| Part I-----  | 189-191     |
| Part II-----   | 192         |
| Part III   |             |
| U.S. Department of Agriculture-----  | 194-200     |
| U.S. Department of Defense-----  | 201         |
| U.S. Department of Housing and Urban Development-----  | 202-203     |
| U.S. Department of Justice-----  | 204         |
| U.S. Department of Labor-----  | 205-210     |
| U.S. Department of Transportation-----   | 211-213     |
| National Aeronautics and Space Administration-----   | 214         |
| National Science Foundation-----   | 215         |
| Environmental Protection Agency-----   | 216         |
| U.S. Department of Energy-----   | 217         |
| U.S. Department of Education-----  | 218-221     |
| U.S. Department of Health and Human Services-----  | 222-245     |
| U.S. Department of Homeland Security-----  | 246-248     |
| Index of Findings by State Agency and Program Name-----  | 250-251     |
| Federal Agency by Agency Identification-----   | 252         |
| Iowa State Agencies by Agency Number-----  | 253         |

**State of Iowa**



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

David A. Vaudt, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

Independent Auditor's Report

To the Governor and Members of the General Assembly:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the State of Iowa as of and for the year ended June 30, 2005, which collectively comprise the State's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the State's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of certain discretely presented component units, which statements reflect 98% of assets and 95% of revenues of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion insofar as it relates to the amounts included for these discretely presented component units is based on the reports of the other auditors.

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. The financial statements of the Iowa Higher Education Loan Authority and the Universities Foundations were not audited in accordance with Government Auditing Standards. 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 and the reports of the other auditors provide a reasonable basis for our opinions.

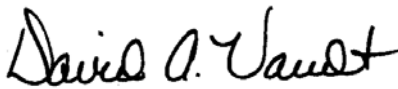
In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the State of Iowa as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

For the year ended June 30, 2005, appropriations of \$21,747,377 were made from the Rebuild Iowa Infrastructure Fund for items inconsistent with the fund's legislatively established purpose to be used for public vertical infrastructure-related expenditures. These items included, but were not limited to, transfers to the General Fund, support of various technology programs, routine maintenance of state buildings, relocation and facility lease costs and the establishment of loan programs. Expenditures for these items during the year ended June 30, 2005 totaled \$12,694,095 of which \$3,335,837 was funded from previous years' appropriations from the Rebuild Iowa Infrastructure Fund. These items have been reported as expenditures in the General Fund in the basic financial statements.

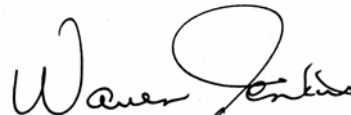
Management's Discussion and Analysis, Budgetary Comparison Information and Schedules of Funding Progress on pages 8 through 17 and 82 through 88 are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Iowa's basic financial statements. The other supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary 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.

In accordance with Government Auditing Standards, we have also issued our report dated December 19, 2005 on our consideration of the State of Iowa'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. In addition, other matters involving the internal control over financial reporting will be reported to management in separate departmental reports.



DAVID A. VAUDT, CPA  
Auditor of State



WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

December 19, 2005

**COMPREHENSIVE ANNUAL FINANCIAL REPORT -  
FINANCIAL SECTION**



## MANAGEMENT'S DISCUSSION AND ANALYSIS

The *Management's Discussion and Analysis* of the State of Iowa's *Comprehensive Annual Financial Report* (CAFR) presents a discussion and analysis of the State's financial performance during the fiscal year that ended on June 30, 2005. Readers are encouraged to consider this information in conjunction with the letter of transmittal located at the front of the CAFR, and the State's financial statements, which follow this part of the CAFR.

### FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT

#### Government-wide Highlights

- The assets of the State of Iowa exceeded its liabilities at the close of fiscal year 2005 by \$10,790.4 million (net assets). Of this amount \$895.1 million (unrestricted net assets) is available to be used to meet the State's ongoing obligations to citizens and creditors.
- Total net assets increased by \$444.4 million in the fiscal year ended June 30, 2005. Net assets of governmental activities increased by \$229.7 million or 3.38 percent, while net assets of business-type activities increased by \$214.7 million or 6.1 percent.
- In the State's governmental activities, revenues increased slightly to \$10,441.7 million while expenses increased 4.2 percent to \$9,710.6 million.
- For business-type activities, revenues increased 2.4 percent to \$2,994.8 million while expenses decreased 1.9 percent to \$3,281.5 million.
- For fiscal year 2005, transfers include \$618.1 million, which was previously reported as State Aid to Universities. To enhance comparability, \$635.5 million of fiscal year 2004 business-type activities' revenues and governmental activities' expenses for State Aid to Universities has been restated as transfers.

#### Fund Highlights

- The State's governmental funds reported a combined ending fund balance of \$2,317.8 million, a \$29.7 million decrease from the restated prior year. Of this amount, \$647.9 million represents unreserved fund balance and the remaining \$1,669.9 million is reserved for specific purposes.
- The General Fund total fund balance increased \$55.0 million to \$1,924.5 million and the unreserved fund balance increased \$114.2 million to \$559.8 million at June 30, 2005.
- The proprietary funds reported net assets at year-end of \$3,772.8 million, an increase of \$214.6 million.

#### Long-term Debt

- The State's total long-term debt increased by \$6.2 million to \$1,861.4 million during the current fiscal year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Section of the CAFR consists of four parts—*management's discussion and analysis* (this section), the *basic financial statements, required supplementary information*, and an optional section that presents *supplementary information*.

#### Basic Financial Statements

The basic financial statements include the government-wide financial statements, the fund financial statements, and the notes to the financial statements.

#### Government-wide Financial Statements

The government-wide financial statements are intended to provide a broad view of the State's financial activity. These statements are prepared using the accrual basis of accounting and the economic resources measurement focus, in a manner similar to private-sector business.

- The Statement of Net Assets presents all of the State's assets and liabilities, with the difference between the two reported as "net assets." Over time, increases or decreases in the State's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- The Statement of Activities presents information about the change in the State's net assets. This statement is formatted to report direct expenses, program revenues and the net revenue or expense for each of the State's governmental functions and business-type activities. This format identifies the extent to which each function is self-financed or is supported by the general revenues of the State.

The government-wide financial statements of the State are divided into three categories:

- *Governmental activities*—Most services generally associated with State government, such as administration & regulation, education, health & human rights, human services, justice & public defense, economic development, transportation, and agriculture & natural resources, are included in this category.
- *Business-type activities*—State operations such as the Universities and the Unemployment Insurance Fund that charge fees to external customers and function similarly to private business are included here.
- *Component units*—These are operations that are legally separate from the State, but for which the State is financially accountable. The State's discretely presented component units are:
  - Iowa Finance Authority (Business-type)
  - Iowa Higher Education Loan Authority (Business-type)
  - Iowa Agricultural Development Authority (Business-type)
  - Iowa State Fair Authority (Business-type)
  - Universities Foundations (Business-type)

Additional information about the State's component units is presented in NOTE 1-B of the Notes to the Financial Statements.

## ***Fund Financial Statements***

The fund financial statements provide more detailed information about the State's most significant funds. The State has three kinds of funds:

- *Governmental funds*—Most of the basic services provided by the State are accounted for in governmental funds. Governmental funds use the modified accrual basis of accounting and the flow of current financial resources measurement focus. Modified accrual accounting is used to show the flow of financial assets of the funds and the balances available for spending at year-end. These statements provide a detailed *short-term* view that assists in determining whether there are adequate financial resources available to meet the current needs of the State. Because this information does not encompass the long-term focus of the government-wide statements, reconciliation schedules accompany the governmental funds statements. The General Fund is the State's major governmental fund. Nonmajor governmental funds are reported by fund type in the Combining Financial Statements – Nonmajor funds.
- *Proprietary funds*—Services for which the State charges customers a fee are generally reported in proprietary funds. Proprietary funds use the accrual basis of accounting and, like the government-wide statements, provide both long- and short-term financial information.
  - The State's enterprise funds (one type of proprietary fund) are used to report activities, such as universities, that are presented as business-type activities in the government-wide statements.
  - The State's internal service funds (the other kind of proprietary fund) are used to account for activities that provide supplies and services for other State programs and activities—such as the Workers' Compensation Fund.

- *Fiduciary Funds*—These funds are used to show assets held by the State as trustee or agent for others outside the State, such as the Iowa Public Employees' Retirement System and the Iowa Educational Savings Plan Trust. Similar to proprietary funds, these funds use the accrual basis of accounting. Because the State can not use these assets to finance its operations, fiduciary funds are not included in the government-wide financial statements discussed above.

**Table 1**

| <b>Major Features of the State's Government-wide and Fund Financial Statements</b> |  |  |   |   |
|--|--|--|---|---|
|  | Government-wide Statements   | Fund Statements  |   |   |
|  |  | Governmental Funds   | Proprietary Funds   | Fiduciary Funds   |
| <b>Scope</b>   | Entire State government (except fiduciary funds) and the State's component units                               | The activities of the State that are not proprietary or fiduciary, such as Human Services and Transportation   | Activities the State operates similar to private businesses: the universities and the Iowa Communications Network   | Instances in which the State is the trustee or agent for someone else's resources, such as the retirement plan for public employees           |
| <b>Required financial statements</b>   | <ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of activities</li> </ul> | <ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>   | <ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of revenues, expenses, and changes in fund net assets</li> <li>• Statement of cash flows</li> </ul> | <ul style="list-style-type: none"> <li>• Statement of fiduciary net assets</li> <li>• Statement of changes in fiduciary net assets</li> </ul> |
| <b>Accounting basis and measurement focus</b>                                      | Accrual accounting and economic resources focus  | Modified accrual accounting and current financial resources focus  | Accrual accounting and economic resources focus   | Accrual accounting and economic resources focus   |
| <b>Type of asset/liability information</b>   | All assets and liabilities, both financial and capital, and short-term and long-term                           | Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included  | All assets and liabilities, both financial and capital, and short-term and long-term  | All assets and liabilities, both short-term and long-term; the State's funds do not currently contain capital assets, although they can       |
| <b>Type of inflow/outflow information</b>  | All revenues and expenses during the year, regardless of when cash is received or paid                         | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter | All revenues and expenses during the year, regardless of when cash is received or paid  | All revenues and expenses during year, regardless of when cash is received or paid  |

### **Notes to the Financial Statements**

The notes provide additional information that is essential to fully understanding the government-wide and fund financial statements. The notes also explain some of the information contained in the financial statements and present more detail than is practical in the financial statements.

### **Required Supplementary Information**

In addition to this Management's Discussion and Analysis, Required Supplementary Information (RSI) includes the Budgetary Comparison Schedule. This schedule presents both the original and final appropriated budget of major funds. The Budgetary Comparison Schedule is accompanied by a budget to GAAP Reconciliation and by Notes to RSI. Schedules of funding progress for the Iowa Judicial Retirement System and the Peace Officers' Retirement, Accident and Disability System are also presented.

## Supplementary Information

The Supplementary Information includes combining financial statements for non-major governmental funds, non-major enterprise funds, internal service funds and fiduciary funds, which are added together and presented in single columns in the basic financial statements.

## FINANCIAL ANALYSIS OF THE STATE AS A WHOLE

### Net Assets

The State's combined net assets (government and business-type activities) totaled \$10,790.4 million at the end of 2005, compared to \$10,346.0 million at the end of the previous year, as indicated in Table 2.

**Table 2**  
**Net Assets**  
**(In Millions)**

|  | Governmental<br>Activities |            | Business-type<br>Activities |            | Total       |             | Total<br>Percentage<br>Change<br>2004 - 2005 |
|--|----------------------------|------------|-----------------------------|------------|-------------|-------------|--|
|  | 2005                       | 2004       | 2005                        | 2004       | 2005        | 2004        |  |
| Current and other assets                           | \$ 3,520.5                 | \$ 3,407.1 | \$ 2,860.8                  | \$ 2,798.2 | \$ 6,381.3  | \$ 6,205.3  | 2.8%   |
| Capital assets                                     | 5,727.4                    | 5,543.7    | 2,561.3                     | 2,378.7    | 8,288.7     | 7,922.4     | 4.6%   |
| Total assets                                       | 9,247.9                    | 8,950.8    | 5,422.1                     | 5,176.9    | 14,670.0    | 14,127.7    | 3.8%   |
| Long-term liabilities                              | 1,060.6                    | 1,061.9    | 992.1                       | 974.9      | 2,052.7     | 2,036.8     | 0.8%   |
| Other liabilities                                  | 1,162.9                    | 1,094.2    | 664.0                       | 650.7      | 1,826.9     | 1,744.9     | 4.7%   |
| Total liabilities                                  | 2,223.5                    | 2,156.1    | 1,656.1                     | 1,625.6    | 3,879.6     | 3,781.7     | 2.6%   |
| Net assets   |                            |            |                             |            |             |             |  |
| Invested in capital assets,<br>net of related debt | 5,681.4                    | 5,465.0    | 1,783.5                     | 1,621.4    | 7,464.9     | 7,086.4     | 5.3%   |
| Restricted   | 1,209.1                    | 1,382.4    | 1,221.3                     | 1,181.2    | 2,430.4     | 2,563.6     | -5.2%  |
| Unrestricted                                       | 133.9                      | (52.7)     | 761.2                       | 748.7      | 895.1       | 696.0       | 28.6%  |
| Total net assets                                   | \$ 7,024.4                 | \$ 6,794.7 | \$ 3,766.0                  | \$ 3,551.3 | \$ 10,790.4 | \$ 10,346.0 | 4.3%   |

Net assets of the State's governmental activities increased 3.4 percent to \$7,024.4 million. The largest component (80.9%) of the State's net assets is invested in capital assets (e.g. land, buildings, equipment, infrastructure, and others), net of related outstanding debt that was used to acquire or construct the assets. Restricted net assets is the next largest component (17.2%). These represent resources that are subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used. Unrestricted net assets is the remaining portion (1.9%) and may be used at the State's discretion, but often have limitations on use based on State statutes.

The net assets of business-type activities increased 6.0 percent to \$3,766.0 million. The State generally can only use these net assets to finance the continuing operations of the universities, unemployment insurance and other business-type activities.

Capital assets increased 4.6 percent to \$8,288.7 million. This is the result of on-going construction activity on Interstate 235 and the Avenue of the Saints by the Department of Transportation, the addition of the Iowa Laboratories Facility, the Lottery Authority building and facilities at the State Universities.

## Changes in Net Assets

The State's total net assets increased by \$444.4 million during the year, as indicated in Table 3.

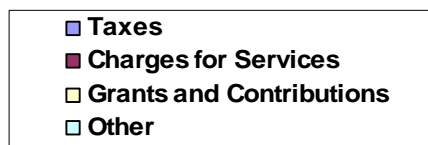
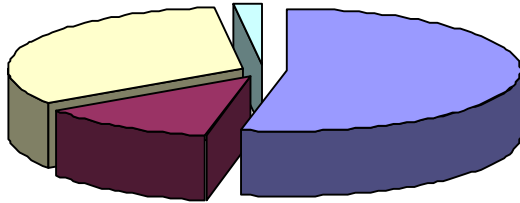
**Table 3**  
**Changes in Net Assets**  
**(In Millions)**

|  | <b>Governmental Activities</b> |                   | <b>Business-type Activities</b> |                   | <b>Total Primary Government</b> |                 | <b>Total Percentage Change 2004 - 2005</b> |
|--|--------------------------------|-------------------|---------------------------------|-------------------|---------------------------------|-----------------|--|
|  | <b>2005</b>                    | <b>2004</b>       | <b>2005</b>                     | <b>2004</b>       | <b>2005</b>                     | <b>2004</b>     |  |
| Program Revenues:                        |                                |                   |                                 |                   |                                 |                 |  |
| Charges for Service                      | \$ 1,308.8                     | \$ 1,323.3        | \$ 2,386.3                      | \$ 2,292.2        | \$ 3,695.1                      | \$ 3,615.5      | 2.2%                                       |
| Operating Grants and Contributions       | 3,391.7                        | 3,314.5           | 448.5                           | 427.6             | 3,840.2                         | 3,742.1         | 2.6%                                       |
| Capital Grants and Contributions         | 5.3                            | 4.3               | 28.9                            | 58.0              | 34.2                            | 62.3            | -45.1%                                     |
| General Revenues:                        |                                |                   |                                 |                   |                                 |                 |  |
| Personal Income Tax                      | 2,263.6                        | 2,090.7           | -                               | -                 | 2,263.6                         | 2,090.7         | 8.3%                                       |
| Corporate Income Tax                     | 177.0                          | 97.8              | -                               | -                 | 177.0                           | 97.8            | 81.0%                                      |
| Sales & Use Tax                          | 1,761.2                        | 1,688.9           | -                               | -                 | 1,761.2                         | 1,688.9         | 4.3%                                       |
| Other Taxes                              | 596.7                          | 598.2             | -                               | -                 | 596.7                           | 598.2           | -0.3%                                      |
| Restricted for Transportation Purposes:  |                                |                   |                                 |                   |                                 |                 |  |
| Motor Fuel Tax                           | 482.2                          | 435.4             | -                               | -                 | 482.2                           | 435.4           | 10.7%                                      |
| Road Use Tax                             | 252.6                          | 252.3             | -                               | -                 | 252.6                           | 252.3           | 0.1%                                       |
| Unrestricted Investment Earnings         | 72.2                           | 62.1              | 88.0                            | 88.9              | 160.2                           | 151.0           | 6.1%                                       |
| Other                                    | 130.4                          | 167.0             | 43.1                            | 58.1              | 173.5                           | 225.1           | -22.9%                                     |
| <b>Total Revenues</b>                    | <b>10,441.7</b>                | <b>10,034.5</b>   | <b>2,994.8</b>                  | <b>2,924.8</b>    | <b>13,436.5</b>                 | <b>12,959.3</b> | <b>3.7%</b>                                |
| Expenses                                 |                                |                   |                                 |                   |                                 |                 |  |
| Administration & Regulation              | 903.4                          | 972.6             | -                               | -                 | 903.4                           | 972.6           | -7.1%                                      |
| Education                                | 2,796.2                        | 2,650.6           | -                               | -                 | 2,796.2                         | 2,650.6         | 5.5%                                       |
| Health & Human Rights                    | 337.5                          | 317.9             | -                               | -                 | 337.5                           | 317.9           | 6.2%                                       |
| Human Services                           | 3,633.3                        | 3,429.6           | -                               | -                 | 3,633.3                         | 3,429.6         | 5.9%                                       |
| Justice & Public Defense                 | 693.6                          | 663.1             | -                               | -                 | 693.6                           | 663.1           | 4.6%                                       |
| Economic Development                     | 208.7                          | 202.1             | -                               | -                 | 208.7                           | 202.1           | 3.3%                                       |
| Transportation                           | 918.6                          | 906.1             | -                               | -                 | 918.6                           | 906.1           | 1.4%                                       |
| Agriculture & Natural Resources          | 167.1                          | 155.2             | -                               | -                 | 167.1                           | 155.2           | 7.7%                                       |
| Interest Expense                         | 52.2                           | 19.1              | -                               | -                 | 52.2                            | 19.1            | 173.3%                                     |
| Universities                             | -                              | -                 | 2,656.3                         | 2,644.0           | 2,656.3                         | 2,644.0         | 0.5%                                       |
| Unemployment Insurance                   | -                              | -                 | 299.1                           | 389.9             | 299.1                           | 389.9           | -23.3%                                     |
| Other Business-type                      | -                              | -                 | 326.1                           | 310.5             | 326.1                           | 310.5           | 5.0%                                       |
| <b>Total Expenses</b>                    | <b>9,710.6</b>                 | <b>9,316.3</b>    | <b>3,281.5</b>                  | <b>3,344.4</b>    | <b>12,992.1</b>                 | <b>12,660.7</b> | <b>2.6%</b>                                |
| Increase in Net Assets Before            |                                |                   |                                 |                   |                                 |                 |  |
| Transfers and Special Item               | 731.1                          | 718.2             | (286.7)                         | (419.6)           | 444.4                           | 298.6           | 48.8%                                      |
| Transfers                                | (501.4)                        | (513.4)           | 501.4                           | 513.4             | -                               | -               | 0.0%                                       |
| Special Item                             | -                              | 102.3             | -                               | -                 | -                               | 102.3           | N/A  |
| <b>Increase (Decrease) in Net Assets</b> | <b>229.7</b>                   | <b>307.1</b>      | <b>214.7</b>                    | <b>93.8</b>       | <b>444.4</b>                    | <b>400.9</b>    | <b>10.9%</b>                               |
| <b>Net Assets July 1</b>                 | <b>6,794.7</b>                 | <b>6,487.6</b>    | <b>3,551.3</b>                  | <b>3,457.5</b>    | <b>10,346.0</b>                 | <b>9,945.1</b>  | <b>4.0%</b>                                |
| <b>Net Assets June 30</b>                | <b>\$ 7,024.4</b>              | <b>\$ 6,794.7</b> | <b>\$ 3,766.0</b>               | <b>\$ 3,551.3</b> | <b>\$ 10,790.4</b>              | <b>10,346.0</b> | <b>4.3%</b>                                |

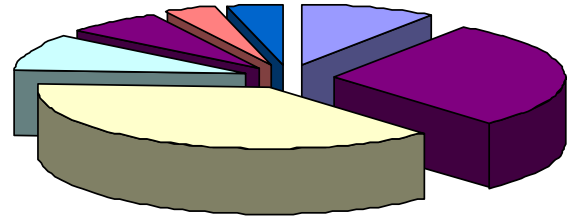
Note: State Aid to Universities, previously reported as revenue in business-type activities and an expense in governmental activities, is reported as transfers for fiscal year 2005. Fiscal year 2004 amounts have been restated to enhance comparability.

## Governmental Activities

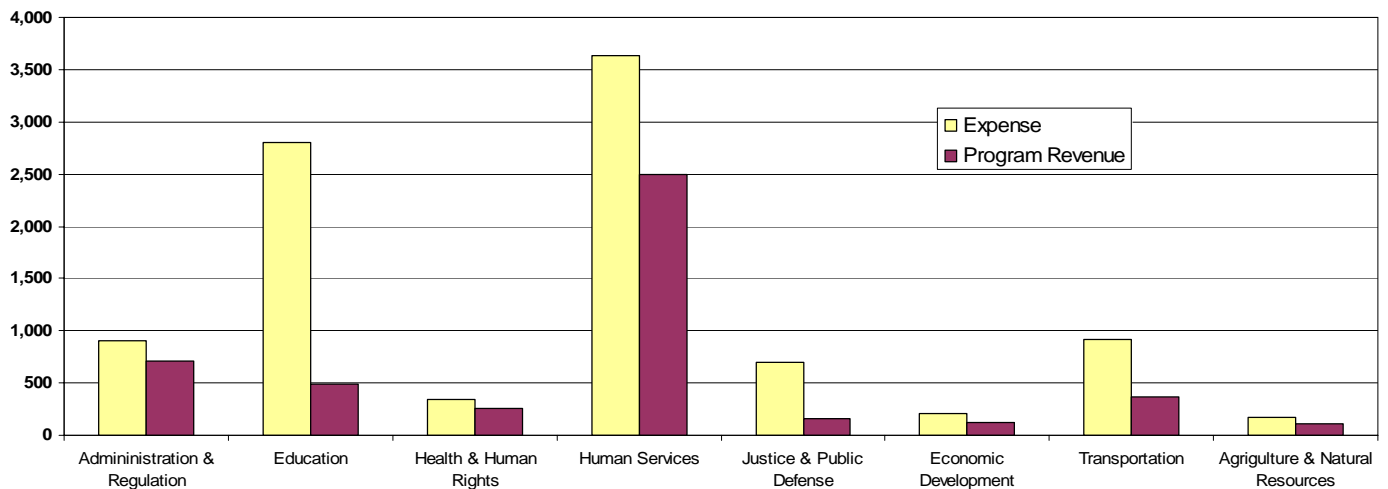
**FY05 Revenues -  
Governmental Activities**



**FY05 Functional Expenditures -  
Governmental Activities**



## Expenses and Program Revenues – Governmental Activities (In Millions)



The cost of all governmental activities this year was \$9,710.6 million.

- However, the amount that taxpayers paid for these activities through State taxes was \$5,533.3 million. Some of the cost was paid by:
  - Those who directly benefited from the programs (\$1,308.8 million), or
  - Other governments and organizations that subsidized certain programs with operating and capital grants and contributions (\$3,397.0 million).

## **Business-type Activities**

- Universities had \$2,656.3 million in expenses and \$2,108.1 million in program revenues for net expenses of \$548.2 million.
- Unemployment Insurance had \$299.1 million in expenses and \$318.6 million in program revenues for net revenues of \$19.5 million.

In total, business-type activities had net expenses of \$417.8 million with \$632.6 million in net general revenues and transfers, an increase of \$214.7 million, to end with net assets of \$3,766.0 million.

Expenses decreased approximately \$62.9 million or 1.9 percent in fiscal year 2005. The decrease is mainly attributable to a drop in Unemployment insurance benefit payments to clients of approximately \$90.8 million.

## **FINANCIAL ANALYSIS OF THE STATE'S FUNDS**

The governmental funds reported total fund balances of \$2,317.8 million, with \$559.9 million in unreserved fund balance. Net revenues totaled \$10,390.1 million with expenditures of \$9,918.1 million.

### **General Fund**

The General Fund is the chief operating fund of the State. At the end of the year, the total fund balance was \$1,924.5 million and the unreserved fund balance was \$559.9 million. The unreserved fund balance included \$225.8 million of "rainy day" funds. The net change in fund balance was an increase of \$55.0 million. Revenues exceeded expenditures by \$443.9 million, while other financing uses exceeded sources by \$388.9 million.

### **General Fund Budgetary Highlights**

Over the course of the year, the State revised the budget several times. These budget amendments fall into two categories:

- Supplemental appropriations - \$87,013,573
- Adjustments to standing appropriations - \$54,584,474

The originally enacted General Fund budget of \$4,464.6 million was predicated on 1.5% growth in General Fund revenues, as projected by the State's Revenue Estimating Conference (REC) on December 8, 2003. While General Fund revenue growth had been either negative or estimated at zero the previous two fiscal years, the estimate reflected the expectation that revenue growth would return with the end of the recession; the National Bureau of Economic Research determined that the national economy returned to economic expansion in November 2001.

At its October 11, 2004 meeting, the REC revised its fiscal year 2005 General Fund revenue estimate upward to \$4,726.5 million. This was based upon the revised base of FY 2004 actual revenue growth of 4.5% and continued expectation that revenue growth would return to a more normal pattern. On December 14, 2004, the REC again increased the revenue estimate to \$4,746.2 million. The small increase from the October 2004 meeting reflected an acknowledgement that year-to-date revenues were growing faster than expected. An additional revision was made at the April 8, 2005 meeting to increase the General Fund revenue estimate to \$4.825.7 million.

On September 7, 2004, the General Assembly met in special session and approved HF 2581 and SF 2311, which were signed by the Governor. Among other things, the legislation provided for a general fund supplemental appropriation for field offices in the Department of Workforce Development for \$6.5 million.

During the 2005 legislative session, the General Assembly approved \$80.5 million in General Fund supplemental appropriations. The largest supplemental appropriation was to the Medical Assistance Program (Medicaid) in the Department of Human Services for \$70.0 million. Most of the other supplemental appropriations were to help in general operations of various departments. All of these were signed into law by Governor Vilsack.

Also during this legislative session, the General Assembly approved the transfer of \$159.7 million of the ending General Fund balance to the Property Tax Credit Fund for FY06 expenditures, prior to the transfer to the Cash Reserve Fund. This was signed into law by Governor Vilsack.

The State of Iowa has various statutory standing appropriations where a fixed amount is not appropriated. These are either formula-driven (in the case of the largest General Fund appropriation, for school foundation aid to local school districts), or for items like paying claims against the State through the State Appeal Board. For fiscal year 2005, these standing appropriations exceeded the original estimates by \$54.6 million. The largest variance was an appropriation from the General Fund to the Cash Reserve Fund that is triggered when the Cash Reserve Fund balance is below the cash reserve goal percentage of 7.5% of the adjusted revenue estimate. This appropriation was for \$45.5 million. The next largest variance was for Appeal Board claims, which were \$7.2 million over the estimate. The budget for the General Assembly exceeded its estimate by \$1.0 million. A variety of other appropriations made up the balance of the changes to standing appropriations.

On June 16, 2004, the Iowa Supreme Court ruled that the legislation creating the Grow Iowa Values Fund during the 2003 session was invalid, which also invalidated appropriations to that fund of \$59.0 million in fiscal year 2004 and \$41.0 million in fiscal year 2005. These were made from the entirety of the State of Iowa's allocation of federal flexible spending grant money appropriated by Congress in June, 2003. The Legislature also made contingent appropriations of \$5.0 million in FY 2004, \$23.0 million in FY 2005, and \$75.0 million a year in FY 2006 through FY 2010. These appropriations were contingent on sales and use tax receipts growing by more than 2.0% in each of the respective fiscal years.

On September 7, 2004, the General Assembly met in special session and approved HF 2581 and SF 2311, which were signed by the Governor. Among other things, these bills created the Federal Economic Stimulus and Jobs Holding Fund and deposited the proceeds from the 2003 Federal Jobs and Growth Tax Relief Reconciliation Act into the Fund. SF 2311 also appropriated a total of \$100.0 million from the Fund to economic development programs previously funded by the Grow Iowa Values Fund. The original Grow Iowa Values Fund appropriations were repealed by SF 2311. These appropriations totaled \$277.5 million over a four-year period from fiscal year 2005 to fiscal year 2007.

During April, May and June, and throughout the accrual period, actual General Fund revenue collections continued to exceed the official REC projections. At the close of the fiscal year, revenue collections totaled \$4,926.9 million which was 5.2% growth. As a consequence, after the transfer to the Property Tax Credit Fund, discussed earlier, the General Fund ending balance for fiscal year 2005 totaled \$166.2 million.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At June 30, 2005, the State had \$8,288.7 million invested in capital assets, net of accumulated depreciation of \$5,490.7 million. Depreciation charges totaled \$529.0 million in 2005. The details of these assets are presented in Table 4. Additional information about the State's capital assets is presented in NOTE 6 of the financial statements.



**Table 4**  
**Capital Assets, Net of Depreciation**  
**(In Millions)**

|                              | <b>Governmental Activities</b> |                  | <b>Business-type Activities</b> |                  | <b>Total Primary Government</b> |                  | <b>Total Percentage Change<br/>2004 - 2005</b> |
|------------------------------|--------------------------------|------------------|---------------------------------|------------------|---------------------------------|------------------|--|
|                              | <b>2005</b>                    | <b>2004</b>      | <b>2005</b>                     | <b>2004</b>      | <b>2005</b>                     | <b>2004</b>      |  |
| Land                         | \$572.5                        | \$565.1          | \$28.8                          | \$27.3           | \$601.3                         | \$592.4          | 1.5%   |
| Building and Improvements    | 534.3                          | 466.6            | 1,394.2                         | 1,319.7          | 1,928.5                         | 1,786.3          | 8.0%   |
| Equipment                    | 146.0                          | 140.9            | 322.7                           | 296.6            | 468.7                           | 437.5            | 7.1%   |
| Land Improvements            | 6.3                            | 6.7              | 30.2                            | 29.0             | 36.5                            | 35.7             | 2.2%   |
| Works of Art and Collections | 0.8                            | 0.9              | 251.8                           | 238.5            | 252.6                           | 239.4            | 5.5%   |
| Infrastructure               | 4,426.9                        | 4,286.4          | 215.6                           | 222.4            | 4,642.5                         | 4,508.8          | 3.0%   |
| Construction in progress     | 40.6                           | 77.1             | 318.0                           | 245.2            | 358.6                           | 322.3            | 11.3%  |
| <b>Total</b>                 | <b>\$5,727.4</b>               | <b>\$5,543.7</b> | <b>\$2,561.3</b>                | <b>\$2,378.7</b> | <b>\$8,288.7</b>                | <b>\$7,922.4</b> | <b>4.6%</b>                                    |

## Long-term Debt

At year-end the State had \$1,861.4 million in bonds, certificates of participation, and leases and other financing arrangements outstanding, as shown in Table 5. More detailed information about the State's long-term liabilities is presented in NOTE 8 to the financial statements.

**Table 5**  
**State of Iowa's Outstanding Debt**  
**(In Millions)**

|  | <b>Governmental Activities</b> |                   | <b>Business-type Activities</b> |                 | <b>Total Primary Government</b> |                  | <b>Total Percentage Change<br/>2004 - 2005</b> |
|--|--------------------------------|-------------------|---------------------------------|-----------------|---------------------------------|------------------|--|
|  | <b>2005</b>                    | <b>2004</b>       | <b>2005</b>                     | <b>2004</b>     | <b>2005</b>                     | <b>2004</b>      |  |
| Revenue Bonds                            | \$ 965.7                       | \$ 991.2          | \$ 757.8                        | \$ 700.3        | \$ 1,723.5                      | \$ 1,691.5       | 1.9%   |
| Certificates of Participation            | 2.0                            | 2.5               | -                               | 36.3            | 2.0                             | 38.8             | -94.8%   |
| Leases and Other Financing Arrangements* | 7.2                            | 7.6               | 128.7                           | 117.3           | 135.9                           | 124.9            | 8.8%   |
| <b>Total</b>                             | <b>\$ 974.9</b>                | <b>\$ 1,001.3</b> | <b>\$ 886.5</b>                 | <b>\$ 853.9</b> | <b>\$1,861.4</b>                | <b>\$1,855.2</b> | <b>0.3%</b>                                    |

\*To enhance comparability leases and other financing arrangements outstanding at June 30, 2004 are included in this table

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Along with most other states, Iowa enjoyed improved fiscal health in fiscal year 2005, with the first half of the fiscal year showing a strong rebound in revenue collections, leveling out in the second half of the year. Iowa's 5.2 % General Fund revenue growth was the second year of growth, reversing a previous two year decline in General Fund revenue collections. This was the trend nationally as well, with revenue collections for all states increasing by 13.3% in the April-June 2005 quarter, according to the Rockefeller Institute of Government, the highest quarterly growth since the Institute has been tracking state revenues in 1991.

The Governor and General Assembly worked beyond the 110 day session in 2005, fashioning the General Fund budget for FY 2006. Amounts available for appropriation in the General Fund budget were \$4,990.2 million. General Fund appropriations totaled \$4,938.5 million, an increase of \$332.4 million from the actual 2005 General Fund budget.

At REC meetings in October, the fiscal year 2006 revenue estimate was increased to \$5,024.1 million, largely as a result of adjusting the base to reflect actual revenue collections in fiscal year 2005. The revised estimate reflects projected revenue growth of 2.0% compared to actual revenues for the previous fiscal year. This revised revenue projection coupled with current General Fund appropriations would leave an ending balance of \$98.1 million at the close of fiscal year 2006.

Recent revenue performance is encouraging despite the natural disasters of Hurricanes Katrina and Rita. Iowa's unemployment rate was at 4.5% in October 2005, which tied the lowest monthly unemployment rate during the calendar year.

Nationally, the effects of Hurricanes Katrina and Rita do not appear to have as big an impact on the economy as first forecasted. Growth in the gross domestic product (GDP) for the third quarter of 2005 is now estimated at 4.3%, a full percentage point ahead of the second quarter growth for 2005. Economy.com, a national economic forecasting company, expects GDP to slow to 3.5% in the fourth quarter of 2005, reflecting a pause in hiring by companies in October 2005 due to reaction to the Hurricanes. However, the underlying economy appears to be sturdy and growth is expected to reaccelerate early next year, with GDP estimated to growth at 4.2% for the first half of 2006.

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

This financial report is designed to provide our citizens, legislators, customers, investors and creditors with a general overview of the State's finances and to demonstrate the State's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the:

Iowa Department of Administrative Services  
Hoover State Office Building  
Des Moines, IA 50319

**THIS PAGE LEFT BLANK INTENTIONALLY**

**BASIC  
FINANCIAL  
STATEMENTS**

# STATE OF IOWA

## Statement of Net Assets

June 30, 2005  
(Expressed in Thousands)

|                                    | PRIMARY GOVERNMENT         |                             |              |                    |
|------------------------------------|----------------------------|-----------------------------|--------------|--------------------|
|                                    | GOVERNMENTAL<br>ACTIVITIES | BUSINESS-TYPE<br>ACTIVITIES | TOTAL        | COMPONENT<br>UNITS |
| ASSETS                             |                            |                             |              |                    |
| Current Assets:                    |                            |                             |              |                    |
| Cash & Investments                 | \$ 1,900,647               | \$ 1,769,675                | \$ 3,670,322 | \$ 1,326,873       |
| Cash & Investments - Restricted    | -                          | 38,593                      | 38,593       | 579                |
| Deposits With Trustees             | 4,848                      | 21,836                      | 26,684       | -                  |
| Accounts Receivable (Net)          | 1,315,415                  | 410,622                     | 1,726,037    | 60,234             |
| Interest Receivable                | 466                        | 3,959                       | 4,425        | 8,231              |
| Loans Receivable (Net)             | 11,994                     | 6,289                       | 18,283       | 27,999             |
| Internal Balances                  | 17,957                     | (17,957)                    | -            | -                  |
| Inventory                          | 20,855                     | 51,776                      | 72,631       | 157                |
| Prepaid Expenses                   | 16,172                     | 8,467                       | 24,639       | 125                |
| Deferred Charges                   | 1,193                      | -                           | 1,193        | -                  |
| Other Assets                       | -                          | 1,223                       | 1,223        | 2,030              |
| Investment In Prize Annuity        | -                          | 8,844                       | 8,844        | -                  |
| Total Current Assets               | 3,289,547                  | 2,303,327                   | 5,592,874    | 1,426,228          |
| Noncurrent Assets:                 |                            |                             |              |                    |
| Cash & Investments                 | -                          | 408,396                     | 408,396      | 598,283            |
| Cash & Investments - Restricted    | -                          | -                           | -            | 326,625            |
| Deposits With Trustees             | -                          | 81                          | 81           | -                  |
| Accounts Receivable (Net)          | 96,160                     | 31,012                      | 127,172      | 95,511             |
| Interest Receivable                | -                          | 633                         | 633          | -                  |
| Loans Receivable (Net)             | 128,292                    | 64,073                      | 192,365      | 398,713            |
| Capital Assets - nondepreciable    | 613,116                    | 563,871                     | 1,176,987    | 5,369              |
| Capital Assets - depreciable (Net) | 5,114,292                  | 1,997,439                   | 7,111,731    | 66,563             |
| Prepaid Expenses                   | -                          | 610                         | 610          | -                  |
| Deferred Charges                   | 1,366                      | -                           | 1,366        | -                  |
| Other Assets                       | 5,094                      | 22,382                      | 27,476       | 7,714              |
| Investment In Prize Annuity        | -                          | 25,993                      | 25,993       | -                  |
| Prize Deposit                      | -                          | 4,243                       | 4,243        | -                  |
| Total Noncurrent Assets            | 5,958,320                  | 3,118,733                   | 9,077,053    | 1,498,778          |
| TOTAL ASSETS                       | 9,247,867                  | 5,422,060                   | 14,669,927   | 2,925,006          |

The notes are an integral part of the financial statements.

(continued on next page)

# STATE OF IOWA

(continued)

|                                  | PRIMARY GOVERNMENT         |                             |               |                    |
|----------------------------------|----------------------------|-----------------------------|---------------|--------------------|
|                                  | GOVERNMENTAL<br>ACTIVITIES | BUSINESS-TYPE<br>ACTIVITIES | TOTAL         | COMPONENT<br>UNITS |
| LIABILITIES                      |                            |                             |               |                    |
| Current Liabilities:             |                            |                             |               |                    |
| Accounts Payable & Accruals      | 924,134                    | 272,487                     | 1,196,621     | 30,650             |
| Interest Payable                 | 6,722                      | 19,451                      | 26,173        | 16,794             |
| Deferred Revenue                 | 102,802                    | 75,566                      | 178,368       | 67,739             |
| Compensated Absences             | 105,204                    | 70,537                      | 175,741       | -                  |
| Capital Leases                   | 1,205                      | 5,752                       | 6,957         | 510                |
| Bonds Payable                    | 22,090                     | 53,873                      | 75,963        | 32,500             |
| Other Financing                  |                            |                             |               |                    |
| Arrangements Payable             | 728                        | 1,138                       | 1,866         | -                  |
| Annuities Payable                | -                          | 8,974                       | 8,974         | -                  |
| Lottery Prizes Payable           | -                          | 2,839                       | 2,839         | -                  |
| Funds Held In Custody            | -                          | 153,342                     | 153,342       | -                  |
| Total Current Liabilities        | 1,162,885                  | 663,959                     | 1,826,844     | 148,193            |
| Noncurrent Liabilities:          |                            |                             |               |                    |
| Accounts Payable & Accruals      | 72,208                     | 15,864                      | 88,072        | 67,766             |
| Interest Payable                 | -                          | 3,634                       | 3,634         | -                  |
| Deferred Revenue                 | 73                         | 2,994                       | 3,067         | 6,298              |
| Compensated Absences             | 37,354                     | 62,198                      | 99,552        | 184                |
| Capital Leases                   | 3,185                      | 118,109                     | 121,294       | 8,555              |
| Bonds Payable                    | 943,634                    | 703,927                     | 1,647,561     | 833,931            |
| Other Financing                  |                            |                             |               |                    |
| Arrangements Payable             | 4,127                      | 3,700                       | 7,827         | -                  |
| Annuities Payable                | -                          | 25,993                      | 25,993        | -                  |
| Lottery Prizes Payable           | -                          | 4,243                       | 4,243         | -                  |
| Funds Held In Custody            | -                          | 51,436                      | 51,436        | -                  |
| Other                            | -                          | 5                           | 5             | 7,573              |
| Total Noncurrent Liabilities     | 1,060,581                  | 992,103                     | 2,052,684     | 924,307            |
| TOTAL LIABILITIES                | 2,223,466                  | 1,656,062                   | 3,879,528     | 1,072,500          |
| NET ASSETS                       |                            |                             |               |                    |
| Invested in Capital Assets,      |                            |                             |               |                    |
| Net of Related Debt              | 5,681,408                  | 1,783,485                   | 7,464,893     | 59,300             |
| Restricted for:                  |                            |                             |               |                    |
| Transportation                   | 623,434                    | -                           | 623,434       | -                  |
| Underground Storage Tank Program | 85,511                     | -                           | 85,511        | -                  |
| Education                        | 64,565                     | -                           | 64,565        | -                  |
| Health & Human Rights            | 155,196                    | -                           | 155,196       | -                  |
| Debt Service                     | 173,630                    | -                           | 173,630       | -                  |
| Universities                     | -                          | 390,707                     | 390,707       | -                  |
| Permanent Funds - Nonexpendable  | 10,596                     | -                           | 10,596        | -                  |
| Unemployment Benefits            | -                          | 830,626                     | 830,626       | -                  |
| Other                            | 96,177                     | -                           | 96,177        | 1,215,855          |
| Unrestricted                     | 133,884                    | 761,180                     | 895,064       | 577,351            |
| TOTAL NET ASSETS                 | \$ 7,024,401               | \$ 3,765,998                | \$ 10,790,399 | \$ 1,852,506       |

# STATE OF IOWA

## Statement of Activities

For the Year Ended June 30, 2005  
(Expressed in Thousands)

| <u>Functions/Programs</u>                   | <u>Expenses</u>      | <u>Program Revenue</u>     |   |   |
|---|----------------------|----------------------------|---|---|
|   |                      | <u>Charges for Service</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> |
| <b>Primary Government:</b>                  |                      |                            |   |   |
| Governmental Activities:                    |                      |                            |   |   |
| Administration & Regulation                 | \$ 903,378           | \$ 698,923                 | \$ 9,002                                  | \$ -                                    |
| Education                                   | 2,796,158            | 26,118                     | 460,733                                   | 643                                     |
| Health & Human Rights                       | 337,542              | 38,885                     | 213,833                                   | -                                       |
| Human Services                              | 3,633,297            | 387,762                    | 2,107,509                                 | -                                       |
| Justice & Public Defense                    | 693,606              | 72,045                     | 90,848                                    | -                                       |
| Economic Development                        | 208,720              | 3                          | 118,755                                   | -                                       |
| Transportation                              | 918,557              | 19,833                     | 352,919                                   | -                                       |
| Agriculture & Natural Resources             | 167,101              | 65,227                     | 38,055                                    | 4,673                                   |
| Interest Expense                            | 52,241               | -                          | -   | -                                       |
| <b>Total Governmental Activities</b>        | <b>9,710,600</b>     | <b>1,308,796</b>           | <b>3,391,654</b>                          | <b>5,316</b>                            |
| Business-type Activities:                   |                      |                            |   |   |
| Universities                                | 2,656,318            | 1,642,343                  | 448,517                                   | 17,292                                  |
| Unemployment Insurance                      | 299,086              | 318,607                    | -   | -                                       |
| Other                                       | 326,060              | 425,261                    | -   | 11,620                                  |
| <b>Total Business-type Activities</b>       | <b>3,281,464</b>     | <b>2,386,211</b>           | <b>448,517</b>                            | <b>28,912</b>                           |
| <b>Total Primary Government</b>             | <b>\$ 12,992,064</b> | <b>\$ 3,695,007</b>        | <b>\$ 3,840,171</b>                       | <b>\$ 34,228</b>                        |
| <b>Component Units:</b>                     |                      |                            |   |   |
| Iowa Finance Authority                      | \$ 61,021            | \$ 12,498                  | \$ 26,549                                 | \$ -                                    |
| Iowa Higher Education Loan Authority        | 1,229                | 1,237                      | -   | -                                       |
| Iowa Agricultural Development Authority     | 410                  | 365                        | 13  | -                                       |
| Iowa State Fair Authority                   | 15,168               | 14,670                     | 2,030                                     | -                                       |
| Universities Foundations                    | 119,925              | -                          | 146,802                                   | 360                                     |
| <b>Total Component Units</b>                | <b>\$ 197,753</b>    | <b>\$ 28,770</b>           | <b>\$ 175,394</b>                         | <b>\$ 360</b>                           |
| <b>General Revenues</b>                     |                      |                            |   |   |
| Taxes:                                      |                      |                            |   |   |
| Personal Income                             |                      |                            |   |   |
| Corporate Income                            |                      |                            |   |   |
| Sales and Use                               |                      |                            |   |   |
| Other                                       |                      |                            |   |   |
| Restricted for Transportation Purposes:     |                      |                            |   |   |
| Motor Fuel Tax                              |                      |                            |   |   |
| Road Use Tax                                |                      |                            |   |   |
| Unrestricted Investment Earnings            |                      |                            |   |   |
| Other                                       |                      |                            |   |   |
| Gain on Sale of Assets                      |                      |                            |   |   |
| Contribution to Permanent Fund Principal    |                      |                            |   |   |
| Transfers                                   |                      |                            |   |   |
| <b>Total General Revenues and Transfers</b> |                      |                            |   |   |
| <b>Change in Net Assets</b>                 |                      |                            |   |   |
| <b>Net Assets - July 1, Restated</b>        |                      |                            |   |   |
| <b>Net Assets - June 30</b>                 |                      |                            |   |   |

The notes are an integral part of the financial statements.

# STATE OF IOWA

| Net (Expenses) Revenue and Changes in Net Assets |                             |                      |                     |
|--|-----------------------------|----------------------|---------------------|
| Primary Government                               |                             |                      |                     |
| Governmental<br>Activities                       | Business-type<br>Activities | Total                | Component<br>Units  |
| \$ (195,453)                                     | \$ -                        | \$ (195,453)         | \$ -                |
| (2,308,664)                                      | -                           | (2,308,664)          | -                   |
| (84,824)   | -                           | (84,824)             | -                   |
| (1,138,026)                                      | -                           | (1,138,026)          | -                   |
| (530,713)  | -                           | (530,713)            | -                   |
| (89,962)   | -                           | (89,962)             | -                   |
| (545,805)  | -                           | (545,805)            | -                   |
| (59,146)   | -                           | (59,146)             | -                   |
| (52,241)   | -                           | (52,241)             | -                   |
| <b>(5,004,834)</b>                               | <b>-</b>                    | <b>(5,004,834)</b>   | <b>-</b>            |
| -  | (548,166)                   | (548,166)            | -                   |
| -  | 19,521                      | 19,521               | -                   |
| -  | 110,821                     | 110,821              | -                   |
| <b>-</b>   | <b>(417,824)</b>            | <b>(417,824)</b>     | <b>-</b>            |
| <b>(5,004,834)</b>                               | <b>(417,824)</b>            | <b>(5,422,658)</b>   | <b>-</b>            |
|  |                             |                      | (21,974)            |
|  |                             |                      | 8                   |
|  |                             |                      | (32)                |
|  |                             |                      | 1,532               |
|  |                             |                      | 27,237              |
|  |                             |                      | <b>6,771</b>        |
| 2,263,561  | -                           | 2,263,561            | -                   |
| 176,997  | -                           | 176,997              | -                   |
| 1,761,195  | -                           | 1,761,195            | -                   |
| 596,707  | -                           | 596,707              | -                   |
| 482,194  | -                           | 482,194              | -                   |
| 252,599  | -                           | 252,599              | -                   |
| 72,166   | 88,036                      | 160,202              | 141,138             |
| 129,486  | 43,102                      | 172,588              | 250                 |
| 972  | 3                           | 975                  | -                   |
| 62   | -                           | 62                   | -                   |
| (501,415)  | 501,415                     | -                    | -                   |
| <b>5,234,524</b>                                 | <b>632,556</b>              | <b>5,867,080</b>     | <b>141,388</b>      |
| <b>229,690</b>                                   | <b>214,732</b>              | <b>444,422</b>       | <b>148,159</b>      |
| <b>6,794,711</b>                                 | <b>3,551,266</b>            | <b>10,345,977</b>    | <b>1,704,347</b>    |
| <b>\$ 7,024,401</b>                              | <b>\$ 3,765,998</b>         | <b>\$ 10,790,399</b> | <b>\$ 1,852,506</b> |



**THIS PAGE LEFT BLANK INTENTIONALLY**

## GOVERNMENTAL FUND FINANCIAL STATEMENTS

### **Major Funds**

**General Fund** – This is the state’s operating fund. It accounts for the financial resources and transactions not accounted for in other funds.

**Nonmajor Governmental Funds** are presented, by fund type, beginning on page 90.

# STATE OF IOWA

## Balance Sheet Governmental Funds

June 30, 2005  
(Expressed in Thousands)

|  | GENERAL<br>FUND            | NONMAJOR<br>GOVERNMENTAL<br>FUNDS | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|--|----------------------------|-----------------------------------|--------------------------------|
| <b>ASSETS</b>                                |                            |                                   |                                |
| Current Assets:                              |                            |                                   |                                |
| Cash & Investments                           | \$ 1,450,581               | \$ 422,501                        | \$ 1,873,082                   |
| Deposits with Trustees                       | 4,262                      | 586                               | 4,848                          |
| Accounts Receivable (Net)                    | 1,282,674                  | 32,382                            | 1,315,056                      |
| Loans Receivable (Net)                       | 11,994                     | -                                 | 11,994                         |
| Due From Other Funds                         | 41,379                     | 9,455                             | 50,834                         |
| Inventory                                    | 10,665                     | 66                                | 10,731                         |
| Prepaid Expenditures                         | 14,633                     | 108                               | 14,741                         |
| Total Current Assets                         | <u>2,816,188</u>           | <u>465,098</u>                    | <u>3,281,286</u>               |
| Noncurrent Assets:                           |                            |                                   |                                |
| Accounts Receivable (Net)                    | 91,121                     | 5,039                             | 96,160                         |
| Loans Receivable (Net)                       | 128,292                    | -                                 | 128,292                        |
| Total Noncurrent Assets                      | <u>219,413</u>             | <u>5,039</u>                      | <u>224,452</u>                 |
| <b>TOTAL ASSETS</b>                          | <b><u>\$ 3,035,601</u></b> | <b><u>\$ 470,137</u></b>          | <b><u>\$ 3,505,738</u></b>     |
| <b>LIABILITIES</b>                           |                            |                                   |                                |
| Current Liabilities:                         |                            |                                   |                                |
| Accounts Payable & Accruals                  | \$ 862,276                 | \$ 27,826                         | \$ 890,102                     |
| Due To Other Funds                           | 69,304                     | 25,655                            | 94,959                         |
| Deferred Revenue                             | 161,992                    | 23,282                            | 185,274                        |
| Total Current Liabilities                    | <u>1,093,572</u>           | <u>76,763</u>                     | <u>1,170,335</u>               |
| Noncurrent Liabilities:                      |                            |                                   |                                |
| Accounts Payable & Accruals                  | 1,483                      | -                                 | 1,483                          |
| Due To Other Funds/Advances From Other Funds | 3,568                      | -                                 | 3,568                          |
| Deferred Revenue                             | 12,526                     | -                                 | 12,526                         |
| Total Noncurrent Liabilities                 | <u>17,577</u>              | <u>-</u>                          | <u>17,577</u>                  |
| <b>TOTAL LIABILITIES</b>                     | <b><u>1,111,149</u></b>    | <b><u>76,763</u></b>              | <b><u>1,187,912</u></b>        |
| <b>FUND BALANCE</b>                          |                            |                                   |                                |
| Reserved for:                                |                            |                                   |                                |
| Encumbrances & Contracts                     | 20,802                     | -                                 | 20,802                         |
| Inventory & Prepaid Expenditures             | 25,298                     | 174                               | 25,472                         |
| Noncurrent Receivables                       | 219,413                    | 5,039                             | 224,452                        |
| Specific Purposes                            | 1,099,075                  | 300,173                           | 1,399,248                      |
| Unreserved Fund Equity                       | 559,864                    | -                                 | 559,864                        |
| Unreserved, reported in:                     |                            |                                   |                                |
| Nonmajor special revenue funds               | -                          | 83,978                            | 83,978                         |
| Nonmajor capital projects funds              | -                          | 4,010                             | 4,010                          |
| <b>TOTAL FUND BALANCE</b>                    | <b><u>1,924,452</u></b>    | <b><u>393,374</u></b>             | <b><u>2,317,826</u></b>        |
| <b>TOTAL LIABILITIES &amp; FUND BALANCE</b>  | <b><u>\$ 3,035,601</u></b> | <b><u>\$ 470,137</u></b>          | <b><u>\$ 3,505,738</u></b>     |

The notes are an integral part of the financial statements.

# STATE OF IOWA

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

June 30, 2005  
(Expressed in Thousands)

|   |              |
|---|--------------|
| <b>Total Fund Balances-Governmental funds</b> | \$ 2,317,826 |
|---|--------------|

Amounts reported for governmental activities in the Statement of Net Assets are different because:

|  |           |
|--|-----------|
| Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets, excluding internal service funds, is \$8,846,597,000 and the accumulated depreciation is (\$3,204,201,000). | 5,642,396 |
|--|-----------|

|   |         |
|---|---------|
| Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets. | 120,767 |
|---|---------|

|  |         |
|--|---------|
| Certain revenues are earned but not available and therefore deferred in the funds. | 102,649 |
|--|---------|

|  |       |
|--|-------|
| Certain pension trust funds have been funded in excess of the annual required contributions, creating a year-end asset. This asset is not a current available resource and is not reported in the funds. | 5,094 |
|--|-------|

|  |       |
|--|-------|
| Deferred issue costs are reported as current expenditures in the funds. However, deferred issue costs are amortized over the life of the bonds and are included as deferred charges in the governmental activities in the Statement of Net Assets. | 2,559 |
|--|-------|

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

|                                      |             |
|--------------------------------------|-------------|
| Bonds Payable                        | (965,724)   |
| Accrued Interest Payable             | (6,722)     |
| Compensated Absences                 | (140,019)   |
| Capital Leases                       | (4,100)     |
| Other Financing Arrangements Payable | (4,855)     |
| Early Retirement Liability           | (14,980)    |
| Risk Management Liability            | (11,500)    |
| Net Pension Liability                | (6,307)     |
| Other Long-term Liabilities          | (12,683)    |
|                                      | <hr/>       |
| Total Long-term liabilities          | (1,166,890) |

|  |                     |
|--|---------------------|
| <b>Net assets of governmental activities</b> | <b>\$ 7,024,401</b> |
|--|---------------------|

The notes are an integral part of the financial statements.

# STATE OF IOWA

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

For the Year Ended June 30, 2005  
(Expressed in Thousands)

|   | GENERAL<br>FUND     | NONMAJOR<br>GOVERNMENTAL<br>FUNDS | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|---|---------------------|-----------------------------------|--------------------------------|
| <b>REVENUES:</b>                            |                     |                                   |                                |
| Taxes                                       | \$ 6,216,356        | \$ 69,074                         | \$ 6,285,430                   |
| Receipts from Other Entities                | 3,554,749           | 30,428                            | 3,585,177                      |
| Investment Income                           | 56,503              | 15,376                            | 71,879                         |
| Fees, Licenses & Permits                    | 634,058             | 5,623                             | 639,681                        |
| Refunds & Reimbursements                    | 276,774             | 72,910                            | 349,684                        |
| Sales, Rents & Services                     | 24,447              | 4,288                             | 28,735                         |
| Miscellaneous                               | 198,133             | 8,238                             | 206,371                        |
| Contributions                               | -                   | 62                                | 62                             |
| <b>GROSS REVENUES</b>                       | <b>10,961,020</b>   | <b>205,999</b>                    | <b>11,167,019</b>              |
| Less Revenue Refunds                        | 775,391             | 963                               | 776,354                        |
| <b>NET REVENUES</b>                         | <b>10,185,629</b>   | <b>205,036</b>                    | <b>10,390,665</b>              |
| <b>EXPENDITURES:</b>                        |                     |                                   |                                |
| Current:                                    |                     |                                   |                                |
| Administration & Regulation                 | 858,444             | 16,642                            | 875,086                        |
| Education                                   | 2,743,731           | 46,866                            | 2,790,597                      |
| Health & Human Rights                       | 332,329             | 461                               | 332,790                        |
| Human Services                              | 3,622,747           | 230                               | 3,622,977                      |
| Justice & Public Defense                    | 650,354             | 3,329                             | 653,683                        |
| Economic Development                        | 203,039             | 1,009                             | 204,048                        |
| Transportation                              | 379,960             | 1,746                             | 381,706                        |
| Agriculture & Natural Resources             | 142,352             | 7,756                             | 150,108                        |
| Capital Outlay                              | 775,979             | 53,019                            | 828,998                        |
| Debt Service:                               |                     |                                   |                                |
| Bond Principal Retirement                   | 19,061              | 6,120                             | 25,181                         |
| Bond Interest & Fiscal Charges              | 13,696              | 39,203                            | 52,899                         |
| <b>TOTAL EXPENDITURES</b>                   | <b>9,741,692</b>    | <b>176,381</b>                    | <b>9,918,073</b>               |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>443,937</b>      | <b>28,655</b>                     | <b>472,592</b>                 |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                     |                                   |                                |
| Transfers In                                | 226,259             | 38,709                            | 264,968                        |
| Transfers Out                               | (616,570)           | (152,113)                         | (768,683)                      |
| Leases, Installment Purchases, & Other      | 1,115               | -                                 | 1,115                          |
| Debt Refunding Proceeds                     | 20,799              | -                                 | 20,799                         |
| Payment to Refund Debt                      | (20,550)            | -                                 | (20,550)                       |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b> | <b>(388,947)</b>    | <b>(113,404)</b>                  | <b>(502,351)</b>               |
| <b>NET CHANGE IN FUND BALANCE</b>           | <b>54,990</b>       | <b>(84,749)</b>                   | <b>(29,759)</b>                |
| <b>FUND BALANCE JULY 1, RESTATED</b>        | <b>1,869,462</b>    | <b>478,123</b>                    | <b>2,347,585</b>               |
| <b>FUND BALANCE JUNE 30</b>                 | <b>\$ 1,924,452</b> | <b>\$ 393,374</b>                 | <b>\$ 2,317,826</b>            |

The notes are an integral part of the financial statements.

# STATE OF IOWA

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

For the Year Ended June 30, 2005  
(Expressed in Thousands)

|   |                    |
|---|--------------------|
| <b>Net change in fund balances-total governmental funds</b> | <b>\$ (29,759)</b> |
|---|--------------------|

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

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

|  |           |         |
|--|-----------|---------|
| Capital outlay                                     | 519,714   |         |
| Depreciation expense                               | (334,860) |         |
|  |           |         |
| Excess of capital outlay over depreciation expense |           | 184,854 |

|  |         |
|--|---------|
| In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. | (5,566) |
|--|---------|

Some capital additions were financed through capital leases, other financing arrangements, and installment purchases. In governmental funds, these financing arrangements are considered a source of funding, but in the statement of net assets, the obligations are reported as liabilities. In the current year, these amounts consist of :

|                |          |          |
|----------------|----------|----------|
| Revenue bonds  | (19,765) |          |
| Capital leases | (1,115)  |          |
|                |          |          |
| Total          |          | (20,880) |

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consist of:

|                                       |        |        |
|---------------------------------------|--------|--------|
| Bond principal retirement             | 44,745 |        |
| Capital lease payments                | 1,164  |        |
| Other financing arrangements payments | 785    |        |
|                                       |        |        |
| Total long-term debt repayment        |        | 46,694 |

|   |       |
|---|-------|
| Internal service funds are used by management to charge the cost of certain activities to individual funds. The net revenue of the internal service funds is reported with governmental activities. | 4,367 |
|---|-------|

|  |        |
|--|--------|
| Because some revenues will not be collected for several months after the State's fiscal year end, they are not considered available revenues and are deferred in the governmental funds. | 47,449 |
|--|--------|

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. The (increases) decreases in these activities consist of :

|                               |         |       |
|-------------------------------|---------|-------|
| Compensated absences          | (2,352) |       |
| Early retirement liability    | 8,553   |       |
| Pension Liability             | (8,494) |       |
| Other                         | 4,824   |       |
|                               |         |       |
| Total additional expenditures |         | 2,531 |

|  |                   |
|--|-------------------|
| <b>Change in net assets of governmental activities</b> | <b>\$ 229,690</b> |
|--|-------------------|

The notes are an integral part of the financial statements.

**THIS PAGE LEFT BLANK INTENTIONALLY**

## PROPRIETARY FUND FINANCIAL STATEMENTS

### **Major Funds**

**University Funds** are maintained to account for the operations of the State's public institutions of higher education. The State University of Iowa, Iowa State University, and the University of Northern Iowa comprise this group.

**Unemployment Benefits Fund** receives federal funds and contributions from employers to provide benefits to eligible unemployed workers.

**Nonmajor Proprietary Funds** are presented by fund, beginning on page 112.



**STATE OF IOWA**  
**Statement of Net Assets**  
**Proprietary Funds**  
June 30, 2005  
(Expressed in Thousands)

|   | BUSINESS- TYPE ACTIVITIES -- |                          |                                 |                     | GOVERNMENTAL<br>ACTIVITIES --<br>INTERNAL<br>SERVICE<br>FUNDS |
|---|------------------------------|--------------------------|---------------------------------|---------------------|---|
|   | ENTERPRISE FUNDS             |                          |                                 |                     |   |
|   | UNIVERSITY<br>FUNDS          | UNEMPLOYMENT<br>BENEFITS | NONMAJOR<br>ENTERPRISE<br>FUNDS | TOTAL               |   |
| <b>ASSETS</b>   |                              |                          |                                 |                     |   |
| Current Assets:   |                              |                          |                                 |                     |   |
| Cash & Investments  | \$ 1,010,652                 | \$ 723,576               | \$ 34,342                       | \$ 1,768,570        | \$ 28,670   |
| Cash & Investments - Restricted   | 38,593                       | -                        | -                               | 38,593              | -   |
| Deposits With Trustees  | 21,836                       | -                        | -                               | 21,836              | -   |
| Accounts Receivable (Net)   | 293,020                      | 104,158                  | 13,444                          | 410,622             | 827   |
| Interest Receivable   | 3,834                        | -                        | 125                             | 3,959               | -   |
| Loans Receivable (Net)  | 6,289                        | -                        | -                               | 6,289               | -   |
| Due From Other Funds/Advances   |                              |                          |                                 |                     |   |
| To Other Funds  | -                            | 790                      | 3,244                           | 4,034               | 60,072  |
| Inventory   | 42,907                       | -                        | 8,869                           | 51,776              | 10,123  |
| Prepaid Expenses  | 7,747                        | -                        | 720                             | 8,467               | 1,432   |
| Other Assets  | 1,223                        | -                        | -                               | 1,223               | -   |
| Investment In Prize Annuity   | -                            | -                        | 8,844                           | 8,844               | -   |
| Total Current Assets  | 1,426,101                    | 828,524                  | 69,588                          | 2,324,213           | 101,124   |
| Noncurrent Assets:  |                              |                          |                                 |                     |   |
| Cash & Investments  | 408,396                      | -                        | -                               | 408,396             | -   |
| Deposits With Trustees  | 81                           | -                        | -                               | 81                  | -   |
| Accounts Receivable   | 19,512                       | 11,500                   | -                               | 31,012              | -   |
| Interest Receivable   | 633                          | -                        | -                               | 633                 | -   |
| Loans Receivable (Net)  | 64,073                       | -                        | -                               | 64,073              | -   |
| Due From Other Funds/Advances   |                              |                          |                                 |                     |   |
| To Other Funds  | -                            | 3,299                    | -                               | 3,299               | 269   |
| Capital Assets - nondepreciable   | 562,113                      | -                        | 1,758                           | 563,871             | -   |
| Capital Assets - depreciable, net   | 1,938,521                    | -                        | 58,918                          | 1,997,439           | 85,012  |
| Prepaid Expenses  | 26                           | -                        | 584                             | 610                 | -   |
| Other Assets  | 22,382                       | -                        | -                               | 22,382              | -   |
| Investment In Prize Annuity   | -                            | -                        | 25,993                          | 25,993              | -   |
| Prize Deposit   | -                            | -                        | 4,243                           | 4,243               | -   |
| Total Noncurrent Assets   | 3,015,737                    | 14,799                   | 91,496                          | 3,122,032           | 85,281  |
| <b>TOTAL ASSETS</b>   | <b>4,441,838</b>             | <b>843,323</b>           | <b>161,084</b>                  | <b>5,446,245</b>    | <b>186,405</b>  |
| <b>LIABILITIES</b>  |                              |                          |                                 |                     |   |
| Current Liabilities:  |                              |                          |                                 |                     |   |
| Accounts Payable & Accruals   | 245,144                      | 10,281                   | 16,306                          | 271,731             | 17,304  |
| Due To Other Funds/Advances   |                              |                          |                                 |                     |   |
| From Other Funds  | -                            | 218                      | 17,906                          | 18,124              | 1,857   |
| Interest Payable  | 19,430                       | -                        | 21                              | 19,451              | -   |
| Deferred Revenue  | 72,785                       | 2,198                    | 583                             | 75,566              | 7,724   |
| Compensated Absences  | 69,378                       | -                        | 1,159                           | 70,537              | 2,539   |
| Capital Leases  | 5,752                        | -                        | -                               | 5,752               | 63  |
| Bonds Payable   | 51,873                       | -                        | 2,000                           | 53,873              | -   |
| Other Financing   |                              |                          |                                 |                     |   |
| Arrangements Payable  | 1,138                        | -                        | -                               | 1,138               | -   |
| Annuities Payable   | -                            | -                        | 8,974                           | 8,974               | -   |
| Lottery Prizes Payable  | -                            | -                        | 2,839                           | 2,839               | -   |
| Funds Held In Custody   | 153,342                      | -                        | -                               | 153,342             | -   |
| Total Current Liabilities   | 618,842                      | 12,697                   | 49,788                          | 681,327             | 29,487  |
| Noncurrent Liabilities:   |                              |                          |                                 |                     |   |
| Accounts Payable & Accruals   | 15,864                       | -                        | -                               | 15,864              | 42,744  |
| Interest Payable  | 3,634                        | -                        | -                               | 3,634               | -   |
| Deferred Revenue  | 2,994                        | -                        | -                               | 2,994               | -   |
| Compensated Absences  | 61,456                       | -                        | 742                             | 62,198              | -   |
| Capital Leases  | 118,109                      | -                        | -                               | 118,109             | 227   |
| Bonds Payable   | 698,427                      | -                        | 5,500                           | 703,927             | -   |
| Other Financing   |                              |                          |                                 |                     |   |
| Arrangements Payable  | 3,700                        | -                        | -                               | 3,700               | -   |
| Annuities Payable   | -                            | -                        | 25,993                          | 25,993              | -   |
| Lottery Prizes Payable  | -                            | -                        | 4,243                           | 4,243               | -   |
| Funds Held In Custody   | 51,436                       | -                        | -                               | 51,436              | -   |
| Other   | -                            | -                        | 5                               | 5                   | -   |
| Total Noncurrent Liabilities  | 955,620                      | -                        | 36,483                          | 992,103             | 42,971  |
| <b>TOTAL LIABILITIES</b>  | <b>1,574,462</b>             | <b>12,697</b>            | <b>86,271</b>                   | <b>1,673,430</b>    | <b>72,458</b>   |
| <b>NET ASSETS</b>   |                              |                          |                                 |                     |   |
| Invested in Capital Assets,   |                              |                          |                                 |                     |   |
| Net of Related Debt   | 1,730,310                    | -                        | 53,176                          | 1,783,486           | 84,722  |
| Restricted For:   |                              |                          |                                 |                     |   |
| Expendable  | 323,733                      | -                        | -                               | 323,733             | -   |
| Nonexpendable   | 66,974                       | -                        | -                               | 66,974              | -   |
| Unemployment Benefits   | -                            | 830,626                  | -                               | 830,626             | -   |
| Unrestricted  | 746,359                      | -                        | 21,637                          | 767,996             | 29,225  |
| <b>TOTAL NET ASSETS</b>   | <b>\$ 2,867,376</b>          | <b>\$ 830,626</b>        | <b>\$ 74,813</b>                | 3,772,815           | <b>\$ 113,947</b>   |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds |                              |                          |                                 | (6,817)             |   |
| Net assets of business-type activities  |                              |                          |                                 | <b>\$ 3,765,998</b> |   |

The notes are an integral part of the financial statements.

# STATE OF IOWA

## Statement of Revenues, Expenses and Changes in Fund Net Assets Proprietary Funds

For the Year Ended June 30, 2005

(Expressed in Thousands)

|                                    | BUSINESS- TYPE ACTIVITIES --<br>ENTERPRISE FUNDS |                          |                                 |                  | GOVERNMENTAL<br>ACTIVITIES --<br>INTERNAL<br>SERVICE<br>FUNDS |
|------------------------------------|--|--------------------------|---------------------------------|------------------|---|
|                                    | UNIVERSITY<br>FUNDS                              | UNEMPLOYMENT<br>BENEFITS | NONMAJOR<br>ENTERPRISE<br>FUNDS | TOTAL            |   |
| <b>OPERATING REVENUES:</b>         |  |                          |                                 |                  |   |
| Employer Contributions             | \$ -   | \$ 313,897               | \$ -                            | \$ 313,897       | \$ -  |
| Receipts from Other Entities       | 83   | 4,710                    | 21                              | 4,814            | 93,046  |
| Fees, Licenses & Permits           | 1,059,178  | -                        | 9,941                           | 1,069,119        | 6   |
| Refunds & Reimbursements           | -  | -                        | 126                             | 126              | 43,657  |
| Sales, Rents & Services            | 223,971  | -                        | 413,507                         | 637,478          | 1,716   |
| Grants & Contracts                 | 513,241  | -                        | -                               | 513,241          | -   |
| Independent /Auxiliary Operations  | 189,573  | -                        | -                               | 189,573          | -   |
| Miscellaneous                      | 46,198   | -                        | 1,666                           | 47,864           | 4,457   |
| <b>TOTAL OPERATING REVENUES</b>    | <b>2,032,244</b>                                 | <b>318,607</b>           | <b>425,261</b>                  | <b>2,776,112</b> | <b>142,882</b>  |
| <b>OPERATING EXPENSES:</b>         |  |                          |                                 |                  |   |
| General & Administrative           | -  | -                        | 34,531                          | 34,531           | -   |
| Scholarship & Fellowship           | 33,112   | -                        | -                               | 33,112           | -   |
| Depreciation                       | 170,226  | -                        | 11,532                          | 181,758          | 12,383  |
| Direct Expense                     | -  | -                        | 38,823                          | 38,823           | -   |
| Prize Expense                      | -  | -                        | 113,456                         | 113,456          | -   |
| Personal Services                  | 1,683,819  | -                        | 17,858                          | 1,701,677        | 27,654  |
| Travel & Subsistence               | 28,765   | -                        | 782                             | 29,547           | 13,458  |
| Supplies & Materials               | 332,594  | -                        | 327                             | 332,921          | 37,076  |
| Contractual Services               | 74,784   | -                        | 5,030                           | 79,814           | 12,791  |
| Equipment & Repairs                | 266,619  | -                        | 1,554                           | 268,173          | 20,088  |
| Claims & Miscellaneous             | 16,820   | -                        | 96,513                          | 113,333          | 17,558  |
| Licenses, Permits & Refunds        | 1,623  | -                        | 547                             | 2,170            | 15  |
| State Aids & Credits               | -  | 299,086                  | 2,851                           | 301,937          | -   |
| <b>TOTAL OPERATING EXPENSES</b>    | <b>2,608,362</b>                                 | <b>299,086</b>           | <b>323,804</b>                  | <b>3,231,252</b> | <b>141,023</b>  |
| <b>OPERATING INCOME (LOSS)</b>     | <b>(576,118)</b>                                 | <b>19,521</b>            | <b>101,457</b>                  | <b>(455,140)</b> | <b>1,859</b>  |
| <b>NONOPERATING REVENUES</b>       |  |                          |                                 |                  |   |
| <b>(EXPENSES)</b>                  |  |                          |                                 |                  |   |
| Gifts                              | 95,319   | -                        | -                               | 95,319           | -   |
| Taxes                              | -  | -                        | 5,693                           | 5,693            | -   |
| Investment Income                  | 49,266   | 37,554                   | 1,216                           | 88,036           | 286   |
| Interest Expense                   | (40,548)   | -                        | (1,325)                         | (41,873)         | -   |
| Miscellaneous Nonoperating Revenue | 265  | -                        | -                               | 265              | -   |
| Miscellaneous Nonoperating Expense | (239)  | -                        | (590)                           | (829)            | -   |
| Gain on Sale of Capital Assets     | -  | -                        | 3                               | 3                | 35  |
| Loss on Sale of Capital Assets     | (7,226)  | -                        | (400)                           | (7,626)          | -   |
| <b>NET NONOPERATING</b>            |  |                          |                                 |                  |   |
| <b>REVENUES (EXPENSES)</b>         | <b>96,837</b>                                    | <b>37,554</b>            | <b>4,597</b>                    | <b>138,988</b>   | <b>321</b>  |
| <b>INCOME (LOSS) BEFORE</b>        |  |                          |                                 |                  |   |
| <b>CONTRIBUTIONS AND TRANSFERS</b> | <b>(479,281)</b>                                 | <b>57,075</b>            | <b>106,054</b>                  | <b>(316,152)</b> | <b>2,180</b>  |
| Capital Contributions and Grants   | 17,292   | -                        | 11,620                          | 28,912           | -   |
| Transfers In                       | 618,109  | -                        | 312                             | 618,421          | 2,375   |
| Transfers Out                      | -  | (4,855)                  | (112,151)                       | (117,006)        | (75)  |
| Additions to Endowments            | 440  | -                        | -                               | 440              | -   |
| <b>CHANGE IN NET ASSETS</b>        | <b>156,560</b>                                   | <b>52,220</b>            | <b>5,835</b>                    | <b>214,615</b>   | <b>4,480</b>  |
| <b>TOTAL NET ASSETS -</b>          |  |                          |                                 |                  |   |
| <b>JULY 1, RESTATED</b>            | <b>2,710,816</b>                                 | <b>778,406</b>           | <b>68,978</b>                   |                  | <b>109,467</b>  |
| <b>TOTAL NET ASSETS - JUNE 30</b>  | <b>\$ 2,867,376</b>                              | <b>\$ 830,626</b>        | <b>\$ 74,813</b>                |                  | <b>\$ 113,947</b>   |

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

Change in net assets of business-type activities

117  
**\$ 214,732**

The notes are an integral part of the financial statements.

# STATE OF IOWA

## Statement of Cash Flows Proprietary Funds

For the Year Ended June 30, 2005  
(Expressed in Thousands)

|  | BUSINESS-TYPE ACTIVITIES --<br>ENTERPRISE FUNDS |                          |                                 |                  | GOVERNMENTAL<br>ACTIVITIES --<br>INTERNAL<br>SERVICE<br>FUNDS |
|--|---|--------------------------|---------------------------------|------------------|---|
|  | UNIVERSITY<br>FUNDS                             | UNEMPLOYMENT<br>BENEFITS | NONMAJOR<br>ENTERPRISE<br>FUNDS | TOTAL            |   |
| <b>CASH FLOWS FROM OPERATING<br/>ACTIVITIES:</b>                         |   |                          |                                 |                  |   |
| Cash Received From Customers/Students                                    | \$ 1,508,192                                    | \$ -                     | \$ 419,227                      | \$ 1,927,419     | \$ -  |
| Cash Received From Miscellaneous   | 28,934  | 238                      | 1,305                           | 30,477           | -   |
| Cash Received From Employers   | -   | 312,320                  | -                               | 312,320          | -   |
| Cash Received From Other Entities  | 609,823   | 4,710                    | -                               | 614,533          | 8,611   |
| Cash Received From Reciprocal<br>Interfund Activity                      | -   | -                        | -                               | -                | 133,198   |
| Cash Payments To Suppliers For<br>Goods & Services                       | (859,910)                                       | -                        | (176,712)                       | (1,036,622)      | (86,073)  |
| Cash Payments To Employees/Students For Services                         | (1,660,207)                                     | -                        | (17,983)                        | (1,678,190)      | (39,269)  |
| Cash Payments For Prizes   | -   | -                        | (123,946)                       | (123,946)        | -   |
| Cash Payments For Unemployment Claims                                    | -   | (299,116)                | -                               | (299,116)        | -   |
| <b>NET CASH PROVIDED BY OPERATING<br/>ACTIVITIES</b>                     | <b>(373,168)</b>                                | <b>18,152</b>            | <b>101,891</b>                  | <b>(253,125)</b> | <b>16,467</b>   |
| <b>CASH FLOWS FROM NONCAPITAL<br/>FINANCING ACTIVITIES:</b>              |   |                          |                                 |                  |   |
| Transfers In From Other Funds  | 602,792   | -                        | 305                             | 603,097          | 2,375   |
| Transfers Out To Other Funds   | -   | (4,854)                  | (110,060)                       | (114,914)        | (93)  |
| Receipts From Grants & Contributions                                     | -   | -                        | -                               | -                | -   |
| Receipts From Related Agencies   | 546,399   | -                        | -                               | 546,399          | -   |
| Payments To Related Agencies   | (560,116)                                       | -                        | -                               | (560,116)        | -   |
| Other Receipts   | 432,796   | -                        | -                               | 432,796          | -   |
| Other Payments   | (410,362)                                       | -                        | -                               | (410,362)        | -   |
| Proceeds From Noncapital Gifts   | 2,264   | -                        | -                               | 2,264            | -   |
| Tax Receipts   | -   | -                        | 17,108                          | 17,108           | -   |
| <b>NET CASH PROVIDED BY NONCAPITAL<br/>FINANCING ACTIVITIES</b>          | <b>613,773</b>                                  | <b>(4,854)</b>           | <b>(92,647)</b>                 | <b>516,272</b>   | <b>2,282</b>  |
| <b>CASH FLOWS FROM CAPITAL AND<br/>RELATED FINANCING ACTIVITIES</b>      |   |                          |                                 |                  |   |
| Acquisition & Construction of Capital Assets                             | (312,153)                                       | -                        | (12,494)                        | (324,647)        | (16,808)  |
| Interest Payments  | (37,738)  | -                        | (2,611)                         | (40,349)         | -   |
| Debt Payments  | (102,830)                                       | -                        | (37,577)                        | (140,407)        | -   |
| Capital Grants & Contributions   | 44,998  | -                        | 205                             | 45,203           | -   |
| Debt Proceeds  | 150,449   | -                        | 8,800                           | 159,249          | -   |
| Proceeds From Sale of Capital Assets                                     | 1,263   | -                        | 65                              | 1,328            | -   |
| Other  | (143)   | -                        | -                               | (143)            | -   |
| <b>NET CASH PROVIDED BY CAPITAL AND<br/>RELATED FINANCING ACTIVITIES</b> | <b>(256,154)</b>                                | <b>-</b>                 | <b>(43,612)</b>                 | <b>(299,766)</b> | <b>(16,808)</b>   |
| <b>CASH FLOWS FROM INVESTING<br/>ACTIVITIES:</b>                         |   |                          |                                 |                  |   |
| Interest & Dividends On Investments                                      | 48,753  | 37,555                   | 1,160                           | 87,468           | 286   |
| Proceeds From Sale & Maturities Of<br>Investments                        | 527,034   | -                        | -                               | 527,034          | -   |
| Purchase Of Investments  | (597,522)                                       | -                        | -                               | (597,522)        | -   |
| Other  | -   | -                        | 9,901                           | 9,901            | -   |
| <b>NET CASH PROVIDED BY INVESTING<br/>ACTIVITIES</b>                     | <b>(21,735)</b>                                 | <b>37,555</b>            | <b>11,061</b>                   | <b>26,881</b>    | <b>286</b>  |

# STATE OF IOWA

(continued)

|   | BUSINESS-TYPE ACTIVITIES --<br>ENTERPRISE FUNDS |                          |                                 | TOTAL               | GOVERNMENTAL<br>ACTIVITIES --<br>INTERNAL<br>SERVICE<br>FUNDS |
|---|---|--------------------------|---------------------------------|---------------------|---|
|   | UNIVERSITY<br>FUNDS                             | UNEMPLOYMENT<br>BENEFITS | NONMAJOR<br>ENTERPRISE<br>FUNDS |                     |   |
| <b>NET INCREASE (DECREASE) IN CASH &amp; CASH<br/>EQUIVALENTS</b>   | (37,284)  | 50,853                   | (23,307)                        | (9,738)             | 2,227   |
| <b>CASH &amp; CASH EQUIVALENTS JULY 1, RESTATED</b>   | 418,050   | 672,723                  | 57,649                          | 1,148,422           | 26,443  |
| <b>CASH &amp; CASH EQUIVALENTS JUNE 30</b>  | 380,766   | 723,576                  | 34,342                          | 1,138,684           | 28,670  |
| <b>INVESTMENTS</b>  | 1,098,792                                       | -                        | -                               | 1,098,792           | -   |
| <b>LESS DEPOSITS WITH TRUSTEES</b>  | (21,917)  | -                        | -                               | (21,917)            | -   |
| <b>CASH &amp; INVESTMENTS PER STATEMENT<br/>OF NET ASSETS</b>   | <u>\$ 1,457,641</u>                             | <u>\$ 723,576</u>        | <u>\$ 34,342</u>                | <u>\$ 2,215,559</u> | <u>\$ 28,670</u>  |
| <b>RECONCILIATION OF OPERATING<br/>INCOME (LOSS) TO NET CASH PROVIDED<br/>BY OPERATING ACTIVITIES</b>     |   |                          |                                 |                     |   |
| <b>Operating Income (Loss)</b>  | \$ (576,118)                                    | \$ 19,521                | \$ 101,457                      | \$ (455,140)        | \$ 1,859  |
| <b>Adjustments To Reconcile Operating Income (Loss)<br/>To Net Cash Provided By Operating Activities:</b> |   |                          |                                 |                     |   |
| Depreciation  | 170,226   | -                        | 11,532                          | 181,758             | 12,383  |
| Loss on Disposal of Assets  | -   | -                        | 400                             | 400                 | -   |
| Gain on Sale of Capital Assets  | -   | -                        | (19)                            | (19)                | -   |
| (Increase) Decrease In Accounts Receivable  | 14,941  | (1,311)                  | (3,692)                         | 9,938               | (91)  |
| (Increase) Decrease In Due From   | 3,614   | (12)                     | (1,184)                         | 2,418               | (1,763)   |
| (Increase) Decrease In Inventory  | (1,563)   | -                        | 626                             | (937)               | (1,276)   |
| (Increase) Decrease In Prepaid Expenses   | (992)   | -                        | (305)                           | (1,297)             | 182   |
| (Increase) Decrease In Loans Receivable   | 1,303   | -                        | -                               | 1,303               | 90  |
| (Increase) Decrease In Other Assets   | 39  | -                        | -                               | 39                  | -   |
| Increase (Decrease) In Accounts Payable   | 12,223  | (629)                    | 1,796                           | 13,390              | 1,485   |
| Increase (Decrease) In Due To   | -   | 160                      | 1,562                           | 1,722               | 1,379   |
| Increase (Decrease) In Deferred Revenue   | 9,908   | 423                      | 144                             | 10,475              | 372   |
| Increase (Decrease) In Compensated Absences<br>And Other Benefits   | 1,218   | -                        | 97                              | 1,315               | 1,847   |
| Increase (Decrease) In Prizes Payable   | -   | -                        | (618)                           | (618)               | -   |
| Increase (Decrease) In Prize Annuity  | -   | -                        | (9,901)                         | (9,901)             | -   |
| Increase (Decrease) In Other Liability  | (7,967)   | -                        | (4)                             | (7,971)             | -   |
| <b>Net Cash Provided By Operating Activities</b>  | <u>\$ (373,168)</u>                             | <u>\$ 18,152</u>         | <u>\$ 101,891</u>               | <u>\$ (253,125)</u> | <u>\$ 16,467</u>  |

## Noncash capital financing activities:

Capital assets acquired through capital lease and notes were \$25,646,000 and gifts of capital assets of \$1,596,000 were received by the enterprise funds.

The notes are an integral part of the financial statements.

**THIS PAGE IS LEFT BLANK INTENTIONALLY**

## FIDUCIARY FUND FINANCIAL STATEMENTS

**Fiduciary Funds** are presented by fund, beginning on page 124

# STATE OF IOWA

## Statement of Fiduciary Net Assets Fiduciary Funds

June 30, 2005  
(Expressed in Thousands)

|  | <b>PENSION<br/>AND OTHER<br/>EMPLOYEE<br/>BENEFIT<br/>TRUST<br/>FUNDS</b> | <b>PRIVATE<br/>PURPOSE<br/>TRUST<br/>FUNDS</b> | <b>AGENCY<br/>FUNDS</b> |
|--|---|--|-------------------------|
| <b>ASSETS</b>                              |   |  |                         |
| Cash & Cash Equivalents                    | \$ 125,300  | \$ 1,794                                       | \$ 117,300              |
| Receivables:                               |   |  |                         |
| Accounts (Net)                             | -   | 1  | 164,110                 |
| Contributions                              | 37,463  | -  | -                       |
| Investments Sold                           | 602,098   | -  | -                       |
| Foreign Exchange Contracts                 | 9,847   | -  | -                       |
| Interest & Dividends                       | 65,085  |  |                         |
| Total Receivables                          | 714,493   | 1  | 164,110                 |
| Investments, at Fair Value:                |   |  |                         |
| Fixed Income Securities                    | 6,134,548   | -  | -                       |
| Equity Investments                         | 8,773,840   | 1,122,823                                      | -                       |
| Real Estate Partnerships                   | 1,232,598   | -  | -                       |
| Investment in Private Equity/Debt          | 1,176,490   | -  | -                       |
| Securities Lending Collateral Pool         | 2,001,233   | -  | -                       |
| Securities on Loan with Brokers            | 2,056,623   | -  | -                       |
| Total Investments                          | 21,375,332  | 1,122,823                                      | -                       |
| Capital Assets:                            |   |  |                         |
| Land                                       | 500   | -  | -                       |
| Capital Assets (Net)                       | 3,651   | 45   | -                       |
| Total Capital Assets                       | 4,151   | 45   | -                       |
| Other Assets                               | -   | 17   | -                       |
| <b>Total Assets</b>                        | <b>22,219,276</b>   | <b>1,124,680</b>                               | <b>281,410</b>          |
| <b>LIABILITIES</b>                         |   |  |                         |
| Accounts Payable & Accruals                | 54,357  | 21   | 281,410                 |
| Payable for Investments Purchased          | 1,053,105   | -  | -                       |
| Payable to Brokers For Rebate & Collateral | 2,000,155   | -  | -                       |
| <b>Total Liabilities</b>                   | <b>3,107,617</b>  | <b>21</b>                                      | <b>281,410</b>          |
| <b>NET ASSETS</b>                          |   |  |                         |
| Held in Trust for:                         |   |  |                         |
| Employees' Benefits                        | 19,111,659  | -  | -                       |
| Individuals, Organizations, and Other      |   |  |                         |
| Governments                                | -   | 1,124,659                                      | -                       |
| <b>Total Net Assets</b>                    | <b>\$ 19,111,659</b>  | <b>\$ 1,124,659</b>                            | <b>\$ -</b>             |

The notes are an integral part of the financial statements.

# STATE OF IOWA

## Statement of Changes in Fiduciary Net Assets Fiduciary Funds

For the Year Ended June 30, 2005  
(Expressed in Thousands)

|  | <b>PENSION<br/>AND OTHER<br/>EMPLOYEE<br/>BENEFIT<br/>TRUST<br/>FUNDS</b> | <b>PRIVATE<br/>PURPOSE<br/>TRUST FUNDS</b> |
|--|---|--|
| <b>ADDITIONS</b>                                 |   |  |
| Contributions:                                   |   |  |
| Member/Participant Contributions                 | \$ 315,689  | \$ 247,899                                 |
| Employer Contributions                           | 210,090   | -  |
| Buy-Back/Buy-In Contributions                    | 11,217  | -  |
| Gifts, Bequests, & Endowments                    | -   | 123  |
| Contributions                                    | <u>536,996</u>  | <u>248,022</u>                             |
| Investment Income:                               |   |  |
| Net Increase in Fair Value<br>of Investments     | 1,614,747   | 74,192                                     |
| Interest   | 227,851   | 50   |
| Dividends  | 69,530  | -  |
| Other  | 123,191   | -  |
| Investment Income                                | <u>2,035,319</u>  | <u>74,242</u>                              |
| Less Investment Expense                          | <u>92,298</u>   | <u>-</u>                                   |
| Net Investment Income                            | <u>1,943,021</u>  | <u>74,242</u>                              |
| Miscellaneous Non-Investment Income              | <u>42</u>   | <u>-</u>                                   |
| Total Additions                                  | <u>2,480,059</u>  | <u>322,264</u>                             |
| <b>DEDUCTIONS:</b>                               |   |  |
| Pension and Annuity Benefits                     | 889,092   | -  |
| Distributions to Participants                    | -   | 27,629                                     |
| Payments in Accordance with Agreements           | 1,021   | -  |
| Administrative Expense                           | 8,288   | -  |
| Refunds  | 43,124  | -  |
| Other  | -   | 566  |
| Total Deductions                                 | <u>941,525</u>  | <u>28,195</u>                              |
| <b>Change in Net Assets held in Trust for:</b>   |   |  |
| Employees' Benefits                              | 1,538,534   | -  |
| Individuals, Organizations and Other Governments | -   | 294,069                                    |
| <b>Net Assets - July 1</b>                       | <u><b>17,573,125</b></u>  | <u><b>830,590</b></u>                      |
| <b>Net Assets - June 30</b>                      | <u><u><b>\$ 19,111,659</b></u></u>  | <u><u><b>\$ 1,124,659</b></u></u>          |

The notes are an integral part of the financial statements.



**THIS PAGE LEFT BLANK INTENTIONALLY**

## COMPONENT UNIT FINANCIAL STATEMENTS

**Iowa Finance Authority** issues bonds to assist in attainment of adequate housing for special needs individuals such as the low to moderate income and the disabled, and to provide limited types of financing to small businesses.

**Iowa Higher Education Loan Authority** provides for the financing of educational loans for students attending private educational institutions in the state and financing for acquisition, construction, and renovation of educational facilities.

**Iowa Agricultural Development Authority** undertakes programs which assist beginning farmers in purchasing land, improvements and property for agricultural purposes and provides financing for agricultural and soil conservation development, and other various agricultural development programs.

**Iowa State Fair Authority** conducts the annual State Fair and Exposition and other interim events on the Iowa State Fairgrounds.

**Universities Foundations** act primarily as fund-raising organizations to supplement the resources available to the state universities.

# STATE OF IOWA

## Statement of Net Assets Component Units

June 30, 2005  
(Expressed in Thousands)

|  | IOWA<br>FINANCE<br>AUTHORITY | IOWA<br>HIGHER<br>EDUCATION<br>LOAN<br>AUTHORITY | IOWA<br>AGRICULTURAL<br>DEVELOPMENT<br>AUTHORITY | IOWA<br>STATE<br>FAIR<br>AUTHORITY | UNIVERSITIES<br>FOUNDATIONS | TOTAL<br>COMPONENT<br>UNITS |
|--|------------------------------|--|--|------------------------------------|-----------------------------|-----------------------------|
| <b>ASSETS</b>                                      |                              |  |  |                                    |                             |                             |
| Current Assets:                                    |                              |  |  |                                    |                             |                             |
| Cash & Investments                                 | \$ 458,086                   | \$ 1,152   | \$ 694   | \$ 9,775                           | \$ 857,166                  | \$ 1,326,873                |
| Cash & Investments - Restricted                    | -                            | 579  | -  | -                                  | -                           | 579                         |
| Accounts Receivable                                | -                            | -  | 6  | 593                                | 59,635                      | 60,234                      |
| Interest Receivable Unrestricted                   | 7,890                        | 136  | 48   | 5                                  | 152                         | 8,231                       |
| Loans Receivable (Net)                             | 25,836                       | 2,056  | 107  | -                                  | -                           | 27,999                      |
| Inventory  | -                            | -  | -  | 157                                | -                           | 157                         |
| Prepaid Expenses                                   | -                            | 102  | -  | -                                  | 23                          | 125                         |
| Other  | 1,473                        | -  | -  | -                                  | 557                         | 2,030                       |
| Total Current Assets                               | <u>493,285</u>               | <u>4,025</u>                                     | <u>855</u>                                       | <u>10,530</u>                      | <u>917,533</u>              | <u>1,426,228</u>            |
| Noncurrent Assets:                                 |                              |  |  |                                    |                             |                             |
| Cash & Investments                                 | 556,816                      | -  | -  | -                                  | 41,467                      | 598,283                     |
| Cash & Investments - Restricted                    | -                            | 20,612   | 3,697  | -                                  | 302,316                     | 326,625                     |
| Accounts Receivable                                | -                            | -  | -  | -                                  | 95,511                      | 95,511                      |
| Loans Receivable (Net)                             | 383,468                      | 13,944   | 1,301  | -                                  | -                           | 398,713                     |
| Capital Assets - nondepreciable                    | -                            | -  | -  | 4,409                              | 960                         | 5,369                       |
| Capital Assets - depreciable, net                  | 717                          | 3  | 20   | 38,473                             | 27,350                      | 66,563                      |
| Other  | 2,037                        | -  | -  | 151                                | 5,526                       | 7,714                       |
| Total Noncurrent Assets                            | <u>943,038</u>               | <u>34,559</u>                                    | <u>5,018</u>                                     | <u>43,033</u>                      | <u>473,130</u>              | <u>1,498,778</u>            |
| <b>TOTAL ASSETS</b>                                | <b><u>1,436,323</u></b>      | <b><u>38,584</u></b>                             | <b><u>5,873</u></b>                              | <b><u>53,563</u></b>               | <b><u>1,390,663</u></b>     | <b><u>2,925,006</u></b>     |
| <b>LIABILITIES</b>                                 |                              |  |  |                                    |                             |                             |
| Current Liabilities:                               |                              |  |  |                                    |                             |                             |
| Accounts Payable & Accruals                        | 6,293                        | 411  | 73   | 628                                | 23,245                      | 30,650                      |
| Interest Payable                                   | 16,688                       | 106  | -  | -                                  | -                           | 16,794                      |
| Deferred Revenues                                  | 663                          | 37   | -  | -                                  | -                           | 700                         |
| Capital Leases                                     | -                            | -  | -  | -                                  | 510                         | 510                         |
| Bonds Payable                                      | 31,464                       | 910  | -  | -                                  | 126                         | 32,500                      |
| Funds Held in Custody                              | -                            | -  | -  | -                                  | 67,039                      | 67,039                      |
| Total Current Liabilities                          | <u>55,108</u>                | <u>1,464</u>                                     | <u>73</u>  | <u>628</u>                         | <u>90,920</u>               | <u>148,193</u>              |
| Noncurrent Liabilities:                            |                              |  |  |                                    |                             |                             |
| Accounts Payable and Accruals                      | -                            | -  | -  | -                                  | 67,766                      | 67,766                      |
| Deferred Revenues                                  | 6,138                        | 160  | -  | -                                  | -                           | 6,298                       |
| Compensated Absences                               | -                            | -  | -  | 184                                | -                           | 184                         |
| Capital Leases                                     | -                            | -  | -  | -                                  | 8,555                       | 8,555                       |
| Bonds Payable                                      | 795,490                      | 35,000   | -  | -                                  | 3,441                       | 833,931                     |
| Funds Held In Custody                              | 7,466                        | -  | -  | 107                                | -                           | 7,573                       |
| Total Noncurrent Liabilities                       | <u>809,094</u>               | <u>35,160</u>                                    | <u>-</u>   | <u>291</u>                         | <u>79,762</u>               | <u>924,307</u>              |
| <b>TOTAL LIABILITIES</b>                           | <b><u>864,202</u></b>        | <b><u>36,624</u></b>                             | <b><u>73</u></b>                                 | <b><u>919</u></b>                  | <b><u>170,682</u></b>       | <b><u>1,072,500</u></b>     |
| <b>NET ASSETS</b>                                  |                              |  |  |                                    |                             |                             |
| Invested in Capital Assets,<br>Net of Related Debt | 717                          | 3  | 20   | 42,882                             | 15,678                      | 59,300                      |
| Restricted for Specific Purposes                   | 542,427                      | 801  | 5,116  | 1,379                              | 666,132                     | 1,215,855                   |
| Unrestricted                                       | 28,977                       | 1,156  | 664  | 8,383                              | 538,171                     | 577,351                     |
| <b>TOTAL NET ASSETS</b>                            | <b><u>572,121</u></b>        | <b><u>1,960</u></b>                              | <b><u>5,800</u></b>                              | <b><u>52,644</u></b>               | <b><u>1,219,981</u></b>     | <b><u>1,852,506</u></b>     |
| <b>TOTAL LIABILITIES AND FUND EQUITY</b>           | <b><u>\$ 1,436,323</u></b>   | <b><u>\$ 38,584</u></b>                          | <b><u>\$ 5,873</u></b>                           | <b><u>\$ 53,563</u></b>            | <b><u>\$ 1,390,663</u></b>  | <b><u>\$ 2,925,006</u></b>  |

The notes are an integral part of the financial statements

# STATE OF IOWA

## Statement of Activities Component Units

For the Year Ended June 30, 2005  
(Expressed in Thousands)

|                                      | IOWA<br>FINANCE<br>AUTHORITY | IOWA<br>HIGHER<br>EDUCATION<br>LOAN<br>AUTHORITY | IOWA<br>AGRICULTURAL<br>DEVELOPMENT<br>AUTHORITY | IOWA<br>STATE<br>FAIR<br>AUTHORITY | UNIVERSITIES<br>FOUNDATIONS | TOTAL<br>COMPONENT<br>UNITS |
|--------------------------------------|------------------------------|--|--|------------------------------------|-----------------------------|-----------------------------|
| Expenses                             | \$ 61,021                    | \$ 1,229   | \$ 410   | \$ 15,168                          | \$ 119,925                  | \$ 197,753                  |
| Program Revenues:                    |                              |  |  |                                    |                             |                             |
| Charges for Service                  | 12,498                       | 1,237  | 365  | 14,670                             | -                           | 28,770                      |
| Operating Grants                     |                              |  |  |                                    |                             |                             |
| and Contributions                    | 26,549                       | -  | 13   | 2,030                              | 146,802                     | 175,394                     |
| Capital Grants and Contributions     | -                            | -  | -  | -                                  | 360                         | 360                         |
| Total Program Revenues               | 39,047                       | 1,237  | 378  | 16,700                             | 147,162                     | 204,524                     |
| Net Program (Expense) Revenue        | (21,974)                     | 8  | (32)   | 1,532                              | 27,237                      | 6,771                       |
| General Revenues:                    |                              |  |  |                                    |                             |                             |
| Investment Income                    | 62,584                       | -  | 14   | 69                                 | 78,471                      | 141,138                     |
| Other                                | -                            | -  | -  | 250                                | -                           | 250                         |
| Total General Revenue                | 62,584                       | -  | 14   | 319                                | 78,471                      | 141,388                     |
| Change in Net Assets                 | 40,610                       | 8  | (18)   | 1,851                              | 105,708                     | 148,159                     |
| <b>NET ASSETS - JULY 1, RESTATED</b> | <b>531,511</b>               | <b>1,952</b>                                     | <b>5,818</b>                                     | <b>50,793</b>                      | <b>1,114,273</b>            | <b>1,704,347</b>            |
| <b>NET ASSETS - JUNE 30</b>          | <b>\$ 572,121</b>            | <b>\$ 1,960</b>                                  | <b>\$ 5,800</b>                                  | <b>\$ 52,644</b>                   | <b>\$ 1,219,981</b>         | <b>\$ 1,852,506</b>         |

The notes are an integral part of the financial statements.

# STATE OF IOWA

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Basis of Presentation

The accompanying financial statements of the State of Iowa have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

#### B. Financial Reporting Entity

For financial reporting purposes, the State of Iowa includes all funds, departments, agencies and universities of the State. The State 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 State are such that exclusion would cause the State's financial statements to be misleading or incomplete. The GASB 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 State to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the State.

As required by GAAP, these financial statements present the State of Iowa (the primary government) and its component units. The component units are included in the State's reporting entity because of the significance of their operational or financial relationships with the State. The individual component unit financial statements can be obtained by contacting: Iowa Department of Administrative Services, State Accounting Enterprise, 3<sup>rd</sup> Floor, Hoover State Office Bldg., Des Moines, IA 50319.

#### Blended Component Units

These component units are entities which are legally separate from the State, but are so intertwined with the State that they are, in substance, the same as the State. They are reported as part of the State's primary government and are blended with the appropriate funds.

- Iowa Public Television Foundation (Special Revenue and Permanent funds) serves as a funding medium for Iowa Public Television. It solicits and manages gifts of money or property, for the exclusive purpose of granting gifts of money or property to Iowa Public Television. Iowa Public Television has sole discretion as to the use of the money or property. The State appoints a voting

majority of the Foundation's board and has the ability to impose its will on the organization, as it can make personnel decisions regarding the management of the Foundation.

- Tobacco Settlement Authority (Special Revenue fund) was created to issue bonds to securitize payments due to the State pursuant to the Master Settlement Agreement between the State and the five largest tobacco manufacturers. The Authority's board consists of the Treasurer of State, Auditor of State and the Director of the Department of Management. The State has the ability to impose its will on the Authority and its sole purpose is to provide a secure and stable source of revenue from the tobacco settlement for the State.
- Iowa Lottery Authority (Enterprise fund) was created to operate the State Lottery. The five members of the board of directors are appointed by the governor and confirmed by the Senate. The State has the ability to impose its will on the Authority and its purpose is to produce the maximum amount of net revenues for the State in a dignified manner that maintains the general welfare of the people.

#### Discrete Component Units

These component units are entities which are legally separate from the State, but are financially accountable to the State, or its relationship with the State is such that exclusion would cause the State's financial statements to be misleading or incomplete. The Component Units include the financial data of these entities.

- Iowa Finance Authority (Proprietary) issues bonds to assist in attainment of adequate housing for special needs individuals such as the low to moderate income and the disabled, and to provide limited types of financing to small businesses. The nine members of the Board of Directors are appointed by the Governor and confirmed by the Senate.
- Iowa Higher Education Loan Authority (Proprietary) provides for the financing of educational loans for students attending private educational institutions in the State and financing for the acquisition,

## STATE OF IOWA

### NOTES TO THE FINANCIAL STATEMENTS

construction, and renovation of educational facilities. The five members of the Board of Directors are appointed by the Governor and confirmed by the Senate. The State has the ability to impose its will upon the Authority.

- Iowa Agricultural Development Authority (Proprietary) undertakes programs which assist beginning farmers in purchasing land, improvements and property for agricultural purposes, and provides financing for agricultural and soil conservation development, and other various agricultural development programs. The State appoints a voting majority of the organization and is able to impose its will on the Authority.
- Iowa State Fair Authority (Proprietary) conducts the annual State Fair and Exposition and other interim events on the Iowa State Fairgrounds. The State must approve any bonds issued by the Authority (October 31 year end).
- Universities Foundations (foundations) are legally separate, tax-exempt entities. They act primarily as fund-raising organizations to supplement the resources available to the State Universities (universities) in support of their programs. Although the State does not control the timing or amount of receipts from the foundations, the majority of the resources or income thereon they hold and invest is restricted to the activities of the universities by the donors. Because the majority of these restricted resources can only be used by, or for the benefit of the universities, they are considered a component unit of the State and are discretely presented in the financial statements.

During the year ended June 30, 2005, the foundations distributed \$69,655,172 to the State Universities for academic and institutional support.

The foundations are private nonprofit organizations that report under FASB standards, including FASB Statement No. 117, (*Financial Reporting for Not-for-Profit Organizations*). As such, certain revenue recognition criteria and presentation features are different from GASB revenue

recognition criteria and presentation features. No modifications have been made to the foundations' financial information; however, the foundation's assets and liabilities and revenues and expenses were reformatted to correspond to the State's reporting format for the Statement of Net Assets and Statement of Activities.

#### **Related Organizations**

These related organizations are excluded from the reporting entity because the State's accountability does not extend beyond appointing a voting majority of the organizations' board members. Financial statements are available from the respective organizations.

- Iowa Student Loan Liquidity Corporation
- Iowa Comprehensive Health Association
- Turkey Marketing Council
- Iowa Business Development Finance Corporation
- Community Health Management Information System

#### **C. Government-Wide and Fund Financial Statements**

##### **Government-Wide Financial Statements**

The Statement of Net Assets and Statement of Activities report information on all non-fiduciary activities of the primary government and its component units. Primary government activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The **Statement of Net Assets** presents the State's non-fiduciary 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 that are attributed to the acquisition, construction, or improvement of those assets.

## STATE OF IOWA

### NOTES TO THE FINANCIAL STATEMENTS

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

*Unrestricted net assets* consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources that are imposed by management, but can be removed or modified.

When both restricted and unrestricted resources are available for use, generally it is the State's policy to use restricted resources first.

The **Statement of Activities** demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenue.

#### **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 statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements, with non-major funds being combined into a single column.

#### **D. Financial Statement Presentation**

The State reports the following major governmental fund:

The *General Fund* is the State's principal operating fund. It accounts for all financial resources except those accounted for in another fund.

The State reports the following major enterprise funds:

The *University Funds* account for the operations of the State's public institutions of higher education. The State University of Iowa, Iowa State University and the University of Northern Iowa comprise this group.

The *Unemployment Benefits Fund* receives federal funds and contributions from employers to provide benefits to eligible unemployed workers.

In addition, the State reports the following fund types:

#### **Governmental Funds**

*Special Revenue Funds* account for the proceeds of specific revenue sources (other than permanent or capital projects) that are legally restricted to expenditures for a specified purpose.

*Capital Projects Funds* account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

*Permanent Funds* account for resources that are legally restricted to the extent that only earnings, and not principal may be used for the benefit of the government or its citizenry.

#### **Proprietary Funds**

*Enterprise Funds* account for the activities for which fees are charged to external users for goods and services. This fund type is also used when the activity is financed with debt that is secured with fees and charges, as well as when the pricing policy of the activity is designated to recover its costs.

*Internal Service Funds* account for the financing of goods or services provided by one department or agency to other departments or agencies of the State, or to other governmental units, on a cost reimbursement basis.

#### **Fiduciary Funds**

*Pension and Other Employee Benefit Trust Funds* account for resources that are required to be held for the members and beneficiaries of the State's defined benefit pension plans and other post employment benefit plans. The pension plans included are the Iowa Public Employees' Retirement System (IPERS), Peace Officers' Retirement, Accident and Disability System, and the Judicial Retirement System.

*Private Purpose Trust Funds* account for resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments.

*Agency Funds* account for resources held by the State in a purely custodial capacity.

## STATE OF IOWA

### NOTES TO THE FINANCIAL STATEMENTS

#### **E. Measurement Focus and Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide 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 cash flows.

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as they become susceptible to accrual; generally when they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Most revenues, including taxes, fees, charges for service, refunds and reimbursements, and receipts from other entities, are considered by the State to be available if collected within 60 days of the end of the fiscal year. Revenues that the State earns by incurring obligations are recognized in the same period as the obligations are recognized. Investment earnings are recorded as earned since they are measurable and available.

Expenditures are recognized when the related fund liability is incurred. An exception to the general modified accrual expenditure recognition criteria is the principal and interest on general long-term debt which is recognized when due. Income tax refunds are accrued for claims related to tax periods ended by June 30, of the fiscal year, and paid within sixty days.

Proprietary and fiduciary fund statements are reported using the economic resources measurement focus (except for agency funds which have no 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 cash flows. Proprietary funds distinguish operating from nonoperating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. All other revenues and expenses are reported as nonoperating.

In reporting the financial activity of its proprietary funds, the State 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.

In fiscal year 2005, the State of Iowa implemented GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. GASB Statement No. 40 addresses disclosures on deposits and investments, focusing on common investment risks related to interest rate risk, credit risk, custodial credit risk, foreign currency risk, and concentration of credit risk. This pronouncement requires additional disclosure to be presented in the notes but has no impact on the net assets of the State.

#### **Lottery Revenues and Prizes**

The Lottery uses an on-line instant verification system for the sale and validation of instant tickets. Instant ticket sales are recognized when a retailer settles a pack of tickets. Revenues for pull-tab games are recognized upon the sale of tickets to the retail sales agents. Revenues for Lotto games are recognized after the jackpot drawings are held. Deferred revenue represents lotto tickets sold for future prize drawings.

The prize liabilities for the Lotto games are determined by actual matches and are recognized after the jackpot drawings are held.

#### **F. Cash, Investments, and Securities Lending**

Cash in most funds is held in the state treasury and is commingled in State bank accounts and investments. The moneys of most funds are pooled together and invested as an investment pool by the Treasurer of State. However, moneys of some funds may be invested separately from the investment pool where permitted by statute.

Investment earnings of the investment pool are allocated to the individual funds as provided by statute. Income of \$18,659,177 associated with certain funds has been assigned to other funds for fiscal year 2005.

The Treasurer's deposits in financial institutions throughout the year and at year end were entirely covered by the Federal Deposit Insurance Corporation, or collateral held by the Treasurer of State's custodial banks in the Treasurer of State's name, or by the bank assessment provisions of Section 12C.23 of the Code of Iowa.



## STATE OF IOWA

### NOTES TO THE FINANCIAL STATEMENTS

The Treasurer of State may invest in obligations of the United States government, its agencies and instrumentalities; certificates of deposit in Iowa financial institutions; prime bankers acceptances, commercial paper or other short-term corporate debt; perfected repurchase agreements; money market mutual funds organized in trust form; and other investments as permitted by Section 12B.10 of the Code of Iowa.

Investments are valued at fair value in accordance with GASB Statement 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. Fair value is calculated at market price at the close of business on June 30 by independent pricing services utilized by the Treasurer's custodian bank. However, certain cash equivalent investments such as commercial paper, bankers acceptances, certificates of deposit, guaranteed investment contracts, and discount notes issued by government agencies are valued using purchase price. The Iowa Public Employees Retirement System (IPERS) has derivatives that are reported on the Statement of Fiduciary Net Assets at fair value. (For Pension plans, See NOTE 16).

Certain State institutions participate in the Iowa Public Agency Investment Trust (IPAIT), a state and local government pooled investment account, created by Iowa Code Chapter 28E. IPAIT is managed by Investors Management Group and is registered with the Securities and Exchange Commission. IPAIT follows established money market mutual fund parameters designed to maintain a \$1 per unit net asset value.

Cash and cash equivalents include currency on hand, demand deposits with banks or other financial institutions, investments readily convertible to known amounts of cash, and investments so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. In the statements of cash flows, investments with an original maturity of three months or less are considered cash equivalents.

IPERS and the Iowa Peace Officers' Retirement, Accident, and Disability System (PORS) (together the "Systems") participate in a securities lending program with the State's custodian bank. The participation of IPERS is authorized by the Code of Iowa and the participation of PORS is authorized by its Board of

Trustees. The custodian bank is responsible for operating the program and is permitted to lend any of the securities it holds in custody for the Systems to broker-dealers and other entities in exchange for collateral. The custodian bank is permitted to accept collateral in the form of cash in U.S. dollars, U.S. government securities, or irrevocable letters of credit.

A borrower is required to initially deliver collateral in an amount equal to 102 percent of the market value of any U.S. securities lent and 105 percent of the market value of any non-U.S. securities lent. Borrowers are required to provide additional collateral any time the value of the collateral drops below 100% of the value of the security lent plus accrued interest income. Securities received as collateral cannot be sold or pledged unless the borrower defaults.

At year-end IPERS had \$306,171 in credit risk exposure to borrowers because the amounts they owed IPERS exceeded the amounts IPERS owed them on 10 separate loans. At year-end PORS had \$141,742 in credit risk exposure to borrowers because the amounts they owed PORS exceeded the amount owed them on 7 separate loans. Additional collateral was provided the next business day, eliminating this exposure. The contracts with the custodian bank requires it to indemnify the Systems if a borrower fails to return the securities or fails to return all of the income attributable to securities on loan. As of June 30, 2005, the Systems had securities on loan, including accrued interest income, with a total value of \$1,948,778,380 against collateral with a total value of \$2,000,154,602.

The majority of securities loans are open loans, i.e. one day maturity, where the rebate rate due the borrower is renegotiated daily. All securities loans can be terminated on demand by either the Systems or the borrower. Cash collateral received from borrowers is invested in a cash collateral investment pool which is managed by the custodian bank in accordance with investment guidelines established by the Systems. The investment guidelines do not require a matching of investment maturities with loan maturities, but do establish minimum levels of liquidity and other investment restrictions designed to minimize the interest rate risk associated with not matching the maturity of the investments with the loans. (See NOTE 2.)

# STATE OF IOWA

## NOTES TO THE FINANCIAL STATEMENTS

The effective duration of the cash collateral pool at June 30, 2005 for IPERS was 26 days. Credit Quality and Years to Maturity statistics for the cash collateral pool at June 30, 2005 for IPERS are as follows (expressed in thousands):

### Securities Lending Collateral Pool Years to Maturity

| Investment Type        | Fair Value   | Investment Maturities (years) |              |
|------------------------|--------------|-------------------------------|--------------|
|                        |              | Less Than 1                   | 1 to 5       |
| Corporate Bonds        | \$ 664,945   | \$ 27,041                     | \$ 637,904   |
| Corporate Asset Backed | 409,530      | 30,811                        | 378,719      |
| Corporate              | 1,074,475    | 57,852                        | 1,016,623    |
| Repurchase Agreements  | 505,568      | 505,568                       | -            |
| Certificate of Deposit | 137,989      | 63,989                        | 74,000       |
| Bank Note              | 223,045      | -                             | 223,045      |
| Total                  | \$ 1,941,077 | \$ 627,409                    | \$ 1,313,668 |

### Securities Lending Collateral Pool Credit Risk - S & P Quality Ratings

| Investment Type        | Total        | AAA        | AA         | A          | NR         |
|------------------------|--------------|------------|------------|------------|------------|
| Corporate Bonds        | \$ 664,945   | \$ 80,047  | \$ 365,703 | \$ 219,195 | \$ -       |
| Corporate Asset Backed | 409,530      | 409,530    | -          | -          | -          |
| Corporate              | 1,074,475    | 489,577    | 365,703    | 219,195    | -          |
| Repurchase Agreements  | 505,568      | -          | -          | -          | 505,568    |
| Certificate of Deposit | 137,989      | -          | 25,000     | 112,989    | -          |
| Bank Note              | 223,045      | -          | 107,011    | 116,034    | -          |
| Total                  | \$ 1,941,077 | \$ 489,577 | \$ 497,714 | \$ 448,218 | \$ 505,568 |

### G. Accounts Receivable

Accounts receivable have been established and offset with proper provisions for estimated uncollectible accounts where applicable. Practically all receivables of governmental funds are due from other governmental entities, primarily the federal government, and are considered collectible. Receivables in other funds have arisen in the ordinary course of business.

Taxes receivable represent amounts due to the State at June 30, which will be collected sometime in the future. In the government-wide financial statements, a corresponding amount is recorded as revenue. In the governmental fund financial statements, the portion considered "available" is recorded as revenue; the remainder is recorded as deferred revenue.

### H. Inventories

Inventories are valued at cost, which approximates market. The first-in/first-out (FIFO) cost flow method is used for the majority of inventories. Throughout the year costs of inventories are recorded as expenditures when purchased. For financial reporting purposes, expenditures are adjusted at fiscal year end for material inventory amounts to correlate with the consumption method. Inventory asset amounts are not available for budgetary appropriation as they have been charged to expenditures when purchased rather than when used.

### I. Capital Assets

Capital assets are reported in the government-wide financial statements and proprietary fund statements at historical cost. Donated capital assets are reported at their estimated fair market value at the time of acquisition. Capital assets utilized in governmental funds are reported as expenditures when purchased in the governmental fund financial statements. Reportable capital assets are defined by the State as assets above the following thresholds:

|                                     |             |
|-------------------------------------|-------------|
| Infrastructure                      | \$1 million |
| Land, Building and Improvements     | \$ 50,000   |
| Equipment (non-Regent institutions) | \$ 5,000    |
| Equipment (Regents)                 | \$ 2,000    |

Capital assets are depreciated over their useful lives using the straight-line depreciation method. The government-wide financial statements, proprietary fund statements, and component unit financial statements report depreciation expense. The following useful lives are used:

|                                   |             |
|-----------------------------------|-------------|
| Infrastructure                    | 10-50 years |
| Buildings                         | 20-50 years |
| Improvements Other Than Buildings | 20-50 years |
| Equipment                         | 2-20 years  |
| Vehicles                          | 3-10 years  |

# STATE OF IOWA

## NOTES TO THE FINANCIAL STATEMENTS

### J. Long-term Liabilities

In the government-wide and proprietary fund financial statements, long-term debt and long-term liabilities are reported as liabilities. Bond issuance costs are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond discounts and issuance costs for propriety fund types are generally deferred and amortized over the terms of the bonds using the bonds-outstanding method or straight-line method, which approximates the effective interest method.

In governmental fund types, bond discount and issuance costs are recognized in the current period.

Long-term liabilities that are due within one year of the date of the statements are classified as current liabilities.

### K. Interfund Activity and Balances

#### Interfund Activity

As a general rule, the effect of interfund activity has been eliminated from the government-wide statements. Exceptions to this rule are: 1) activities between funds reported as governmental activities and funds reported as business-type activities and 2) activities between funds that are reported in different functional categories in either the governmental or business-type activities column. Elimination of these activities would distort the direct costs and program revenues for the functions concerned.

#### Interfund Balances

Interfund receivables and payables have been eliminated from the Statement of Net Assets, except for the residual amounts due between governmental and business-type activities.

### L. Encumbrances

The State utilizes encumbrance accounting for budgetary control purposes. Obligations incurred for goods or services that have not been received or rendered, are recorded to reserve that portion of the applicable fund balance. Section 8.33, unnumbered paragraph 2, of the Code of Iowa, states, "No payment of an obligation for goods or services shall be charged to an appropriation subsequent to the last day of the fiscal year for which the appropriation is made unless the goods or services are received on or before the last day of the fiscal year, except that repair projects, purchase of specialized equipment and furnishings, and other contracts for services and capital expenditures for the purchase of land or the erection of buildings or new construction or

remodeling, which were committed and in progress prior to the end of the fiscal year are excluded from this provision". That is, except for the above stated exceptions, the State must have received the goods or services on or before June 30, creating an actual liability, or the encumbrance is cancelled against that fiscal year. If the encumbrances are still valid after June 30, they become expenditures / expenses of the next fiscal year.

### M. Budgeting and Budgetary Control

There are no material violations of finance – related legal and contractual provisions. Budgetary comparison schedules and related disclosures are reported as Required Supplementary Information (RSI).

## NOTE 2 – CASH, INVESTMENTS AND SECURITIES LENDING

### Primary Government and Fiduciary

Investments of the primary government and fiduciary funds at June 30, 2005, are scheduled as follows (expressed in thousands):

#### Primary Government

| Investment Type                                      | Fair Value                |
|--|---------------------------|
| <b>Fixed:</b>  |                           |
| U.S. Government Treasuries,<br>Notes, Bonds          | \$ 154,086                |
| U.S. Government Agency<br>Mortgage Backed Securities | 1,176,958                 |
| Corporate CMO's                                      | 95,094                    |
| Corporate Bonds                                      | 648                       |
| Corporate Asset Backed                               | 355,660                   |
| Private Placement                                    | 6,397                     |
| Guaranteed Investment Contracts                      | 40,872                    |
| Municipals   | 20,618                    |
| Commercial Paper                                     | 2,064                     |
| Certificate of Deposit                               | 410,408                   |
| Agencies   | 30,907                    |
| Other Short Term                                     | 35,840                    |
| <b>Equity:</b>                                       |                           |
| U.S.   | 41,152                    |
| Non-U.S.   | 106,739                   |
| Absolute Return                                      | 1,762                     |
| Real Estate  | 145                       |
| Commingled Funds                                     | 536                       |
| U.S. Equity  | 152,175                   |
| Non-U.S. Equity                                      | 18,589                    |
| U.S. Fixed Income                                    | 450,798                   |
| Money Market Funds                                   | 174,237                   |
| Investment Pools                                     | 1,464                     |
| Other Investments                                    | 99,078                    |
| <b>Total Invested Assets</b>                         | <b><u>\$3,376,227</u></b> |

# STATE OF IOWA

## NOTES TO THE FINANCIAL STATEMENTS

### ***Fiduciary Funds***

| <b>Investment Type</b>      | <b>Fair Value</b> |                              |                            |
|-----------------------------|-------------------|------------------------------|----------------------------|
| <b>Fixed:</b>               |                   | <b>Equity:</b>               |                            |
| U.S. Government Treasuries, |                   | U.S.                         | 1,897,478                  |
| Notes, Bonds                | \$ 955,865        | Non-U.S.                     | 1,449,751                  |
| U.S. Government TIPS        | 212,294           | Private Equity               | 1,174,902                  |
| U.S. Government Agency      | 185,223           | Real Estate                  | 1,005,620                  |
| Mortgage Backed-Government  |                   | Commingled Funds             |                            |
| Pass-Through                | 726,120           | Balanced                     | 636,179                    |
| Mortgage Backed-Corporate   |                   | U.S. Equity                  | 5,078,675                  |
| Pass-Through                | 205,381           | Non-U.S.                     | 1,376,918                  |
| Government CMO's            | 61,711            | U.S. Fixed Income            | 2,197,349                  |
| Corporate CMO's             | 85,533            | Money Market Funds           | 365,480                    |
| Corporate Bonds             | 1,607,315         | Derivatives                  | 3,426                      |
| Corporate Asset Backed      | 293,005           | Investment Pools             | 42                         |
| Private Placements          | 332,986           |                              |                            |
| Yankee Bonds                | 43,720            | <b>Total Invested Assets</b> | <b><u>\$20,647,146</u></b> |
| Supernationals              | 2,280             |                              |                            |
| Non-U.S. Fixed Income       |                   |                              |                            |
| Developed Markets –         |                   |                              |                            |
| Government/Sovereign        | 93,311            |                              |                            |
| Developed Markets –         |                   |                              |                            |
| Corporate                   | 204,580           |                              |                            |
| Emerging Markets –          |                   |                              |                            |
| Government/Sovereign        | 162,140           |                              |                            |
| Emerging Markets –          |                   |                              |                            |
| Corporate                   | 50,914            |                              |                            |
| Commercial Paper            | 183,017           |                              |                            |
| Certificate of Deposit      | 15,076            |                              |                            |
| Agencies                    | 37,000            |                              |                            |
| Other Short Term            | 3,855             |                              |                            |

### ***Credit Risk***

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the State.

State law limits the Treasurer's investment pool's investments in domestic commercial paper, maturing within 270 days from the date of purchase, to the highest rating of either Standard & Poor's or Moody's on the date of purchase, provided that no investment has a split rating. Investments in short term corporate debt, other than commercial paper, maturing within 270 days from the date of purchase, are limited to one of the two highest ratings of either Standard & Poor's or Moody's on the date of purchase, provided that at the time of purchase no more than 5% of amounts invested in short term corporate debt or commercial paper are rated in the second highest rating. Investments in obligations or guaranteed investment contracts of domestic corporations with maturities greater than 270 days from the date of purchase, are limited to long-term ratings of not less than A2 by Moody's and not less than A by Standard & Poor's. Investments in asset-backed securities are limited to those rated AAA by Standard & Poor's or Aaa by Moody's.

The State Board of Regents establishes policy and sets objectives for the Universities' investments. Credit quality limitations for investments of operating funds are: the weighted average credit quality of each institution's operating portfolio shall be AA or Aa as rated by Standard & Poor's or Moody's, respectively; up to 20 percent of each institution's operating portfolio may be invested in bonds rated A and BBB in order to enhance portfolio yield; commercial paper or other short-term corporate debt that matures within two hundred seventy days that is rated within the two highest classifications, as established by at least one of the standard rating services, provided that at the time of purchase no more than five percent of all amounts invested in commercial paper and other short-term corporate debt shall be invested in paper and debt rated in the second highest classification; corporate debt with a maturity of greater than 270 days that is rated investment grade by Standards & Poor's or Moody's (at least BBB- or Baa3, respectively), or by another Nationally Recognized Statistical Rating Organization (NRSRO), including Rule 144A Securities that are deemed to be of investment grade credit quality by the external or internal investment manager, at the time of purchase.

# STATE OF IOWA

## NOTES TO THE FINANCIAL STATEMENTS

Credit quality limitations for the Universities endowment funds are: the weighted average credit quality of each institution's endowment fixed income portfolio shall be AA or Aa as rated by Standard & Poor's or Moody's respectively; up to 20 percent of each institution's operating portfolio may be invested in bonds rated A and BBB in order to enhance portfolio yield.

There are no policy limitations for credit risk exposures within the investment portfolios of the retirement systems. Each IPERS portfolio is managed in accordance with an investment contract that is specific as to permissible quality ranges and the average credit quality of the overall portfolios. Policies related to credit risk pertaining to IPERS' and PORS' securities lending program is found under the securities lending disclosures found in Note 1 F of these notes.

The State's exposure to credit risk for the fixed income investment portfolio of the primary government and fiduciary funds at June 30, 2005, is summarized by credit quality ratings, as follows (expressed in thousands):

### Credit Risk - S&P Quality Ratings

#### Primary Government

| Investment Type                          | TSY        | AGY       | AAA          | AA        | A          | BBB    | A-1        | NR         |
|--|------------|-----------|--------------|-----------|------------|--------|------------|------------|
| U.S. Government Treasuries, Notes, Bonds | \$ 153,867 | \$ -      | \$ 219       | \$ -      | \$ -       | \$ -   | \$ -       | \$ -       |
| U.S. Government Agency                   | -          | 45,545    | 1,131,413    | -         | -          | -      | -          | -          |
| Mortgage Backed Securities               | -          | 1,197     | 93,897       | -         | -          | -      | -          | -          |
| Corporate CMO's                          | -          | -         | 537          | -         | -          | -      | -          | 111        |
| Corporate Bonds                          | -          | -         | 52,767       | 43,930    | 258,180    | 783    | -          | -          |
| Corporate Asset Backed                   | -          | -         | 6,327        | -         | -          | -      | -          | 70         |
| Private Placements                       | -          | -         | -            | 19,237    | 18,480     | -      | -          | 3,155      |
| Guaranteed Investment Contracts          | -          | -         | 4,948        | 15,670    | -          | -      | -          | -          |
| Municipals                               | -          | -         | -            | 79        | -          | -      | -          | 1,985      |
| Commercial Paper                         | -          | -         | 18,866       | -         | -          | -      | 164,144    | 227,398    |
| Certificate of Deposit                   | -          | -         | -            | -         | -          | -      | 29,600     | 1,307      |
| Agencies                                 | -          | -         | -            | -         | -          | -      | 35,840     | -          |
| Other Short Term                         | -          | -         | 39,233       | -         | -          | -      | -          | 1,919      |
| Total                                    | \$ 153,867 | \$ 46,742 | \$ 1,348,207 | \$ 78,916 | \$ 276,660 | \$ 783 | \$ 229,584 | \$ 235,945 |

#### Fiduciary

| Investment Type                           | TSY          | AGY        | AAA        | AA         | A          | BBB        | BB         | B          | CCC & Below | NR         |
|---|--------------|------------|------------|------------|------------|------------|------------|------------|-------------|------------|
| U.S. Government Treasuries, Notes, Bonds  | \$ 955,865   | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -        | \$ -       |
| U.S. Government TIPS                      | 211,090      | -          | 1,204      | -          | -          | -          | -          | -          | -           | -          |
| U.S. Government Agency                    | -            | 7,977      | 173,598    | 1,060      | -          | -          | -          | -          | -           | 2,588      |
| Mortgage Backed - Government Pass-Through | -            | 726,120    | -          | -          | -          | -          | -          | -          | -           | -          |
| Mortgage Backed - Corporate Pass-Through  | -            | -          | 155,734    | 3,608      | 6,673      | 396        | 194        | -          | -           | 38,776     |
| Government CMO's                          | -            | 61,711     | -          | -          | -          | -          | -          | -          | -           | -          |
| Corporate CMO's                           | -            | -          | 65,421     | 6,182      | 5,402      | -          | -          | -          | 490         | 8,038      |
| Corporate Bonds                           | -            | -          | 75,044     | 79,360     | 220,072    | 334,924    | 409,583    | 432,148    | 49,241      | 6,943      |
| Corporate Asset Backed                    | -            | -          | 230,272    | 11,129     | 23,862     | 12,654     | -          | 431        | 7,623       | 7,034      |
| Private Placements                        | -            | -          | 17,920     | 22,420     | 30,060     | 29,332     | 69,556     | 155,358    | 6,405       | 1,935      |
| Yankee Bonds                              | -            | -          | -          | -          | 2,882      | 28,547     | 9,410      | 810        | 2,071       | -          |
| Supernationals                            | -            | -          | -          | -          | 2,280      | -          | -          | -          | -           | -          |
| Non-U.S. Fixed Income:                    | -            | -          | -          | -          | -          | -          | -          | -          | -           | -          |
| Developed Markets - Government/Sovereign  | -            | -          | 89,821     | 3,490      | -          | -          | -          | -          | -           | -          |
| Developed Markets - Corporate             | -            | -          | 5,353      | 17,751     | 39,404     | 34,291     | 35,267     | 43,222     | 822         | 28,470     |
| Emerging Markets - Government/Sovereign   | -            | -          | -          | -          | 11,036     | 78,044     | 56,122     | 9,323      | 4,679       | 2,936      |
| Emerging Markets - Corporate              | -            | -          | 4,302      | -          | 9,075      | 17,959     | 3,598      | 12,287     | 68          | 3,625      |
| Commercial Paper                          | -            | -          | -          | -          | -          | -          | -          | -          | -           | 183,017    |
| Certificate of Deposit                    | -            | -          | -          | -          | -          | -          | -          | -          | -           | 15,076     |
| Agencies                                  | -            | 37,000     | -          | -          | -          | -          | -          | -          | -           | -          |
| Other Short Term                          | -            | -          | -          | -          | -          | -          | -          | -          | -           | 3,855      |
| Total                                     | \$ 1,166,955 | \$ 832,808 | \$ 818,669 | \$ 145,000 | \$ 350,746 | \$ 536,147 | \$ 583,730 | \$ 653,579 | \$ 71,399   | \$ 302,293 |

## STATE OF IOWA

### NOTES TO THE FINANCIAL STATEMENTS

#### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The Treasurer manages interest rate risk by utilizing a buy-and-hold strategy, maturity limitations, and diversification parameters and liquidity requirements set by the Investment Committee.

**Maturity Limitations:** No investment shall be made in a U.S. Treasury note or bond with a maturity that exceeds 10 years, a U.S. government agency note or bond, or a U.S. government instrumentality note or bond with a maturity that exceeds sixty-one months at the time of purchase. No investment shall be made in a U.S. government agency or instrumentality mortgage-backed security that has an expected average life greater than four years at the time of purchase. (The 61-month maturity limitation for U.S. Treasury, government agency or instrumentality securities does not apply to such securities if accepted as collateral under a repurchase agreement.) No investment shall be made in an asset-based security that has an expected average life greater than two years at the time of purchase. The maturities of commercial paper and bankers acceptances shall not exceed 270 days at the time of purchase. The maturities of all other investments shall not exceed twenty-five months at the time of purchase.

**Maturity Diversification:** The Committee shall set permitted maximum dollar amounts that can be invested in specific maturity sectors that are consistent with the overall portfolio strategy and this investment policy.

**Liquidity Reserve:** The Committee shall specify how much liquidity shall be reserved to ensure that adequate cash is available to meet any unexpected expenditures that may occur. The liquidity reserve should be continuously invested in money market mutual funds money market accounts with Iowa financial institutions or short-term money market accounts.

The Universities policy for the operating portfolio prohibits investment in securities that at the time of purchase have effective maturities exceeding sixty-three month and that the maximum duration of each portfolio shall not exceed the duration of the Merrill 1-3 Government/Corporate Index by more than 20%. There is no explicit limit on the average maturity of fixed income securities in the endowment portfolio.

IPERS manages interest rate risk within the portfolio using the effective duration or option-adjusted methodology. It is widely used in the management of fixed income portfolios in that it quantifies to a much a greater degree the risk of interest rate changes. The methodology takes into account optionality on bonds and scales the risk of price changes on bonds depending upon the degree of change in rates and the slope of the yield curve. All the system's fixed income portfolios are managed in accordance with investment contracts that require that the effective duration of the portfolio shall always remain between 80% and 120% of the effective duration measure of the Index.

The State's exposure to interest rate risk for the fixed income investment portfolio of the primary government and the fiduciary funds at June 30, 2005, is summarized using the effective duration method, as follows (expressed in thousands):

**STATE OF IOWA**

**NOTES TO THE FINANCIAL STATEMENTS**

**Primary Government**

| <b>Investment Type</b>                   | <b>Fair Value</b>         | <b>Effective Duration (Years)</b> |
|--|---------------------------|-----------------------------------|
| U.S. Government Treasuries, Notes, Bonds | \$ 154,086                | 2.59                              |
| U.S. Government Agency                   | 1,176,958                 | 1.32                              |
| Mortgage Backed Securities               | 95,094                    | 1.88                              |
| Corporate CMO's                          | 648                       | 0.42                              |
| Corporate Bonds                          | 355,660                   | 1.36                              |
| Corporate Asset Backed                   | 6,397                     | 1.20                              |
| Private Placements                       | 40,872                    | 0.58                              |
| Guaranteed Investment Contracts          | 20,618                    | 15.27                             |
| Municipals                               | 2,064                     | 0.04                              |
| Commercial Paper                         | 410,408                   | 0.15                              |
| Certificate of Deposit                   | 30,907                    | 0.12                              |
| Agencies                                 | 35,840                    | 0.06                              |
| Other Short Term                         | <u>41,152</u>             | <u>0.18</u>                       |
| <b>Total</b>                             | <b><u>\$2,370,704</u></b> | <b><u>0.78</u></b>                |

**Fiduciary Funds**

| <b>Investment Type</b>                    | <b>Fair Value</b>         | <b>Effective Duration (Years)</b> |
|---|---------------------------|-----------------------------------|
| U.S. Government Treasuries, Notes, Bonds  | \$ 955,865                | 4.63                              |
| U.S. Government TIPS                      | 212,294                   | 6.81                              |
| U.S. Government Agency                    | 185,223                   | 3.38                              |
| Mortgage Backed – Government Pass-Through | 726,120                   | 2.45                              |
| Mortgage Backed – Corporate Pass-Through  | 205,381                   | 3.87                              |
| Government CMO's                          | 61,711                    | 2.98                              |
| Corporate CMO's                           | 85,533                    | 3.33                              |
| Corporate Bonds                           | 1,607,315                 | 4.33                              |
| Corporate Asset Backed                    | 293,005                   | 2.11                              |
| Private Placements                        | 332,986                   | 4.73                              |
| Yankee Bonds                              | 43,720                    | 6.14                              |
| Supernationals                            | 2,280                     | 5.34                              |
| Non-U.S. Fixed Income                     |                           |                                   |
| Developed Markets – Government/ Sovereign | 93,311                    | 7.28                              |
| Developed Markets – Corporate             | 204,580                   | 4.43                              |
| Emerging Markets – Government/ Sovereign  | 162,140                   | 8.42                              |
| Emerging Markets – Corporate              | 50,914                    | 6.60                              |
| Commercial Paper                          | 183,017                   | 0.00                              |
| Certificate of Deposit                    | 15,076                    | 0.00                              |
| Agencies                                  | 37,000                    | 0.00                              |
| Other Short Term                          | <u>3,855</u>              | <u>0.00</u>                       |
| <b>Total</b>                              | <b><u>\$5,461,326</u></b> | <b><u>4.08</u></b>                |

**Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. From time to time, IPERS' external managers may or may not hedge the portfolio's foreign currency exposures with currency forward contracts depending upon their views on a specific foreign currency relative to the U.S. dollar. IPERS' currency policy is to manage the non-dollar portion of the global fixed income allocation against a 100 percent hedged benchmark and may allow its non-dollar equity managers to hedge on a selective basis for the protection of the asset values. IPERS will not manage currency as a separate asset class or enter into speculative currency positions (i.e., currency positions greater than 100 percent or less than 0 percent of the underlying asset exposure) in its portfolio, except as it related to specific cross-hedging activity, which may be permitted in certain investment guidelines. Foreign Currency Risk by Investment type for the pension system fiduciary funds, at June 30, 2005 follows (expressed in thousands):

**STATE OF IOWA**

**NOTES TO THE FINANCIAL STATEMENTS**

|                        | <b>Total</b>        | <b>Fixed Income</b> | <b>Equity</b>       | <b>Alternative Investments</b> | <b>Derivatives</b>  | <b>Cash</b>      |
|------------------------|---------------------|---------------------|---------------------|--------------------------------|---------------------|------------------|
| Argentine Peso         | \$ 86               | \$ -                | \$ 86               | \$ -                           | \$ -                | \$ -             |
| Australian Dollar      | 88,369              | 13                  | 88,029              | -                              | -                   | 327              |
| Brazilian Real         | 13,002              | 8,043               | 4,907               | -                              | -                   | 52               |
| British Pound Sterling | 180,662             | 790                 | 166,924             | 8,852                          | -                   | 4,096            |
| Canadian Dollar        | 1,591               | 497                 | 1,074               | -                              | -                   | 20               |
| Chilean Peso           | 1,221               | -                   | 1,241               | -                              | -                   | (20)             |
| Colombian Peso         | 1,332               | -                   | 1,293               | -                              | -                   | 39               |
| Czech Koruna           | 248                 | -                   | 248                 | -                              | -                   | -                |
| Danish Krone           | 8,620               | -                   | 8,620               | -                              | -                   | -                |
| Euro Currency          | 520,376             | 82,613              | 392,756             | 139,519                        | (112,767)           | 18,255           |
| Hong Kong Dollar       | 40,825              | -                   | 40,825              | -                              | -                   | -                |
| Hungarian Forint       | 669                 | -                   | 669                 | -                              | -                   | -                |
| Indonesian Rupiah      | 3,017               | -                   | 3,017               | -                              | -                   | -                |
| Israeli Shekel         | 4,122               | -                   | 4,122               | -                              | -                   | -                |
| Japanese Yen           | 385,997             | 15,334              | 370,647             | -                              | -                   | 16               |
| Malaysian Ringgit      | 10,690              | -                   | 10,724              | -                              | -                   | (34)             |
| Mexican Nuevo Peso     | 2,287               | 14,740              | 2,751               | -                              | (15,912)            | 708              |
| New Turkish Lira       | 4,526               | -                   | 4,526               | -                              | -                   | -                |
| New Taiwan Dollar      | 41,823              | -                   | 41,785              | -                              | -                   | 38               |
| Pakistani Rupee        | 396                 | -                   | 396                 | -                              | -                   | -                |
| Philippine Peso        | 710                 | -                   | 710                 | -                              | -                   | -                |
| Polish Zloty           | 1,272               | -                   | 1,272               | -                              | -                   | -                |
| Renminbi Yuan          | 636                 | -                   | 636                 | -                              | -                   | -                |
| Russian New Ruble      | 254                 | -                   | 254                 | -                              | -                   | -                |
| Singapore Dollar       | 23,863              | -                   | 23,864              | -                              | -                   | (1)              |
| South African Rand     | 20,031              | -                   | 20,031              | -                              | -                   | -                |
| South Korean Won       | 50,397              | -                   | 50,011              | -                              | -                   | 386              |
| Swedish Krona          | 17,173              | 4,820               | 15,038              | -                              | (2,939)             | 254              |
| Swiss Franc            | 42,861              | 87                  | 42,688              | -                              | -                   | 86               |
| Thai Baht              | 8,953               | -                   | 8,953               | -                              | -                   | -                |
| Venezuelan Bolivar     | 3,055               | 3,055               | -                   | -                              | -                   | -                |
| <b>TOTAL</b>           | <b>\$ 1,479,064</b> | <b>\$ 129,992</b>   | <b>\$ 1,308,097</b> | <b>\$ 148,371</b>              | <b>\$ (131,618)</b> | <b>\$ 24,222</b> |

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issue. Policies of the Treasurer, Universities and pension systems in any single issuer or corporate entity to no more than 5% of the market value of the portfolio or account. The policy does not apply to investments in U.S. Treasuries, government agencies or instrumentalities.

**Custodial Credit Risk**

**Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the State's deposit may not be returned to it. The Treasurer's investment policy effectively prevents exposure to custodial credit risk. The Universities and the pension systems have no formal policy for custodial credit risk. The \$1,129,042,580 total combined bank deposits of the primary government and fiduciary funds at June 30, 2005, was exposed to custodial credit risk for \$226,382,229 of uninsured and uncollateralized bank deposits.

**Investments**

Custodial credit risk for investments is the risk that in the event of a failure of the counterparty, the State will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The State Treasurer, the Universities and the pension systems have no formal policy for investment custodial credit risk. Of the \$24,023,373,000 total combined investments of the primary government and fiduciary funds at June 30, 2005, \$1,451,000 was exposed to custodial credit risk as uninsured and unregistered, with the securities held by the counterparty, or by its trust department or agent but not in the State's name.



# STATE OF IOWA

## NOTES TO THE FINANCIAL STATEMENTS

### Component Units

Investments of the component units at June 30, 2005, are scheduled as follows (expressed in thousands):

| Investment Type                          | Fair Value                |
|--|---------------------------|
| <b>Fixed:</b>                            |                           |
| U.S. Government Treasuries, Notes, Bonds | \$ 7,185                  |
| U.S. Government TIPS                     | 11,134                    |
| U.S. Government Agency                   | 104,334                   |
| Mortgage Backed-Government Pass Through  | 518,438                   |
| Guaranteed Investment Contracts          | 260,250                   |
| Investment Agreements                    | 20,612                    |
| <b>Equity:</b>                           |                           |
| Money Market Funds – Commingled          | 103,009                   |
| <b>Total Invested Assets</b>             | <b><u>\$1,024,962</u></b> |

The Universities Foundations' Cash and Investments of \$1,200,949,000 are not subject to GASB disclosure requirements.

### Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the component units. The component units have no formal policy to manage credit risk. The exposure to credit risk for the component units fixed income investment portfolio at June 30, 2005, is summarized by credit quality ratings, as follows:

| Investment Type                          | TSY                     | AGY                      | AAA                      | AA                       |
|--|-------------------------|--------------------------|--------------------------|--------------------------|
| U.S. Government Treasuries, Notes, Bonds | \$ 7,185                | \$ -                     | \$ -                     | \$ -                     |
| U.S. Government TIPS                     | 11,134                  | -                        | -                        | -                        |
| U.S. Government Agency                   | -                       | 104,334                  | -                        | -                        |
| Mortgage Backed- Government Pass-through | -                       | -                        | 518,438                  | -                        |
| Guaranteed Investment Contracts          | -                       | -                        | 58,543                   | 201,707                  |
| Investment Agreements                    | -                       | -                        | -                        | 20,612                   |
| <b>Total</b>                             | <b><u>\$ 18,319</u></b> | <b><u>\$ 104,334</u></b> | <b><u>\$ 576,981</u></b> | <b><u>\$ 222,319</u></b> |

### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The component units do not have formal policies that limit investment maturities as a means of managing exposure to credit risk. The component units exposure to interest rate risk for the fixed income investment portfolio at June 30, 2005, is summarized using the weighted average maturity method, as follows (expressed in thousands):

| Investment Type                          | Fair Value               | Weighted Average Maturity (Years) |
|--|--------------------------|-----------------------------------|
| <b>Fixed:</b>                            |                          |                                   |
| U.S. Government Treasuries, Notes, Bonds | \$ 7,185                 | 9.70                              |
| U.S. Government TIPS                     | 11,134                   | 7.20                              |
| U.S. Government Agency                   | 104,334                  | 1.59                              |
| Mortgage Backed-Government Pass Through  | 518,438                  | 24.98                             |
| Guaranteed Investment Contracts          | 260,250                  | 23.50                             |
| Investment Agreements                    | <u>20,612</u>            | <u>1.61</u>                       |
| <b>Total</b>                             | <b><u>\$ 921,953</u></b> | <b><u>21.06</u></b>               |

# STATE OF IOWA

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 3 – TRANSFERS

Interfund transfers for the year ended June 30, 2005, consisted of the following (expressed in thousands):

| Transferred Out             | Transferred In    |                                   |                     |                                 |                     | Total             |
|-----------------------------|-------------------|-----------------------------------|---------------------|---------------------------------|---------------------|-------------------|
|                             | General           | Nonmajor<br>Governmental<br>Funds | University<br>Funds | Nonmajor<br>Enterprise<br>Funds | Internal<br>Service |                   |
| General                     | \$ -              | \$ 21,614                         | \$ 592,269          | \$ 312                          | \$ 2,375            | \$ 616,570        |
| Nonmajor Governmental Funds | 109,178           | 17,095                            | 25,840              | -                               | -                   | 152,113           |
| Unemployment Benefits       | 4,855             | -                                 | -                   | -                               | -                   | 4,855             |
| Nonmajor Enterprise Funds   | 112,151           | -                                 | -                   | -                               | -                   | 112,151           |
| Internal Service            | 75                | -                                 | -                   | -                               | -                   | 75                |
| Total                       | <u>\$ 226,259</u> | <u>\$ 38,709</u>                  | <u>\$ 618,109</u>   | <u>\$ 312</u>                   | <u>\$ 2,375</u>     | <u>\$ 885,764</u> |

Transfers are used to move: 1) revenues from the fund that statute requires to collect them to the fund that statute requires to expend them, 2) unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorization, 3) Tobacco Settlement Authority bond proceeds to the State, and 4) profits from the Iowa Lottery Fund and Liquor Control Fund as required by law.

### NOTE 4 – RECEIVABLES

Receivables at June 30, 2005, consisted of the following (expressed in thousands):

|                                      | Governmental<br>Funds | Business Type Activities<br>Enterprise Funds | Governmental Activities<br>Internal Service Funds | Component Units   |
|--------------------------------------|-----------------------|--|---|-------------------|
| <b>Accounts Receivable</b>           |                       |  |   |                   |
| Taxes                                | \$ 441,520            | \$ -   | \$ -  | \$ -              |
| Pledges                              | -                     | -  | -   | 159,952           |
| Interest                             | 9,007                 | -  | -   | -                 |
| Benefit Overpayment                  | -                     | 31,937                                       | -   | -                 |
| Employer Contributions               | -                     | 106,835                                      | -   | -                 |
| Grants & Contracts                   | 937,435               | 102,301                                      | -   | -                 |
| Other                                | 353,289               | 468,807                                      | 827   | 25,320            |
| Less Allowance For Doubtful Accounts | 330,035               | 268,246                                      | -   | 5,976             |
| Less Discount To Present Value       | -                     | -  | -   | 23,551            |
| Accounts Receivable Net              | <u>\$ 1,411,216</u>   | <u>\$ 441,634</u>                            | <u>\$ 827</u>                                     | <u>\$ 155,745</u> |
| Current                              | \$ 1,315,056          | \$ 410,622                                   | \$ 827  | \$ 60,234         |
| Non-Current                          | 96,160                | 31,012                                       | -   | 95,511            |
| Total                                | <u>\$ 1,411,216</u>   | <u>\$ 441,634</u>                            | <u>\$ 827</u>                                     | <u>\$ 155,745</u> |
| <b>Loan Receivable</b>               |                       |  |   |                   |
| Loans Receivable                     | \$ 189,237            | \$ 73,303                                    | -   | \$ 430,942        |
| Less Allowance For Doubtful Accounts | 48,951                | 2,941  | -   | 4,230             |
| Loans Receivable Net                 | <u>\$ 140,286</u>     | <u>\$ 70,362</u>                             | <u>\$ -</u>                                       | <u>\$ 426,712</u> |
| Current                              | \$ 11,994             | \$ 6,289                                     | -   | 27,999            |
| Non-Current                          | 128,292               | 64,073                                       | -   | 398,713           |
| Total                                | <u>\$ 140,286</u>     | <u>\$ 70,362</u>                             | <u>\$ -</u>                                       | <u>\$ 426,712</u> |

**STATE OF IOWA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5 – INTERFUND BALANCES**

Interfund balances for the year ended June 30, 2005, consisted of the following (expressed in thousands):

| Due To Other Funds          | Due From Other Funds |                             |                       |                           |                  | Total             |
|-----------------------------|----------------------|-----------------------------|-----------------------|---------------------------|------------------|-------------------|
|                             | General              | Nonmajor Governmental Funds | Unemployment Benefits | Nonmajor Enterprise Funds | Internal Service |                   |
| General                     | \$ -                 | \$ 6,612                    | \$ 790                | \$ 2,800                  | \$ 59,102        | \$ 69,304         |
| Nonmajor Governmental Funds | 22,458               | 2,843                       | -                     | 141                       | 213              | 25,655            |
| Unemployment Benefits       | 218                  | -                           | -                     | -                         | -                | 218               |
| Nonmajor Enterprise Funds   | 17,836               | -                           | -                     | 25                        | 45               | 17,906            |
| Internal Service            | 867                  | -                           | -                     | 278                       | 712              | 1,857             |
| Total                       | <u>\$ 41,379</u>     | <u>\$ 9,455</u>             | <u>\$ 790</u>         | <u>\$ 3,244</u>           | <u>\$ 60,072</u> | <u>\$ 114,940</u> |

\$49.6 million is due from the General Fund to the Workers Compensation Fund (an Internal Service Fund) to fund the cost of claims incurred, \$14.5 million is due from the Iowa Lottery Authority (an Enterprise Fund) to the General Fund to transfer lottery profits as required by law. Remaining interfund balances result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payment between funds are made.

Not included in the table above are the following interfund advances, which are not expected to be repaid within one year: \$.27 million due from the General Fund to the Innovation Fund (an Internal Service Fund) for amounts loaned for the purpose of stimulating and encouraging innovation in State government and \$3.3 million due from the General Fund to the Unemployment Benefits Fund (an Enterprise Fund) for amounts loaned for various projects per the Reed Act distribution under Section 903 of the Social Security Act.

**NOTE 6 – CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2005, was as follows (expressed in thousands):

| <b>Governmental Activities</b>              | Balances<br>July 1, 2004 | Reclassifications | Increases        | Decreases       | Balances<br>June 30, 2005 |
|---|--------------------------|-------------------|------------------|-----------------|---------------------------|
| Capital Assets Not Being Depreciated:       |                          |                   |                  |                 |                           |
| Land  | \$ 565,110               | \$ -              | \$ 11,748        | \$ 4,346        | \$ 572,512                |
| Construction in Progress                    | 77,127                   | (81,456)          | 44,933           | -               | 40,604                    |
| Total Capital Assets Not Being Depreciated  | <u>642,237</u>           | <u>(81,456)</u>   | <u>56,681</u>    | <u>4,346</u>    | <u>613,116</u>            |
| Capital Assets Being Depreciated:           |                          |                   |                  |                 |                           |
| Infrastructure                              | 6,692,687                | -                 | 440,800          | 49,841          | 7,083,646                 |
| Works of Art and Historical Treasures       | 928                      | -                 | -                | -               | 928                       |
| Land Improvements                           | 7,825                    | -                 | -                | -               | 7,825                     |
| Building and Improvements                   | 862,839                  | 79,971            | 7,293            | 767             | 949,336                   |
| Machinery, Equipment and Vehicles           | 372,059                  | 1,485             | 35,977           | 30,805          | 378,716                   |
| Total Capital Assets Being Depreciated      | <u>7,936,338</u>         | <u>81,456</u>     | <u>484,070</u>   | <u>81,413</u>   | <u>8,420,451</u>          |
| Less Accumulated Depreciation for:          |                          |                   |                  |                 |                           |
| Infrastructure                              | 2,406,235                | -                 | 300,253          | 49,841          | 2,656,647                 |
| Works of Art and Historical Treasures       | 73                       | -                 | 10               | -               | 83                        |
| Land Improvements                           | 1,153                    | -                 | 284              | -               | 1,437                     |
| Buildings and Improvements                  | 396,187                  | -                 | 19,599           | 428             | 415,358                   |
| Machinery, Equipment and Vehicles           | 231,207                  | -                 | 27,097           | 25,670          | 232,634                   |
| Total Accumulated Depreciation              | <u>3,034,855</u>         | <u>-</u>          | <u>347,243</u>   | <u>75,939</u>   | <u>3,306,159</u>          |
| Total Capital Assets Being Depreciated, Net | <u>4,901,483</u>         | <u>81,456</u>     | <u>136,827</u>   | <u>5,474</u>    | <u>5,114,292</u>          |
| Governmental Activities Capital Assets, Net | <u>\$ 5,543,720</u>      | <u>\$ -</u>       | <u>\$193,508</u> | <u>\$ 9,820</u> | <u>\$ 5,727,408</u>       |

# STATE OF IOWA

## NOTES TO THE FINANCIAL STATEMENTS

|  | Balances<br>July 1, 2004 | Reclassifications | Increases        | Decreases       | Balances<br>June 30, 2005 |
|--|--------------------------|-------------------|------------------|-----------------|---------------------------|
| <b>Business-type Activities</b>              |                          |                   |                  |                 |                           |
| Capital Assets Not Being Depreciated:        |                          |                   |                  |                 |                           |
| Land   | \$ 27,276                | \$ -              | \$ 1,583         | \$ 21           | \$ 28,838                 |
| Land Improvements                            | 5,459                    | -                 | -                | 143             | 5,316                     |
| Construction in Progress                     | 245,242                  | (154,300)         | 227,147          | 111             | 317,978                   |
| Works of Art                                 | 27,959                   | -                 | 691              | 18              | 28,632                    |
| Library Collections                          | 171,495                  | -                 | 12,161           | 549             | 183,107                   |
| Total Capital Assets Not Being Depreciated   | <u>477,431</u>           | <u>(154,300)</u>  | <u>241,582</u>   | <u>842</u>      | <u>563,871</u>            |
| Capital Assets Being Depreciated:            |                          |                   |                  |                 |                           |
| Infrastructure                               | 516,981                  | 21,507            | 147              | 8,614           | 530,021                   |
| Library Collections                          | 167,686                  | -                 | 9,247            | 550             | 176,383                   |
| Land Improvements                            | 45,322                   | 1,252             | 1,309            | 259             | 47,624                    |
| Buildings and Improvements                   | 2,436,168                | 130,405           | 21,000           | 2,187           | 2,585,386                 |
| Machinery, Equipment and Vehicles            | 831,828                  | 1,136             | 101,035          | 91,411          | 842,588                   |
| Total Capital Assets Being Depreciated       | <u>3,997,985</u>         | <u>154,300</u>    | <u>132,738</u>   | <u>103,021</u>  | <u>4,182,002</u>          |
| Less Accumulated Depreciation for:           |                          |                   |                  |                 |                           |
| Infrastructure                               | 294,631                  | -                 | 23,836           | 4,092           | 314,375                   |
| Library Collections                          | 128,649                  | -                 | 8,231            | 550             | 136,330                   |
| Land Improvements                            | 21,739                   | -                 | 1,168            | 259             | 22,648                    |
| Buildings and Improvements                   | 1,116,437                | -                 | 76,705           | 1,830           | 1,191,312                 |
| Machinery, Equipment and Vehicles            | 535,250                  | -                 | 71,818           | 87,170          | 519,898                   |
| Total Accumulated Depreciation               | <u>2,096,706</u>         | <u>-</u>          | <u>181,758</u>   | <u>93,901</u>   | <u>2,184,563</u>          |
| Total Capital Assets Being Depreciated, Net  | <u>1,901,279</u>         | <u>154,300</u>    | <u>(49,020)</u>  | <u>9,120</u>    | <u>1,997,439</u>          |
| Business-type Activities Capital Assets, Net | <u>\$ 2,378,710</u>      | <u>\$ -</u>       | <u>\$192,562</u> | <u>\$ 9,962</u> | <u>\$ 2,561,310</u>       |

Depreciation was charged to functions of the primary government as follows (expressed in thousands):

|  |                  |
|--|------------------|
| Administration & Regulation  | \$ 4,456         |
| Education  | 3,024            |
| Health & Human Rights  | 2,376            |
| Human Services   | 2,877            |
| Justice & Public Defense   | 15,618           |
| Economic Development   | 427              |
| Transportation   | 300,338          |
| Agriculture & Natural Resources  | 5,744            |
| Subtotal   | <u>334,860</u>   |
| Depreciation on Capital Assets held by the State's<br>Internal Service Funds is allocated to the various<br>functions based on their use of the assets | <u>12,383</u>    |
| Total Depreciation Expense-Governmental  | <u>\$347,243</u> |
| Business-type Activities:<br>Enterprise  | <u>\$181,758</u> |
| <b>Discrete Component Units</b>  |                  |
| Land   | \$ 4,804         |
| Construction in Progress   | <u>565</u>       |
| Total Capital Assets Not Being Depreciated   | <u>5,369</u>     |
| Infrastructure   | 4,990            |
| Buildings and Improvements   | 79,227           |
| Land Improvements  | 27               |
| Machinery, Equipment and Vehicles  | <u>13,515</u>    |
| Total Capital Assets Being Depreciated   | 97,759           |
| Less Accumulated Depreciation  | <u>31,196</u>    |
| Total Capital Assets Being Depreciated, Net  | <u>66,563</u>    |
| Discretely Presented Component Units Capital Assets, Net   | <u>\$ 71,932</u> |

# STATE OF IOWA

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 7 – INVESTMENT IN PRIZE ANNUITIES AND ANNUITY PRIZES PAYABLE

Assets totaling \$34,994,272 which includes \$157,895 of cash, are held by the Iowa Lottery Authority for the purpose of paying installment prizes which have already been won but will not be completely paid until 2018. Annuity Prizes Payable does not include an additional liability of \$27,395 to taxing authorities. The following is a schedule of future payments (expressed in thousands):

| Year<br>Ending<br>June 30, | Current         | Noncurrent       | Total<br>Payments |
|----------------------------|-----------------|------------------|-------------------|
| 2006                       | \$ 9,356        | \$ -             | \$ 9,356          |
| 2007                       | -               | 8,152            | 8,152             |
| 2008                       | -               | 6,340            | 6,340             |
| 2009                       | -               | 4,377            | 4,377             |
| 2010                       | -               | 2,895            | 2,895             |
| 2011-2015                  | -               | 8,119            | 8,119             |
| 2016-2018                  | -               | 3,282            | 3,282             |
| Total Future Value         | 9,356           | 33,165           | 42,521            |
| Less: Unamortized Discount | (382)           | (7,172)          | (7,554)           |
| Present Value of Payments  | <u>\$ 8,974</u> | <u>\$ 25,993</u> | <u>\$ 34,967</u>  |

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

Changes in long-term liabilities for the year ended June 30, 2005, are summarized as follows (expressed in thousands):

|                                | Balances<br>July 1, 2004 | Additions      | Deductions     | Balances<br>June 30, 2005 | Amounts<br>due within<br>one year |
|--------------------------------|--------------------------|----------------|----------------|---------------------------|-----------------------------------|
| <b>Governmental Activities</b> |                          |                |                |                           |                                   |
| Compensated Absences           | \$ 137,667               | \$114,168      | \$ 111,816     | \$ 140,019                | \$ 102,665                        |
| Capital Leases                 | 4,149                    | 1,115          | 1,164          | 4,100                     | 1,142                             |
| Other Financing Arrangements   | 5,640                    | -              | 785            | 4,855                     | 728                               |
| Revenue Bonds                  | 991,156                  | 19,765         | 45,197         | 965,724                   | 22,090                            |
| Early Retirement               | 23,533                   | -              | 8,553          | 14,980                    | 10,109                            |
| Risk Management                | 11,500                   | 11,604         | 11,604         | 11,500                    | 4,255                             |
| Other Liabilities              | 20,730                   | 9,325          | 11,065         | 18,990                    | 3,024                             |
| Total                          | <u>1,194,375</u>         | <u>155,977</u> | <u>190,184</u> | <u>1,160,168</u> *        | <u>144,013</u>                    |

\* The General Fund has been typically used to liquidate most long-term liabilities, except for \$627.9 million of Revenue Bonds to be liquidated by the Tobacco Settlement Authority, a Special Revenue fund.

#### Allocation of Internal Service

##### Funds Liability:

|   |                     |                   |                   |                     |                   |
|---|---------------------|-------------------|-------------------|---------------------|-------------------|
| Capital Leases  | 349                 | -                 | 59                | 290                 | 63                |
| Compensated Absences                                  | 692                 | 1,971             | 124               | 2,539               | 2,539             |
| Early Retirement                                      | 118                 | -                 | 44                | 74                  | 29                |
| Total   | <u>1,159</u>        | <u>1,971</u>      | <u>227</u>        | <u>2,903</u>        | <u>2,631</u>      |
| Total Primary Government -<br>Governmental Activities | <u>\$ 1,195,534</u> | <u>\$ 157,948</u> | <u>\$ 190,411</u> | <u>\$ 1,163,071</u> | <u>\$ 146,644</u> |

##### Business-type Activities

|                              |                   |                   |                   |                     |                   |
|------------------------------|-------------------|-------------------|-------------------|---------------------|-------------------|
| Compensated Absences         | \$ 131,353        | \$ 71,549         | \$ 70,167         | \$ 132,735          | \$ 70,537         |
| Revenue Bonds                | 700,257           | 131,755           | 74,212            | 757,800             | 53,873            |
| Capital Leases               | 108,645           | 25,489            | 10,273            | 123,861             | 5,752             |
| Other Financing Arrangements | 44,941            | 1,686             | 41,789            | 4,838               | 1,138             |
| Total                        | <u>\$ 985,196</u> | <u>\$ 230,479</u> | <u>\$ 196,441</u> | <u>\$ 1,019,234</u> | <u>\$ 131,300</u> |

# STATE OF IOWA

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 9 – CAPITAL LEASES

The State has entered into agreements to lease various equipment and property. The agreements have interest rates ranging from 2.00% to 12.59% and expire before June 30, 2030.

The State has also entered into a few installment purchase agreements. Because the amounts involved are not material, and the accounting treatment is similar, such agreements are reported together with capital leases.

#### **Primary Government – Governmental Activities**

The following is a schedule by year of the future minimum payments required (expressed in thousands):

| Year ending<br>June 30, | Principal       | Interest      |
|-------------------------|-----------------|---------------|
| 2006                    | \$ 1,205        | \$ 205        |
| 2007                    | 1,038           | 150           |
| 2008                    | 728             | 103           |
| 2009                    | 298             | 74            |
| 2010                    | 192             | 60            |
| 2011-2015               | 696             | 146           |
| 2016-2020               | 209             | 39            |
| 2021-2025               | <u>24</u>       | <u>1</u>      |
| Total                   | <u>\$ 4,390</u> | <u>\$ 778</u> |

The historical cost of assets acquired under capital leases and included in capital assets on the government-wide statements at June 30 follows (expressed in thousands):

|                            |                 |
|----------------------------|-----------------|
| Buildings and Improvements | \$ 787          |
| Equipment                  | <u>2,415</u>    |
| Total                      | 3,202           |
| Accumulated Depreciation   | <u>(921)</u>    |
| Net                        | <u>\$ 2,281</u> |

#### **Primary Government – Business-Type Activities**

The following is a schedule by year of the future minimum payments required (expressed in thousands):

| Year ending<br>June 30, | Principal         | Interest         |
|-------------------------|-------------------|------------------|
| 2006                    | \$ 5,752          | \$ 6,238         |
| 2007                    | 4,894             | 6,027            |
| 2008                    | 5,435             | 5,795            |
| 2009                    | 5,032             | 5,553            |
| 2010                    | 16,366            | 5,314            |
| 2011-2015               | 28,768            | 19,703           |
| 2016-2020               | 30,208            | 12,208           |
| 2021-2025               | 14,301            | 5,946            |
| 2026-2030               | <u>13,105</u>     | <u>2,018</u>     |
| Total                   | <u>\$ 123,861</u> | <u>\$ 68,802</u> |

The historical cost of assets acquired under capital leases and included in capital assets on the financial statements at June 30 follows (expressed in thousands):

|                          |                   |
|--------------------------|-------------------|
| Land                     | \$ 455            |
| Construction in Progress | 55,402            |
| Buildings                | 109,578           |
| Equipment                | <u>9,972</u>      |
| Total                    | 175,407           |
| Accumulated Depreciation | <u>(31,386)</u>   |
| Net                      | <u>\$ 144,021</u> |

#### **Component Units**

The State University of Iowa Foundation has entered into a lease agreement with the University for a leasehold interest in a building.

The following is a schedule by year of the future minimum payments required (expressed in thousands):

| Year ending<br>June 30, | Principal       |
|-------------------------|-----------------|
| 2006                    | \$ 510          |
| 2007                    | 535             |
| 2008                    | 560             |
| 2009                    | 575             |
| 2010                    | 590             |
| 2011-2015               | <u>6,295</u>    |
| Total                   | <u>\$ 9,065</u> |

# STATE OF IOWA

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 10 – OTHER FINANCING ARRANGEMENTS PAYABLE

#### Loans and Contracts Payable

##### *Primary Government – Governmental Activities*

The Iowa Department of Natural Resources has entered into agreements for facilities and land for a total of \$6,763,823 with interest rates ranging from 3.92% to 9.35%. The following is a schedule by year of the future minimum payments required (expressed in thousands):

| Year ending<br>June 30, | Principal       | Interest      |
|-------------------------|-----------------|---------------|
| 2006                    | \$ 253          | \$ 134        |
| 2007                    | 268             | 119           |
| 2008                    | 286             | 102           |
| 2009                    | 179             | 85            |
| 2010                    | 187             | 77            |
| 2011-2015               | 818             | 273           |
| 2016-2020               | 645             | 117           |
| 2021-2025               | <u>184</u>      | <u>11</u>     |
| Total                   | <u>\$ 2,820</u> | <u>\$ 918</u> |

##### *Primary Government – Business-Type Activities*

Iowa State University, University of Northern Iowa and the University of Iowa have entered into agreements for buildings and equipment for a total of \$10,698,608. The agreements are for periods of 5 to 13 years with interest rates ranging from 2.24% to 6.50%.

The following is a schedule by year of future minimum payments required (expressed in thousands):

| Year ending<br>June 30, | Principal       | Interest      |
|-------------------------|-----------------|---------------|
| 2006                    | \$ 1,138        | \$ 210        |
| 2007                    | 1,030           | 159           |
| 2008                    | 923             | 111           |
| 2009                    | 280             | 72            |
| 2010                    | 297             | 55            |
| 2011-2015               | 789             | 59            |
| 2016-2020               | 75              | –             |
| 2021-2025               | <u>306</u>      | <u>–</u>      |
| Total                   | <u>\$ 4,838</u> | <u>\$ 666</u> |

#### Certificates of Participation

##### *Primary Government – Governmental Activities*

The Third, Fifth and Sixth Judicial Districts have sold certificates of participation for land and facilities for \$4,535,000. The certificates of participation represent an ownership interest of the certificate holder in a lease purchase agreement. The certificates mature over periods from 7 to 20 years with interest rates ranging from 3.00% to 4.87%.

The following is a schedule by year of the future minimum payments required (expressed in thousands):

| Year ending<br>June 30, | Principal       | Interest      |
|-------------------------|-----------------|---------------|
| 2006                    | \$ 475          | \$ 92         |
| 2007                    | 540             | 72            |
| 2008                    | 440             | 49            |
| 2009                    | 185             | 29            |
| 2010                    | 195             | 20            |
| 2011-2015               | <u>200</u>      | <u>10</u>     |
| Total                   | <u>\$ 2,035</u> | <u>\$ 272</u> |

# STATE OF IOWA

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 11 – BONDS PAYABLE

Revenue bonds payable at June 30, 2005, are as follows (expressed in thousands):

|   | ISSUE<br>DATES | ORIGINAL<br>ISSUANCE | INTEREST<br>RATE | MATURITY<br>DATE RANGE | OUTSTANDING<br>PRINCIPAL |
|---|----------------|----------------------|------------------|------------------------|--------------------------|
| <b>PRIMARY GOVERNMENT – Governmental Activities:</b>  |                |                      |                  |                        |                          |
| <b>Revenue Bonds</b>                                  |                |                      |                  |                        |                          |
| <i>Term Bonds</i>                                     |                |                      |                  |                        |                          |
| Department of Corrections                             | 1994-2002      | \$ 33,510            | Variable         | 2008-2014              | \$ 1,515                 |
| Tobacco Settlement Authority                          | 2002           | 582,935              | 5.30-6.79        | 2003-2027              | <u>578,150</u>           |
| Total   |                |                      |                  |                        | <u>579,665</u>           |
| <i>Serial Bonds</i>                                   |                |                      |                  |                        |                          |
| Underground Storage Tank                              | 1997 & 2004    | \$ 62,375            | Variable         | 1998-2014              | 53,850                   |
| Department of Corrections                             | 1994-2002      | 118,770              | Variable         | 2007-2016              | 62,755                   |
| Vision Iowa   | 2002           | 196,375              | 2.25-5.50        | 2002-2020              | 168,745                  |
| School Infrastructure                                 | 2002           | 48,585               | 3.50-5.50        | 2002-2021              | 37,875                   |
| Tobacco Settlement Authority                          | 2002           | 61,310               | 5.50             | 2011-2014              | <u>61,310</u>            |
| Total   |                |                      |                  |                        | <u>384,535</u>           |
| Unamortized Premium                                   |                |                      |                  |                        | 14,070                   |
| Unamortized Discounts                                 |                |                      |                  |                        | <u>(12,546)</u>          |
| Total Governmental Activities                         |                |                      |                  |                        | <u>\$965,724</u>         |
| <b>PRIMARY GOVERNMENT – Business-Type Activities:</b> |                |                      |                  |                        |                          |
| <b>Revenue Bonds</b>                                  |                |                      |                  |                        |                          |
| University of Northern Iowa                           | 1967-2005      | \$ 142,336           | 1.80-8.25        | 1968-2024              | \$120,925                |
| University of Iowa                                    | 1967-2005      | 512,460              | 2.00-9.00        | 1970-2031              | 348,330                  |
| Iowa State University                                 | 1968-2005      | 329,390              | 2.00-6.85        | 1975-2030              | 281,600                  |
| Iowa Lottery  | 2004           | 8,800                | 3.28             | 2005-2019              | <u>7,500</u>             |
| Total   |                |                      |                  |                        | 758,355                  |
| Unamortized Discount                                  |                |                      |                  |                        | <u>(555)</u>             |
| Total Business-type Activities                        |                |                      |                  |                        | <u>\$ 757,800</u>        |
| <b>COMPONENT UNITS:</b>                               |                |                      |                  |                        |                          |
| <b>Revenue Bonds</b>                                  |                |                      |                  |                        |                          |
| Iowa Finance Authority                                | 1977-2005      | \$1,190,700          | Variable         | 1979-2035              | \$828,137                |
| Iowa Higher Education                                 |                |                      |                  |                        |                          |
| Loan Authority  | 1984-1996      | 50,630               | Variable         | 1999-2016              | 35,910                   |
| Universities Foundations                              | 2002           | 3,850                | 5.25             | 2003-2012              | <u>3,567</u>             |
| Total   |                |                      |                  |                        | 867,614                  |
| Unamortized Issuance Costs and Discounts              |                |                      |                  |                        | <u>(1,183)</u>           |
| Total Component Units                                 |                |                      |                  |                        | <u>\$866,431</u>         |



## STATE OF IOWA

### NOTES TO THE FINANCIAL STATEMENTS

#### **Bonds Payable**

##### ***Primary Government – Governmental Activities***

##### **Underground Storage Tank**

The Iowa Finance Authority has issued term bonds and serial bonds to finance the Underground Storage Tank Financial Responsibility Program. The program provides payment for remediation claims of contamination of ground water sites due to leakage, spill or release of petroleum products by owner/operators. The bonds are payable solely from specific revenues and assets of the Underground Storage Tank Fund.

The obligations do not constitute a debt of the State of Iowa nor of the Iowa Finance Authority and neither is liable for any repayments.

During the year, the Iowa Finance Authority issued \$19,765,000 of Iowa Underground Storage Tank Revenue Refunding Bonds, 2004 Series A, with an interest range of 2.50-5.00% to advance refund \$23,480,000 of outstanding Iowa Underground Storage Tank Fund Revenue Bonds, 1994 Series A.

Net proceeds of \$20,550,050 were placed in an irrevocable escrow account with the Iowa Finance Authority as the trustee. The issue was called in December 2004, and the bonds were redeemed in their entirety by June 30, 2005.

The current refunding resulted in the recognition of an accounting gain of \$985,683 for the year ended June 30, 2005, a decrease in aggregate debt service of \$6,065,265 over the next ten years and an economic gain (difference between present value of the old and new debt service payments) of \$5,123,211.

##### **Iowa Department of Corrections**

The Iowa Finance Authority has issued term and serial bonds for the purpose of financing the construction or renovation of correctional facilities in the State. The Iowa Department of Corrections administers the State's correctional facilities and authorizes expenditures under the program. The bonds are payable solely from monies deposited in the Iowa Prison Infrastructure Fund maintained by the Treasurer of State, currently required by state law to be the first \$9,500,000 of monies remitted to the Treasurer of State each fiscal year from certain fees and fines collected from the clerks of district court in criminal cases, investment earnings on monies in the Iowa Prison Infrastructure Fund, and from other amounts pledged therefore under the bond indenture. These obligations do not constitute a debt of the State of Iowa, nor of the Iowa Finance Authority, and neither is liable for any repayments.

In prior years, the Iowa Finance Authority defeased certain Corrections Bonds by placing the proceeds in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the bonds are considered to be defeased and the asset and liability for those bonds have been removed from the Statement of Net Assets. As of June 30, 2005 bonds totaling \$21,165,000 were considered defeased.

##### **Vision Iowa**

The State of Iowa has issued Vision Iowa Special Fund bonds to provide grants or loans to communities to enhance local recreational, cultural and entertainment opportunities.

The bonds are secured by certain amounts to be deposited in the Vision Iowa Fund, including a Standing Appropriation of \$15,000,000 annually from gaming revenues, certain earnings on the Vision Iowa Fund and the Bond Reserve Fund, and to the extent of any shortfall in gaming revenues, Lottery revenues.

The bonds are not debts of the State or any political subdivision of the State, and do not constitute a pledge of the faith and credit of the State or a charge against the general credit or General Fund of the State. The bonds are payable solely and only from certain revenues deposited in the Vision Iowa Fund and from the Bond Reserve Fund.

##### **School Infrastructure**

The State of Iowa has issued School Infrastructure Special Fund Bonds Series to assist local schools districts with the construction and renovation of facilities. The fund will provide grants limited to \$1 million and requires a local match.

The bonds are secured by certain amounts to be deposited in the School Infrastructure Fund, including a Standing Appropriation of \$5,000,000 annually from gaming revenues, certain earnings on the Iowa School Infrastructure Fund and the Bond Reserve Fund, and, to the extent of any shortfall in gaming revenues, Lottery revenues.

The bonds are not debts of the State or any political subdivision of the State, and do not constitute a pledge of the faith and credit of the State or a charge against the general credit or General Fund of the State. The bonds are payable solely and only from certain revenues deposited in the School Infrastructure Fund and from the Bond Reserve Fund.

##### **Tobacco Settlement Authority**

The Tobacco Settlement Authority has issued \$40,000,000 of Tobacco Settlement Asset-Backed Bonds, Series A (Federally Taxable) and \$604,245,000 Tobacco Settlement Asset-Backed Bonds, Series B with interest rates of 5.30-6.79%.

# STATE OF IOWA

## NOTES TO THE FINANCIAL STATEMENTS

The bonds were issued by the Tobacco Settlement Authority (the "Authority"), a public instrumentality and agency of the State of Iowa (the "State"), separate and distinct from the State, exercising public and essential governmental functions, and created by the Tobacco Settlement Authority Act (the "Act"). Pursuant to a Sales Agreement, dated as of October 1, 2001 (the "Sales Agreement"), between the State and Authority, the State sold to the Authority, on the Closing Date, all of its right, title and interest in certain amounts payable to the State under the Master Settlement Agreement (the "MSA") entered into by participating cigarette manufacturers (the "PMs"), 46 states (including the State) and six other U.S. jurisdictions in November 1998 in the settlement of certain smoking-related litigation, including the State's right to receive future initial, annual and strategic contribution fund payments (the "TSRs"), to be made by the PMs under the MSA.

The bonds are secured by and are payable solely from (i) 78% of the TSRs payable to the Authority in the future as of the effective date of the Sales Agreement (the "Pledged TSRs"), (ii), investment earnings on certain accounts pledged under the Indenture, (iii) amounts held in the debt service reserve account (the "Debt Service Reserve Account") and the trapping account (the "Trapping Account") established under the Indenture (the "Reserves"), (iv) amounts held in the other accounts established under the Indenture, and (v) certain rights of the Authority as specified in the Sales Agreement. Pledged TSRs, represent a pro rata portion of every TSR dollar received by the Authority pursuant to the Sales Agreement.

The bonds are special revenue obligations of the Authority secured by, and payable solely and only out of, the moneys, assets or revenues pledged by the Authority pursuant to the indenture, are not a general obligation or general indebtedness of the authority, and do not constitute an obligation or indebtedness of the State or any political subdivision of the State.

Future bond debt service requirements of the Primary Government – Governmental Activities are as follows (expressed in thousands):

| Year ending<br>June 30, | Principal         | Interest          |
|-------------------------|-------------------|-------------------|
| 2006                    | \$ 22,930         | \$ 51,736         |
| 2007                    | 24,555            | 50,564            |
| 2008                    | 39,670            | 49,443            |
| 2009                    | 44,315            | 47,325            |
| 2010                    | 47,945            | 44,897            |
| 2011-2015               | 261,130           | 186,095           |
| 2016-2020               | 215,620           | 119,088           |
| 2021-2025               | 193,565           | 63,420            |
| 2026-2030               | <u>114,470</u>    | <u>10,405</u>     |
| Total                   | <u>\$ 964,200</u> | <u>\$ 622,973</u> |

### **Primary Government – Business-Type Activities Universities**

Iowa State University, the University of Northern Iowa and the University of Iowa have issued revenue bonds for the construction of buildings, facilities, utilities and equipment. The bonds are payable principally from tuition and user fee revenues.

During the current fiscal year, the University of Iowa issued \$25,000,000 of Academic Building Revenue Bonds, Series S.U.I. 2004 with an interest rate range of 4.00-4.50%, \$10,960,000 of Iowa Memorial Union Revenue Bonds with an interest rate range of 3.50-4.30%, \$15,435,000 of Athletic Facilities Revenue Bonds, Series 2005 with an interest rate range of 3.00-4.25% to defray the cost of constructing various academic buildings, facilities, remodeling the Iowa Memorial Union, constructing, equipping and furnishing a new field house and renovating the existing field house.

During the current fiscal year, the University of Iowa issued a \$9,595,000 of Center for University Advancement Revenue Refunding Bonds, Series 2004, with an interest rate range of 3.75-4.75% to advance refund \$9,845,000 of outstanding University Advancement Revenue Bonds, Series S.U.I. 1995 with an interest rate range of 4.75-5.40%.

Net bond proceeds of \$9,625,000 were placed in an irrevocable escrow account with the University as trustee.

The advance refunding resulted in the recognition of an accounting gain \$250,000 for the year ended June 30, 2005, an increase in aggregate debt service of \$1,581,000 over the next fifteen years and an economic loss (difference between present value of the old and new debt service payments) of \$125,000.

During the current fiscal year, the University of Iowa issued \$9,565,000 of Athletic Facilities Revenue Bonds, Series S.U.I. 2005, with an average interest rate range of 3.00-4.25% to advance refund \$9,460,000 of outstanding Academic Building Revenue Bonds, Series S.U.I. 2000 with interest rate range of 4.50-5.15%.

Net bond proceeds of \$9,474,000 were placed in an irrevocable escrow account with the University as trustee.

The advance refunding resulted in the recognition of an accounting loss of \$105,000 for the year ended June 30, 2005, a decrease in aggregate debt service of \$224,000 over the next seventeen years and an economic gain (difference between present values of the old and new debt service payments) of \$807,000.

## STATE OF IOWA

### NOTES TO THE FINANCIAL STATEMENTS

Also, during the current fiscal year, the University of Iowa issued \$15,200,000 of Academic Building Revenue Refunding Bonds, Series 2005 with an interest rate range of 3.50–5.00% to advance refund \$8,440,000 of outstanding Academic Building Revenue Bonds, Series S.U.I. 1995 with an interest rate range of 5.75–6.00% and \$7,660,000 Academic Building Revenue Bonds, Series S.U.I. 1996 with an interest rate range of 4.55– 6.00%.

Net bond proceeds of \$15,327,000 were placed in an irrevocable escrow account with the University as trustee.

The advance refunding resulted in the recognition of an accounting gain of \$900,000 for the year ended June 30, 2005, a decrease in aggregate debt service of \$2,023,000 over the next sixteen years and an economic gain (difference between present value of the old and new debt service payments) of \$3,006,000.

In prior years, the University of Iowa defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the State's financial statements. As of June 30, 2005, bonds totaling \$35,660,000 for the University of Iowa were considered defeased.

During the current fiscal year, the University of Northern Iowa issued \$12,575,000 of Revenue Bonds Series 2005 with an interest rate range of 3.00-5.00% to defray the cost for construction of academic buildings (\$5,110,000), and to pay the costs of constructing and equipping a Field House (\$7,465,000).

During the current fiscal year, Iowa State University issued \$24,625,000 of Revenue Bonds with an interest rate range of 2.50-4.625% to improve, remodel, repair, and construct additions to the Memorial Union Building and Parking Facility.

#### **Iowa Lottery Authority**

The Iowa Lottery Authority issued \$8,800,000 of Iowa Lottery Authority Bonds, Series 2004 with an interest rate of 3.284% to finance the purchase and installation of instant ticket and pull-tab vending machines and the purchase and renovation of a building to be used as the lottery headquarters.

Future bond debt service requirements for bonds of the Primary Government – Business-Type Activities are as follows (expressed in thousands):

| Year ending<br>June 30, | Principal         | Interest          |
|-------------------------|-------------------|-------------------|
| 2006                    | \$ 53,873         | \$ 36,179         |
| 2007                    | 44,450            | 34,470            |
| 2008                    | 45,557            | 32,611            |
| 2009                    | 42,722            | 31,119            |
| 2010                    | 42,578            | 26,689            |
| 2011-2015               | 204,188           | 100,425           |
| 2016-2020               | 154,617           | 58,996            |
| 2021-2025               | 119,020           | 25,467            |
| 2026-2030               | 47,900            | 5,529             |
| 2031-2035               | <u>3,450</u>      | <u>76</u>         |
| Total                   | <u>\$ 758,355</u> | <u>\$ 351,561</u> |

#### **Component Units**

##### **Iowa Finance Authority**

The Iowa Finance Authority is authorized and has issued bonds, the proceeds of which are used to provide authorized mortgage financing. The bonds are payable principally from repayments of such mortgage loans. The obligations do not constitute a debt of the State of Iowa and the State is not liable for any repayments.

The bonds are secured, as described in the applicable bond resolution, by the revenues, monies, investments, loans, and other assets in the funds and accounts established by the respective bond resolutions. The line of credit under the Single Family Bond Program Funds is secured by investments held by a custodial financial institution in an amount equal to or exceeding 102% of the outstanding advances as required by the credit agreement. The line of credit under the Finance Authority's General Fund is secured by investments held by a custodial financial institution in an amount no less than \$2 million and is a general obligation of the Authority.

The Single Family Mortgage Bond Resolutions, the Single Family Housing Bond Resolutions, and the Multi-Family Bond Resolution contain covenants which require the Authority to make payments of principal and interest from amounts available in the Finance Authority's General Fund should deficiencies occur in the funds established for such payments by the respective bond resolutions. The Single Family Mortgage Revenue Bond Resolution, the credit agreement under the Single Family Bond program Funds, the Multi-Family Housing Refunding Revenue Bond Resolution, and the bond resolutions for the Clean Water Program Funds and Drinking Water Program Funds do not contain these covenants.

# STATE OF IOWA

## NOTES TO THE FINANCIAL STATEMENTS

During the current year, the Finance Authority issued Single Family Mortgage Bonds, 2005 Series A, B, And C, in the par amount of \$65,460,000 with interest rates of 2.9% to 5.00%, in part to refund and defease \$5,460,000 of Single Family Mortgage Bonds, 1995 Series C, D, and E, with interest rates of 5.7% to 6.65%. Proceeds of \$5,460,000 were deposited in an irrevocable trust with an escrow agent to provide for the July 1, 2005 redemption of all remaining 1995 CDE bonds. The Authority decreased its future debt service payments by \$3.5 million and received a present value savings of \$1.2 million.

In prior years, the Authority defeased certain Iowa State Revenue bonds by placing the proceeds of new bonds along with certain Federal Capitalization Grants and revenues in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Housing Agency Defeased Bonds Series 1995, 1996, 1997, 1998, 1999 and 2000A of Iowa Revolving Fund Revenue bonds. As of June 30, 2005, bonds totaling \$85,790,000 are considered defeased.

### Iowa Higher Education Loan Authority

The Iowa Higher Education Loan Authority is authorized and has issued bonds to provide educational loans to students and facility loans to private educational institutions in the State of Iowa. The bonds are payable primarily from interest and principal payments of the educational and facility loans.

The Iowa Higher Education Loan Authority has no taxing authority and bonds issued do not constitute a debt, liability, or obligation of the State of Iowa or any political subdivision thereof.

### Universities Foundations

The Foundation of Iowa State University in prior years issued \$3,850,000 of bonds to purchase and remodel the Foundation Advancement Center building. The bonds are collateralized with a mortgage on the building and other real estate owned by the Foundation.

The Foundation has no taxing authority and bonds issued do not constitute a debt, liability, or obligation of the State of Iowa or any political subdivision thereof.

Future bond debt service requirements for the bonds of the component units are as follows (expressed in thousands):

| Year ending<br>June 30, | Principal         | Interest          |
|-------------------------|-------------------|-------------------|
| 2006                    | \$ 32,283         | \$ 37,670         |
| 2007                    | 29,774            | 37,084            |
| 2008                    | 30,906            | 35,739            |
| 2009                    | 31,684            | 34,288            |
| 2010                    | 31,872            | 32,847            |
| 2011-2015               | 197,771           | 139,437           |
| 2016-2020               | 114,020           | 104,468           |
| 2021-2025               | 125,925           | 75,744            |
| 2026-2030               | 130,315           | 46,766            |
| 2031-2035               | <u>143,064</u>    | <u>16,256</u>     |
| Total                   | <u>\$ 867,614</u> | <u>\$ 560,299</u> |

## NOTE 12 – ACCOUNTS PAYABLE AND ACCRUALS

Accounts payable & accruals at June 30, 2005, consisted of the following (expressed in thousands):

### Primary Government

#### Government Activities

|                         | Current           | Noncurrent       |
|-------------------------|-------------------|------------------|
| Salaries and fringes    | \$ 58,507         | \$ –             |
| Early retirement        | 10,138            | 4,916            |
| Pension                 | –                 | 6,307            |
| Risk management         | 4,255             | 7,245            |
| State aid               | 278,821           | –                |
| Trade and other payable | <u>572,413</u>    | <u>53,740</u>    |
| Total                   | <u>\$ 924,134</u> | <u>\$ 72,208</u> |

#### Business-type Activities

|                          | Current           | Noncurrent       |
|--------------------------|-------------------|------------------|
| Salaries and fringes     | \$ 103,880        | \$ –             |
| Early retirement         | 8,605             | 13,096           |
| General claims           | 17,125            | –                |
| Unemployment benefits    | 10,281            | –                |
| Trade and other payables | <u>132,596</u>    | <u>2,768</u>     |
| Total                    | <u>\$ 272,487</u> | <u>\$ 15,864</u> |

### Component Units

|                           | Current          | Noncurrent       |
|---------------------------|------------------|------------------|
| Annuity and Life Income   |                  |                  |
| Obligations               | \$ –             | \$ 56,221        |
| Pledges Due to University | 11,124           | 5,690            |
| Other                     | <u>19,526</u>    | <u>5,855</u>     |
| Total                     | <u>\$ 30,650</u> | <u>\$ 67,766</u> |

# STATE OF IOWA

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 13 – FUND BALANCE - RESERVED FOR SPECIFIC PURPOSES

The Reserve for Specific Purposes Fund Balance in the Governmental Funds represents the portion of fund balance legally segregated for a specific future use. A summary of these reserves at June 30, 2005, follows (expressed in thousands):

#### Major Funds

##### General Fund:

|   |                  |
|---|------------------|
| Primary Road                            | \$ 355,247       |
| Senior Living Trust                     | 148,547          |
| Vision Iowa                             | 86,817           |
| Road Use Tax                            | 80,942           |
| Iowa Infrastructure                     | 76,005           |
| Farm to Market Road Funds               | 56,592           |
| Motor Vehicle Fuel Tax Unapportioned    | 39,794           |
| Revitalize Iowa's Sound Economy         | 39,423           |
| Unassigned Revenue                      | 34,638           |
| UST Innocent Landowners                 | 26,400           |
| Safety Improvement Program              | 19,725           |
| Terminal Liability Health Insurance     | 16,711           |
| Health Insurance Premium Operating      | 13,884           |
| School Infrastructure and Reserve       | 9,909            |
| Resource Enhancement & Protection       | 9,501            |
| UST Revenue                             | 8,941            |
| UST Capital Reserve                     | 6,283            |
| UST Remedial                            | 5,924            |
| Fish and Game Fund                      | 4,448            |
| County Bridge Construction              | 4,255            |
| DOT Clearing Account                    | 3,886            |
| Dental Insurance Premium Operating      | 3,406            |
| Value Added Products                    | 3,146            |
| Health Insurance Premium Reserve        | 3,065            |
| ICSAC-Default Reduction Act             | 2,607            |
| Life Insurance Optional Premium Reserve | 2,213            |
| Hawk I Trust                            | 2,118            |
| Other                                   | <u>34,648</u>    |
| Total General Fund                      | <u>1,099,075</u> |

##### Nonmajor Governmental Funds:

|                                   |                     |
|-----------------------------------|---------------------|
| Tobacco Tax-Exempt Bond Proceeds  | 107,169             |
| Tobacco Settlement Authority      | 86,813              |
| Permanent School Principal        | 7,657               |
| Iowa Public Television Foundation |                     |
| Endowment                         | 1,448               |
| Iowa Veterans Trust               | 1,004               |
| Iowa Cultural Trust               | 476                 |
| Iowa Public Television            |                     |
| Foundation                        | 273                 |
| Other                             | <u>95,333</u>       |
| Total Nonmajor Governmental Funds | <u>300,173</u>      |
| Total                             | <u>\$ 1,399,248</u> |

### NOTE 14 – OPERATING LEASES

The State has leased office space and equipment. These leases have been classified as operating leases and expire before June 30, 2041. In most cases, management expects that the leases will be renewed or replaced by other leases. The future minimum lease payments for these leases are as follows (expressed in thousands):

#### Primary Government – Governmental Activities:

Year ending June 30,

|            |                  |
|------------|------------------|
| 2006       | \$ 11,636        |
| 2007       | 8,549            |
| 2008       | 6,335            |
| 2009       | 4,838            |
| 2010       | 3,999            |
| 2011-2015  | 8,198            |
| 2016-2020  | 260              |
| 2021-2025  | 273              |
| 2026-2030  | 257              |
| 2031-2035  | 251              |
| 2036-2040  | 277              |
| Thereafter | <u>71</u>        |
| Total      | <u>\$ 44,944</u> |

All leases contain nonappropriation clauses indicating that continuation of the lease is subject to funding by the legislature.

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 \$14,332,776.

#### Primary Government – Business-Type Activities:

A summary of operating lease commitments to maturity are as follows (expressed in thousands):

Year ending June 30,

|           |                  |
|-----------|------------------|
| 2006      | \$ 6,246         |
| 2007      | 4,412            |
| 2008      | 2,456            |
| 2009      | 1,022            |
| 2010      | 621              |
| 2011-2015 | <u>433</u>       |
| Total     | <u>\$ 15,190</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 \$10,865,228.

#### Component Units:

A summary of operating lease commitments to maturity are as follows (expressed in thousands):

Year ending June 30,

|      |              |
|------|--------------|
| 2006 | <u>\$ 11</u> |
|------|--------------|

## STATE OF IOWA

### NOTES TO THE FINANCIAL STATEMENTS

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 \$23,033.

#### **NOTE 15 – LESSOR OPERATING LEASES**

The Iowa Department of Natural Resources leases tracts of land valued at \$11,820,493 for agricultural purposes. Glenwood Resource Center leases building space valued at \$1,389,688. Iowa Public Television leases antenna and building space, no value has been assigned to the leased portions. The Iowa Department of Transportation leases land valued at \$2,831,857. Iowa State University leases building space valued at \$172,159, equipment valued at \$1,373,609, and tracts of land for agriculture purposes, for which no value has been assigned to the leased portion. The University of Northern Iowa leases buildings valued at \$463,578 (net of accumulated depreciation of \$66,566) and tracts of land valued at \$523,155 have been leased for agricultural purposes. The following is a schedule by year of minimum future rentals on operating leases as of June 30, 2005 (expressed in thousands):

| Year ending June 30, |    |              |
|----------------------|----|--------------|
| 2006                 | \$ | 2,410        |
| 2007                 |    | 1,623        |
| 2008                 |    | 1,023        |
| 2009                 |    | 605          |
| 2010                 |    | 398          |
| 2011-2015            |    | 1,220        |
| 2016-2020            |    | 329          |
| 2021-2025            |    | 186          |
| 2026-2030            |    | 46           |
| 2031-2035            |    | <u>5</u>     |
| Total                | \$ | <u>7,845</u> |

#### **NOTE 16 – PENSION PLANS**

##### **Iowa Public Employees' Retirement System**

##### ***Plan Description***

The Iowa Public Employees' Retirement System (IPERS) was created in 1953 by the Iowa Legislature, to replace Iowa Old Age and Survivors' Insurance System. Effective July 1, 2003, Chapter 97B of the Iowa Code established IPERS as an independent agency within the Executive Branch of State government.

IPERS is a cost-sharing defined benefit multi-employer public employee retirement system. Participation in IPERS is mandatory for most state, county, and local public employees, employees of school districts, and certain elected officials. Membership is optional for some individuals, including the members of the Iowa Legislature. Excluded from membership are members of other retirement systems supported by Iowa public funds.

| June 30, 2005     |              |
|-------------------|--------------|
| Employer members: |              |
| City              | 1,280        |
| County            | 463          |
| School            | 389          |
| State             | 22           |
| Other             | <u>234</u>   |
| Total             | <u>2,388</u> |

IPERS' vesting requirements are four years of service or age 55. Effective July 1, 2005 members must be age 55 and terminate covered employment or have four years of service upon termination in order to be considered vested. Normal retirement age is 65, or when the member's age plus years of service equals or exceeds 88. A member may also take early retirement between the ages of 55 and 65 with reduced benefits. At retirement, a member chooses one of six benefit options.

IPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to IPERS, 7401 Register Drive, P. O. Box 9117, Des Moines, IA 50306-9117, or available at [info@ipers.org](mailto:info@ipers.org), or by calling 515-281-0020.

##### ***Funding Policy***

Member and employer contribution rates are established by statute. In general, IPERS' members contribute 3.70%, and employers contribute 5.75% of the covered wage base. The contributions are remitted by participating employers. Certain members and employers engaged in law enforcement, fire safety, and protection occupations contribute at slightly higher rates as shown in the following table. Wages are covered up to the federal limit of \$210,000 for calendar year 2005.

|                                      | Contribution Rates<br>as of June 30, 2005 |          |        |
|--------------------------------------|---|----------|--------|
|                                      | Employee                                  | Employer | Total  |
| Regular                              | 3.70%                                     | 5.75%    | 9.45%  |
| Sheriffs/Deputy<br>Sheriffs (County) | 8.535%                                    | 8.535%   | 17.07% |
| Protection Occupations*              | 6.16%                                     | 9.23%    | 15.39% |

## STATE OF IOWA

### NOTES TO THE FINANCIAL STATEMENTS

\* Protection Occupations: City Marshals/Police or Fire Fighters in towns under 8,000 population, State and County Conservation Peace Officers, State Correctional Officers, State Airport Safety Officers, Airport Firefighters, DOT Peace Officers, Airport Security Officers, and Fire Prevention Inspector Peace Officers.

A valuation of the liabilities and reserves of the IPERS Trust Fund is performed annually by IPERS' actuary in accordance with Iowa Code Section 97B.4(4)(d). The Iowa statutes provide that most IPERS members shall contribute 3.70% of pay and employers shall contribute 5.75%, for a total of 9.45%. The valuation is performed to determine whether the statutory rate will be sufficient to fund the future benefits expected to be paid by the System within the guidelines established in IPERS funding policy (maximum amortization period of 30 years). The statutory rate is first applied to fund the normal cost. The remaining contribution rate is used to amortize the unfunded actuarial liability as a level percentage of payroll, which in turn determines the amortization period. As a result, the remaining amortization period varies with each actuarial valuation.

The amount of actuarially determined contribution requirement was approximately \$599,460,517. The total amount of contributions made during the fiscal year ended June 30, 2005, was \$513,449,599 with \$310,842,387 coming from employers and \$202,607,212 from employees. This resulted in a 85.6% funding ratio. The difference between the actuarially required contribution and actual contributions made is due entirely to statutory contribution requirements that differ from the actuarially required contribution rate.

The State of Iowa's contributions to IPERS for the years ended June 30, 2005, 2004, and 2003, were \$65,233,569, \$62,955,419, and \$58,545,880, respectively, equal to 100% of the statutorily required contributions for each year.

Beginning with the June 30, 1996 actuarial valuation, the annual valuation of liabilities is calculated using the entry age normal cost method. The entry age normal cost method requires the calculation of an Unfunded Actuarial Accrued Liability, \$2,288,608,596 at June 30, 2005. Based on the current Unfunded Actuarial Accrued Liability amount and amortization payment, the amortization period is infinite. Additional information is available in IPERS' separately issued report.

#### **Summary of Significant Accounting Policies**

IPERS' financial statements are prepared using the accrual basis of accounting. Revenues are recognized when they are earned and become measurable. Expenses are recognized when the liability is incurred. As such, plan members contributions are recognized in the period in which the contributions are due. Employers' contributions are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

All investments are reported at fair value. The determination of fair value is generally based on published market prices and quotations from major investment brokers. Investments not having quoted market prices have been valued based on yields and maturities currently available on comparable securities of similar issue. Fair values for real estate, private equity/debt partnerships, and direct real estate investments are based on periodic assessments or appraisals of the underlying investments. Futures contracts are valued daily with the resulting adjustment recorded as realized gains/losses arising from the daily settlement of variation margin.

The System has no investment in any specific stock or bond issues of any commercial or industrial organization, other than the U.S. government and its instrumentalities, whose market value exceeds five percent of the net assets available for benefits.

#### **Peace Officers' Retirement, Accident and Disability System**

##### ***Plan Description***

The Peace Officers' Retirement, Accident and Disability System was created under Chapter 97A of the Code of Iowa to provide retirement and other benefits for the peace officers of the Iowa Department of Public Safety. The Peace Officers' Retirement, Accident and Disability System is the administrator of a single-employer defined benefit public employee retirement system.

A member may retire with a service allowance after completing 22 years credited service and attaining the minimum service retirement age of 55. Plan benefits include: service retirement benefits, ordinary disability retirement benefits, accidental disability benefits, ordinary death benefits, accidental death benefits, and line of duty death benefits.

## STATE OF IOWA

### NOTES TO THE FINANCIAL STATEMENTS

The Peace Officers' Retirement, Accident and Disability System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Peace Officers' Retirement, Accident and Disability System, Iowa Department of Public Safety, Wallace State Office Building, Des Moines, IA 50319.

#### ***Funding Policy***

The contributions to the System are made pursuant to Chapter 97A of the Code of Iowa, and are not based upon actuarial determinations.

Member contribution rates are established by statute at 9.35%. However, the System shall increase the member's contribution rate as necessary to cover any increase in cost to the System resulting from statutory changes which are enacted by any session of the General Assembly meeting after January 1, 1991, if the increase cannot be absorbed within the contribution rates established, but subject to a maximum employee contribution rate of 11.30%. After the employee contribution reaches 11.30%, sixty percent of the additional cost of such statutory changes shall be paid by employers and forty percent of the additional cost shall be paid by employees. This is deducted from the member's salary and remitted by the employer.

The employer is obligated by statute to contribute an amount of 17.00% of covered payroll. Contribution provisions are established by State law and may be amended only by the State legislature. The State of Iowa has historically followed a contribution policy of appropriating funds based upon a percentage of the current salaries for which funds are appropriated.

The member contribution required and contributed was \$2,993,823, representing 9.35% of the current year covered payroll. The State contribution required by statute was \$5,442,868 and the amount actually contributed was \$5,442,868. Costs of administering the plan are financed through employer contributions and investment income.

#### **Summary of Significant Accounting Policies**

The Peace Officers' Retirement, Accident and Disability System's financial statements are prepared using the accrual basis of accounting. Contributions are recognized in the period in which the contributions are due. Pension benefits and annuities are recognized when due and payable in accordance with the terms of the plan.

Investments are recorded at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Investments that do not have an established market are reported at estimated fair value.

The System has no investment in any specific stock or bond issues of any commercial or industrial organization, other than the U.S. government and its instrumentalities, where market value exceeds five percent of the net assets held in trust for pension benefits.

#### **Annual Pension Cost and Net Pension Obligation**

The State's annual pension cost and net pension obligation to the Peace Officers' Retirement, Accident and Disability System for the current year were as follows:

|  |                       |
|--|-----------------------|
| Annual required contribution                                   | \$ 11,577,021         |
| Interest on net pension obligation                             | (899,356)             |
| Adjustment to annual required contribution                     | <u>913,080</u>        |
| Annual pension cost  | 11,590,745            |
| Contributions made   | <u>5,442,868</u>      |
| Increase in net pension obligation                             | 6,147,877             |
| (Assets in excess of) net pension obligation beginning of year | <u>(11,241,945)</u>   |
| (Assets in excess of) net pension obligation end of year       | <u>\$ (5,094,068)</u> |

For calculation of the net pension obligation, the actuary has set the transition date as July 1, 1995. The end of year net pension obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the System's actual contributions for fiscal years 1988 through 2005.

The annual required contribution for the current year was determined as part of the July 1, 2004, actuarial valuation using the aggregate actuarial cost method. This method does not identify or separately amortize unfunded actuarial liabilities. The actuarial assumptions included (a) 8.00% investment rate of return, (b) projected salary increases of 10.00% for the first year, 5.00% for each of the next 4 years and 5.50% thereafter, (c) an inflation rate of 4.00%, and (d) post retirement benefits based on expected payroll



## STATE OF IOWA

### NOTES TO THE FINANCIAL STATEMENTS

growth and provision of the law. The actuarial value of assets was determined using a smoothing method. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2005 was 16 years.

Three-year trend information:

| Year Ended June 30, | Annual Pension Cost (APC) | Percentage of APC Contributed | (Assets in Excess) of Net Pension Obligation |
|---------------------|---------------------------|-------------------------------|--|
| 2003                | \$7,831,041               | 70.75%                        | \$ (15,204,612)                              |
| 2004                | 9,465,385                 | 58.13%                        | (11,241,945)                                 |
| 2005                | 11,590,745                | 46.96%                        | (5,094,068)                                  |

#### Judicial Retirement System

##### Plan Description

The Judicial Retirement System is the administrator of a single-employer defined benefit public employee retirement system.

The Judicial Retirement System was established to provide pension benefits to Judges serving on the Supreme Court, District Courts and the Court of Appeals.

Pursuant to Chapter 602 of the Code of Iowa, a member who has had a total of at least six years of service as a judge of one or more of the above courts and is at least sixty-five years of age or who has served twenty-five years of consecutive service as a judge of one or more of the above courts shall qualify for an annuity. The annual annuity of a judge under this system is an amount equal to three percent of the judge's average annual basic salary for the judge's highest three years as a judge multiplied by the judge's years of service, or, for a member who meets the definition of a senior judge under Chapter 602.9202 of the Code of Iowa, three percent of the basic senior judge salary multiplied by the judge's years of service, limited to a specified percentage of the highest basic annual salary or basic senior judge salary, as applicable, which the judge is receiving or had received as of the time the judge became separated from service. The specified percentage is as follows: (1) fifty percent for judges who retired prior to July 1, 1998; (2) fifty-two percent for judges who retired and received an annuity on or after July 1, 1998 but before July 1, 2000; (3) fifty-six percent for judges who retired and received an annuity on or after July 1, 2000 but before July 1,

2001; and (4) sixty percent for judges who retire and receive an annuity on or after July 1, 2001. Any member who has served as a judge for a total of six years or more and deemed permanently incapacitated, mentally or physically, to perform his/her duties shall be entitled to an annuity that would be the same as computed under a retirement annuity.

The Judicial Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Judicial Retirement System, Iowa Judicial Branch, 1111 East Court Avenue, Des Moines, IA 50319.

##### Funding Policy

The contributions to the Iowa Judicial Retirement System are made pursuant to Section 602.9104 of the Code of Iowa, and are not based upon actuarial determinations.

The member contribution required and contributed was \$1,042,199, representing 5.00% of the current year covered payroll. The State contribution required by statute and the amount contributed was \$2,039,664. The State share is to be based on 9.71% of the current year covered payroll. Costs of administering the plan are financed through State appropriation, member contributions and investment income.

##### Summary of Significant Accounting Policies

The Iowa Judicial Retirement System's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. System contributions are recognized when due and the System has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair value.

# STATE OF IOWA

## NOTES TO THE FINANCIAL STATEMENTS

Investments in governmental bonds and treasury notes constitute approximately 1.71% of net assets held in trust for pension benefits. The System has no investments in the stocks or bonds of any commercial or industrial organization where market value exceeds 5.00% or more of the net assets held in trust for pension benefits.

### Annual Pension Cost and Net Pension Obligation

The State's annual pension cost and net pension obligation for the Iowa Judicial Retirement System for the current year were as follows:

|  |                     |
|--|---------------------|
| Annual required contribution               | \$ 4,394,389        |
| Interest on net pension obligation         | 504,527             |
| Adjustment to annual required contribution | <u>(513,429)</u>    |
| Annual pension cost                        | 4,385,487           |
| Contributions made                         | <u>2,039,664</u>    |
| Increase in net pension obligation         | 2,345,823           |
| Net Pension obligation beginning of year   | <u>3,960,761</u>    |
| Net pension obligation end of year         | <u>\$ 6,306,584</u> |

For calculation of the net pension obligation, the actuary has set the transition date as July 1, 1995. The net pension obligation was calculated by the actuary as the cumulative difference between the System's annual required contributions and the System's actual contributions for fiscal years 1988 through 2005.

The annual required contribution for the current year was determined as part of the July 1, 2005, actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 8.00% investment rate of return and (b) projected salary and inflationary increases of 5.00% per year. The assumptions included post retirement benefit increases in accordance with the law. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized using a level dollar amortization method on an open basis. The remaining amortization period at June 30, 2005, was 30 years.

Three-year trend information:

| Year Ended June 30, | Annual Pension Cost (APC) | Percentage of APC Contributed | (Assets in Excess) of Net Pension Obligation |
|---------------------|---------------------------|-------------------------------|--|
| 2003                | \$ 4,025,065              | 50.67%                        | \$1,602,515                                  |
| 2004                | 4,397,910                 | 46.38%                        | 3,960,761                                    |
| 2005                | 4,385,487                 | 46.51%                        | 6,306,584                                    |

### Teachers Insurance and Annuity Association Retirement Program

The Universities, Board of Regents, the Iowa Braille and Sight Saving School, and the Iowa School for the Deaf contribute to the Teachers Insurance and Annuity Association (TIAA) retirement program. The above, by contributing to TIAA, participate in a defined contribution retirement plan.

A defined contribution retirement plan provides retirement benefits in return for services rendered, provides individual annuities for each plan participant, and specifies how contributions to an individual's annuity are to be determined instead of specifying the amount of benefits the participant is to receive. Under a defined contribution retirement plan, the benefits a participant will receive depend solely on the amount contributed to the participant's annuity, and the returns earned on investments of those contributions. As required by the Iowa State Board of Regent's policy, all eligible employees must participate in a retirement plan from the date they are employed. Contributions made by both employer and employee vest immediately. As specified by the contract agreement with TIAA, each employee through the fifth year of employment contributes 3.33% of the first \$4,800 of earnings and 5.00% on the balance of earnings. The employer through the fifth year of employment, contributes 6.67% of the first \$4,800 of earnings and 10.00% on earnings above the \$4,800. Upon completion of five years of service, the participant contributes 5.00% and the employer 10.00% on all earnings. During fiscal year 2005, the employers' contributions amounted to \$115,065,107. Employees' contributions amounted to \$56,200,572.

No retirement plan provisions changed during the year that affected the Institutions' or employees' required contributions

# STATE OF IOWA

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 17 – BEGINNING BALANCE ADJUSTMENTS

During fiscal year 2005, the State reclassified the Information Technology Revolving and the Iowa Management Training funds from General Fund to Internal Service Funds. The reclassification resulted in the following changes to beginning Fund Balance, Net Assets and Cash & Cash equivalents as follows (expressed in thousands):

|                       | <b>Fund<br/>Statements</b> | <b>Statement of<br/>Net Assets</b> | <b>Statement of<br/>Cash Flows</b>          |
|-----------------------|----------------------------|------------------------------------|---|
|                       | Governmental<br>Fund       | Internal Service<br>Funds          | Internal Service<br>Cash & Cash Equivalents |
| June 30, 2004         | \$ 2,354,837               | \$ 102,215                         | \$ 20,192                                   |
| Reclassifications     | <u>(7,252)</u>             | <u>7,252</u>                       | <u>6,251</u>                                |
| July 1, 2004 restated | <u>\$ 2,347,585</u>        | <u>\$ 109,467</u>                  | <u>\$ 26,443</u>                            |

During fiscal year 2005, the Higher Education Loan Authority refunded interest overcharges on loan repayments received in prior years. This resulted in an adjustment to beginning balances as follows (expressed in thousands):

#### Component Units

|                       |                     |
|-----------------------|---------------------|
| June 30, 2004         | \$ 1,704,808        |
| Adjustment            | <u>(461)</u>        |
| July 1, 2004 restated | <u>\$ 1,704,347</u> |

### NOTE 18 – OTHER POST EMPLOYMENT BENEFITS

On November 8, 2001, the Legislature passed an Early Retirement Termination Program during the special legislative session. The program requires the sum of the number of years of credited service (service under the Iowa Public Employee's Retirement System or the Peace Officers' Retirement, Accident and Disability System) and age in years as of December 31, 2002, equals or exceeds seventy-five. Employees were required to sign up before January 31, 2002 and leave State employment on or before February 1, 2002.

The Early Retirement Incentive is calculated as the total dollar value of accrued vacation and sick leave balances at the time of termination. However, the sick leave cannot exceed 2080 hours (the amount of annual salary). The vacation and sick leave will be paid out in five installments, with 10 percent paid with the last regular payroll warrant, 20 percent paid each August in 2002, 2003, and 2004, and the remaining 30 percent paid to the employee or their beneficiary in August 2005.

On May 28, 2002, the Legislature passed a Sick Leave and Vacation Incentive Program Extension during the special legislative session held on that day. The program requires the sum of the number of years of credited service (service under the Iowa Public Employee's Retirement System or the Peace Officers'

Retirement, Accident and Disability System) and age in years as of December 31, 2003, to be equal to or exceed seventy-five. Eligible employees were required to sign up on or before August 14, 2002, and leave State employment between the dates of July 8, 2002 and August 15, 2002.

The Sick Leave and Vacation Incentive is calculated as the total dollar value of accrued vacation and sick leave balances at the time of termination. However, the sick leave cannot exceed 2080 hours (the amount of regular annual salary). The vacation and sick leave will be paid out in five installments, with 30 percent of the total cash value paid with the last regular payroll warrant in 2002, 20 percent paid each August in 2003, 2004, and 2005, and the remaining 10 percent paid to the employee or their beneficiary in August 2006.

On April 2, 2004, the Governor signed into law a sick leave and vacation incentive program for eligible executive branch employees. The program requires the sum of the number of years of credited service (service under the Iowa Public Employee's Retirement System or the Peace Officers' Retirement, Accident and Disability System) and age in years as of December 31, 2004, equals or exceeds seventy-five. Employees were required to sign up by May 21, 2004 and to leave State employment no earlier than July 2, 2004, but no later than August 12, 2004.

## STATE OF IOWA

### NOTES TO THE FINANCIAL STATEMENTS

The incentive is calculated as the total dollar of accrued vacation at the time of termination plus the lesser of 75 percent of the employee's accumulated and unused sick leave or 75 percent of the employee's annual salary. The vacation and sick leave will be paid out in five installments, with 30 percent paid with the employee's last regular payroll warrant, 20 percent paid August in 2005, 2006, 2007, and the remaining 10 percent in August 2008. In the event a program participant dies prior to receiving the total cash value of the incentive, the participant's designated beneficiary or beneficiaries shall receive the remaining payments on the schedule developed for such payments.

Participants of all of the programs may not accept permanent part-time or permanent full-time employment with the State, other than as an elected official, after termination.

All incentives are financed on a pay-as-you-go basis by the department from which the employee terminated. Amounts due for all of the programs have been recorded as a liability in the government-wide financial statements. Early Out costs for fiscal year 2005 for 1,019 participants totaled \$8,552,768 for government funds and \$59,485 for other funds.

The Board of Regents approved an Early Retirement Incentive Program (ERIP) in June 1986, with modifications July 1990 and July 1992; and in July 2001 the Board of Regents approved discontinuation of the program upon its expiration on June 30, 2002. The Board of Regents has authorized each institutional head to exercise discretion as to whether employees who are qualified at June 30, 2002 may have two years after expiration of the program to request participation. This program expired June 30, 2004.

Those eligible for participation were faculty, professional-scientific employees, institutional officials, staff of the Board Office, and all merit system employees employed by the Board of Regents for a period of at least fifteen years and who have attained the age of 57 by June 30, 2002. The employee's department head and the appropriate administrative officers approved the employee's participation.

All incentive payments are financed on a pay-as-you-go basis, except at the University of Northern Iowa. At the University of Northern Iowa, the policy requires departments to fully fund the ERIP liability upon signing new ERIP contracts, and the policy requires previously executed contracts be funded by June 30, 2003. No contributions were funded during the fiscal year ended June 30, 2005.

An employee approved for participation in the program will receive the following incentives until age 65, unless otherwise specified:

- 1) Health & Dental Insurance – The employer's contributions are made until the employee is eligible for Medicare coverage.
- 2) Group Life Insurance – The employer provides a paid-up life insurance policy which varies in amounts between \$2,000 and \$4,000.
- 3) TIAA/CREF Contributions – The employer's and employee's contributions are made for up to three (3) years; and employer's contributions are payable for a maximum of five (5) years or until the employee is eligible for full Social Security benefits, whichever occurs first.
- 4) IPERS Contributions – The employee may elect lump sum payment

The employee may have elect, prior to approval of participation in the program, to accept the present value of all or part of the incentives as a lump sum payment on the beginning date of participation in the program. The rate of interest used to calculate the present value is established annually by the board. The rate approved for fiscal year 2004 was 1.00%. There are no future rates since the program ended June 30, 2004.

The Board of Regents Institutions' contributions for the fiscal year ended June 30, 2005, amounted to \$11,135,548 for 1,083 participants.

The State Police Officers Council (SPOC) Collective Bargaining Agreement provides upon retirement, including disability retirement, credit for all unused sick leave as follows:

Accumulated, unused sick leave in both the active and banked sick leave accounts shall be converted at current value and credited to the employee's account for the purpose of paying the cost of the monthly premiums of a health insurance and/or life insurance policy.

Upon written authority from or upon the death of a retired employee, or upon the death of an active employee, the spouse or the surviving spouse shall be entitled to the value of the sick leave bank in both the active and banked sick leave accounts as converted in the previous paragraph for the purpose of paying the cost of monthly premiums of the health insurance and/or life insurance policy for the employee's spouse or dependents.

## STATE OF IOWA

### NOTES TO THE FINANCIAL STATEMENTS

If the carrier of either the health or life insurance policy is not a current contracted carrier with the State of Iowa, or the council or any of its sub organizations, the employee or spouse shall be eligible for reimbursement of a premium payment to that carrier upon submission of proof of payment. If there is dissolution of marriage or divorce, it is the employee's responsibility to withdraw their authority.

The benefits are funded on a pay-as-you go basis for Department of Public Safety retirees and fully funded for Department of Natural Resources retirees.

For the year ended June 30, 2005, 200 SPOC retirees received benefits totaling \$1,010,787.

#### NOTE 19 – RISK MANAGEMENT

##### *INSURANCE/TRANSFER OF RISK*

State employee benefits for health, dental, long-term disability and life insurance coverage are fully insured through commercial insurers. The State also insures with outside parties for certain liabilities. The State assumes liability for any deductibles and claims in excess of coverage limitations. Iowa State University and the University of Iowa assume responsibility for aircraft liability claims in excess of \$10.0 million and \$2.0 million, respectively, and Workforce Development assumes fire liability on buildings and contents in excess of \$15.4 million.

The University of Northern Iowa assumes liability in excess of \$250.0 million for the Residence System Buildings, Maucker Union, General Fund Buildings, Early Childhood Center and boiler and machinery per event. Each building has individual limits of coverage and a \$2.0 million deductible, Residence Halls \$214.4 million, Residence Apartments \$51.3 million, Maucker Union \$24.4 million, General Buildings \$250.0 million, and Early Childhood Center \$2.5 million. The University also assumes liability for physical damage to the UNI-Dome buildings for the first \$150,000 and in excess of \$47.1 million and medical liability at the Laboratory School in excess of \$5.0 million.

The University of Iowa assumes liability for damage to buildings and contents for the first \$2.0 million and in excess of \$750.0 million per event, pharmacy products liability for the first \$10,000 and in excess of \$7.0 million, student interns professional liability in excess of \$3.0 million dental student professional liability in excess of \$3.0 million, losses at the Museum of Art in excess of \$117.2 million, criminal fidelity liability for the first \$100,000 and in excess of \$10.0 million; and construction job site liability for the first \$250,000 and in excess of \$50.0 million.

The University also assumes liability for wrestling camps excess of \$3.0 million, liability for gymnastics camps, youth camps, outreach clinics and special events in excess of \$2.0 million. It also assumes liability for property damage to the Hawkeye Express in excess of \$2.9 million, liability in excess of \$3.0 million and liability for the Hawkeye Express Railroad in excess of \$25.0 million.

Iowa State University assumes liability for damage to buildings and contents in excess of \$2,673.7 million, damage to boilers and machinery in excess of \$327.8 million, damage to electronic data processing, telecommunications equipment in excess of \$37.0 million and business interruption in excess of \$26.9 million.

Glenwood Resource Center assumes liability for volunteers' accident and personal liability of \$1.0 million per occurrence and \$3.0 million annually. The Iowa Braille and Sight Saving School assumes liability for the first \$1.0 million and in excess of \$30.2 million for catastrophic losses.

The First, Second, Third, Fourth, Fifth, Sixth, Seventh and Eighth Judicial Districts assume liability for physical damage to buildings and contents in excess of \$11.9 million, \$4.0 million, \$3.4 million, \$3.2 million, \$15.1 million, \$9.5 million, \$2.3 million and \$2.5 million, respectively. The Fifth Judicial District assumes liability for boiler equipment breakdown in excess of \$4.5 million. The First Judicial District assumes liability in excess of \$6.0 million blanket coverage for boilers.

The State maintains an employee fidelity bond where the first \$100,000 in losses and any losses exceeding \$2.0 million becomes the responsibility of the State. Iowa State University maintains an additional policy and assumes liability in excess of \$4.0 million.

There were no settlements in excess of coverage for the past three fiscal years.

##### *SELF-INSURANCE/RETENTION OF RISK*

It is the policy of the State not to purchase commercial insurance, except as detailed above, for the risks of losses to which it is exposed. Instead, State management believes that it is more economical to manage its risks internally and set aside assets for claim settlement in its internal service funds or to pay claims from the General Fund.

Specific claim adjustment expenditures/expenses and estimated recoveries on unsettled claims are included in the determination of claims liability. Other allocated or unallocated claim adjustment expenditures/expenses are not included.

# STATE OF IOWA

## NOTES TO THE FINANCIAL STATEMENTS

The State is self-insured for various risks of loss related to work injuries of its employees. The Workers' Compensation Fund, an internal service fund, services workers' compensation claims. The liability for unpaid claims is estimated based on the average cost per claim-type determined from an actuarial review. Changes in the balances for estimated claims liabilities in fiscal years 2004 and 2005 were (expressed in thousands):

|       | Current Year   |              |             |             |
|-------|----------------|--------------|-------------|-------------|
|       | Balances At    | Claims       | Balances At |             |
|       | Beginning      | And Changes  | Claim       | End Of      |
|       | Of Fiscal Year | In Estimates | Payments    | Fiscal Year |
| FY 04 | \$53,230       | 14,616       | 17,231      | \$50,615    |
| FY 05 | 50,615         | 16,422       | 16,120      | 50,917      |

The State is self-insured for various risks of loss related to its motor vehicle fleet. The Vehicle Dispatcher Self-Insurance Fund, an internal service fund, services liability and property damage claims. The liability for unpaid claims is estimated based on historical experience and the application of an industry standard of forty percent for IBNR claims. Changes in the balances for estimated claims liabilities in fiscal years 2004 and 2005 were (expressed in thousands):

|       | Current Year   |              |             |             |
|-------|----------------|--------------|-------------|-------------|
|       | Balances At    | Claims       | Balances At |             |
|       | Beginning      | And Changes  | Claim       | End Of      |
|       | Of Fiscal Year | In Estimates | Payments    | Fiscal Year |
| FY 04 | \$ 509         | 34           | 276         | \$ 267      |
| FY 05 | 267            | 157          | 74          | 350         |

The State is self-insured for various risks of loss related to the operation of the Board of Regents institutions' motor vehicle fleets. The Regent's Motor Vehicle Liability Self-Insurance Fund, an internal service fund, services liability and property damage claims. The liability for unpaid claims is estimated based on statistical techniques that reflect recent settlements, similar claim history, and other economic and social factors. Changes in the balances for estimated claims liabilities in fiscal years 2004 and 2005 were (expressed in thousands):

|       | Current Year   |              |             |             |
|-------|----------------|--------------|-------------|-------------|
|       | Balances At    | Claims       | Balances At |             |
|       | Beginning      | And Changes  | Claim       | End Of      |
|       | Of Fiscal Year | In Estimates | Payments    | Fiscal Year |
| FY 04 | \$ 945         | (262)        | 409         | \$ 274      |
| FY 05 | 274            | 721          | 241         | 754         |

The State is self-insured for risks of loss related to property damage and torts. All claims must be filed with the State Appeal Board which has the authority to approve or reject claims. Claims allowed in an amount greater than five thousand dollars require the unanimous approval of all the members of the Board, the Attorney General, and the District Court of the State of Iowa for Polk County. The liability for unpaid claims is estimated based on historical experience and analysis. Changes in the balances for estimated claims liabilities in fiscal years 2004 and 2005 were (expressed in thousands):

|       | Current Year   |              |             |             |
|-------|----------------|--------------|-------------|-------------|
|       | Balances At    | Claims       | Balances At |             |
|       | Beginning      | And Changes  | Claim       | End Of      |
|       | Of Fiscal Year | In Estimates | Payments    | Fiscal Year |
| FY 04 | \$ 11,500      | 24,243       | 24,243      | \$11,500    |
| FY 05 | 11,500         | 11,604       | 11,604      | 11,500      |

The Universities retain risk liability for medical faculty malpractice; medical, dental, unemployment, and workers' compensation coverage for some employees; and various property damage not covered as described above. The estimates of claim liabilities for faculty medical malpractice, and employee medical, dental, unemployment, and workers' compensation are based on actuarial analysis. The estimates of the claim liability for various property damage is based on historical analysis. Changes in the balances for estimated claims liabilities in fiscal years 2004 and 2005 were (expressed in thousands):

|       | Current Year   |              |             |             |
|-------|----------------|--------------|-------------|-------------|
|       | Balances At    | Claims       | Balances At |             |
|       | Beginning      | And Changes  | Claim       | End Of      |
|       | Of Fiscal Year | In Estimates | Payments    | Fiscal Year |
| FY 04 | \$ 19,772      | 119,187      | 114,965     | \$23,994    |
| FY 05 | 23,994         | 123,012      | 128,126     | 18,880      |

### NOTE 20 – LITIGATION, CONTINGENCIES, AND COMMITMENTS

The Iowa *Department of Revenue* has pending litigation regarding income tax cases. The cases *could* possibly result in refunds estimated at \$7.0 million.

The Iowa *Department of Transportation* has estimated the State's share of contractual obligations for construction and other contracts at \$320.0 million at June 30, 2005.

The *University of Iowa* has outstanding construction contract commitments of \$114.6 million at June 30, 2005.

# STATE OF IOWA

## NOTES TO THE FINANCIAL STATEMENTS

*Iowa State University* has outstanding construction contract commitments of \$19.2 million at June 30, 2005.

*The Department of Natural Resources* has outstanding construction contract commitments of \$2.4 million at June 30, 2005.

*The University of Northern Iowa* has outstanding construction contract commitments of \$24.0 million at June 30, 2005.

*The Department of Administrative Services* has outstanding construction contract commitments of \$29.6 million at June 30, 2005.

*The Iowa Finance Authority* has signed loan agreements with municipalities and water systems totaling \$78.8 million as of June 30, 2005.

*The Iowa Department of Economic Development* has commitments of \$135.6 million at June 30, 2005.

*The Iowa Underground Storage Tank Financial Responsibility Program* provides payment for remediation claims of contamination of ground water sites due to leakage, spill or release of petroleum products by owner/operators. Potential claims for clean-up charges are estimated to total 120.4 million. The payment of claims is limited to funds made available by charges to owner/operators and from the collection of environmental protection charges, underground storage tanks fees, recoveries, Federal assistance and earnings of the General Fund.

*The Iowa Department of Vocational Rehabilitation Services* has outstanding construction and other contracts of \$1.4 million at June 30, 2005.

### NOTE 21 – TAX AND REVENUE ANTICIPATION NOTES

Pursuant to the Code of Iowa, Section 12.26, the State of Iowa issued Tax and Revenue Anticipation Notes (TRANS).

The TRANS were issued for the purpose of meeting the State's cash flow requirements. They were issued on November 9, 2004, with an interest rate of 3.00% and were repaid on June 30, 2005.

The following is a schedule of TRANS activity for the year ended June 30, 2005 (expressed in thousands):

|       | Beginning |            |            | Ending  |
|-------|-----------|------------|------------|---------|
|       | Balance   | Issued     | Redeemed   | Balance |
| TRANS | \$ -      | \$ 375,000 | \$ 375,000 | \$ -    |

### NOTE 22 – SUBSEQUENT EVENTS

In July of 2005, the Board of Regents, called Academic Building Revenue Bonds, Series U.N.I. 1995 in the amount of \$5,360,000 and Field House Revenue Bonds, Series U.N.I. 1997 in the amount of \$7,645,000 to take advantage of lower interest rates.

In September of 2005, the Board of Regents, issued \$12,800,000 of Academic Building Revenue Bonds, Series U.N.I. 2005. Proceeds of the sale of the bonds will be used to partially fund Science Buildings Renovation and Russell Hall Renovation projects. In addition to project costs, bond proceeds will be used for a debt service reserve, underwriters discount and issuance costs. An additional bond issue, tentatively scheduled for calendar year 2007, will finance additional costs of these projects.

In September of 2005, an agreement was signed between the Board or Regents and the University of Northern Iowa Foundation. In the agreement, the Foundation agreed to transfer \$1,165,000 of gift income to the University to assist with the construction of the McLeod Center. This Amendment #2 is an addition to the initial \$17,000,000 gift funding agreement that was signed on February 27, 2004 and Amendment #1 in the amount of \$2,660,000 that was signed on October 29, 2004.

In September of 2005, the Board of Regents approved the sale of \$25,000,000 in Athletic Facilities Revenue Bonds, Series S.U.I. 2005A and \$15,000,000 in Athletic Facilities Taxable Revenue Bonds, Series S.U.I. 2005B to defray a portion of the costs of the renovations to Kinnick Stadium on the University of Iowa's campus.

In October of 2005, the Board of Regents approved the terms of a capital lease with the University of Iowa Facilities Corporation (UIFC) that matched the terms of a \$13,530,000 revenue bond issue by UFCF. The proceeds of the bonds will be used to purchase, renovate and equip commercial condominium space which will provide space for several departments of the University of Iowa.

In December of 2005, the Board of Regents, issued \$20,000,000 of Academic Building Revenue Bonds, Series I.S.U. 2005. The bonds bear interest at varying rates between 4.0% and 4.5% and will mature in varying amounts from July 1, 2008 through July 1, 2027. The proceeds of the bonds will be used to pay a portion of the costs of constructing additions and improving, remodeling, repairing, and equipping the veterinary teaching hospital and diagnostic lab and Coover Hall, and for fire safety costs on Iowa

## STATE OF IOWA

### NOTES TO THE FINANCIAL STATEMENTS

State University campus, funding a debt service reserve, and paying the costs of issuance. The bonds will be payable solely out of gross student fees and charges collected by the University and institutional income received by the University.

In December of 2005, the State of Iowa issued Tax and Revenue Anticipation Notes (TRANS) of \$450,000,000 at an interest rate of 4.50%, priced to yield 3.22%. The notes have a maturity date of June 30, 2006.

In November of 2005, the Tobacco Settlement Authority, a public instrumentality and agency of the State of Iowa, separate and distinct from the state, exercising public and essential governmental functions and created by the Tobacco Settlement Authority Act issued \$831,962,030 of Tobacco Settlement Asset Backed Bonds (Series 2005 Bonds). The Series 2005 Bonds are comprised of five series – the Series 2005A Bonds, which are federally taxable turbo term bonds, the Series 2005B Bonds, which are federally tax-exempt turbo convertible capital appreciation bonds, the Series 2005C Bonds, which are federally tax-exempt turbo term bonds, the Series 2005D Bonds, which are federally tax-exempt turbo capital appreciation bonds and are payable only when no Current Interest Bond or Convertible Capital Appreciation Bond remains outstanding, and Series 2005E Bonds, which are federally tax-exempt turbo capital appreciation bonds and are payable only when no Current Interest Bond, Convertible Capital Appreciation Bond or Series 2005D Bond remains outstanding.

The Series 2005 Bonds are being issued (1) to refund \$40,000,000 of the Authority's Tobacco Settlement Asset-Backed Bonds, Series 2001A and \$604,245,000 of Series 2001B, (2) to provide additional funds to or for the benefit of the State, (3) to fund the Debt Service Reserve account, (4) and to pay the cost of issuance of the Series 2005 Bonds.



**THIS PAGE LEFT BLANK INTENTIONALLY**

**R E Q U I R E D  
S U P P L E M E N T A R Y  
I N F O R M A T I O N**

# STATE OF IOWA

## Budgetary Comparison Schedule Required Supplementary Information

For the Year Ended June 30, 2005  
(Expressed in Thousands)

| GENERAL FUND                                |                    |                  |                  |                    |
|---|--------------------|------------------|------------------|--------------------|
|   | ORIGINAL<br>BUDGET | FINAL<br>BUDGET  | ACTUAL           | FINAL TO<br>ACTUAL |
| <b>APPROPRIATED REVENUE:</b>                |                    |                  |                  |                    |
| <b>SPECIAL TAXES:</b>                       |                    |                  |                  |                    |
| Personal Income Tax                         | \$ 2,628,000       | \$ 2,747,200     | \$ 2,794,631     | \$ 47,431          |
| Sales/Use Tax                               | 1,715,800          | 1,797,400        | 1,806,755        | 9,355              |
| Corporation Income Tax                      | 199,500            | 249,200          | 281,101          | 31,901             |
| Inheritance Tax                             | 71,900             | 72,600           | 77,003           | 4,403              |
| Insurance Premium Tax                       | 114,400            | 131,700          | 131,183          | (517)              |
| Cigarette Tax                               | 84,100             | 87,100           | 87,427           | 327                |
| Tobacco Tax                                 | 8,300              | 7,900            | 8,650            | 750                |
| Beer & Liquor Tax                           | 14,000             | 14,000           | 14,062           | 62                 |
| Franchise Tax                               | 43,000             | 36,300           | 36,594           | 294                |
| Miscellaneous Tax                           | 1,500              | 1,100            | 623              | (477)              |
| <b>TOTAL SPECIAL TAXES</b>                  | <b>4,880,500</b>   | <b>5,144,500</b> | <b>5,238,029</b> | <b>93,529</b>      |
| <b>REIMBURSEMENTS &amp; FEES:</b>           |                    |                  |                  |                    |
| Institutional Reimbursements                | 13,700             | 10,900           | 15,118           | 4,218              |
| Liquor Transfers                            | 54,000             | 59,000           | 60,275           | 1,275              |
| Interest                                    | 4,400              | 7,000            | 10,749           | 3,749              |
| Fees  | 64,700             | 68,800           | 73,375           | 4,575              |
| Judicial Revenue                            | 58,100             | 56,600           | 59,131           | 2,531              |
| Miscellaneous Receipts                      | 37,600             | 39,800           | 47,650           | 7,850              |
| Racing & Gaming Receipts                    | 60,000             | 60,000           | 60,000           | -                  |
| <b>TOTAL RECEIPTS</b>                       | <b>5,173,000</b>   | <b>5,446,600</b> | <b>5,564,327</b> | <b>117,727</b>     |
| Transfers                                   | 63,000             | 63,900           | 61,536           | (2,364)            |
| <b>TOTAL APPROPRIATED REVENUE</b>           | <b>5,236,000</b>   | <b>5,510,500</b> | <b>5,625,863</b> | <b>115,363</b>     |
| <b>RECEIPTS CREDITED TO APPROPRIATIONS:</b> |                    |                  |                  |                    |
| Sales Tax Monthly                           | 3                  | 3                | 2                | (1)                |
| Multi Suspense                              | 10,600             | 3,701            | 3,620            | (81)               |
| Federal Support                             | 1,993,965          | 2,115,880        | 2,143,522        | 27,642             |
| Local Governments                           | 113,024            | 113,026          | 150,080          | 37,054             |
| Other States                                | 1                  | 1                | -                | (1)                |
| Internal Service Transfers                  | 530,715            | 541,241          | 444,788          | (96,453)           |
| Internal Service Reimbursements             | 20,300             | 17,237           | 22,628           | 5,391              |
| Interest                                    | -                  | -                | 94               | 94                 |
| Fees, Licenses, & Permits                   | 8,066              | 8,299            | 21,455           | 13,156             |
| Refunds & Reimbursements                    | 137,089            | 259,686          | 289,741          | 30,055             |
| Sale of Equipment & Salvage                 | 18                 | 27               | 40               | 13                 |
| Rents & Leases                              | 2,790              | 2,787            | 2,712            | (75)               |
| Agricultural Sales                          | 2                  | 2                | 1                | (1)                |
| Other Sales & Services                      | 3,157              | 3,163            | 3,956            | 793                |
| Unearned Receipts                           | 2,869              | 2,892            | 358              | (2,534)            |
| Other                                       | 93,245             | 95,342           | 109,050          | 13,708             |
| <b>TOTAL APPROPRIATED RECEIPTS</b>          | <b>2,915,844</b>   | <b>3,163,287</b> | <b>3,192,047</b> | <b>28,760</b>      |
| <b>TOTAL ALL REVENUE</b>                    | <b>8,151,844</b>   | <b>8,673,787</b> | <b>8,817,910</b> | <b>144,123</b>     |
| <b>REFUNDS OF TAXES COLLECTED</b>           | <b>(696,000)</b>   | <b>(684,700)</b> | <b>(696,900)</b> | <b>(12,200)</b>    |
| <b>TOTAL REVENUES AVAILABLE</b>             | <b>7,455,844</b>   | <b>7,989,087</b> | <b>8,121,010</b> | <b>131,923</b>     |

(continued on next page)

# STATE OF IOWA

(continued)

|   | GENERAL FUND       |                   |                   |                    |
|---|--------------------|-------------------|-------------------|--------------------|
|   | ORIGINAL<br>BUDGET | FINAL<br>BUDGET   | ACTUAL            | FINAL TO<br>ACTUAL |
| <b>EXPENDITURES:</b>  |                    |                   |                   |                    |
| Administration & Regulation   | 223,615            | 261,580           | 264,817           | (3,237)            |
| Agriculture & Natural Resources   | 122,807            | 124,216           | 121,190           | 3,026              |
| Economic Development  | 32,993             | 42,657            | 34,057            | 8,600              |
| Education   | 3,018,446          | 3,022,150         | 3,028,032         | (5,882)            |
| Health & Human Rights   | 150,364            | 154,576           | 152,796           | 1,780              |
| Human Services  | 3,270,680          | 3,597,928         | 3,631,459         | (33,531)           |
| Justice   | 548,991            | 559,848           | 561,236           | (1,388)            |
| Transportation  | 6,959              | 10,605            | 1,800             | 8,805              |
| <b>TOTAL EXPENDITURES</b>   | <b>7,374,855</b>   | <b>7,773,560</b>  | <b>7,795,387</b>  | <b>(21,827)</b>    |
| <b>REVENUES AVAILABLE OVER (UNDER)<br/>EXPENDITURES AND TRANSFERS</b>             | <b>80,989</b>      | <b>215,527</b>    | <b>325,623</b>    | <b>110,096</b>     |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                    |                   |                   |                    |
| Balances Credited To Appropriations   | 7,018              | 21,479            | 20,633            | (846)              |
| Unexpended Appropriations   | (112)              | (1,239)           | (20,395)          | (19,156)           |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>                                       | <b>6,906</b>       | <b>20,240</b>     | <b>238</b>        | <b>(20,002)</b>    |
| <b>REVENUES AVAILABLE OVER (UNDER)<br/>EXPENDITURES &amp; OTHER ITEMS</b>         | <b>87,895</b>      | <b>235,767</b>    | <b>325,861</b>    | <b>90,094</b>      |
| <b>BEGINNING FUND BALANCE (BUDGETARY)</b>   | <b>-</b>           | <b>-</b>          | <b>-</b>          | <b>-</b>           |
| <b>REMAINING FUND BALANCE (BUDGETARY)</b>   | <b>\$ 87,895</b>   | <b>\$ 235,767</b> | <b>\$ 325,861</b> | <b>\$ 90,094</b>   |
| <b>ENDING FUND BALANCE (BUDGETARY)</b>  |                    | <b>\$ 235,767</b> | <b>\$ 325,861</b> |                    |
| <b>AUTHORIZED TRANSFER TO THE<br/>PROPERTY TAX CREDIT FUND</b>                    |                    | <b>(159,664)</b>  | <b>(159,664)</b>  |                    |
| <b>REMAINING FUND BALANCE (BUDGETARY)</b>   |                    | <b>\$ 76,103</b>  | <b>166,197</b>    |                    |
| <b>AMOUNT STATUTORILY REQUIRED<br/>TO BE TRANSFERRED TO CASH<br/>RESERVE FUND</b> |                    |                   | <b>(166,197)</b>  |                    |
| <b>ENDING FUND BALANCE AVAILABLE FOR<br/>APPROPRIATION</b>                        |                    |                   | <b>\$ -</b>       |                    |

# STATE OF IOWA

## Budgetary Comparison Schedule - Budget to GAAP Reconciliation General Fund Required Supplementary Information

June 30, 2005  
(Expressed in Thousands)

### GENERAL FUND

|  |    |                       |
|--|----|-----------------------|
| Fund Balance - Budgetary/Legal                             | \$ | 325,861               |
| Basis Of Accounting Differences:                           |    |                       |
| Balance Sheet Accounts:                                    |    |                       |
| Accounts Receivable  |    | 140,405               |
| Loans Receivable   |    | 4,648                 |
| Due From Other Funds                                       |    | 1,185                 |
| Prepaid Expenditures                                       |    | 7,133                 |
| Accounts Payable & Accruals                                |    | (103,252)             |
| Due To Other Funds   |    | (63,118)              |
| Deferred Revenue   |    | (71,896)              |
| Reserved Encumbrances                                      |    | 20,395                |
| Timing Differences:  |    |                       |
| Petty Cash & Inventory Expensed<br>In Budgetary Accounting |    | 17,978                |
| Perspective Differences                                    |    | <u>1,645,113</u>      |
| Total Fund Balance - GAAP Basis                            |    | 1,924,452             |
| Less: Reserved Fund Balance - GAAP Basis                   |    | <u>1,364,588</u>      |
| Fund Balance Unreserved - GAAP Basis                       | \$ | <u><u>559,864</u></u> |

## **STATE OF IOWA**

### **Required Supplementary Information**

#### **Notes to Required Supplementary Information – Budgetary Reporting**

##### **Budgetary Expenditures in Excess of Appropriations**

Actual expenditures exceeded budgeted expenditures as a result of the receipt and legal expenditure of federal and other non-state funds which had been received for restricted purposes. In the General Fund this occurred in the Department of Human Services for Medical Assistance, for standing unlimited appropriations, and increased inter-appropriation transfers within the Department of Corrections.

##### **Budgetary Presentation**

The budget encompasses the General Fund of the State and some Special Revenue Funds, (Real Estate Education, Inspection and Appeals Use Tax Clearing, Unclaimed Winnings, Federal Economic Stimulus and Jobs Holding Fund, Environment First, Healthy Iowan's Tobacco Trust Fund, Underground Storage Tank Unassigned Revenue, Tobacco Tax-Exempt Bond Proceeds, Endowment For Iowa's Health Account, Resources Enhancement and Protection, Land Recycling Fund, Fish and Game Trust Fund, Conservation Administration Fund, Forestry Management Enhancement Fund, Water Quality Protection Fund, Grow Iowa Fund, Workforce Development Withholding, Local Housing Assistance, Special Contingency Fund, Administrative Contribution Surcharge, School Infrastructure Fund, Stafford Loan Program, Gambling Treatment Program, Hospital Trust Fund, Primary Road Fund, and Pooled Technology Account. There is a perspective difference between budget and financial reporting due to the difference in fund structures. The budgetary presentation will vary from the financial presentation for funds displayed in the supplementary information due to this difference. The General Fund is displayed in the Required Supplementary Information (RSI) Budgetary Comparison Schedule. The Nonmajor Special Revenue Funds are displayed with the combining financial statements and schedules for nonmajor funds. The nonmajor special revenue funds are reported in the supplementary information section. Capital Project Funds are budgeted on a project-length basis.

The original budget and related estimated revenues and expenditures represent the spending authority enacted into law by the appropriations bills as of July 1, 2004 and includes estimated approved budgetary carry-forwards from the prior fiscal year.

The final appropriations budget represents original and supplemental appropriations, actual budgetary carry-forwards, approved transfers, executive order reductions and timing differences.

The State's budget is prepared annually by the Governor on a modified cash basis, except for the accrual of county receivables, and is required to be submitted along with proposed appropriation bills to the General Assembly by the first of February prior to the new fiscal year. When an appropriation bill is passed by both houses of the General Assembly, the bill is enrolled and sent to the Governor. The Governor may sign it into law or veto it in whole or in part on a line item basis. Funds may be disbursed only after appropriations have been allotted by the Department of Management, subject to the review of the Governor, with the exception of standing unlimiteds and certain receipts that the Departments are authorized to expend. Appropriations are allotted for expenditure on a quarterly basis.

Departments may request revisions to quarterly allotments, appropriations transfers, or supplemental appropriations. The Department of Management approves revised allotments within an appropriation, subject to the Governor's review. The Governor and the Department of Management approve all appropriation transfers. The General Assembly and the Governor act on supplemental appropriation bills in a manner similar to original appropriations. Appropriations lapse at fiscal year-end and all unencumbered or unobligated balances revert to the State treasury, unless otherwise provided.

## STATE OF IOWA

### Required Supplementary Information

The State utilizes encumbrance accounting for budgetary control purposes. Obligations incurred for goods or services that have not been received or rendered, are recorded to reserve that portion or the applicable fund balance. Section 8.33, unnumbered paragraph 2, of the Code of Iowa, states, "No payment of an obligation for goods or services shall be charged to an appropriation subsequent to the last day of the fiscal year for which the appropriation is made unless the goods or services are received on or before the last day of the fiscal year, except that repair projects, purchase of specialized equipment and furnishings, and other contracts for services and capital expenditures for the purchase of land or the erection of buildings or new construction or remodeling, which were committed and in progress prior to the end of the fiscal year are excluded from this provision." That is, except for the above stated exceptions, the State must have received the goods or services on or before June 30, creating an actual liability or the encumbrance is cancelled against that fiscal year. If the encumbrances are still valid after June 30, they become expenditures / expenses of the next fiscal year.

Budgetary control is essentially maintained at the department fund level except for certain grant and aid programs where control is maintained at a program level.

Revenues and expenditures are monitored on a continuing basis. State law authorizes the Governor to impose across-the-board pro rata reductions in allotments to ensure revenues and other available funds are sufficient to pay expenses of a given fiscal year.

Separate reports for the General and budgeted Special Revenue funds presenting detail of the legal level of control and actual expenditures are available from the Department of Management.

#### **General Fund Expenditure Limitation**

The Code of Iowa, section 8.54, establishes a General Fund expenditure limitation of ninety-nine percent of the adjusted revenue estimate. The adjusted revenue estimate is the appropriate revenue estimate for the General Fund for the following fiscal year as determined by the Revenue Estimating Conference, adjusted by subtracting estimated tax refunds payable from that estimated revenue and as determined by the Conference, adding any new revenues which may be considered to be eligible for deposit in the General Fund. *New revenues* means moneys which are received by the state due to increased tax rates and fees or newly created taxes and fees over and above those moneys which are received due to state taxes and fees which are in effect as of January 1 following the December Revenue Estimating Conference. "*New revenues*" also includes moneys received by the General Fund of the state due to new transfers over and above those moneys received by the General Fund of the state due to transfers which are in effect as of January 1 following the December Revenue Estimating Conference. The Department of Management shall obtain concurrence from the Revenue Estimating Conference on the eligibility of transfers to the General Fund which are to be considered as new revenue in determining the General Fund expenditure limitation.

This limitation shall be used by the Governor in the preparation of the budget and by the General Assembly in the budget process. If a source for new revenues is proposed, the budget revenue projection used for that new revenue source for the period beginning on the effective date of the new revenue source and ending in the fiscal year in which the source is included in the revenue base shall be an amount determined by subtracting estimated tax refunds payable from the projected revenue from that new revenue source, multiplied by ninety-five percent. If a new revenue source is established and implemented, the original General Fund expenditure limitation amount shall be readjusted to include ninety-five percent of the estimated revenue from the new revenue source.

For fiscal years in which the Iowa Economic Emergency Fund transfers money to the General Fund, the original General Fund expenditure limitation amount provided for shall be readjusted to include the moneys which are so transferred.

## STATE OF IOWA

### Required Supplementary Information

The scope of the expenditure limitation shall not encompass federal funds, donations, constitutionally dedicated moneys, and moneys in expenditures from state retirement system moneys. The Governor shall submit and the General Assembly shall pass a budget that does not exceed the state General Fund expenditure limitation. The Governor in submitting the budget and the General Assembly in passing a budget, shall not have recurring expenditures in excess of recurring revenues. The Governor shall not submit and the General Assembly shall not pass a budget which in order to balance assumes reversion of a specific amount of the total of the appropriations included in the budget.

#### Reserve Funds

The ***Iowa Economic Emergency Fund*** was created in Iowa Code section 8.55. The fund is separate from the General Fund of the state and the balance in the fund is not to be considered part of the balance of the General Fund of the state. The moneys in the fund do not revert to the General Fund, unless and to the extent the fund exceeds the maximum balance. The maximum balance of the fund is the amount equal to five percent of the adjusted revenue estimate for the fiscal year. If the amount of moneys in the Iowa Economic Emergency Fund is equal to the maximum balance, moneys in excess of this amount shall be transferred to the General Fund. The moneys in this fund may be appropriated by the General Assembly only in the fiscal year for which the appropriation is made. The moneys shall only be appropriated by the General Assembly for emergency expenditures. However, except as provided in section 8.58, the balance in the Iowa Economic Emergency Fund may be used in determining the cash position of the General Fund of the state for the payment of state obligations. Interest or earnings on moneys deposited in the Iowa Economic Emergency Fund are credited to the Rebuild Iowa Infrastructure Fund.

The ***Cash Reserve Fund*** was created in Iowa Code section 8.56. The fund is separate from the General Fund of the state and is not considered to be part of the General Fund of the state except in determining the cash position of the state. The moneys in the Cash Reserve Fund can not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided under Iowa Code section 8.56. Interest or earnings on moneys deposited in the Cash Reserve Fund are credited to the Rebuild Iowa Infrastructure Fund. Moneys in this fund may be used for cash flow purposes provided that any moneys so allocated are returned to the Cash Reserve Fund by the end of each fiscal year. The maximum balance of the fund is equal to the cash reserve goal percentage, multiplied by the adjusted revenue estimate for the General Fund of the state for the current fiscal year. The moneys in this fund may only be appropriated by the General Assembly for nonrecurring emergency expenditures and shall not be appropriated for payment of any collective bargaining agreement or arbitrator's decision negotiated or awarded. The balance in the Cash Reserve Fund may be used in determining the cash position of the General Fund of the state for payment of state obligations. An appropriation shall not be made from the Cash Reserve Fund if the appropriation would cause the fund's balance to be less than three percent of the adjusted revenue estimate for the year for which the appropriation is made unless the bill or joint resolution is approved by vote of at least three-fifths of the members of both chambers of the General Assembly and is signed by the Governor. Also, the appropriation must be contained in a bill or joint resolution in which the appropriation is the only subject matter of the bill or joint resolution, and the bill or joint resolution states the reasons the appropriation is necessary.



# STATE OF IOWA

## Schedules of Funding Progress Required Supplementary Information

(Expressed in Thousands)

### Iowa Judicial Retirement System

| ACTUARIAL<br>VALUATION<br>DATE | ACTUARIAL<br>VALUE OF<br>ASSETS | ACTUARIAL<br>ACCRUED<br>LIABILITY | UNFUNDED<br>ACTUARIAL<br>ACCRUED<br>LIABILITY (UAAL) | FUNDED<br>RATIO | COVERED<br>PAYROLL | UAAL AS A<br>PERCENTAGE<br>OF COVERED<br>PAYROLL |
|--------------------------------|---------------------------------|-----------------------------------|--|-----------------|--------------------|--|
| July 1, 2003                   | \$ 70,018                       | \$ 93,561                         | \$ 23,543  | 74.84%          | \$ 20,712          | 113.67%  |
| July 1, 2004                   | 78,023                          | 99,124                            | 21,101   | 78.71%          | 20,894             | 100.99%  |
| July 1, 2005                   | 81,605                          | 105,472                           | 23,867   | 77.37%          | 20,684             | 115.39%  |

The increase in unfunded AAL for the July 1, 2005 valuation was primarily due to lower than expected rate of return on investments.

### Peace Officers' Retirement, Accident and Disability System

| ACTUARIAL<br>VALUATION<br>DATE | ACTUARIAL<br>VALUE OF<br>ASSETS | ACTUARIAL<br>ACCRUED<br>LIABILITY* | UNFUNDED<br>ACTUARIAL<br>ACCRUED<br>LIABILITY (UAAL) | FUNDED<br>RATIO | COVERED<br>PAYROLL | UAAL AS A<br>PERCENTAGE<br>OF COVERED<br>PAYROLL |
|--------------------------------|---------------------------------|------------------------------------|--|-----------------|--------------------|--|
| July 1, 2003                   | \$ 246,443                      | \$ 306,098                         | \$ 59,655  | 80.51%          | \$ 33,019          | 180.67%  |
| July 1, 2004                   | 244,161                         | 338,799                            | 94,638   | 72.07%          | 32,520             | 291.01%  |
| July 1, 2005                   | 251,829                         | 343,117                            | 91,288   | 73.39%          | 33,337             | 273.83%  |

\* This amount is based on the Projected Unit Credit Method. The Aggregate Cost Method is used to determine the required contribution. This is provided for informational purposes only.

The decrease in unfunded AAL for the July 1, 2005 valuation was primarily due to a higher than expected rate of return on investments.

Pension Trust funds are discussed in detail in the Notes to the Financial Statements (NOTE 16 – PENSION PLANS.)

**S U P P L E M E N T A R Y  
I N F O R M A T I O N**

# STATE OF IOWA

## Combining Balance Sheet Nonmajor Governmental Funds – By Fund Type

June 30, 2005  
(Expressed in Thousands)

|   | SPECIAL<br>REVENUE<br>FUNDS | CAPITAL<br>PROJECTS<br>FUNDS | PERMANENT<br>FUNDS | TOTAL<br>NONMAJOR<br>GOVERNMENTAL<br>FUNDS |
|---|-----------------------------|------------------------------|--------------------|--|
| <b>ASSETS</b>                                   |                             |                              |                    |  |
| Current Assets:                                 |                             |                              |                    |  |
| Cash & Investments                              | \$ 409,119                  | \$ 2,790                     | \$ 10,592          | \$ 422,501                                 |
| Deposit with Trustees                           | -                           | 586                          | -                  | 586  |
| Accounts Receivable (net)                       | 31,696                      | 686                          | -                  | 32,382                                     |
| Due From Other Funds                            | 5,923                       | 3,528                        | 4                  | 9,455                                      |
| Inventory                                       | 66                          | -                            | -                  | 66   |
| Prepaid Expenditures                            | 108                         | -                            | -                  | 108  |
| Total Current Assets                            | 446,912                     | 7,590                        | 10,596             | 465,098                                    |
| Noncurrent Assets:                              |                             |                              |                    |  |
| Accounts Receivable (net)                       | 5,039                       | -                            | -                  | 5,039                                      |
| <b>TOTAL ASSETS</b>                             | <b>\$ 451,951</b>           | <b>\$ 7,590</b>              | <b>\$ 10,596</b>   | <b>\$ 470,137</b>                          |
| <b>LIABILITIES</b>                              |                             |                              |                    |  |
| Current Liabilities:                            |                             |                              |                    |  |
| Accounts Payable<br>& Accruals                  | \$ 24,256                   | \$ 3,570                     | \$ -               | \$ 27,826                                  |
| Due To Other Funds                              | 25,645                      | 10                           | -                  | 25,655                                     |
| Deferred Revenue                                | 23,282                      | -                            | -                  | 23,282                                     |
| <b>TOTAL LIABILITIES</b>                        | <b>73,183</b>               | <b>3,580</b>                 | <b>-</b>           | <b>76,763</b>                              |
| <b>FUND BALANCE</b>                             |                             |                              |                    |  |
| Reserved for:                                   |                             |                              |                    |  |
| Inventory & Prepaid<br>Expenditures             | 174                         | -                            | -                  | 174  |
| Noncurrent Receivables                          | 5,039                       | -                            | -                  | 5,039                                      |
| Specific Purposes                               | 289,577                     | -                            | 10,596             | 300,173                                    |
| Unreserved Fund Equity                          | 83,978                      | 4,010                        | -                  | 87,988                                     |
| <b>TOTAL FUND BALANCE</b>                       | <b>378,768</b>              | <b>4,010</b>                 | <b>10,596</b>      | <b>393,374</b>                             |
| <b>TOTAL LIABILITIES &amp;<br/>FUND BALANCE</b> | <b>\$ 451,951</b>           | <b>\$ 7,590</b>              | <b>\$ 10,596</b>   | <b>\$ 470,137</b>                          |

# STATE OF IOWA

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds – By Fund Type

For the Year Ended June 30, 2005  
(Expressed in Thousands)

|  | SPECIAL<br>REVENUE<br>FUNDS | CAPITAL<br>PROJECTS<br>FUNDS | PERMANENT<br>FUNDS | TOTAL<br>NONMAJOR<br>GOVERNMENTAL<br>FUNDS |
|--|-----------------------------|------------------------------|--------------------|--|
| <b>REVENUES:</b>   |                             |                              |                    |  |
| Taxes  | \$ 69,074                   | \$ -                         | \$ -               | \$ 69,074                                  |
| Receipts from Other Entities   | 29,199                      | 1,229                        | -                  | 30,428                                     |
| Investment Income  | 14,862                      | 358                          | 156                | 15,376                                     |
| Fees, Licenses & Permits   | 5,623                       | -                            | -                  | 5,623                                      |
| Refunds & Reimbursements   | 72,910                      | -                            | -                  | 72,910                                     |
| Sales, Rents & Services  | 4,288                       | -                            | -                  | 4,288                                      |
| Miscellaneous  | 8,238                       | -                            | -                  | 8,238                                      |
| Contributions  | -                           | -                            | 62                 | 62   |
|  | <hr/>                       | <hr/>                        | <hr/>              | <hr/>                                      |
| <b>GROSS REVENUES</b>  | <b>204,194</b>              | <b>1,587</b>                 | <b>218</b>         | <b>205,999</b>                             |
| Less Revenue Refunds   | 963                         | -                            | -                  | 963  |
|  | <hr/>                       | <hr/>                        | <hr/>              | <hr/>                                      |
| <b>NET REVENUES</b>  | <b>203,231</b>              | <b>1,587</b>                 | <b>218</b>         | <b>205,036</b>                             |
|  | <hr/>                       | <hr/>                        | <hr/>              | <hr/>                                      |
| <b>EXPENDITURES:</b>   |                             |                              |                    |  |
| Current:   |                             |                              |                    |  |
| Administration & Regulation  | 16,642                      | -                            | -                  | 16,642                                     |
| Education  | 46,866                      | -                            | -                  | 46,866                                     |
| Health & Human Rights  | 461                         | -                            | -                  | 461  |
| Human Services   | 230                         | -                            | -                  | 230  |
| Justice & Public Defense   | 2,823                       | 506                          | -                  | 3,329                                      |
| Economic Development   | 1,009                       | -                            | -                  | 1,009                                      |
| Transportation   | 1,746                       | -                            | -                  | 1,746                                      |
| Agriculture & Natural Resources  | 3,840                       | 3,916                        | -                  | 7,756                                      |
| Capital Outlay:  |                             |                              |                    |  |
| Administration & Regulation  | 24,167                      | 2                            | -                  | 24,169                                     |
| Education  | 4,425                       | -                            | -                  | 4,425                                      |
| Health & Human Rights  | 484                         | 395                          | -                  | 879  |
| Human Services   | 2,962                       | -                            | -                  | 2,962                                      |
| Justice & Public Defense   | 3,483                       | 8,835                        | -                  | 12,318                                     |
| Economic Development   | 65                          | -                            | -                  | 65   |
| Transportation   | -                           | 72                           | -                  | 72   |
| Agriculture & Natural Resources  | 1,765                       | 6,364                        | -                  | 8,129                                      |
| Debt Service:  |                             |                              |                    |  |
| Principal  | 1,490                       | 4,630                        | -                  | 6,120                                      |
| Interest   | 35,651                      | 3,552                        | -                  | 39,203                                     |
|  | <hr/>                       | <hr/>                        | <hr/>              | <hr/>                                      |
| <b>TOTAL EXPENDITURES</b>  | <b>148,109</b>              | <b>28,272</b>                | <b>-</b>           | <b>176,381</b>                             |
|  | <hr/>                       | <hr/>                        | <hr/>              | <hr/>                                      |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b>  | <b>55,122</b>               | <b>(26,685)</b>              | <b>218</b>         | <b>28,655</b>                              |
|  | <hr/>                       | <hr/>                        | <hr/>              | <hr/>                                      |
| <b>OTHER FINANCING SOURCES<br/>(USES):</b>   |                             |                              |                    |  |
| Transfers In   | 9,692                       | 28,017                       | 1,000              | 38,709                                     |
| Transfers Out  | (151,749)                   | (212)                        | (152)              | (152,113)                                  |
|  | <hr/>                       | <hr/>                        | <hr/>              | <hr/>                                      |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>  | <b>(142,057)</b>            | <b>27,805</b>                | <b>848</b>         | <b>(113,404)</b>                           |
|  | <hr/>                       | <hr/>                        | <hr/>              | <hr/>                                      |
| <b>EXCESS OF REVENUES AND OTHER<br/>SOURCES OVER (UNDER)<br/>EXPENDITURES AND OTHER USES</b> | <b>(86,935)</b>             | <b>1,120</b>                 | <b>1,066</b>       | <b>(84,749)</b>                            |
|  | <hr/>                       | <hr/>                        | <hr/>              | <hr/>                                      |
| <b>FUND BALANCE JULY 1</b>   | <b>465,703</b>              | <b>2,890</b>                 | <b>9,530</b>       | <b>478,123</b>                             |
|  | <hr/>                       | <hr/>                        | <hr/>              | <hr/>                                      |
| <b>FUND BALANCE JUNE 30</b>  | <b>\$ 378,768</b>           | <b>\$ 4,010</b>              | <b>\$ 10,596</b>   | <b>\$ 393,374</b>                          |
|  | <hr/>                       | <hr/>                        | <hr/>              | <hr/>                                      |

**THIS PAGE LEFT BLANK INTENTIONALLY**

# COMBINING FINANCIAL STATEMENTS

## **Nonmajor Special Revenue Funds**

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

**Tobacco Tax-Exempt Bond Proceeds Fund** accounts for the proceeds received from the Tobacco Settlement Authority to provide appropriations to various programs.

**Federal Economic Stimulus and Jobs Holding Fund** receives federal receipts under the federal Jobs and Growth Tax Relief Reconciliation Act of 2003 to be used as provided in the federal law.

**Tobacco Settlement Authority** accounts for bond proceeds securitized by payments due to the State pursuant to the Master Settlement Agreement between the State and the five largest tobacco manufacturers.

**Iowa Public Television Foundation** is a non-profit corporation that solicits and manages gifts of money and property for Iowa Public Television.

**Other Special Revenue Funds** are aggregated for reporting purposes and account for various other revenues which must be used for specific purposes.

# STATE OF IOWA

## Combining Balance Sheet Nonmajor Special Revenue Funds

June 30, 2005  
(Expressed in Thousands)

|   | TOBACCO<br>TAX-EXEMPT<br>BOND<br>PROCEEDS<br>FUND | FEDERAL<br>ECONOMIC<br>STIMULUS & JOBS<br>HOLDING FUND | TOBACCO<br>SETTLEMENT<br>AUTHORITY | IOWA<br>PUBLIC<br>TELEVISION<br>FOUNDATION | OTHER             | TOTAL             |
|---|---|--|------------------------------------|--|-------------------|-------------------|
| <b>ASSETS</b>                               |   |  |                                    |  |                   |                   |
| Current Assets:                             |   |  |                                    |  |                   |                   |
| Cash & Investments                          | \$ 135,539  | \$ 83,171  | \$ 86,348                          | \$ 5,338                                   | \$ 98,723         | \$ 409,119        |
| Accounts Receivable (Net)                   | 2,589   | -  | 18,188                             | 546  | 10,373            | 31,696            |
| Due From Other Funds                        | 289   | 2,786  | -                                  | 205  | 2,643             | 5,923             |
| Inventory                                   | -   | -  | -                                  | -  | 66                | 66                |
| Prepaid Expenditures                        | 45  | -  | -                                  | 38   | 25                | 108               |
| Total Current Assets                        | 138,462   | 85,957   | 104,536                            | 6,127                                      | 111,830           | 446,912           |
| Noncurrent Assets:                          |   |  |                                    |  |                   |                   |
| Accounts Receivable (Net)                   | -   | -  | -                                  | -  | 5,039             | 5,039             |
| <b>TOTAL ASSETS</b>                         | <b>\$ 138,462</b>                                 | <b>\$ 85,957</b>                                       | <b>\$ 104,536</b>                  | <b>\$ 6,127</b>                            | <b>\$ 116,869</b> | <b>\$ 451,951</b> |
| <b>LIABILITIES</b>                          |   |  |                                    |  |                   |                   |
| Current Liabilities:                        |   |  |                                    |  |                   |                   |
| Accounts Payable & Accruals                 | \$ 22,911   | \$ -   | \$ 189                             | \$ 164                                     | \$ 992            | \$ 24,256         |
| Due To Other Funds                          | 8,008   | 16,327   | -                                  | 456  | 854               | 25,645            |
| Deferred Revenue                            | 329   | -  | 17,534                             | 505  | 4,914             | 23,282            |
| <b>TOTAL LIABILITIES</b>                    | <b>31,248</b>                                     | <b>16,327</b>  | <b>17,723</b>                      | <b>1,125</b>                               | <b>6,760</b>      | <b>73,183</b>     |
| <b>FUND BALANCE</b>                         |   |  |                                    |  |                   |                   |
| Reserved for:                               |   |  |                                    |  |                   |                   |
| Inventory & Prepaid Expenditures            | 45  | -  | -                                  | 38   | 91                | 174               |
| Noncurrent Receivables                      | -   | -  | -                                  | -  | 5,039             | 5,039             |
| Specific Purposes                           | 107,169   | -  | 86,813                             | 273  | 95,322            | 289,577           |
| Unreserved Fund Equity                      | -   | 69,630   | -                                  | 4,691                                      | 9,657             | 83,978            |
| <b>TOTAL FUND BALANCE</b>                   | <b>107,214</b>                                    | <b>69,630</b>  | <b>86,813</b>                      | <b>5,002</b>                               | <b>110,109</b>    | <b>378,768</b>    |
| <b>TOTAL LIABILITIES &amp; FUND BALANCE</b> | <b>\$ 138,462</b>                                 | <b>\$ 85,957</b>                                       | <b>\$ 104,536</b>                  | <b>\$ 6,127</b>                            | <b>\$ 116,869</b> | <b>\$ 451,951</b> |

# STATE OF IOWA

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds

For the Year Ended June 30, 2005  
(Expressed in Thousands)

|  | TOBACCO<br>TAX-EXEMPT<br>BOND<br>PROCEEDS<br>FUND | FEDERAL<br>ECONOMIC<br>STIMULUS & JOBS<br>HOLDING FUND | TOBACCO<br>SETTLEMENT<br>AUTHORITY | IOWA<br>PUBLIC<br>TELEVISION<br>FOUNDATION | OTHER             | TOTAL             |
|--|---|--|------------------------------------|--|-------------------|-------------------|
| <b>REVENUES:</b>   |   |  |                                    |  |                   |                   |
| Taxes  | \$ -  | \$ -   | \$ -                               | \$ -                                       | \$ 69,074         | \$ 69,074         |
| Receipts from Other Entities   | 990   | -  | -                                  | -  | 28,209            | 29,199            |
| Investment Income  | 5,382   | 2,285  | 3,177                              | 361  | 3,657             | 14,862            |
| Fees, Licenses & Permits   | -   | -  | -                                  | -  | 5,623             | 5,623             |
| Refunds & Reimbursements   | 55  | -  | 43,421                             | -  | 29,434            | 72,910            |
| Sales, Rents & Services  | -   | -  | -                                  | -  | 4,288             | 4,288             |
| Miscellaneous  | 221   | -  | -                                  | 6,441                                      | 1,576             | 8,238             |
| <b>GROSS REVENUES</b>  | <b>6,648</b>                                      | <b>2,285</b>   | <b>46,598</b>                      | <b>6,802</b>                               | <b>141,861</b>    | <b>204,194</b>    |
| Less Revenue Refunds   | -   | -  | -                                  | -  | 963               | 963               |
| <b>NET REVENUES</b>  | <b>6,648</b>                                      | <b>2,285</b>   | <b>46,598</b>                      | <b>6,802</b>                               | <b>140,898</b>    | <b>203,231</b>    |
| <b>EXPENDITURES:</b>   |   |  |                                    |  |                   |                   |
| Current:   |   |  |                                    |  |                   |                   |
| Administration & Regulation  | 13,448  | -  | 370                                | -  | 2,824             | 16,642            |
| Education  | 64  | -  | -                                  | 2,860                                      | 43,942            | 46,866            |
| Health & Human Rights  | -   | -  | -                                  | -  | 461               | 461               |
| Human Services   | -   | -  | -                                  | -  | 230               | 230               |
| Justice & Public Defense   | 290   | -  | -                                  | -  | 2,533             | 2,823             |
| Economic Development   | -   | 404  | -                                  | -  | 605               | 1,009             |
| Transportation   | 1,746   | -  | -                                  | -  | -                 | 1,746             |
| Agriculture & Natural Resource:  | 2,495   | -  | -                                  | -  | 1,345             | 3,840             |
| Capital Outlay:  |   |  |                                    |  |                   |                   |
| Administration & Regulation  | 24,164  | -  | -                                  | -  | 3                 | 24,167            |
| Education  | 4,316   | -  | -                                  | -  | 109               | 4,425             |
| Health & Human Rights  | 483   | -  | -                                  | -  | 1                 | 484               |
| Human Services   | 2,962   | -  | -                                  | -  | -                 | 2,962             |
| Justice & Public Defense   | 3,425   | -  | -                                  | -  | 58                | 3,483             |
| Economic Development   | 65  | -  | -                                  | -  | -                 | 65                |
| Agriculture & Natural Resource:  | 1,765   | -  | -                                  | -  | -                 | 1,765             |
| Debt Service:  |   |  |                                    |  |                   |                   |
| Principal  | -   | -  | 1,490                              | -  | -                 | 1,490             |
| Interest   | -   | -  | 35,651                             | -  | -                 | 35,651            |
| <b>TOTAL EXPENDITURES</b>  | <b>55,223</b>                                     | <b>404</b>   | <b>37,511</b>                      | <b>2,860</b>                               | <b>52,111</b>     | <b>148,109</b>    |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b>  | <b>(48,575)</b>                                   | <b>1,881</b>   | <b>9,087</b>                       | <b>3,942</b>                               | <b>88,787</b>     | <b>55,122</b>     |
| <b>OTHER FINANCING SOURCES<br/>(USES):</b>   |   |  |                                    |  |                   |                   |
| Transfers In   | 448   | -  | -                                  | -  | 9,244             | 9,692             |
| Transfers Out  | (42,099)  | (21,888)   | -                                  | (3,910)                                    | (83,852)          | (151,749)         |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>  | <b>(41,651)</b>                                   | <b>(21,888)</b>  | <b>-</b>                           | <b>(3,910)</b>                             | <b>(74,608)</b>   | <b>(142,057)</b>  |
| <b>EXCESS OF REVENUES AND<br/>OTHER SOURCES OVER<br/>(UNDER) EXPENDITURES<br/>AND OTHER USES</b> | <b>(90,226)</b>                                   | <b>(20,007)</b>  | <b>9,087</b>                       | <b>32</b>                                  | <b>14,179</b>     | <b>(86,935)</b>   |
| <b>FUND BALANCE JULY 1</b>   | <b>197,440</b>                                    | <b>89,637</b>  | <b>77,726</b>                      | <b>4,970</b>                               | <b>95,930</b>     | <b>465,703</b>    |
| <b>FUND BALANCE JUNE 30</b>  | <b>\$ 107,214</b>                                 | <b>\$ 69,630</b>                                       | <b>\$ 86,813</b>                   | <b>\$ 5,002</b>                            | <b>\$ 110,109</b> | <b>\$ 378,768</b> |



# STATE OF IOWA

## Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Budgetary Basis Nonmajor Special Revenue Funds

For the Year Ended June 30, 2005  
(Expressed in Thousands)

|   | PRIMARY ROAD FUND  |                 |            |                    |
|---|--------------------|-----------------|------------|--------------------|
|   | ORIGINAL<br>BUDGET | FINAL<br>BUDGET | ACTUAL     | FINAL TO<br>ACTUAL |
| APPROPRIATED REVENUE:   |                    |                 |            |                    |
| Transfers   | \$ 517,253         | \$ 517,253      | \$ 520,094 | \$ 2,841           |
| TOTAL APPROPRIATED REVENUE                                    | 517,253            | 517,253         | 520,094    | 2,841              |
| RECEIPTS CREDITED TO<br>APPROPRIATIONS:                       |                    |                 |            |                    |
| Use Tax   | -                  | -               | -          | -                  |
| Other Taxes   | -                  | -               | -          | -                  |
| Wagering Tax Receipts   | -                  | -               | -          | -                  |
| Individual Income Tax Quarterly                               | -                  | -               | -          | -                  |
| Sales Tax - DOT   | 5                  | 5               | 5          | -                  |
| Federal Support   | 197,800            | 197,800         | 261,929    | 64,129             |
| Local Governments   | 4,600              | 4,600           | 2,091      | (2,509)            |
| Other States  | 75                 | 74              | 2,349      | 2,275              |
| Reimbursements From Other Agencies                            | 652                | 161             | 232        | 71                 |
| Interest  | 1                  | 1               | 3          | 2                  |
| Bonds & Loans   | -                  | 1               | 731        | 730                |
| Fees, Licenses, & Permits                                     | 860                | 860             | 1,164      | 304                |
| Refunds & Reimbursements                                      | 4,010              | 4,010           | 785        | (3,225)            |
| Sale of Real Estate   | 1,710              | 1,710           | 5,293      | 3,583              |
| Sale of Equipment & Salvage                                   | -                  | -               | -          | -                  |
| Rents & Leases  | 16                 | 16              | 28         | 12                 |
| Agricultural Sales  | -                  | -               | -          | -                  |
| Other Sales & Services  | -                  | -               | -          | -                  |
| Unearned Receipts   | -                  | -               | -          | -                  |
| Income Tax Checkoffs  | -                  | -               | -          | -                  |
| Other   | 2,750              | 2,750           | 9,968      | 7,218              |
| TOTAL APPROPRIATED RECEIPTS                                   | 212,479            | 211,988         | 284,578    | 72,590             |
| TOTAL REVENUES AVAILABLE                                      | 729,732            | 729,241         | 804,672    | 75,431             |
| EXPENDITURES:   |                    |                 |            |                    |
| Administration & Regulation                                   | -                  | -               | -          | -                  |
| Agriculture & Natural Resources                               | -                  | -               | -          | -                  |
| Economic Development  | -                  | -               | -          | -                  |
| Education   | -                  | -               | -          | -                  |
| Transportation  | 479,624            | 483,706         | 507,100    | (23,394)           |
| TOTAL EXPENDITURES  | 479,624            | 483,706         | 507,100    | (23,394)           |
| Transfers   | 254,575            | 244,031         | 243,151    | 880                |
| TOTAL EXPENDITURES AND TRANSFERS                              | 734,199            | 727,737         | 750,251    | (22,514)           |
| REVENUES AVAILABLE OVER (UNDER)<br>EXPENDITURES AND TRANSFERS | (4,467)            | 1,504           | 54,421     | 52,917             |
| FUND BALANCE JULY 1 (BUDGETARY)                               | (707)              | 99,082          | 99,082     | -                  |
| FUND BALANCE JUNE 30 (BUDGETARY)                              | \$ (5,174)         | \$ 100,586      | \$ 153,503 | \$ 52,917          |

# STATE OF IOWA

| ENDOWMENT FOR IOWA'S HEALTH FUND |                 |           |                    |
|----------------------------------|-----------------|-----------|--------------------|
| ORIGINAL<br>BUDGET               | FINAL<br>BUDGET | ACTUAL    | FINAL TO<br>ACTUAL |
| \$ -                             | \$ -            | \$ -      | \$ -               |
| -                                | -               | -         | -                  |
| -                                | -               | -         | -                  |
| 70,000                           | 70,000          | 69,074    | (926)              |
| -                                | -               | -         | -                  |
| -                                | -               | -         | -                  |
| -                                | -               | -         | -                  |
| -                                | -               | -         | -                  |
| -                                | -               | -         | -                  |
| 750                              | 750             | 1,026     | 276                |
| -                                | -               | -         | -                  |
| -                                | -               | 926       | 926                |
| 15,704                           | 15,704          | 14,883    | (821)              |
| -                                | -               | -         | -                  |
| -                                | -               | -         | -                  |
| -                                | -               | -         | -                  |
| -                                | -               | -         | -                  |
| -                                | -               | -         | -                  |
| -                                | -               | -         | -                  |
| 86,454                           | 86,454          | 85,909    | (545)              |
| 86,454                           | 86,454          | 85,909    | (545)              |
| -                                | -               | -         | -                  |
| -                                | -               | -         | -                  |
| -                                | -               | -         | -                  |
| -                                | -               | -         | -                  |
| -                                | -               | -         | -                  |
| -                                | -               | -         | -                  |
| 74,795                           | 74,795          | 74,795    | -                  |
| 74,795                           | 74,795          | 74,795    | -                  |
| 11,659                           | 11,659          | 11,114    | (545)              |
| 27,939                           | 27,187          | 27,187    | -                  |
| \$ 39,598                        | \$ 38,846       | \$ 38,301 | \$ (545)           |

(continued on next page)

# STATE OF IOWA

## Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Budgetary Basis Nonmajor Special Revenue Funds

For the Year Ended June 30, 2005  
(Expressed in Thousands)

(continued)

|   | <b>TOBACCO TAX-EXEMPT BOND PROCEEDS</b> |                 |            |                    |
|---|---|-----------------|------------|--------------------|
|   | ORIGINAL<br>BUDGET                      | FINAL<br>BUDGET | ACTUAL     | FINAL TO<br>ACTUAL |
| APPROPRIATED REVENUE:   |   |                 |            |                    |
| Transfers   | \$ -                                    | \$ 20           | \$ 38      | \$ 18              |
| TOTAL APPROPRIATED REVENUE                                    | -                                       | 20              | 38         | 18                 |
| RECEIPTS CREDITED TO<br>APPROPRIATIONS:                       |   |                 |            |                    |
| Use Tax   | -                                       | -               | -          | -                  |
| Other Taxes   | -                                       | -               | -          | -                  |
| Wagering Tax Receipts   | -                                       | -               | -          | -                  |
| Individual Income Tax Quarterly                               | -                                       | -               | -          | -                  |
| Sales Tax – DOT   | -                                       | -               | -          | -                  |
| Federal Support   | 800                                     | 800             | 308        | (492)              |
| Local Governments   | -                                       | -               | -          | -                  |
| Other States  | -                                       | -               | -          | -                  |
| Reimbursements From Other Agencies                            | -                                       | -               | 1,622      | 1,622              |
| Interest  | 3,816                                   | 7,476           | 7,595      | 119                |
| Bonds & Loans   | -                                       | -               | -          | -                  |
| Fees, Licenses, & Permits                                     | -                                       | -               | -          | -                  |
| Refunds & Reimbursements                                      | -                                       | 1,000           | 539        | (461)              |
| Sale of Real Estate   | -                                       | -               | -          | -                  |
| Sale of Equipment & Salvage                                   | -                                       | -               | -          | -                  |
| Rents & Leases  | -                                       | -               | -          | -                  |
| Agricultural Sales  | -                                       | -               | -          | -                  |
| Other Sales & Services  | -                                       | -               | -          | -                  |
| Unearned Receipts   | 100                                     | -               | -          | -                  |
| Income Tax Checkoffs  | -                                       | -               | -          | -                  |
| Other   | -                                       | -               | -          | -                  |
| TOTAL APPROPRIATED RECEIPTS                                   | 4,716                                   | 9,276           | 10,064     | 788                |
| TOTAL REVENUES AVAILABLE                                      | 4,716                                   | 9,296           | 10,102     | 806                |
| EXPENDITURES:   |   |                 |            |                    |
| Administration & Regulation                                   | 73,459                                  | 100,032         | 41,619     | 58,413             |
| Agriculture & Natural Resources                               | -                                       | -               | -          | -                  |
| Economic Development  | -                                       | -               | -          | -                  |
| Education   | -                                       | -               | -          | -                  |
| Transportation  | -                                       | -               | -          | -                  |
| TOTAL EXPENDITURES  | 73,459                                  | 100,032         | 41,619     | 58,413             |
| Transfers   | 40,320                                  | 70,872          | 64,052     | 6,820              |
| TOTAL EXPENDITURES AND TRANSFERS                              | 113,779                                 | 170,904         | 105,671    | 65,233             |
| REVENUES AVAILABLE OVER (UNDER)<br>EXPENDITURES AND TRANSFERS | (109,063)                               | (161,608)       | (95,569)   | 66,039             |
| FUND BALANCE JULY 1 (BUDGETARY)                               | 110,149                                 | 219,839         | 219,839    | -                  |
| FUND BALANCE JUNE 30 (BUDGETARY)                              | \$ 1,086                                | \$ 58,231       | \$ 124,270 | \$ 66,039          |

# STATE OF IOWA

| UNDERGROUND STORAGE TANK<br>UNASSIGNED REVENUE |                 |           |                    |
|--|-----------------|-----------|--------------------|
| ORIGINAL<br>BUDGET                             | FINAL<br>BUDGET | ACTUAL    | FINAL TO<br>ACTUAL |
| \$ 10,000                                      | \$ 10,000       | \$ 7,913  | \$ (2,087)         |
| 10,000   | 10,000          | 7,913     | (2,087)            |
| -  | -               | -         | -                  |
| -  | -               | -         | -                  |
| -  | -               | -         | -                  |
| -  | -               | -         | -                  |
| -  | -               | -         | -                  |
| -  | -               | -         | -                  |
| -  | -               | -         | -                  |
| 5,400  | 5,400           | 1,547     | (3,853)            |
| -  | -               | -         | -                  |
| 15   | 15              | 9         | (6)                |
| -  | 100             | 1,669     | 1,569              |
| -  | -               | -         | -                  |
| -  | -               | -         | -                  |
| -  | -               | -         | -                  |
| -  | -               | -         | -                  |
| -  | -               | -         | -                  |
| -  | -               | -         | -                  |
| -  | 100             | 37        | (63)               |
| 5,415  | 5,615           | 3,262     | (2,353)            |
| 15,415   | 15,615          | 11,175    | (4,440)            |
| 2,376  | 2,437           | 2,556     | (119)              |
| -  | -               | -         | -                  |
| -  | -               | -         | -                  |
| -  | -               | -         | -                  |
| 2,376  | 2,437           | 2,556     | (119)              |
| 16,200   | 16,200          | 506       | 15,694             |
| 18,576   | 18,637          | 3,062     | 15,575             |
| (3,161)  | (3,022)         | 8,113     | 11,135             |
| 16,388   | 25,657          | 25,657    | -                  |
| \$ 13,227                                      | \$ 22,635       | \$ 33,770 | \$ 11,135          |

(continued on next page)

# STATE OF IOWA

## Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Budgetary Basis Nonmajor Special Revenue Funds

For the Year Ended June 30, 2005  
(Expressed in Thousands)  
(continued)

### OTHER

|   | ORIGINAL<br>BUDGET | FINAL<br>BUDGET  | ACTUAL            | FINAL TO<br>ACTUAL |
|---|--------------------|------------------|-------------------|--------------------|
| APPROPRIATED REVENUE:   |                    |                  |                   |                    |
| Transfers   | \$ 137,474         | \$ 250,716       | \$ 229,862        | (20,854)           |
| TOTAL APPROPRIATED REVENUE                                    | <u>137,474</u>     | <u>250,716</u>   | <u>229,862</u>    | <u>(20,854)</u>    |
| RECEIPTS CREDITED TO<br>APPROPRIATIONS:                       |                    |                  |                   |                    |
| Use Tax   | 1,424              | 1,424            | 1,424             | -                  |
| Other Taxes   | 7,291              | 2,686            | 2,993             | 307                |
| Wagering Tax Receipts   | 8,100              | 8,100            | 9,783             | 1,683              |
| Individual Income Tax Quarterly                               | 4,000              | 4,000            | 4,000             | -                  |
| Sales Tax - DOT   | -                  | -                | -                 | -                  |
| Federal Support   | 55,629             | 15,814           | 15,410            | (404)              |
| Local Governments   | 217                | 142              | 94                | (48)               |
| Other States  | -                  | -                | -                 | -                  |
| Reimbursements From Other Agencies                            | 525                | 525              | 729               | 204                |
| Interest  | 1,157              | 2,590            | 3,222             | 632                |
| Bonds & Loans   | -                  | -                | -                 | -                  |
| Fees, Licenses, & Permits                                     | 26,250             | 26,516           | 27,364            | 848                |
| Refunds & Reimbursements                                      | 35,768             | 35,114           | 27,191            | (7,923)            |
| Sale of Real Estate   | -                  | -                | -                 | -                  |
| Sale of Equipment & Salvage                                   | 45                 | 45               | -                 | (45)               |
| Rents & Leases  | 5                  | 5                | 16                | 11                 |
| Agricultural Sales  | 10                 | 10               | 1                 | (9)                |
| Other Sales & Services  | 1,087              | 1,087            | 823               | (264)              |
| Unearned Receipts   | 402                | 402              | 335               | (67)               |
| Income Tax Checkoffs  | 150                | 150              | 137               | (13)               |
| Other   | 585                | 587              | 331               | (256)              |
| TOTAL APPROPRIATED RECEIPTS                                   | <u>142,645</u>     | <u>99,197</u>    | <u>93,853</u>     | <u>(5,344)</u>     |
| TOTAL REVENUES AVAILABLE                                      | <u>280,119</u>     | <u>349,913</u>   | <u>323,715</u>    | <u>(26,198)</u>    |
| EXPENDITURES:   |                    |                  |                   |                    |
| Administration & Regulation                                   | 32,122             | 47,604           | 22,677            | 24,927             |
| Agriculture & Natural Resources                               | 14,315             | 14,315           | 12,038            | 2,277              |
| Economic Development  | 30,152             | 34,221           | 23,374            | 10,847             |
| Education   | 16,894             | 18,275           | 11,972            | 6,303              |
| Transportation  | -                  | -                | -                 | -                  |
| TOTAL EXPENDITURES  | <u>93,483</u>      | <u>114,415</u>   | <u>70,061</u>     | <u>44,354</u>      |
| Transfers   | <u>209,238</u>     | <u>309,522</u>   | <u>226,594</u>    | <u>82,928</u>      |
| TOTAL EXPENDITURES AND TRANSFERS                              | <u>302,721</u>     | <u>423,937</u>   | <u>296,655</u>    | <u>127,282</u>     |
| REVENUES AVAILABLE OVER (UNDER)<br>EXPENDITURES AND TRANSFERS | (22,602)           | (74,024)         | 27,060            | 101,084            |
| FUND BALANCE JULY 1 (BUDGETARY)                               | <u>35,976</u>      | <u>97,282</u>    | <u>97,282</u>     | <u>-</u>           |
| FUND BALANCE JUNE 30 (BUDGETARY)                              | <u>\$ 13,374</u>   | <u>\$ 23,258</u> | <u>\$ 124,342</u> | <u>\$ 101,084</u>  |

\* Actual expenditures exceeded budgeted expenditures as a result of the receipt and legal expenditure of other non-state funds which have been received for restricted purposes. In the Special Revenue funds this occurred in the Primary Road Fund in the Department of Transportation and the Underground Storage Tank Authority's Unassigned Revenue Program.

# STATE OF IOWA

| <b>TOTAL</b>       |                 |            |                    |
|--------------------|-----------------|------------|--------------------|
| ORIGINAL<br>BUDGET | FINAL<br>BUDGET | ACTUAL     | FINAL TO<br>ACTUAL |
| \$ 664,727         | \$ 777,989      | \$ 757,907 | \$ (20,082)        |
| 664,727            | 777,989         | 757,907    | (20,082)           |
| 1,424              | 1,424           | 1,424      | -                  |
| 7,291              | 2,686           | 2,993      | 307                |
| 78,100             | 78,100          | 78,857     | 757                |
| 4,000              | 4,000           | 4,000      | -                  |
| 5                  | 5               | 5          | -                  |
| 254,229            | 214,414         | 277,647    | 63,233             |
| 4,817              | 4,742           | 2,185      | (2,557)            |
| 75                 | 74              | 2,349      | 2,275              |
| 1,177              | 686             | 2,583      | 1,897              |
| 11,124             | 16,217          | 13,393     | (2,824)            |
| -                  | 1               | 731        | 730                |
| 27,125             | 27,391          | 29,463     | 2,072              |
| 55,482             | 55,928          | 45,067     | (10,861)           |
| 1,710              | 1,710           | 5,293      | 3,583              |
| 45                 | 45              | -          | (45)               |
| 21                 | 21              | 44         | 23                 |
| 10                 | 10              | 1          | (9)                |
| 1,087              | 1,087           | 823        | (264)              |
| 502                | 402             | 335        | (67)               |
| 150                | 150             | 137        | (13)               |
| 3,335              | 3,437           | 10,336     | 6,899              |
| 451,709            | 412,530         | 477,666    | 65,136             |
| 1,116,436          | 1,190,519       | 1,235,573  | 45,054             |
| 107,957            | 150,073         | 66,852     | 83,221             |
| 14,315             | 14,315          | 12,038     | 2,277              |
| 30,152             | 34,221          | 23,374     | 10,847             |
| 16,894             | 18,275          | 11,972     | 6,303              |
| 479,624            | 483,706         | 507,100    | (23,394)           |
| 648,942            | 700,590         | 621,336    | 79,254             |
| 595,128            | 715,420         | 609,098    | 106,322            |
| 1,244,070          | 1,416,010       | 1,230,434  | 185,576            |
| (127,634)          | (225,491)       | 5,139      | 230,630            |
| 189,745            | 469,047         | 469,047    | -                  |
| \$ 62,111          | \$ 243,556      | \$ 474,186 | \$ 230,630         |

**THIS PAGE LEFT BLANK INTENTIONALLY**

## COMBINING FINANCIAL STATEMENTS

### **Nonmajor Capital Projects Funds**

Capital Projects Funds are used to account for the construction of major capital facilities other than those financed by proprietary funds and trust funds.

**General Services Capitals Fund** is used to account for various building projects.

**Corrections Capitals Fund** is used to account for the construction of correctional services facilities.

**Motor Vehicle Fuel Tax Capitals Fund** is used to account for the acquisition of water access, development projects, water safety stations, marinas, and any other project which improves water recreation.

**Fish and Game Capitals Fund** is used to account for land acquisition and capital projects related to fish and wildlife.

**Other Capital Projects Funds** are aggregated for reporting purposes and account for construction of various armories, prison expansion programs, and other specific projects.



# STATE OF IOWA

## Combining Balance Sheet Nonmajor Capital Projects Funds

June 30, 2005  
(Expressed in Thousands)

|   | GENERAL<br>SERVICES<br>CAPITALS<br>FUND | CORRECTIONS<br>CAPITALS<br>FUND | MOTOR<br>VEHICLE<br>FUEL TAX<br>CAPITALS<br>FUND | FISH &<br>GAME<br>CAPITALS<br>FUND | OTHER         | TOTAL           |
|---|---|---------------------------------|--|------------------------------------|---------------|-----------------|
| <b>ASSETS</b>                                   |   |                                 |  |                                    |               |                 |
| Current Assets:                                 |   |                                 |  |                                    |               |                 |
| Cash & Investments                              | \$ 1,492                                | \$ -                            | \$ 587   | \$ 80                              | \$ 631        | \$ 2,790        |
| Deposits with Trustees                          | -                                       | 586                             | -  | -                                  | -             | 586             |
| Accounts Receivable                             | 251                                     | -                               | 427  | 8                                  | -             | 686             |
| Due From Other Funds                            | 1,838                                   | -                               | 1,000  | 690                                | -             | 3,528           |
| <b>TOTAL ASSETS</b>                             | <b>\$ 3,581</b>                         | <b>\$ 586</b>                   | <b>\$ 2,014</b>                                  | <b>\$ 778</b>                      | <b>\$ 631</b> | <b>\$ 7,590</b> |
| <b>LIABILITIES</b>                              |   |                                 |  |                                    |               |                 |
| Current Liabilities:                            |   |                                 |  |                                    |               |                 |
| Accounts Payable<br>& Accruals                  | \$ 2,099                                | \$ -                            | \$ 913   | \$ 558                             | \$ -          | \$ 3,570        |
| Due To Other Funds                              | 1                                       | -                               | 9  | -                                  | -             | 10              |
| <b>TOTAL LIABILITIES</b>                        | <b>2,100</b>                            | <b>-</b>                        | <b>922</b>                                       | <b>558</b>                         | <b>-</b>      | <b>3,580</b>    |
| <b>FUND BALANCE</b>                             |   |                                 |  |                                    |               |                 |
| Unreserved Fund Equity                          | <b>1,481</b>                            | <b>586</b>                      | <b>1,092</b>                                     | <b>220</b>                         | <b>631</b>    | <b>4,010</b>    |
| <b>TOTAL LIABILITIES &amp;<br/>FUND BALANCE</b> | <b>\$ 3,581</b>                         | <b>\$ 586</b>                   | <b>\$ 2,014</b>                                  | <b>\$ 778</b>                      | <b>\$ 631</b> | <b>\$ 7,590</b> |

# STATE OF IOWA

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Capital Projects Funds

For the Year Ended June 30, 2005  
(Expressed in Thousands)

|  | GENERAL<br>SERVICES<br>CAPITALS<br>FUND | CORRECTIONS<br>CAPITALS<br>FUND | MOTOR<br>VEHICLE<br>FUEL TAX<br>CAPITALS<br>FUND | FISH &<br>GAME<br>CAPITALS<br>FUND | OTHER         | TOTAL           |
|--|---|---------------------------------|--|------------------------------------|---------------|-----------------|
| <b>REVENUES:</b>   |   |                                 |  |                                    |               |                 |
| Receipts from Other Entities   | \$ 251                                  | \$ -                            | \$ 586   | \$ -                               | \$ 392        | \$ 1,229        |
| Investment Income  | -                                       | 357                             | -  | -                                  | 1             | 358             |
| <b>TOTAL REVENUES</b>  | <b>251</b>                              | <b>357</b>                      | <b>586</b>                                       | <b>-</b>                           | <b>393</b>    | <b>1,587</b>    |
| <b>EXPENDITURES:</b>   |   |                                 |  |                                    |               |                 |
| Current:   |   |                                 |  |                                    |               |                 |
| Justice & Public Defense   | -                                       | 87                              | -  | -                                  | 419           | 506             |
| Agriculture & Natural Resources  | -                                       | -                               | 219  | 3,697                              | -             | 3,916           |
| Capital Outlay:  |   |                                 |  |                                    |               |                 |
| Administration & Regulation  | 2                                       | -                               | -  | -                                  | -             | 2               |
| Health & Human Rights  | 395                                     | -                               | -  | -                                  | -             | 395             |
| Justice & Public Defense   | 8,835                                   | -                               | -  | -                                  | -             | 8,835           |
| Transportation   | -                                       | -                               | -  | -                                  | 72            | 72              |
| Agriculture & Natural Resources  | -                                       | -                               | 2,397  | 3,967                              | -             | 6,364           |
| Debt Services:   |   |                                 |  |                                    |               |                 |
| Principal  | -                                       | 4,630                           | -  | -                                  | -             | 4,630           |
| Interest   | -                                       | 3,552                           | -  | -                                  | -             | 3,552           |
| <b>TOTAL EXPENDITURES</b>  | <b>9,232</b>                            | <b>8,269</b>                    | <b>2,616</b>                                     | <b>7,664</b>                       | <b>491</b>    | <b>28,272</b>   |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b>  | <b>(8,981)</b>                          | <b>(7,912)</b>                  | <b>(2,030)</b>                                   | <b>(7,664)</b>                     | <b>(98)</b>   | <b>(26,685)</b> |
| <b>OTHER FINANCING SOURCES<br/>(USES):</b>   |   |                                 |  |                                    |               |                 |
| Transfers In   | 9,859                                   | 7,500                           | 3,000  | 7,640                              | 18            | 28,017          |
| Transfers Out  | -                                       | -                               | (212)  | -                                  | -             | (212)           |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>  | <b>9,859</b>                            | <b>7,500</b>                    | <b>2,788</b>                                     | <b>7,640</b>                       | <b>18</b>     | <b>27,805</b>   |
| <b>EXCESS OF REVENUES AND<br/>OTHER SOURCES OVER<br/>(UNDER) EXPENDITURES<br/>AND OTHER USES</b> | <b>878</b>                              | <b>(412)</b>                    | <b>758</b>                                       | <b>(24)</b>                        | <b>(80)</b>   | <b>1,120</b>    |
| <b>FUND BALANCE JULY 1</b>   | <b>603</b>                              | <b>998</b>                      | <b>334</b>                                       | <b>244</b>                         | <b>711</b>    | <b>2,890</b>    |
| <b>FUND BALANCE JUNE 30</b>  | <b>\$ 1,481</b>                         | <b>\$ 586</b>                   | <b>\$ 1,092</b>                                  | <b>\$ 220</b>                      | <b>\$ 631</b> | <b>\$ 4,010</b> |

**THIS PAGE LEFT BLANK INTENTIONALLY**

## COMBINING FINANCIAL STATEMENTS

### **Nonmajor Permanent Funds**

Permanent Funds report resources that are legally restricted to the extent that only earnings, and not principal, may be used for the benefit of the government or its citizens.

**Iowa Cultural Trust Fund** accounts for assets held for the Iowa Cultural Trust. The principal is preserved and applicable interest is transferred to the Cultural Grant fund to be used for purposes consistent with the Trust.

**Iowa Veterans Trust Fund** accounts for assets held for the benefit of veterans. The principal is maintained and the applicable interest is transferred to the Veterans Affairs Commission to be used for purposes consistent with the trust.

**Iowa Public Television Foundation Endowment** is used to hold a restricted gift made to Iowa Public Television. While the corpus of the gift is not available to spend, the earnings of the gift are restricted for the acquisition and/or production of quality family programming. Earnings are transferred to the Iowa Public Television Foundation.

**Permanent School Principal Fund** accounts for the principal derived from the sale of specific land. The interest is to be used for educational purposes.

**Other Permanent Funds** aggregates the Henry Albert Trust Fund which accounts for trust money for the Department of Public Health, and the Pilot Grove Trust Fund which accounts for a \$10,000 donation in support and maintenance of the Pilot Grove area.

# STATE OF IOWA

## Combining Balance Sheet Nonmajor Permanent Funds

June 30, 2005  
(Expressed in Thousands)

|   | IOWA<br>CULTURAL<br>TRUST<br>FUND | IOWA<br>VETERANS<br>TRUST<br>FUND | IOWA PUBLIC<br>TELEVISION<br>FOUNDATION<br>ENDOWMENT | PERMANENT<br>SCHOOL<br>PRINCIPAL<br>FUND | OTHER        | TOTAL<br>NONMAJOR<br>PERMANENT<br>FUNDS |
|---|-----------------------------------|-----------------------------------|--|--|--------------|---|
| <b>ASSETS</b>                               |                                   |                                   |  |  |              |   |
| Current Assets:                             |                                   |                                   |  |  |              |   |
| Cash & Investments                          | \$ 476                            | \$ 1,000                          | \$ 1,448   | \$ 7,657                                 | \$ 11        | \$ 10,592                               |
| Due From Other Funds                        | -                                 | 4                                 | -  | -  | -            | 4                                       |
| <b>TOTAL ASSETS</b>                         | <b>\$ 476</b>                     | <b>\$ 1,004</b>                   | <b>\$ 1,448</b>                                      | <b>\$ 7,657</b>                          | <b>\$ 11</b> | <b>\$ 10,596</b>                        |
| <b>FUND BALANCE</b>                         |                                   |                                   |  |  |              |   |
| Reserved for:                               |                                   |                                   |  |  |              |   |
| Specific Purposes                           | 476                               | 1,004                             | 1,448  | 7,657                                    | 11           | 10,596                                  |
| <b>TOTAL LIABILITIES &amp; FUND BALANCE</b> | <b>\$ 476</b>                     | <b>\$ 1,004</b>                   | <b>\$ 1,448</b>                                      | <b>\$ 7,657</b>                          | <b>\$ 11</b> | <b>\$ 10,596</b>                        |

# STATE OF IOWA

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Permanent Funds

For the Year Ended June 30, 2005  
(Expressed in Thousands)

|  | IOWA<br>CULTURAL<br>TRUST<br>FUND | IOWA<br>VETERANS<br>TRUST<br>FUND | IOWA PUBLIC<br>TELEVISION<br>FOUNDATION<br>ENDOWMENT | PERMANENT<br>SCHOOL<br>PRINCIPAL<br>FUND | OTHER        | TOTAL<br>NONMAJOR<br>PERMANENT<br>FUNDS |
|--|-----------------------------------|-----------------------------------|--|--|--------------|---|
| <b>REVENUES:</b>   |                                   |                                   |  |  |              |   |
| Investment Income  | \$ -                              | \$ 4                              | \$ 152   | \$ -                                     | \$ -         | \$ 156                                  |
| Contributions  | -                                 | -                                 | -  | 62                                       | -            | 62                                      |
|  | <u>-</u>                          | <u>-</u>                          | <u>-</u>   | <u>62</u>                                | <u>-</u>     | <u>62</u>                               |
| <b>REVENUES OVER<br/>(UNDER) EXPENDITURES</b>  | <u>-</u>                          | <u>4</u>                          | <u>152</u>   | <u>62</u>                                | <u>-</u>     | <u>218</u>                              |
| <b>OTHER FINANCING<br/>SOURCES (USES):</b>   |                                   |                                   |  |  |              |   |
| Transfers In   | -                                 | 1,000                             | -  | -  | -            | \$ 1,000                                |
| Transfers Out  | -                                 | -                                 | (152)  | -  | -            | (152)                                   |
|  | <u>-</u>                          | <u>-</u>                          | <u>(152)</u>   | <u>-</u>                                 | <u>-</u>     | <u>(152)</u>                            |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>  | <u>-</u>                          | <u>1,000</u>                      | <u>(152)</u>   | <u>-</u>                                 | <u>-</u>     | <u>848</u>                              |
| <b>EXCESS OF REVENUES AND<br/>OTHER SOURCES OVER<br/>(UNDER) EXPENDITURES<br/>AND OTHER USES</b> | -                                 | 1,004                             | -  | 62                                       | -            | 1,066                                   |
| <b>FUND BALANCE JULY 1</b>   | <u>476</u>                        | <u>-</u>                          | <u>1,448</u>   | <u>7,595</u>                             | <u>11</u>    | <u>9,530</u>                            |
| <b>FUND BALANCE JUNE 30</b>  | <u>\$ 476</u>                     | <u>\$ 1,004</u>                   | <u>\$ 1,448</u>                                      | <u>\$ 7,657</u>                          | <u>\$ 11</u> | <u>\$ 10,596</u>                        |

**THIS PAGE LEFT BLANK INTENTIONALLY**

## COMBINING FINANCIAL STATEMENTS

### **Nonmajor Enterprise Funds**

Enterprise funds account for activities for which fees are charged to external users for goods and services. This fund type is also used when the activity is financed with debt that is secured with fees and charges, as well as when the pricing policy of the activity is designated to recover its costs.

**Iowa Communications Network** accounts for a statewide telecommunications system and its related revenues and expenditures.

**Iowa Lottery Authority** is used to account for lottery revenues, administrative and operating expenses of the Lottery Authority, and the distribution of revenue to the General Fund.

**Iowa State Prison Industries** accounts for the revenues and expenses related to the sale of products made by the various prison industries.

**Liquor Control Act** is used to account for the revenues and expenses related to the sale of alcoholic beverages.

**Other Enterprise Funds** are aggregated for reporting purposes and account for other miscellaneous activities that meet the definition of Enterprise funds.



# STATE OF IOWA

## Combining Statement of Net Assets Nonmajor Enterprise Funds

June 30, 2005  
(Expressed in Thousands)

|                                   | IOWA<br>COMMUNI-<br>ACTIONS<br>NETWORK | IOWA<br>LOTTERY<br>AUTHORITY | IOWA<br>STATE<br>PRISON<br>INDUSTRIES | LIQUOR<br>CONTROL<br>ACT | OTHER           | TOTAL<br>NONMAJOR<br>ENTERPRISE<br>FUNDS |
|-----------------------------------|--|------------------------------|---------------------------------------|--------------------------|-----------------|--|
| <b>ASSETS</b>                     |  |                              |                                       |                          |                 |  |
| Current Assets:                   |  |                              |                                       |                          |                 |  |
| Cash & Investments                | \$ 7,867                               | \$ 16,910                    | \$ 2,470                              | \$ 6,452                 | \$ 643          | \$ 34,342                                |
| Accounts Receivable (Net)         | 2,751                                  | 3,949                        | 2,713                                 | 4,010                    | 21              | 13,444                                   |
| Interest Receivable               | -                                      | 125                          | -                                     | -                        | -               | 125                                      |
| Due From Other Funds              | 3,231                                  | -                            | -                                     | 13                       | -               | 3,244                                    |
| Inventory                         | 475                                    | 1,096                        | 5,789                                 | 959                      | 550             | 8,869                                    |
| Prepaid Expenses                  | -                                      | 84                           | 10                                    | 495                      | 131             | 720                                      |
| Investment In Prize Annuity       | -                                      | 8,844                        | -                                     | -                        | -               | 8,844                                    |
| Total Current Assets              | 14,324                                 | 31,008                       | 10,982                                | 11,929                   | 1,345           | 69,588                                   |
| Noncurrent Assets:                |  |                              |                                       |                          |                 |  |
| Capital Assets - nondepreciable   | 443                                    | 568                          | 107                                   | 210                      | 430             | 1,758                                    |
| Capital Assets - depreciable, net | 45,448                                 | 7,862                        | 4,804                                 | -                        | 804             | 58,918                                   |
| Prepaid Expenses                  | 584                                    | -                            | -                                     | -                        | -               | 584                                      |
| Investment In Prize Annuity       | -                                      | 25,993                       | -                                     | -                        | -               | 25,993                                   |
| Prize Deposit                     | -                                      | 4,243                        | -                                     | -                        | -               | 4,243                                    |
| Total Noncurrent Assets           | 46,475                                 | 38,666                       | 4,911                                 | 210                      | 1,234           | 91,496                                   |
| <b>TOTAL ASSETS</b>               | <b>60,799</b>                          | <b>69,674</b>                | <b>15,893</b>                         | <b>12,139</b>            | <b>2,579</b>    | <b>161,084</b>                           |
| <b>LIABILITIES</b>                |  |                              |                                       |                          |                 |  |
| Current Liabilities:              |  |                              |                                       |                          |                 |  |
| Accounts Payable & Accruals       | 2,908                                  | 1,858                        | 1,683                                 | 9,822                    | 35              | 16,306                                   |
| Due To Other Funds                | 1,697                                  | 14,906                       | -                                     | 1,303                    | -               | 17,906                                   |
| Interest Payable                  | -                                      | 21                           | -                                     | -                        | -               | 21                                       |
| Deferred Revenue                  | 325                                    | 202                          | -                                     | -                        | 56              | 583                                      |
| Compensated Absences              | 536                                    | 568                          | -                                     | 25                       | 30              | 1,159                                    |
| Bonds Payable                     | -                                      | 2,000                        | -                                     | -                        | -               | 2,000                                    |
| Annuities Payable                 | -                                      | 8,974                        | -                                     | -                        | -               | 8,974                                    |
| Lottery Prizes Payable            | -                                      | 2,839                        | -                                     | -                        | -               | 2,839                                    |
| Total Current Liabilities         | 5,466                                  | 31,368                       | 1,683                                 | 11,150                   | 121             | 49,788                                   |
| Noncurrent Liabilities:           |  |                              |                                       |                          |                 |  |
| Compensated Absences              | -                                      | 232                          | 510                                   | -                        | -               | 742                                      |
| Bonds Payable                     | -                                      | 5,500                        | -                                     | -                        | -               | 5,500                                    |
| Annuities Payable                 | -                                      | 25,993                       | -                                     | -                        | -               | 25,993                                   |
| Lottery Prizes Payable            | -                                      | 4,243                        | -                                     | -                        | -               | 4,243                                    |
| Other                             | -                                      | 5                            | -                                     | -                        | -               | 5  |
| Total Noncurrent Liabilities      | -                                      | 35,973                       | 510                                   | -                        | -               | 36,483                                   |
| <b>TOTAL LIABILITIES</b>          | <b>5,466</b>                           | <b>67,341</b>                | <b>2,193</b>                          | <b>11,150</b>            | <b>121</b>      | <b>86,271</b>                            |
| <b>NET ASSETS</b>                 |  |                              |                                       |                          |                 |  |
| Invested in Capital Assets,       |  |                              |                                       |                          |                 |  |
| Net of Related Debt               | 45,891                                 | 930                          | 4,911                                 | 210                      | 1,234           | 53,176                                   |
| Unrestricted                      | 9,442                                  | 1,403                        | 8,789                                 | 779                      | 1,224           | 21,637                                   |
| <b>TOTAL NET ASSETS</b>           | <b>\$ 55,333</b>                       | <b>\$ 2,333</b>              | <b>\$ 13,700</b>                      | <b>\$ 989</b>            | <b>\$ 2,458</b> | <b>\$ 74,813</b>                         |

# STATE OF IOWA

## Combining Statement of Revenues, Expenses and Changes in Fund Net Assets Nonmajor Enterprise Funds

For the Year Ended June 30, 2005  
(Expressed in Thousands)

|   | IOWA<br>COMMUNI-<br>CATIONS<br>NETWORK | IOWA<br>LOTTERY<br>AUTHORITY | IOWA<br>STATE<br>PRISON<br>INDUSTRIES | LIQUOR<br>CONTROL<br>ACT | OTHER           | TOTAL<br>NONMAJOR<br>ENTERPRISE<br>FUNDS |
|---|--|------------------------------|---------------------------------------|--------------------------|-----------------|--|
| <b>OPERATING REVENUES:</b>                                  |  |                              |                                       |                          |                 |  |
| Receipts from Other Entities                                | \$ -                                   | \$ -                         | \$ -                                  | \$ -                     | \$ 21           | \$ 21                                    |
| Fees, Licenses & Permits                                    | -                                      | 61                           | -                                     | 9,880                    | -               | 9,941                                    |
| Refunds & Reimbursements                                    | -                                      | -                            | -                                     | 126                      | -               | 126                                      |
| Sales, Rents & Services                                     | 36,131                                 | 210,669                      | 19,364                                | 146,835                  | 508             | 413,507                                  |
| Miscellaneous   | -                                      | 276                          | 39                                    | 929                      | 422             | 1,666                                    |
| <b>TOTAL OPERATING REVENUES</b>                             | <b>36,131</b>                          | <b>211,006</b>               | <b>19,403</b>                         | <b>157,770</b>           | <b>951</b>      | <b>425,261</b>                           |
| <b>OPERATING EXPENSES:</b>                                  |  |                              |                                       |                          |                 |  |
| General & Administrative                                    | 1,421                                  | 33,094                       | 16                                    | -                        | -               | 34,531                                   |
| Depreciation  | 10,190                                 | 625                          | 593                                   | -                        | 124             | 11,532                                   |
| Direct Expense  | 23,174                                 | -                            | 15,581                                | -                        | 68              | 38,823                                   |
| Prize Expense   | -                                      | 113,456                      | -                                     | -                        | -               | 113,456                                  |
| Personal Services   | 7,585                                  | 7,516                        | 1,161                                 | 1,250                    | 346             | 17,858                                   |
| Travel & Subsistence  | 107                                    | 389                          | 13                                    | 269                      | 4               | 782                                      |
| Supplies & Materials  | -                                      | 103                          | 68                                    | 104                      | 52              | 327                                      |
| Contractual Services  | 103                                    | 2,685                        | 813                                   | 1,261                    | 168             | 5,030                                    |
| Equipment & Repairs   | -                                      | 1,502                        | 9                                     | 35                       | 8               | 1,554                                    |
| Claims & Miscellaneous                                      | -                                      | -                            | 823                                   | 95,654                   | 36              | 96,513                                   |
| Licenses, Permits & Refunds                                 | -                                      | -                            | -                                     | 547                      | -               | 547                                      |
| State Aids & Credits  | -                                      | -                            | -                                     | 2,851                    | -               | 2,851                                    |
| <b>TOTAL OPERATING EXPENSES</b>                             | <b>42,580</b>                          | <b>159,370</b>               | <b>19,077</b>                         | <b>101,971</b>           | <b>806</b>      | <b>323,804</b>                           |
| <b>OPERATING INCOME (LOSS)</b>                              | <b>(6,449)</b>                         | <b>51,636</b>                | <b>326</b>                            | <b>55,799</b>            | <b>145</b>      | <b>101,457</b>                           |
| <b>NONOPERATING REVENUES</b>                                |  |                              |                                       |                          |                 |  |
| <b>(EXPENSES):</b>  |  |                              |                                       |                          |                 |  |
| Taxes   | 422                                    | -                            | -                                     | 5,271                    | -               | 5,693                                    |
| Investment Income   | 509                                    | 609                          | 98                                    | -                        | -               | 1,216                                    |
| Interest Expense  | (1,114)                                | (211)                        | -                                     | -                        | -               | (1,325)                                  |
| Miscellaneous Nonoperating Expense                          | (590)                                  | -                            | -                                     | -                        | -               | (590)                                    |
| Gain on Sale of Capital Assets                              | -                                      | -                            | -                                     | -                        | 3               | 3  |
| Loss on Sale of Capital Assets                              | (400)                                  | -                            | -                                     | -                        | -               | (400)                                    |
| <b>NET NONOPERATING<br/>REVENUES (EXPENSES)</b>             | <b>(1,173)</b>                         | <b>398</b>                   | <b>98</b>                             | <b>5,271</b>             | <b>3</b>        | <b>4,597</b>                             |
| <b>INCOME (LOSS) BEFORE<br/>CONTRIBUTIONS AND TRANSFERS</b> | <b>(7,622)</b>                         | <b>52,034</b>                | <b>424</b>                            | <b>61,070</b>            | <b>148</b>      | <b>106,054</b>                           |
| Capital Contributions and Grants                            | 11,620                                 | -                            | -                                     | -                        | -               | 11,620                                   |
| Transfers In  | -                                      | -                            | -                                     | 311                      | 1               | 312                                      |
| Transfers Out   | -                                      | (51,094)                     | -                                     | (61,055)                 | (2)             | (112,151)                                |
| <b>CHANGE IN NET ASSETS</b>                                 | <b>3,998</b>                           | <b>940</b>                   | <b>424</b>                            | <b>326</b>               | <b>147</b>      | <b>5,835</b>                             |
| <b>TOTAL NET ASSETS - JULY 1</b>                            | <b>51,335</b>                          | <b>1,393</b>                 | <b>13,276</b>                         | <b>663</b>               | <b>2,311</b>    | <b>68,978</b>                            |
| <b>TOTAL NET ASSETS - JUNE 30</b>                           | <b>\$ 55,333</b>                       | <b>\$ 2,333</b>              | <b>\$ 13,700</b>                      | <b>\$ 989</b>            | <b>\$ 2,458</b> | <b>\$ 74,813</b>                         |

# STATE OF IOWA

## Combining Statement of Cash Flows Nonmajor Enterprise Funds

For the Year Ended June 30, 2005  
(Expressed in Thousands)

|  | IOWA<br>COMMUNI-<br>CATIONS<br>NETWORK | IOWA<br>LOTTERY<br>AUTHORITY | IOWA<br>STATE<br>PRISON<br>INDUSTRIES | LIQUOR<br>CONTROL<br>ACT | OTHER        | TOTAL<br>NONMAJOR<br>ENTERPRISE<br>FUNDS |
|--|--|------------------------------|---------------------------------------|--------------------------|--------------|--|
| <b>CASH FLOWS FROM OPERATING<br/>ACTIVITIES:</b>                         |  |                              |                                       |                          |              |  |
| Cash Received From Customers   | \$ 33,743                              | \$ 209,933                   | \$ 18,373                             | \$ 156,235               | \$ 943       | \$ 419,227                               |
| Cash Received From Miscellaneous   | -                                      | 318                          | -                                     | 929                      | 58           | 1,305                                    |
| Cash Payments To Suppliers For<br>Goods & Services                       | (21,787)                               | (37,532)                     | (16,885)                              | (100,068)                | (440)        | (176,712)                                |
| Cash Payments To Employees for Services                                  | (7,586)                                | (7,371)                      | (1,146)                               | (1,498)                  | (382)        | (17,983)                                 |
| Cash Payments for Prizes   | -                                      | (123,946)                    | -                                     | -                        | -            | (123,946)                                |
| <b>NET CASH PROVIDED BY OPERATING<br/>ACTIVITIES</b>                     | <u>4,370</u>                           | <u>41,402</u>                | <u>342</u>                            | <u>55,598</u>            | <u>179</u>   | <u>101,891</u>                           |
| <b>CASH FLOWS FROM NONCAPITAL<br/>FINANCING ACTIVITIES:</b>              |  |                              |                                       |                          |              |  |
| Transfers In From Other Funds  | -                                      | -                            | -                                     | 305                      | -            | 305                                      |
| Transfers Out To Other Funds   | -                                      | (50,212)                     | -                                     | (59,848)                 | -            | (110,060)                                |
| Tax Receipts   | 11,837                                 | -                            | -                                     | 5,271                    | -            | 17,108                                   |
| <b>NET CASH PROVIDED BY NONCAPITAL<br/>FINANCING ACTIVITIES</b>          | <u>11,837</u>                          | <u>(50,212)</u>              | <u>-</u>                              | <u>(54,272)</u>          | <u>-</u>     | <u>(92,647)</u>                          |
| <b>CASH FLOWS FROM CAPITAL AND<br/>RELATED FINANCING ACTIVITIES:</b>     |  |                              |                                       |                          |              |  |
| Acquisition & Construction of Capital Assets                             | (3,106)                                | (8,810)                      | (466)                                 | -                        | (112)        | (12,494)                                 |
| Interest Payments  | (2,421)                                | (190)                        | -                                     | -                        | -            | (2,611)                                  |
| Debt Payments  | (36,277)                               | (1,300)                      | -                                     | -                        | -            | (37,577)                                 |
| Capital Contributions and Grants   | 205                                    | -                            | -                                     | -                        | -            | 205                                      |
| Debt Proceeds  | -                                      | 8,800                        | -                                     | -                        | -            | 8,800                                    |
| Proceeds From Sale of Capital Assets                                     | -                                      | 65                           | -                                     | -                        | -            | 65                                       |
| <b>NET CASH PROVIDED BY CAPITAL AND<br/>RELATED FINANCING ACTIVITIES</b> | <u>(41,599)</u>                        | <u>(1,435)</u>               | <u>(466)</u>                          | <u>-</u>                 | <u>(112)</u> | <u>(43,612)</u>                          |

(continued on next page)

# STATE OF IOWA

(continued)

|   | IOWA<br>COMMUNI-<br>CATIONS<br>NETWORK | IOWA<br>LOTTERY<br>AUTHORITY | IOWA<br>STATE<br>PRISON<br>INDUSTRIES | LIQUOR<br>CONTROL<br>ACT | OTHER         | TOTAL<br>NONMAJOR<br>ENTERPRISE<br>FUNDS |
|---|--|------------------------------|---------------------------------------|--------------------------|---------------|--|
| <b>CASH FLOWS FROM INVESTING</b>                          |  |                              |                                       |                          |               |  |
| <b>ACTIVITIES:</b>  |  |                              |                                       |                          |               |  |
| Interest & Dividends On Investments                       | 512                                    | 550                          | 98                                    | -                        | -             | 1,160                                    |
| Other   | -                                      | 9,901                        | -                                     | -                        | -             | 9,901                                    |
| <b>NET CASH PROVIDED BY INVESTING</b>                     |  |                              |                                       |                          |               |  |
| <b>ACTIVITIES</b>   | 512                                    | 10,451                       | 98                                    | -                        | -             | 11,061                                   |
| <b>NET INCREASE (DECREASE) IN CASH &amp; CASH</b>         |  |                              |                                       |                          |               |  |
| <b>EQUIVALENTS</b>  | (24,880)                               | 206                          | (26)                                  | 1,326                    | 67            | (23,307)                                 |
| <b>CASH &amp; CASH EQUIVALENTS JULY 1</b>                 | 32,747                                 | 16,704                       | 2,496                                 | 5,126                    | 576           | 57,649                                   |
| <b>CASH &amp; CASH EQUIVALENTS JUNE 30</b>                | 7,867                                  | 16,910                       | 2,470                                 | 6,452                    | 643           | 34,342                                   |
| <b>CASH &amp; INVESTMENTS PER STATEMENT OF NET ASSETS</b> | <u>\$ 7,867</u>                        | <u>\$ 16,910</u>             | <u>\$ 2,470</u>                       | <u>\$ 6,452</u>          | <u>\$ 643</u> | <u>\$ 34,342</u>                         |
| <b>RECONCILIATION OF OPERATING INCOME TO</b>              |  |                              |                                       |                          |               |  |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>          |  |                              |                                       |                          |               |  |
| <b>Operating Income (Loss)</b>                            | \$ (6,449)                             | \$ 51,636                    | \$ 326                                | \$ 55,799                | \$ 145        | \$ 101,457                               |
| <b>Adjustments To Reconcile Operating Income (Loss)</b>   |  |                              |                                       |                          |               |  |
| <b>To Net Cash Provided By Operating Activities</b>       |  |                              |                                       |                          |               |  |
| Depreciation  | 10,190                                 | 625                          | 593                                   | -                        | 124           | 11,532                                   |
| Loss on Disposal Of Assets                                | 400                                    | -                            | -                                     | -                        | -             | 400                                      |
| Gain on Sale of Capital Assets                            | -                                      | (19)                         | -                                     | -                        | -             | (19)                                     |
| (Increase) Decrease In Accounts Receivable                | (1,239)                                | (826)                        | (1,030)                               | (605)                    | 8             | (3,692)                                  |
| (Increase) Decrease In Due From                           | (1,220)                                | -                            | -                                     | -                        | 36            | (1,184)                                  |
| (Increase) Decrease In Inventory                          | 864                                    | 5                            | (187)                                 | (16)                     | (40)          | 626                                      |
| (Increase) Decrease In Prepaid Expenses                   | 90                                     | 24                           | 35                                    | (438)                    | (16)          | (305)                                    |
| (Increase) Decrease In Other Assets                       | -                                      | -                            | -                                     | -                        | -             | -  |
| Increase (Decrease) In Accounts Payable                   | 52                                     | 366                          | 577                                   | 838                      | (37)          | 1,796                                    |
| Increase (Decrease) In Due To                             | 1,610                                  | (39)                         | -                                     | -                        | (9)           | 1,562                                    |
| Increase (Decrease) In Deferred Revenue                   | 70                                     | 76                           | -                                     | (1)                      | (1)           | 144                                      |
| Increase (Decrease) In Compensated Absences               | 2                                      | 77                           | 28                                    | 21                       | (31)          | 97                                       |
| Increase (Decrease) In Prizes Payable                     | -                                      | (618)                        | -                                     | -                        | -             | (618)                                    |
| Increase (Decrease) In Prize Annuity                      | -                                      | (9,901)                      | -                                     | -                        | -             | (9,901)                                  |
| Increase (Decrease) In Other Liability                    | -                                      | (4)                          | -                                     | -                        | -             | (4)                                      |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>          | <u>\$ 4,370</u>                        | <u>\$ 41,402</u>             | <u>\$ 342</u>                         | <u>\$ 55,598</u>         | <u>\$ 179</u> | <u>\$ 101,891</u>                        |

**THIS PAGE LEFT BLANK INTENTIONALLY**

## COMBINING FINANCIAL STATEMENTS

### **Internal Service Funds**

Internal Service funds account for State activities that provide goods and services to other State departments or agencies on a cost reimbursement basis.

**Workers' Compensation Fund** receives funds associated with the workers' compensation program to pay claims and administrative support costs.

**Materials and Equipment Revolving Fund** accounts for the purchase, repair, maintenance, and replacement of equipment, machinery, and supplies used by the Department of Transportation.

**Depreciation Revolving Fund** receives monthly depreciation payments from State departments owning vehicles. The money is used to purchase replacement vehicles for the departments.

**Information Technology Revolving Fund** provides data processing services to other State departments or agencies.

**Other Internal Service Funds** are aggregated for reporting purposes and account for other miscellaneous activities that meet the definition of Internal Service funds.

# STATE OF IOWA

## Combining Statement of Net Assets Internal Service Funds

June 30, 2005  
(Expressed in Thousands)

|                                    | WORKERS'<br>COMPEN-<br>SATION<br>FUND | MATERIALS<br>& EQUIPMENT<br>REVOLVING<br>FUND | DEPRECIATION<br>REVOLVING<br>FUND | INFORMATION<br>TECHNOLOGY<br>REVOLVING<br>FUND | OTHER                   | TOTAL                    |
|------------------------------------|---------------------------------------|---|-----------------------------------|--|-------------------------|--------------------------|
| <b>ASSETS</b>                      |                                       |   |                                   |  |                         |                          |
| Current Assets:                    |                                       |   |                                   |  |                         |                          |
| Cash & Investments                 | \$ 1,075                              | \$ 5,548                                      | \$ 5,143                          | \$ 7,241                                       | \$ 9,663                | \$ 28,670                |
| Accounts Receivable (Net)          | 7                                     | -   | 50                                | 50   | 720                     | 827                      |
| Due From Other Funds/Advances      |                                       |   |                                   |  |                         |                          |
| To Other Funds                     | 49,844                                | 471   | 1,664                             | 3,209  | 4,884                   | 60,072                   |
| Inventory                          | -                                     | 5,253   | 3,566                             | 55   | 1,249                   | 10,123                   |
| Prepaid Expenses                   | -                                     | 52  | -                                 | 533  | 847                     | 1,432                    |
| Total Current Assets               | <u>50,926</u>                         | <u>11,324</u>                                 | <u>10,423</u>                     | <u>11,088</u>                                  | <u>17,363</u>           | <u>101,124</u>           |
| Noncurrent Assets:                 |                                       |   |                                   |  |                         |                          |
| Due From Other Funds/Advances      |                                       |   |                                   |  |                         |                          |
| To Other Funds                     | -                                     | -   | -                                 | -  | 269                     | 269                      |
| Capital Assets - depreciable (Net) | -                                     | 79,375  | -                                 | 3,027  | 2,610                   | 85,012                   |
| Total Noncurrent Assets            | <u>-</u>                              | <u>79,375</u>                                 | <u>-</u>                          | <u>3,027</u>                                   | <u>2,879</u>            | <u>85,281</u>            |
| <b>TOTAL ASSETS</b>                | <u><b>50,926</b></u>                  | <u><b>90,699</b></u>                          | <u><b>10,423</b></u>              | <u><b>14,115</b></u>                           | <u><b>20,242</b></u>    | <u><b>186,405</b></u>    |
| <b>LIABILITIES</b>                 |                                       |   |                                   |  |                         |                          |
| Current Liabilities:               |                                       |   |                                   |  |                         |                          |
| Accounts Payable & Accruals        | 8,545                                 | 1,954   | 1,394                             | 1,502  | 3,909                   | 17,304                   |
| Due To Other Funds/Advances        |                                       |   |                                   |  |                         |                          |
| From Other Funds                   | 6                                     | 208   | 73                                | 728  | 842                     | 1,857                    |
| Deferred Revenue                   | -                                     | -   | 7,724                             | -  | -                       | 7,724                    |
| Compensated Absences               | -                                     | 473   | -                                 | 935  | 1,131                   | 2,539                    |
| Capital Leases                     | -                                     | -   | -                                 | -  | 63                      | 63                       |
| Total Current Liabilities          | <u>8,551</u>                          | <u>2,635</u>                                  | <u>9,191</u>                      | <u>3,165</u>                                   | <u>5,945</u>            | <u>29,487</u>            |
| Noncurrent Liabilities:            |                                       |   |                                   |  |                         |                          |
| Accounts Payable & Accruals        | 42,375                                | -   | -                                 | -  | 369                     | 42,744                   |
| Capital Leases                     | -                                     | -   | -                                 | -  | 227                     | 227                      |
| Total Noncurrent Liabilities       | <u>42,375</u>                         | <u>-</u>                                      | <u>-</u>                          | <u>-</u>                                       | <u>596</u>              | <u>42,971</u>            |
| <b>TOTAL LIABILITIES</b>           | <u><b>50,926</b></u>                  | <u><b>2,635</b></u>                           | <u><b>9,191</b></u>               | <u><b>3,165</b></u>                            | <u><b>6,541</b></u>     | <u><b>72,458</b></u>     |
| <b>NET ASSETS</b>                  |                                       |   |                                   |  |                         |                          |
| Invested in Capital Assets,        |                                       |   |                                   |  |                         |                          |
| Net of Related Debt                | -                                     | 79,375  | -                                 | 3,027  | 2,320                   | 84,722                   |
| Unrestricted                       | -                                     | 8,689   | 1,232                             | 7,923  | 11,381                  | 29,225                   |
| <b>TOTAL NET ASSETS</b>            | <u><b>\$ -</b></u>                    | <u><b>\$ 88,064</b></u>                       | <u><b>\$ 1,232</b></u>            | <u><b>\$ 10,950</b></u>                        | <u><b>\$ 13,701</b></u> | <u><b>\$ 113,947</b></u> |

# STATE OF IOWA

## Combining Statement of Revenues, Expenses and Changes in Fund Net Assets Internal Service Funds

For the Year Ended June 30, 2005  
(Expressed in Thousands)

|   | WORKERS'<br>COMPEN-<br>SATION<br>FUND | MATERIALS<br>& EQUIPMENT<br>REVOLVING<br>FUND | DEPRECIATION<br>REVOLVING<br>FUND | INFORMATION<br>TECHNOLOGY<br>REVOLVING<br>FUND | OTHER            | TOTAL             |
|---|---------------------------------------|---|-----------------------------------|--|------------------|-------------------|
| <b>OPERATING REVENUES:</b>                      |                                       |   |                                   |  |                  |                   |
| Receipts from Other Entities                    | \$ 18,343                             | \$ 1,319                                      | \$ 7,715                          | \$ 24,417                                      | \$ 41,252        | \$ 93,046         |
| Fees, Licenses & Permits                        | -                                     | -   | -                                 | -  | 6                | 6                 |
| Refunds & Reimbursements                        | 205                                   | 42,790  | 70                                | -  | 592              | 43,657            |
| Sales, Rents & Services                         | -                                     | -   | 1,643                             | -  | 73               | 1,716             |
| Miscellaneous                                   | -                                     | 3,194   | -                                 | 1,071  | 192              | 4,457             |
| <b>TOTAL OPERATING REVENUES</b>                 | <b>18,548</b>                         | <b>47,303</b>                                 | <b>9,428</b>                      | <b>25,488</b>                                  | <b>42,115</b>    | <b>142,882</b>    |
| <b>OPERATING EXPENSES:</b>                      |                                       |   |                                   |  |                  |                   |
| Depreciation                                    | -                                     | 10,442  | -                                 | 1,249  | 692              | 12,383            |
| Personal Services                               | -                                     | 4,385   | 1                                 | 11,100   | 12,168           | 27,654            |
| Travel & Subsistence                            | -                                     | 7,382   | -                                 | 40   | 6,036            | 13,458            |
| Supplies & Materials                            | -                                     | 21,466  | 4                                 | 74   | 15,532           | 37,076            |
| Contractual Services                            | 2,373                                 | 1,701   | 111                               | 2,320  | 6,286            | 12,791            |
| Equipment & Repairs                             | -                                     | 3,913   | 9,176                             | 6,775  | 224              | 20,088            |
| Claims & Miscellaneous                          | 16,151                                | 205   | -                                 | 19   | 1,183            | 17,558            |
| Licenses, Permits & Refunds                     | -                                     | 12  | -                                 | -  | 3                | 15                |
| <b>TOTAL OPERATING EXPENSES</b>                 | <b>18,524</b>                         | <b>49,506</b>                                 | <b>9,292</b>                      | <b>21,577</b>                                  | <b>42,124</b>    | <b>141,023</b>    |
| <b>OPERATING INCOME (LOSS)</b>                  | <b>24</b>                             | <b>(2,203)</b>                                | <b>136</b>                        | <b>3,911</b>                                   | <b>(9)</b>       | <b>1,859</b>      |
| <b>NONOPERATING REVENUES<br/>(EXPENSES):</b>    |                                       |   |                                   |  |                  |                   |
| Investment Income                               | -                                     | -   | -                                 | 163  | 123              | 286               |
| Gain on Sale of Capital Assets                  | -                                     | -   | -                                 | -  | 35               | 35                |
| <b>NET NONOPERATING<br/>REVENUES (EXPENSES)</b> | <b>-</b>                              | <b>-</b>                                      | <b>-</b>                          | <b>163</b>                                     | <b>158</b>       | <b>321</b>        |
| <b>INCOME (LOSS) BEFORE<br/>TRANSFERS</b>       | <b>24</b>                             | <b>(2,203)</b>                                | <b>136</b>                        | <b>4,074</b>                                   | <b>149</b>       | <b>2,180</b>      |
| Transfers In                                    | 51                                    | 359   | -                                 | -  | 1,965            | 2,375             |
| Transfers Out                                   | (75)                                  | -   | -                                 | -  | -                | (75)              |
| <b>CHANGE IN NET ASSETS</b>                     | <b>-</b>                              | <b>(1,844)</b>                                | <b>136</b>                        | <b>4,074</b>                                   | <b>2,114</b>     | <b>4,480</b>      |
| <b>TOTAL NET ASSETS - JULY 1, RESTATED</b>      | <b>-</b>                              | <b>89,908</b>                                 | <b>1,096</b>                      | <b>6,876</b>                                   | <b>11,587</b>    | <b>109,467</b>    |
| <b>TOTAL NET ASSETS - JUNE 30</b>               | <b>\$ -</b>                           | <b>\$ 88,064</b>                              | <b>\$ 1,232</b>                   | <b>\$ 10,950</b>                               | <b>\$ 13,701</b> | <b>\$ 113,947</b> |



# STATE OF IOWA

## Combining Statement of Cash Flows Internal Service Funds

For the Year Ended June 30, 2005  
(Expressed in Thousands)

|  | WORKERS'<br>COMPEN-<br>SATION<br>FUND | MATERIALS<br>& EQUIPMENT<br>REVOLVING<br>FUND | DEPRECIATION<br>REVOLVING<br>FUND | INFORMATION<br>TECHNOLOGY<br>REVOLVING<br>FUND | OTHER           | TOTAL            |
|--|---------------------------------------|---|-----------------------------------|--|-----------------|------------------|
| <b>CASH FLOWS FROM OPERATING<br/>ACTIVITIES:</b>                         |                                       |   |                                   |  |                 |                  |
| Cash Received From Other Entities  | \$ 198                                | \$ 4,725                                      | \$ 1,664                          | \$ 1,071                                       | \$ 953          | \$ 8,611         |
| Cash Received From Reciprocal<br>Interfund Activity                      | 18,633                                | 43,797  | 8,097                             | 23,483   | 39,188          | 133,198          |
| Cash Payments To Suppliers For<br>Goods & Services                       | (18,619)                              | (28,193)                                      | (8,966)                           | (8,961)  | (21,334)        | (86,073)         |
| Cash Payments To Employees<br>For Services                               | -                                     | (11,729)                                      | (5)                               | (10,205)                                       | (17,330)        | (39,269)         |
| <b>NET CASH PROVIDED BY OPERATING<br/>ACTIVITIES</b>                     | <u>212</u>                            | <u>8,600</u>                                  | <u>790</u>                        | <u>5,388</u>                                   | <u>1,477</u>    | <u>16,467</u>    |
| <b>CASH FLOWS FROM NONCAPITAL<br/>FINANCING ACTIVITIES:</b>              |                                       |   |                                   |  |                 |                  |
| Transfers In From Other Funds  | 51                                    | 359   | -                                 | -  | 1,965           | 2,375            |
| Transfers Out To Other Funds   | (93)                                  | -   | -                                 | -  | -               | (93)             |
| <b>NET CASH PROVIDED BY NONCAPITAL<br/>FINANCING ACTIVITIES</b>          | <u>(42)</u>                           | <u>359</u>                                    | <u>-</u>                          | <u>-</u>                                       | <u>1,965</u>    | <u>2,282</u>     |
| <b>CASH FLOWS FROM CAPITAL AND<br/>RELATED FINANCING ACTIVITIES:</b>     |                                       |   |                                   |  |                 |                  |
| Acquisition & Construction of Capital Assets                             | -                                     | (11,431)                                      | -                                 | (4,276)  | (1,101)         | (16,808)         |
| <b>NET CASH PROVIDED BY CAPITAL AND<br/>RELATED FINANCING ACTIVITIES</b> | <u>-</u>                              | <u>(11,431)</u>                               | <u>-</u>                          | <u>(4,276)</u>                                 | <u>(1,101)</u>  | <u>(16,808)</u>  |
| <b>CASH FLOWS FROM INVESTING<br/>ACTIVITIES:</b>                         |                                       |   |                                   |  |                 |                  |
| Interest & Dividends On Investments                                      | -                                     | -   | -                                 | 163  | 123             | 286              |
| <b>NET CASH PROVIDED BY INVESTING<br/>ACTIVITIES</b>                     | <u>-</u>                              | <u>-</u>                                      | <u>-</u>                          | <u>163</u>                                     | <u>123</u>      | <u>286</u>       |
| <b>NET INCREASE (DECREASE) IN CASH &amp; CASH<br/>EQUIVALENTS</b>        | <u>170</u>                            | <u>(2,472)</u>                                | <u>790</u>                        | <u>1,275</u>                                   | <u>2,464</u>    | <u>2,227</u>     |
| <b>CASH &amp; CASH EQUIVALENTS JULY 1, RESTATED</b>                      | <u>905</u>                            | <u>8,020</u>                                  | <u>4,353</u>                      | <u>5,966</u>                                   | <u>7,199</u>    | <u>26,443</u>    |
| <b>CASH &amp; CASH EQUIVALENTS JUNE 30</b>                               | <u>1,075</u>                          | <u>5,548</u>                                  | <u>5,143</u>                      | <u>7,241</u>                                   | <u>9,663</u>    | <u>28,670</u>    |
| <b>CASH &amp; INVESTMENTS PER STATEMENT<br/>OF NET ASSETS</b>            | <u>\$ 1,075</u>                       | <u>\$ 5,548</u>                               | <u>\$ 5,143</u>                   | <u>\$ 7,241</u>                                | <u>\$ 9,663</u> | <u>\$ 28,670</u> |

(continued on next page)

# STATE of IOWA

(continued)

|  | WORKERS'<br>COMPEN-<br>SATION<br>FUND | MATERIALS<br>& EQUIPMENT<br>REVOLVING<br>FUND | DEPRECIATION<br>REVOLVING<br>FUND | INFORMATION<br>TECHNOLOGY<br>REVOLVING<br>FUND | OTHER           | TOTAL            |
|--|---------------------------------------|---|-----------------------------------|--|-----------------|------------------|
| <b>RECONCILIATION OF OPERATING<br/>INCOME (LOSS) TO NET CASH PROVIDED<br/>BY OPERATING ACTIVITIES</b>    |                                       |   |                                   |  |                 |                  |
| <b>Operating Income (Loss)</b>   | \$ 24                                 | \$ (2,203)                                    | \$ 136                            | \$ 3,911                                       | \$ (9)          | \$ 1,859         |
| <b>Adjustments To Reconcile Operating Income (Loss)<br/>To Net Cash Provided By Operating Activities</b> |                                       |   |                                   |  |                 |                  |
| Depreciation   | -                                     | 10,442  | -                                 | 1,249  | 692             | 12,383           |
| (Increase) Decrease In Accounts Receivable   | (7)                                   | 132   | (49)                              | (37)   | (130)           | (91)             |
| (Increase) Decrease In Due From  | 290                                   | 812   | (34)                              | (897)  | (1,934)         | (1,763)          |
| (Increase) Decrease In Inventory   | -                                     | (1,143)                                       | -                                 | 21   | (154)           | (1,276)          |
| (Increase) Decrease In Prepaid Expenses  | -                                     | (52)  | (467)                             | 42   | 659             | 182              |
| Increase (Decrease) in Loans Receivable  | -                                     | -   | -                                 | -  | 90              | 90               |
| Increase (Decrease) In Accounts Payable  | (95)                                  | 379   | 788                               | (396)  | 809             | 1,485            |
| Increase (Decrease) In Due To  | -                                     | 195   | 44                                | 560  | 580             | 1,379            |
| Increase (Decrease) In Deferred Revenue  | -                                     | -   | 372                               | -  | -               | 372              |
| Increase (Decrease) In Compensated<br>Absences And Other Benefits  | -                                     | 38  | -                                 | 935  | 874             | 1,847            |
| <b>Net Cash Provided By Operating Activities</b>   | <u>\$ 212</u>                         | <u>\$ 8,600</u>                               | <u>\$ 790</u>                     | <u>\$ 5,388</u>                                | <u>\$ 1,477</u> | <u>\$ 16,467</u> |

**THIS PAGE LEFT BLANK INTENTIONALLY**

## COMBINING FINANCIAL STATEMENTS

### **Pension and Other Employee Benefit Trust Funds**

Pension Trust funds account for transactions, assets, liabilities, and net assets available for plan benefits of the various State employee retirement systems. See Note 16 - Pension Plans.

**Insurance Trust Fund** receives converted sick leave dollars of Department of Public Safety retirees under the Peace Officers contract to pay health and /or life benefits.

**SPOC Insurance Trust Fund** receives converted sick leave dollars of Department of Natural Resources retirees under the Peace Officers contract to pay health and/or life benefits.

# STATE OF IOWA

## Combining Statement of Fiduciary Net Assets Pension and Other Employee Benefit Trust Funds

June 30, 2005  
(Expressed in Thousands)

|   | IOWA PUBLIC<br>EMPLOYEES'<br>RETIREMENT<br>SYSTEM | PEACE<br>OFFICERS'<br>RETIREMENT<br>SYSTEM | JUDICIAL<br>RETIREMENT<br>SYSTEM | INSURANCE<br>TRUST<br>FUND | SPOC<br>INSURANCE<br>TRUST<br>FUND | TOTAL                |
|---|---|--|----------------------------------|----------------------------|------------------------------------|----------------------|
| <b>ASSETS</b>   |   |  |                                  |                            |                                    |                      |
| Cash & Cash Equivalents                                     | \$ 104,137  | \$ 12,120                                  | \$ 6,503                         | \$ 924                     | \$ 1,616                           | \$ 125,300           |
| Receivables:  |   |  |                                  |                            |                                    |                      |
| Contributions   | 36,915  | 335  | 39                               | 174                        | -                                  | 37,463               |
| Investments Sold  | 598,746   | 3,150                                      | 202                              | -                          | -                                  | 602,098              |
| Foreign Exchange Contracts                                  | 9,847   | -  | -                                | -                          | -                                  | 9,847                |
| Interest & Dividends  | 64,243  | 833  | -                                | 9                          | -                                  | 65,085               |
| Total Receivables   | 709,751   | 4,318                                      | 241                              | 183                        | -                                  | 714,493              |
| Investments, at Fair Value:                                 |   |  |                                  |                            |                                    |                      |
| Fixed Income Securities                                     | 6,033,468   | 76,094                                     | 24,986                           | -                          | -                                  | 6,134,548            |
| Equity Investments  | 8,598,594   | 123,346                                    | 51,900                           | -                          | -                                  | 8,773,840            |
| Real Estate Partnerships                                    | 1,232,598   | -  | -                                | -                          | -                                  | 1,232,598            |
| Investment in Private Equity/Debt                           | 1,176,490   | -  | -                                | -                          | -                                  | 1,176,490            |
| Securities Lending Collateral Pool                          | 1,946,543   | 54,690                                     | -                                | -                          | -                                  | 2,001,233            |
| Securities on Loan with Brokers                             | 2,003,037   | 53,586                                     | -                                | -                          | -                                  | 2,056,623            |
| Total Investments   | 20,990,730  | 307,716                                    | 76,886                           | -                          | -                                  | 21,375,332           |
| Capital Assets:   |   |  |                                  |                            |                                    |                      |
| Land  | 500   | -  | -                                | -                          | -                                  | 500                  |
| Other Capital Assets (Net)                                  | 3,651   | -  | -                                | -                          | -                                  | 3,651                |
| Total Capital Assets  | 4,151   | -  | -                                | -                          | -                                  | 4,151                |
| <b>Total Assets</b>   | <b>21,808,769</b>                                 | <b>324,154</b>                             | <b>83,630</b>                    | <b>1,107</b>               | <b>1,616</b>                       | <b>22,219,276</b>    |
| <b>LIABILITIES</b>  |   |  |                                  |                            |                                    |                      |
| Accounts Payable & Accruals                                 | 53,885  | 317  | 152                              | -                          | 3                                  | 54,357               |
| Payable for Investments Purchased                           | 1,042,190   | 9,042                                      | 1,873                            | -                          | -                                  | 1,053,105            |
| Payable to Brokers For Rebate & Collateral                  | 1,945,465   | 54,690                                     | -                                | -                          | -                                  | 2,000,155            |
| <b>Total Liabilities</b>                                    | <b>3,041,540</b>                                  | <b>64,049</b>                              | <b>2,025</b>                     | <b>-</b>                   | <b>3</b>                           | <b>3,107,617</b>     |
| <b>NET ASSETS HELD IN TRUST FOR<br/>EMPLOYEES' BENEFITS</b> | <b>\$ 18,767,229</b>                              | <b>\$ 260,105</b>                          | <b>\$ 81,605</b>                 | <b>\$ 1,107</b>            | <b>\$ 1,613</b>                    | <b>\$ 19,111,659</b> |

# STATE OF IOWA

## Combining Statement of Changes in Fiduciary Net Assets Pension and Other Employee Benefit Trust Funds

For the Year Ended June 30, 2005  
(Expressed in Thousands)

|   | IOWA PUBLIC<br>EMPLOYEES'<br>RETIREMENT<br>SYSTEM | PEACE<br>OFFICERS'<br>RETIREMENT<br>SYSTEM | JUDICIAL<br>RETIREMENT<br>SYSTEM | INSURANCE<br>TRUST<br>FUND | SPOC<br>INSURANCE<br>TRUST<br>FUND | TOTAL                |
|---|---|--|----------------------------------|----------------------------|------------------------------------|----------------------|
| <b>ADDITIONS</b>  |   |  |                                  |                            |                                    |                      |
| Contributions:  |   |  |                                  |                            |                                    |                      |
| Member Contributions  | \$ 310,842  | \$ 2,994                                   | \$ 1,042                         | \$ 510                     | \$ 301                             | \$ 315,689           |
| Employer Contributions  | 202,607   | 5,443                                      | 2,040                            | -                          | -                                  | 210,090              |
| Buy-Back/Buy-In Contributions   | 11,217  | -  | -                                | -                          | -                                  | 11,217               |
| Contributions   | 524,666   | 8,437                                      | 3,082                            | 510                        | 301                                | 536,996              |
| Investment Income:  |   |  |                                  |                            |                                    |                      |
| Net Increase (Decrease) in<br>Fair Value of Investments                       | 1,591,474   | 19,450                                     | 3,823                            | -                          | -                                  | 1,614,747            |
| Interest  | 220,332   | 6,031                                      | 1,463                            | 25                         | -                                  | 227,851              |
| Dividends   | 67,280  | 1,650                                      | 600                              | -                          | -                                  | 69,530               |
| Other   | 123,191   | -  | -                                | -                          | -                                  | 123,191              |
| Investment Income   | 2,002,277   | 27,131                                     | 5,886                            | 25                         | -                                  | 2,035,319            |
| Less Investment Expense   | 89,787  | 2,125                                      | 386                              | -                          | -                                  | 92,298               |
| Net Investment Income   | 1,912,490   | 25,006                                     | 5,500                            | 25                         | -                                  | 1,943,021            |
| Miscellaneous Non-Investment Income   | 42  | -  | -                                | -                          | -                                  | 42                   |
| Total Additions   | 2,437,198   | 33,443                                     | 8,582                            | 535                        | 301                                | 2,480,059            |
| <b>DEDUCTIONS:</b>  |   |  |                                  |                            |                                    |                      |
| Pension and Annuity Benefits  | 868,558   | 15,542                                     | 4,992                            | -                          | -                                  | 889,092              |
| Payments In Accordance with Agreements  | -   | -  | -                                | 761                        | 260                                | 1,021                |
| Administrative Expense  | 8,215   | 65   | 8                                | -                          | -                                  | 8,288                |
| Refunds   | 43,113  | 11   | -                                | -                          | -                                  | 43,124               |
| Total Deductions  | 919,886   | 15,618                                     | 5,000                            | 761                        | 260                                | 941,525              |
| <b>Change in Net Assets held in Trust for<br/>Employees' Pension Benefits</b> | 1,517,312   | 17,825                                     | 3,582                            | (226)                      | 41                                 | 1,538,534            |
| <b>Fund Balance - Reserved for Employees'<br/>Benefits July 1</b>             | 17,249,917  | 242,280                                    | 78,023                           | 1,333                      | 1,572                              | 17,573,125           |
| <b>Fund Balance - Reserved for Employees'<br/>Benefits June 30</b>            | <b>\$ 18,767,229</b>                              | <b>\$ 260,105</b>                          | <b>\$ 81,605</b>                 | <b>\$ 1,107</b>            | <b>\$ 1,613</b>                    | <b>\$ 19,111,659</b> |

**THIS PAGE LEFT BLANK INTENTIONALLY**

## COMBINING FINANCIAL STATEMENTS

### **Private Purpose Trust Funds**

Private Purpose Trust Funds are used to report trust arrangements under which principal and income benefit individuals, private organizations or other governments.

**Iowa Educational Savings Plan Trust** receives contributions from participants for investment for future application towards payment of higher education costs for designated beneficiaries.

**Veterans Affairs** receives donations and fund raising receipts to be spent for the benefit of the Veteran residents.

**Health Organization Insolvency Fund** has received a \$10,000 remittance from each established HMO and LSO per law. This nonrefundable fund is invested to cover the cost of administration if an HMO or LSO declares bankruptcy.

**Wagner Award Fund** received a bequest by Ruth Wagner to present an annual recognition to the outstanding soil district commissioner who is 40 years or younger to be presented each year at the annual state conference.

**Braille and Sight Saving School** receives donations and contributions to be spent for the benefit of the students.



# STATE OF IOWA

## Combining Statement of Fiduciary Net Assets Private Purpose Trust Funds

June 30, 2005  
(Expressed in Thousands)

|   | IOWA<br>EDUCATIONAL<br>SAVINGS<br>PLAN TRUST | VETERANS<br>AFFAIRS | HEALTH<br>ORGANIZATION<br>INSOLVENCY<br>FUND | WAGNER<br>AWARD<br>FUND | BRAILLE &<br>SIGHT<br>SAVING<br>SCHOOL | TOTAL               |
|---|--|---------------------|--|-------------------------|--|---------------------|
| <b>ASSETS</b>   |  |                     |  |                         |  |                     |
| Cash  | \$ 1,157                                     | \$ 352              | \$ 230                                       | \$ 12                   | \$ 43                                  | \$ 1,794            |
| Investments   | 1,122,823                                    | -                   | -  | -                       | -                                      | 1,122,823           |
| Accounts Receivable (Net)                                       | -  | 1                   | -  | -                       | -                                      | 1                   |
| Capital Assets (Net)  | 8  | 37                  | -  | -                       | -                                      | 45                  |
| Prepaid Expense   | 2  | 1                   | -  | -                       | -                                      | 3                   |
| Inventory   | -  | 14                  | -  | -                       | -                                      | 14                  |
| <b>Total Assets</b>   | <u>1,123,990</u>                             | <u>405</u>          | <u>230</u>                                   | <u>12</u>               | <u>43</u>                              | <u>1,124,680</u>    |
| <b>LIABILITIES</b>  |  |                     |  |                         |  |                     |
| Accounts Payable<br>& Accruals                                  | <u>18</u>                                    | <u>3</u>            | <u>-</u>                                     | <u>-</u>                | <u>-</u>                               | <u>21</u>           |
| <b>Total Liabilities</b>  | <u>18</u>                                    | <u>3</u>            | <u>-</u>                                     | <u>-</u>                | <u>-</u>                               | <u>21</u>           |
| <b>NET ASSETS</b>   |  |                     |  |                         |  |                     |
| Held for Individuals,<br>Organizations and<br>Other Governments | <u>\$ 1,123,972</u>                          | <u>\$ 402</u>       | <u>\$ 230</u>                                | <u>\$ 12</u>            | <u>\$ 43</u>                           | <u>\$ 1,124,659</u> |

# STATE OF IOWA

## Combining Statement of Changes in Fiduciary Net Assets Private Purpose Trust Funds

For the Year Ended June 30, 2005  
(Expressed in Thousands)

|  | IOWA<br>EDUCATIONAL<br>SAVINGS<br>PLAN TRUST | VETERANS<br>AFFAIRS | HEALTH<br>ORGANIZATION<br>INSOLVENCY<br>FUND | WAGNER<br>AWARD<br>FUND | BRAILLE &<br>SIGHT<br>SAVING<br>SCHOOL | TOTAL               |
|--|--|---------------------|--|-------------------------|--|---------------------|
| <b>ADDITIONS</b>   |  |                     |  |                         |  |                     |
| Contributions:   |  |                     |  |                         |  |                     |
| Participant Contributions  | \$ 247,738                                   | \$ 151              | \$ 10  | \$ -                    | \$ -                                   | \$ 247,899          |
| Gifts, Bequests, & Endowments  | -  | 85                  | -  | -                       | 38                                     | 123                 |
| Contributions  | 247,738                                      | 236                 | 10   | -                       | 38                                     | 248,022             |
| Investment Income:   |  |                     |  |                         |  |                     |
| Net Increase (decrease) in Fair Value<br>of Investments  | 74,193                                       | -                   | -  | -                       | (1)                                    | 74,192              |
| Interest   | 39   | 6                   | -  | 1                       | 4                                      | 50                  |
| Investment Income  | 74,232                                       | 6                   | -  | 1                       | 3                                      | 74,242              |
| Total Additions  | 321,970                                      | 242                 | 10   | 1                       | 41                                     | 322,264             |
| <b>DEDUCTIONS:</b>   |  |                     |  |                         |  |                     |
| Distributions to Participants  | 27,629                                       | -                   | -  | -                       | -                                      | 27,629              |
| Other  | 344  | 219                 | -  | -                       | 3                                      | 566                 |
| Total Deductions   | 27,973                                       | 219                 | -  | -                       | 3                                      | 28,195              |
| <b>Change in Net Assets held in<br/>Trust for Individuals,<br/>Organizations and<br/>Other Governments</b> | 293,997                                      | 23                  | 10   | 1                       | 38                                     | 294,069             |
| <b>Net Assets - Beginning</b>  | 829,975                                      | 379                 | 220  | 11                      | 5                                      | 830,590             |
| <b>Net Assets - Ending</b>   | <b>\$ 1,123,972</b>                          | <b>\$ 402</b>       | <b>\$ 230</b>                                | <b>\$ 12</b>            | <b>\$ 43</b>                           | <b>\$ 1,124,659</b> |

**THIS PAGE LEFT BLANK INTENTIONALLY**

# COMBINING FINANCIAL STATEMENTS

## **Agency Funds**

Agency funds account for the receipt and disbursement of various taxes, deposits, deductions, and property collected by the State, acting in the capacity of an agent, for distribution to other governmental units or organizations.

**Local Sales & Services Tax Fund** is used to account for local option sales taxes collected by retailers and deposited with the State. The taxes are then distributed back to the counties which have jurisdictions imposing local option sales tax.

**Centralized Payroll Trustee Fund** is used to account for accumulation of all voluntary and discretionary payroll deductions from the centralized payroll process.

**Judicial-Clerks of District Court** act as a collecting agency for many fees and taxes that are then distributed to the proper local government or recipient.

**School District Surtax Clearing Fund** collects and distributes surtax to the school districts according to the surtax formula set by the districts.

**Other Agency Funds** are aggregated for reporting purposes and represent amounts held for inmates and residents of State institutions, miscellaneous clearing accounts, and other deposits.

# STATE OF IOWA

## Combining Statement of Fiduciary Net Assets Agency Funds

June 30, 2005  
(Expressed in Thousands)

|                                | LOCAL<br>SALES &<br>SERVICES<br>TAX<br>FUND | CENTRALIZED<br>PAYROLL<br>TRUSTEE<br>FUND | JUDICIAL -<br>CLERKS OF<br>DISTRICT<br>COURT | SCHOOL<br>DISTRICT<br>SURTAX<br>CLEARING<br>FUND | OTHER                   | TOTAL                    |
|--------------------------------|---|---|--|--|-------------------------|--------------------------|
| <b>ASSETS</b>                  |   |   |  |  |                         |                          |
| Cash                           | \$ 273                                      | \$ 6,809                                  | \$ 17,207                                    | \$ 62,498  | \$ 30,513               | \$ 117,300               |
| Accounts Receivable (Net)      | <u>77,711</u>                               | <u>31,338</u>                             | <u>-</u>                                     | <u>3,424</u>                                     | <u>51,637</u>           | <u>164,110</u>           |
| <b>Total Assets</b>            | <b><u>\$ 77,984</u></b>                     | <b><u>\$ 38,147</u></b>                   | <b><u>\$ 17,207</u></b>                      | <b><u>\$ 65,922</u></b>                          | <b><u>\$ 82,150</u></b> | <b><u>\$ 281,410</u></b> |
| <b>LIABILITIES</b>             |   |   |  |  |                         |                          |
| Accounts Payable<br>& Accruals | <u>\$ 77,984</u>                            | <u>\$ 38,147</u>                          | <u>\$ 17,207</u>                             | <u>\$ 65,922</u>                                 | <u>\$ 82,150</u>        | <u>\$ 281,410</u>        |
| <b>Total Liabilities</b>       | <b><u>\$ 77,984</u></b>                     | <b><u>\$ 38,147</u></b>                   | <b><u>\$ 17,207</u></b>                      | <b><u>\$ 65,922</u></b>                          | <b><u>\$ 82,150</u></b> | <b><u>\$ 281,410</u></b> |

# STATE OF IOWA

## Combining Statement of Changes in Assets and Liabilities Agency Funds

For the Year Ended June 30, 2005  
(Expressed in Thousands)

|   | BALANCE<br>JULY 1,<br>2004 | ADDITIONS           | DEDUCTIONS          | BALANCE<br>JUNE 30,<br>2005 |
|---|----------------------------|---------------------|---------------------|-----------------------------|
| <b><u>LOCAL SALES &amp; SERVICES TAX FUND</u></b> |                            |                     |                     |                             |
| <b>ASSETS</b>                                     |                            |                     |                     |                             |
| Cash  | \$ 39                      | \$ 449,977          | \$ 449,743          | \$ 273                      |
| Accounts Receivable                               | 59,631                     | 77,711              | 59,631              | 77,711                      |
| <b>Total Assets</b>                               | <u>\$ 59,670</u>           | <u>\$ 527,688</u>   | <u>\$ 509,374</u>   | <u>\$ 77,984</u>            |
| <b>LIABILITIES</b>                                |                            |                     |                     |                             |
| Accounts Payable & Accruals                       | \$ 59,670                  | \$ 527,688          | \$ 509,374          | \$ 77,984                   |
| <b>Total Liabilities</b>                          | <u>\$ 59,670</u>           | <u>\$ 527,688</u>   | <u>\$ 509,374</u>   | <u>\$ 77,984</u>            |
| <b><u>CENTRALIZED PAYROLL TRUSTEE FUND</u></b>    |                            |                     |                     |                             |
| <b>ASSETS</b>                                     |                            |                     |                     |                             |
| Cash  | \$ 5,602                   | \$ 609,509          | \$ 608,302          | \$ 6,809                    |
| Accounts Receivable                               | 5                          | 31,338              | 5                   | 31,338                      |
| <b>Total Assets</b>                               | <u>\$ 5,607</u>            | <u>\$ 640,847</u>   | <u>\$ 608,307</u>   | <u>\$ 38,147</u>            |
| <b>LIABILITIES</b>                                |                            |                     |                     |                             |
| Accounts Payable & Accruals                       | \$ 5,607                   | \$ 640,847          | \$ 608,307          | \$ 38,147                   |
| <b>Total Liabilities</b>                          | <u>\$ 5,607</u>            | <u>\$ 640,847</u>   | <u>\$ 608,307</u>   | <u>\$ 38,147</u>            |
| <b><u>JUDICIAL-CLERKS OF DISTRICT COURT</u></b>   |                            |                     |                     |                             |
| <b>ASSETS</b>                                     |                            |                     |                     |                             |
| Cash  | \$ 16,143                  | \$ 290,768          | \$ 289,704          | \$ 17,207                   |
| <b>Total Assets</b>                               | <u>\$ 16,143</u>           | <u>\$ 290,768</u>   | <u>\$ 289,704</u>   | <u>\$ 17,207</u>            |
| <b>LIABILITIES</b>                                |                            |                     |                     |                             |
| Accounts Payable & Accruals                       | \$ 16,143                  | \$ 290,768          | \$ 289,704          | \$ 17,207                   |
| <b>Total Liabilities</b>                          | <u>\$ 16,143</u>           | <u>\$ 290,768</u>   | <u>\$ 289,704</u>   | <u>\$ 17,207</u>            |
| <b><u>SCHOOL DISTRICT SURTAX CLEARING</u></b>     |                            |                     |                     |                             |
| <b>ASSETS</b>                                     |                            |                     |                     |                             |
| Cash  | \$ 52,624                  | \$ 69,024           | \$ 59,150           | \$ 62,498                   |
| Accounts Receivable                               | 3,812                      | 3,424               | 3,812               | 3,424                       |
| <b>Total Assets</b>                               | <u>\$ 56,436</u>           | <u>\$ 72,448</u>    | <u>\$ 62,962</u>    | <u>\$ 65,922</u>            |
| <b>LIABILITIES</b>                                |                            |                     |                     |                             |
| Accounts Payable & Accruals                       | \$ 56,436                  | \$ 72,448           | \$ 62,962           | \$ 65,922                   |
| <b>Total Liabilities</b>                          | <u>\$ 56,436</u>           | <u>\$ 72,448</u>    | <u>\$ 62,962</u>    | <u>\$ 65,922</u>            |
| <b><u>OTHER AGENCY FUNDS</u></b>                  |                            |                     |                     |                             |
| <b>ASSETS</b>                                     |                            |                     |                     |                             |
| Cash  | \$ 23,677                  | \$ 1,100,289        | \$ 1,093,453        | \$ 30,513                   |
| Accounts Receivable                               | 47,147                     | 51,503              | 47,013              | 51,637                      |
| <b>Total Assets</b>                               | <u>\$ 70,824</u>           | <u>\$ 1,151,792</u> | <u>\$ 1,140,466</u> | <u>\$ 82,150</u>            |
| <b>LIABILITIES</b>                                |                            |                     |                     |                             |
| Accounts Payable & Accruals                       | \$ 70,824                  | \$ 1,151,792        | \$ 1,140,466        | \$ 82,150                   |
| <b>Total Liabilities</b>                          | <u>\$ 70,824</u>           | <u>\$ 1,151,792</u> | <u>\$ 1,140,466</u> | <u>\$ 82,150</u>            |
| <b><u>TOTAL AGENCY FUNDS</u></b>                  |                            |                     |                     |                             |
| <b>ASSETS</b>                                     |                            |                     |                     |                             |
| Cash  | \$ 98,085                  | \$ 2,519,567        | \$ 2,500,352        | \$ 117,300                  |
| Accounts Receivable                               | 110,595                    | 163,976             | 110,461             | 164,110                     |
| <b>Total Assets</b>                               | <u>\$ 208,680</u>          | <u>\$ 2,683,543</u> | <u>\$ 2,610,813</u> | <u>\$ 281,410</u>           |
| <b>LIABILITIES</b>                                |                            |                     |                     |                             |
| Accounts Payable & Accruals                       | \$ 208,680                 | \$ 2,683,543        | \$ 2,610,813        | \$ 281,410                  |
| <b>Total Liabilities</b>                          | <u>\$ 208,680</u>          | <u>\$ 2,683,543</u> | <u>\$ 2,610,813</u> | <u>\$ 281,410</u>           |

# STATE OF IOWA

## Schedule of Current and Capital Outlay Expenditures General Fund

For the Year Ended June 30, 2005  
(Expressed in Thousands)

|                                 | PERSONAL<br>SERVICES       | TRAVEL &<br>SUBSISTENCE | SUPPLIES                 | CONTRACTUAL<br>SERVICES  |
|---------------------------------|----------------------------|-------------------------|--------------------------|--------------------------|
| ADMINISTRATION & REGULATION     | \$ 116,346                 | \$ 5,028                | \$ 5,767                 | \$ 81,665                |
| EDUCATION                       | 70,247                     | 1,466                   | 6,620                    | 29,953                   |
| HEALTH & HUMAN RIGHTS           | 89,187                     | 1,969                   | 13,417                   | 176,873                  |
| HUMAN SERVICES                  | 299,431                    | 2,974                   | 17,318                   | 138,367                  |
| JUSTICE & PUBLIC DEFENSE        | 474,489                    | 8,955                   | 32,699                   | 98,451                   |
| ECONOMIC DEVELOPMENT            | 59,725                     | 1,630                   | 1,739                    | 40,190                   |
| TRANSPORTATION                  | 192,565                    | 21,005                  | 36,400                   | 92,681                   |
| AGRICULTURE & NATURAL RESOURCES | <u>87,017</u>              | <u>4,384</u>            | <u>6,038</u>             | <u>29,615</u>            |
| TOTAL                           | <u><b>\$ 1,389,007</b></u> | <u><b>\$ 47,411</b></u> | <u><b>\$ 119,998</b></u> | <u><b>\$ 687,795</b></u> |

| <b>CLAIMS &amp;<br/>MISCELLANEOUS</b> | <b>LICENSES<br/>PERMITS<br/>&amp; REFUNDS</b> | <b>STATE AID</b>    | <b>CAPITAL<br/>OUTLAY</b> | <b>TOTAL</b>        |
|---------------------------------------|---|---------------------|---------------------------|---------------------|
| \$ 22,878                             | \$ 27   | \$ 626,733          | \$ 9,088                  | \$ 867,532          |
| 1,908                                 | -   | 2,633,537           | 4,301                     | 2,748,032           |
| 332                                   | 86  | 50,465              | 3,810                     | 336,139             |
| 5,606                                 | 12  | 3,159,039           | 12,104                    | 3,634,851           |
| 5,692                                 | 124   | 29,944              | 43,900                    | 694,254             |
| 9,707                                 | 6   | 90,042              | 4,010                     | 207,049             |
| 638                                   | 87  | 36,584              | 680,748                   | 1,060,708           |
| 710                                   | -   | 14,588              | 18,018                    | 160,370             |
| <b>\$ 47,471</b>                      | <b>\$ 342</b>                                 | <b>\$ 6,640,932</b> | <b>\$ 775,979</b>         | <b>\$ 9,708,935</b> |



**State of Iowa**

**Schedule of Expenditures of Federal Awards**

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number                                    | Federal Department / Program name  | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|---|--|------------------------------------|---|-------------------------|
| <u>U.S Office of National Drug Control Policy</u> |  |                                    |   |                         |
| 07.000  | Other Federal Assistance:  |                                    |   |                         |
|   | HIDTA Award  | 595                                | \$ 1,767,610  |                         |
|   | Methamphetamine Enforcement (Passed through St. Louis Drug<br>Enforcement Agency)  | 642                                | 39,774  | 1,807,384               |
|   | Total U.S. Office of National Drug Control Policy  |                                    | 1,807,384   | 1,807,384               |
| <u>U.S. Peace Corps</u>                           |  |                                    |   |                         |
| 08.000  | Other Federal Assistance:  |                                    |   |                         |
|   | Peace Corps Recruiting   | 620                                | 13,675 **   | 13,675                  |
|   | Total U.S. Peace Corps   |                                    | 13,675  | 13,675                  |
| <u>U.S. Department of Agriculture</u>             |  |                                    |   |                         |
| 10.001  | Agricultural Research - Basic and Applied Research   | 619                                | 89,127 **   |                         |
| 10.001  | Agricultural Research - Basic and Applied Research (\$10,000<br>provided to subrecipients)   | 620                                | 2,494,277 **  |                         |
| 10.001  | Agricultural Research - Basic and Applied Research (Passed<br>through University of Missouri; 021002511)   | 620                                | 211,018 **  |                         |
| 10.001  | Agricultural Research - Basic and Applied Research (Passed<br>through Binational Agricultural Research and Development<br>Corporation; 177551, 177559, 177568)   | 620                                | 174,912 **  |                         |
| 10.001  | Agricultural Research - Basic and Applied Research (Passed<br>through National Center For Genome Resources; 5836252109)  | 620                                | 63,910 **   | 3,033,244               |
| 10.025  | Plant and Animal Disease, Pest Control, and Animal Care  | 009                                | 1,714,634   |                         |
| 10.025  | Plant and Animal Disease, Pest Control, and Animal Care  | 620                                | 651,199 **  | 2,365,833               |
| 10.156  | Federal-State Marketing Improvement Program  | 009                                | 13,631  | 13,631                  |
| 10.163  | Market Protection and Promotion  | 009                                | 56,894  | 56,894                  |
| 10.200  | Grants for Agricultural Research, Special Research Grants<br>(\$1,434,851 provided to subrecipients)   | 620                                | 6,266,349 **  |                         |
| 10.200  | Grants for Agricultural Research, Special Research Grants (Passed<br>through Cornell University; 467477594, 441567179)   | 620                                | 136,489 **  |                         |
| 10.200  | Grants for Agricultural Research, Special Research Grants (Passed<br>through University of Illinois; 03282, 200513148)   | 620                                | 46,618 **   |                         |
| 10.200  | Grants for Agricultural Research, Special Research Grants (Passed<br>through University of Minnesota; H4096444101)   | 620                                | 6,794 **  |                         |
| 10.200  | Grants for Agricultural Research, Special Research Grants (Passed<br>through North Dakota State University; 4773, 4330)  | 620                                | 78,038 **   |                         |
| 10.200  | Grants for Agricultural Research, Special Research Grants (Passed<br>through Purdue University; 591053101)   | 620                                | 3,559 **  |                         |
| 10.200  | Grants for Agricultural Research, Special Research Grants (Passed<br>through University of Nebraska; 2562310102005, 256205037031,<br>2562050028028, 2562050030025, 2562050034022,<br>2562050037010, 256205037020, 256205037023, 2562050040038,<br>2562310102007) (\$7,096 provided to subrecipients) | 620                                | 121,654 **  |                         |
| 10.200  | Grants for Agricultural Research, Special Research Grants<br>(Passed through Kansas State University; S0305801, S03058)  | 620                                | 501,839 **  |                         |
| 10.200  | Grants for Agricultural Research, Special Research Grants<br>(Passed through Michigan State University; 614109A, 614104K,<br>614145J, 614104A, 614063A)  | 620                                | 98,547 **   |                         |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number                                    | Federal Department / Program name   | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|---|---|------------------------------------|---|-------------------------|
| <u>U.S. Department of Agriculture (continued)</u> |   |                                    |   |                         |
| 10.200  | Grants for Agricultural Research, Special Research Grants<br>(Passed through Resource Conservation and Development for<br>North East Iowa; Dairy & Beef Food)               | 620                                | 468 **  |                         |
| 10.200  | Grants for Agricultural Research, Special Research Grants<br>(Passed through Oregon State University; C0244AA)  | 620                                | 4,615 **  |                         |
| 10.200  | Grants for Agricultural Research, Special Research Grants<br>(Passed through University of Missouri; C000045332)  | 620                                | 45 **   |                         |
| 10.200  | Grants for Agricultural Research, Special Research Grants<br>(Passed through University of Wisconsin; P622414)  | 620                                | 11,656 **   |                         |
| 10.200  | Grants for Agricultural Research, Special Research Grants   | 621                                | 319,078 **  | 7,595,749               |
| 10.202  | Cooperative Forestry Research   | 620                                | 240,350 **  | 240,350                 |
| 10.203  | Payments to Agricultural Experiment Stations Under the Hatch<br>Act (\$4,985 provided to subrecipients)   | 620                                | 5,974,512 **  | 5,974,512               |
| 10.206  | Grants for Agricultural Research - Competitive Research Grants<br>(\$16,311 provided to subrecipients)  | 619                                | 272,921 **  |                         |
| 10.206  | Grants for Agricultural Research - Competitive Research Grants<br>(\$519,407 provided to subrecipients)   | 620                                | 4,067,424 **  |                         |
| 10.206  | Grants for Agricultural Research - Competitive Research Grants<br>(Passed through University of Maryland; S01353)   | 620                                | 23,957 **   |                         |
| 10.206  | Grants for Agricultural Research - Competitive Research Grants<br>(Passed through University of Arizona; Y404121)   | 620                                | 2,189 **  |                         |
| 10.206  | Grants for Agricultural Research - Competitive Research Grants<br>(Passed through Purdue University; 591049401)   | 620                                | 66,191 **   |                         |
| 10.206  | Grants for Agricultural Research - Competitive Research Grants<br>(Passed through University of Minnesota; Q6706382101,<br>Q6706392201, Q6706392131)                        | 620                                | 198,847 **  |                         |
| 10.206  | Grants for Agricultural Research - Competitive Research Grants<br>(Passed through University of Missouri-Columbia)  | 621                                | 13,994 **   | 4,645,523               |
| 10.207  | Animal Health and Disease Research  | 620                                | 190,280 **  |                         |
| 10.207  | Animal Health and Disease Research (Passed through New Mexico<br>State University; G06Q00867)   | 620                                | 7,859 **  | 198,139                 |
| 10.210  | Food and Agricultural Sciences National Needs Graduate<br>Fellowship Grants   | 620                                | 86,426 **   | 86,426                  |
| 10.217  | Higher Education Challenge Grants (\$38,868 provided to<br>subrecipients)   | 620                                | 215,200 **  |                         |
| 10.217  | Higher Education Challenge Grants (Passed through Central<br>Washington University; 20023841112133)   | 620                                | 28,102 **   |                         |
| 10.217  | Higher Education Challenge Grants (Passed through University<br>of Minnesota; S4098010101)  | 620                                | 2,731 **  | 246,033                 |
| 10.219  | Biotechnology Risk Assessment Research  | 620                                | 265,831 **  | 265,831                 |
| 10.220  | Higher Education Multicultural Scholars Program   | 620                                | 20,890 **   | 20,890                  |
| 10.224  | Fund for Rural America - Research, Education, and Extension<br>Activities (\$34,606 provided to subrecipients)  | 620                                | 98,319 **   |                         |
| 10.224  | Fund for Rural America - Research, Education, and Extension<br>Activities (Passed through North Carolina State University;<br>00132009W, 0013203YWP3, 00132026A, 00132015F) | 620                                | 60,370 **   | 158,689                 |
| 10.250  | Agricultural and Rural Economic Research  | 269                                | 45,596  |                         |
| 10.250  | Agricultural and Rural Economic Research  | 620                                | 96,900 **   |                         |
| 10.250  | Agricultural and Rural Economic Research (Passed through<br>University of Arizona; Y410368)   | 620                                | 17,602 **   |                         |
| 10.250  | Agricultural and Rural Economic Research (Passed through<br>University of California; SA418832420PG)  | 620                                | 9,976 **  |                         |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number                                    | Federal Department / Program name  | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|---|--|------------------------------------|---|-------------------------|
| <u>U.S. Department of Agriculture (continued)</u> |  |                                    |   |                         |
| 10.250  | Agricultural and Rural Economic Research (Passed through University of Chicago; 433AEM280038)                                | 620                                | 18,897 **   | 188,971                 |
| 10.302  | Initiative for Future Agriculture and Food Systems (\$640,365 provided to subrecipients)                                     | 620                                | 1,835,848 **  |                         |
| 10.302  | Initiative for Future Agriculture and Food Systems (Passed through South Dakota State University; 483906, 483919)            | 620                                | 108,251 **  |                         |
| 10.302  | Initiative for Future Agriculture and Food Systems (Passed through Ohio State University Research Foundation; 740050/864924) | 620                                | 36,720 **   |                         |
| 10.302  | Initiative for Future Agriculture and Food Systems (Passed through University of Wisconsin; 593A320, 453F423, P572191)       | 620                                | 48,575 **   |                         |
| 10.302  | Initiative for Future Agriculture and Food Systems (Passed through University of Kentucky; 46530802142)                      | 620                                | 3,098 **  |                         |
| 10.302  | Initiative for Future Agriculture and Food Systems (Passed through University of Georgia; RD3211564183117)                   | 620                                | 38,673 **   |                         |
| 10.302  | Initiative for Future Agriculture and Food Systems (Passed through University of Maine; UMS430)                              | 620                                | 106,818 **  |                         |
| 10.302  | Initiative for Future Agriculture and Food Systems (Passed through University of Minnesota; H4086181401)                     | 620                                | 25,994 **   |                         |
| 10.302  | Initiative for Future Agriculture and Food Systems (Passed through University of Delaware; B469650)                          | 620                                | 14,324 **   |                         |
| 10.302  | Initiative for Future Agriculture and Food Systems (Passed through Washington State University; G001215)                     | 620                                | 3,555 **  | 2,221,856               |
| 10.303  | Integrated Programs  | 619                                | 114,851 **  |                         |
| 10.303  | Integrated Programs (\$663,433 provided to subrecipients)  | 620                                | 1,933,731 **  |                         |
| 10.303  | Integrated Programs (Passed through Penn State University; 2427ISUUSDA1981)  | 620                                | 85,742 **   |                         |
| 10.303  | Integrated Programs (Passed through University of California; K00683302)   | 620                                | 51,558 **   |                         |
| 10.303  | Integrated Programs (Passed through Illinois Institute of Technology; SA2431002)   | 620                                | 51,215 **   |                         |
| 10.303  | Integrated Programs (Passed through Texas A&M University; 570122)  | 620                                | 16,027 **   |                         |
| 10.303  | Integrated Programs (Passed through Michigan State University; 614164F, 614256D, 614256M, 614275C)                           | 620                                | 122,461 **  | 2,375,585               |
| 10.304  | Homeland Security - Agricultural   | 620                                | 435,657 **  |                         |
| 10.304  | Homeland Security - Agricultural (Passed through Michigan State University; 61-4110C)  | 620                                | 54,372 **   | 490,029                 |
| 10.305  | International Science and Education Grants   | 620                                | 1,153 **  | 1,153                   |
| 10.306  | Biodiesel (Passed through University of Idaho; BFK3224A)   | 620                                | 1,285 **  | 1,285                   |
| 10.352  | Value-Added Producer Grants  | 620                                | 179,576 **  |                         |
| 10.352  | Value-Added Producer Grants (Passed through Practical Farmers of Iowa; Comparative Analysis)                                 | 620                                | 10,250 **   |                         |
| 10.352  | Value-Added Producer Grants (Passed through West Central Cooperative; VADG2003IA0019)  | 620                                | 88,877 **   | 278,703                 |
| 10.406  | Farm Operating Loans   | 619                                | 2,000   | 2,000                   |
| 10.450  | Crop Insurance (\$39,934 provided to subrecipients)  | 620                                | 162,175 **  |                         |
| 10.450  | Crop Insurance (Passed through Polk County Ag Extension; Iowa Model For Education)   | 620                                | 8,000 **  | 170,175                 |
| 10.453  | Fund for Rural America - Farm Ownership Loans  | 620                                | 82 **   | 82                      |
| 10.456  | Partnership Agreements to Develop Non-Insurance Risk Management Tools for Producers  | 620                                | 127,116 **  | 127,116                 |
| 10.475  | Cooperative Agreements with States for Intrastate Meat and Poultry Inspection  | 009                                | 1,387,568   | 1,387,568               |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number                                    | Federal Department / Program name   | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|---|---|------------------------------------|---|-------------------------|
| <u>U.S. Department of Agriculture (continued)</u> |   |                                    |   |                         |
| 10.500  | Cooperative Extension Service (\$180,124 provided to subrecipients)   | 620                                | 10,823,783 **   |                         |
| 10.500  | Cooperative Extension Service (Passed through University of Nebraska; 2563090022014, 2563240025307, 2563210083002, 2563090022006, 2563090022028, 2563240025308, 2563090027016, 2563240053013) | 620                                | 194,421 **  |                         |
| 10.500  | Cooperative Extension Service (Passed through NCRCD; NCRCD)   | 620                                | 4,350 **  |                         |
| 10.500  | Cooperative Extension Service (Passed through Auburn University; 04ACES539109, ACES/AYDPT204/05)  | 620                                | 115,269 **  |                         |
| 10.500  | Cooperative Extension Service (Passed through Practical Farmers of Iowa; In Service Training)   | 620                                | 1,053 **  |                         |
| 10.500  | Cooperative Extension Service (Passed through University of Minnesota; 42155058932, Q4299055101)  | 620                                | 62,525 **   |                         |
| 10.500  | Cooperative Extension Service (Passed through University of Kentucky; 46768204341)  | 620                                | 20,920 **   |                         |
| 10.500  | Cooperative Extension Service (Passed through North Central Extension Directors; Memo of Understanding)   | 620                                | 11,604 **   | 11,233,925              |
| 10.550  | Food Donation (\$12,450,259 provided to subrecipients) (note 2)   | 282                                | 12,450,259  | 12,450,259              |
| 10.551  | Food Stamps   | 401                                | 209,569,060   | 209,569,060             |
| 10.553  | School Breakfast Program (\$13,144,543 provided to subrecipients)   | 282                                | 13,144,543  | 13,144,543              |
| 10.555  | National School Lunch Program (\$58,939,112 provided to subrecipients)  | 282                                | 59,418,684  | 59,418,684              |
| 10.556  | Special Milk Program for Children (\$92,361 provided to subrecipients)  | 282                                | 92,361  | 92,361                  |
| 10.557  | Special Supplemental Nutrition Program for Women, Infants, and Children (\$10,292,119 provided to subrecipients)  | 588                                | 38,609,206  | 38,609,206              |
| 10.558  | Child and Adult Care Food Program (\$19,668,214 provided to subrecipients)  | 282                                | 19,980,831  | 19,980,831              |
| 10.559  | Summer Food Service Program for Children (\$938,694 provided to subrecipients)  | 282                                | 1,026,436   | 1,026,436               |
| 10.560  | State Administrative Expenses for Child Nutrition (\$479,572 provided to subrecipients)   | 282                                | 1,297,587   | 1,297,587               |
| 10.561  | State Administrative Matching Grants for Food Stamp Program (\$1,301,105 provided to subrecipients)   | 401                                | 15,372,565  |                         |
| 10.561  | State Administrative Matching Grants for Food Stamp Program (Passed through Black Hawk County Ag Extension; Iowa Nutrition Network; Nutrition Network Basics)                                 | 620                                | 8,904 **  |                         |
| 10.561  | State Administrative Matching Grants for Food Stamp Program (Passed through Polk County Ag Extension; Basics Coalition)   | 620                                | 19,807 **   |                         |
| 10.561  | State Administrative Matching Grants for Food Stamp Program (Passed through Wapello County Ag Extension; Growing In the Garden)   | 620                                | 5,903 **  |                         |
| 10.561  | State Administrative Matching Grants for Food Stamp Program (Passed through Woodbury County Ag Extension; County Basics)  | 620                                | 10,722 **   | 15,417,901              |
| 10.565  | Commodity Supplemental Food Program   | 401                                | 223,860   | 223,860                 |
| 10.568  | Emergency Food Assistance Program (Administrative Costs)  | 401                                | 457,600   | 457,600                 |
| 10.569  | Emergency Food Assistance Program (Food Commodities) (note 2)   | 401                                | 1,623,933   | 1,623,933               |
| 10.570  | Nutrition Services Incentive (note 2)   | 401                                | 169,171   | 169,171                 |
| 10.572  | WIC Farmers' Market Nutrition Program (FMNP)  | 009                                | 1,216,201   | 1,216,201               |
| 10.574  | Team Nutrition Grants   | 282                                | 180,990   | 180,990                 |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number                                    | Federal Department / Program name   | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|---|---|------------------------------------|---|-------------------------|
| <u>U.S. Department of Agriculture (continued)</u> |   |                                    |   |                         |
| 10.652  | Forestry Research   | 620                                | 185,632 **  |                         |
| 10.652  | Forestry Research (Passed through University of Wisconsin;<br>P593972)                                | 620                                | 12,721 **   | 198,353                 |
| 10.664  | Cooperative Forestry Assistance   | 542                                | 1,950,813   |                         |
| 10.664  | Cooperative Forestry Assistance   | 620                                | 22,449 **   | 1,973,262               |
| 10.672  | Rural Development, Forestry, and Communities (\$7,499 provided<br>to subrecipients)                   | 620                                | 10,003 **   | 10,003                  |
| 10.678  | Forest Stewardship Program  | 542                                | 57,570  | 57,570                  |
| 10.771  | Rural Cooperative Development Grants  | 620                                | 9,039 **  | 9,039                   |
| 10.902  | Soil and Water Conservation   | 619                                | 19,518 **   |                         |
| 10.902  | Soil and Water Conservation   | 620                                | 142,820 **  |                         |
| 10.902  | Soil and Water Conservation   | 621                                | 96,733  | 259,071                 |
| 10.904  | Watershed Protection and Flood Prevention   | 542                                | 64,514  | 64,514                  |
| 10.912  | Environmental Quality Incentives Program  | 620                                | 13,954 **   | 13,954                  |
| 10.914  | Wildlife Habitat Incentive Program  | 542                                | 3,711   |                         |
| 10.914  | Wildlife Habitat Incentive Program  | 620                                | 27,343 **   | 31,054                  |
| 10.950  | Agricultural Statistics Reports (\$66,000 provided to subrecipients)                                  | 620                                | 93,651 **   | 93,651                  |
| 10.960  | Technical Agricultural Assistance   | 620                                | 218,102 **  | 218,102                 |
| 10.961  | Scientific Cooperation and Research   | 620                                | 223,111 **  | 223,111                 |
| 10.962  | International Training - Foreign Participant  | 620                                | 310,595 **  | 310,595                 |
| 10.000  | Other Federal Assistance:   |                                    |   |                         |
|   | Agricultural Marketing Service  | 009                                | 115,892   |                         |
|   | National Agricultural Statistics Service  | 009                                | 1,400   |                         |
|   | Unknown Title (\$808,118 provided to subrecipients)   | 620                                | 6,771,783 **  |                         |
|   | Unknown Title (Passed through Metabolix; Biorefinery Fuel)  | 620                                | 55,342 **   |                         |
|   | Unknown Title (Passed through Practical Farmers of Iowa;<br>Farming Systems)                          | 620                                | 36,387 **   |                         |
|   | Unknown Title (Passed through Capstan Ag Systems, Inc.;<br>Modulation of Anhydrous)                   | 620                                | 1,368 **  |                         |
|   | Unknown Title (Passed through West Central Cooperative;<br>683A753146)                                | 620                                | 351,502 **  |                         |
|   | Unknown Title   | 621                                | 21,633 **   | 7,355,307               |
|   | Total U.S. Department of Agriculture  |                                    | 429,076,401   | 429,076,401             |
| <u>U.S. Department of Commerce</u>                |   |                                    |   |                         |
| 11.114  | Special American Business Internship Training Program   | 620                                | 5,392 **  | 5,392                   |
| 11.303  | Economic Development - Technical Assistance   | 620                                | 86,175 **   | 86,175                  |
| 11.307  | Economic Adjustment Assistance  | 620                                | 204,009 **  | 204,009                 |
| 11.400  | Geodetic Surveys and Services (Geodesy and Applications of the<br>National Geodetic Reference System) | 619                                | 99,306 **   | 99,306                  |
| 11.417  | Sea Grant Support (Passed through University of North Carolina;<br>200550708ISU)                      | 620                                | 18,723 **   | 18,723                  |
| 11.420  | Coastal Zone Management Estuarine Research Reserves   | 620                                | 18,910 **   | 18,910                  |
| 11.431  | Climate and Atmospheric Research (\$52,500 provided to<br>subrecipients)                              | 619                                | 283,445 **  |                         |
| 11.431  | Climate and Atmospheric Research  | 620                                | 86,790 **   | 370,235                 |
| 11.432  | Office of Oceanic and Atmospheric Research (OAR) Joint and<br>Cooperative Institutes                  | 619                                | 73,312 **   | 73,312                  |
| 11.460  | Special Oceanic and Atmospheric Projects  | 621                                | 359,776   | 359,776                 |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number                                 | Federal Department / Program name  | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|--|--|------------------------------------|---|-------------------------|
| <u>U.S. Department of Commerce (continued)</u> |  |                                    |   |                         |
| 11.550   | Public Telecommunications Facilities Planning and Construction   | 285                                | 643,011   |                         |
| 11.550   | Public Telecommunications Facilities Planning and Construction   | 620                                | 211,213 **  |                         |
| 11.550   | Public Telecommunications Facilities Planning and Construction   | 621                                | 43,815  | 898,039                 |
| 11.609   | Measurement and Engineering Research and Standards   | 620                                | 54,399 **   |                         |
| 11.609   | Measurement and Engineering Research and Standards (Passed through Yale University; Y040013)                 | 620                                | 5,048 **  | 59,447                  |
| 11.611   | Manufacturing Extension Partnership (\$49,889 provided to subrecipients)                                     | 620                                | 922,973 **  | 922,973                 |
| 11.000   | Other Federal Assistance:<br>Unknown Title   | 620                                | 1,781 **  | 1,781                   |
| Total U.S. Department of Commerce              |  |                                    | 3,118,078   | 3,118,078               |
| <u>U.S. Department of Defense</u>              |  |                                    |   |                         |
| 12.002   | Procurement Technical Assistance for Business Firms (Passed through Advanced Technology Institute; 20010454) | 619                                | 134,123 **  |                         |
| 12.002   | Procurement Technical Assistance for Business Firms  | 620                                | 263,759 **  | 397,882                 |
| 12.104   | Flood Plain Management Services  | 619                                | 71,472 **   | 71,472                  |
| 12.112   | Payments to States in Lieu of Real Estate Taxes  | 655                                | 390,978   | 390,978                 |
| 12.300   | Basic and Applied Scientific Research (\$72,016 provided to subrecipients)                                   | 619                                | 1,564,770 **  |                         |
| 12.300   | Basic and Applied Scientific Research  | 620                                | 322,808 **  |                         |
| 12.300   | Basic and Applied Scientific Research (Passed through Drexel University; Remote Test and Measure)            | 620                                | 115,737 **  |                         |
| 12.300   | Basic and Applied Scientific Research (Passed through Michigan State University; 613489A)                    | 620                                | 80,253 **   |                         |
| 12.300   | Basic and Applied Scientific Research (Passed through Massachusetts Institute of Technology; 5710001247)     | 620                                | 54,307 **   |                         |
| 12.300   | Basic and Applied Scientific Research (Passed through University of California; KK5154)                      | 620                                | 7,859 **  |                         |
| 12.300   | Basic and Applied Scientific Research (Passed through University of Southern Mississippi; USMGR01990A10)     | 620                                | 13,965 **   | 2,159,699               |
| 12.400   | Military Construction, National Guard  | 582                                | 8,693,291   |                         |
| 12.400   | Military Construction, National Guard (\$152,172 provided to subrecipients)                                  | 619                                | 3,527,863 **  |                         |
| 12.400   | Military Construction, National Guard (Passed through Advanced Technology Institute)                         | 619                                | 12,572 **   |                         |
| 12.400   | Military Construction, National Guard (Passed through Giner Electrochemical Systems, Inc.; DAAD19-03-C-0093) | 619                                | 179,914 **  |                         |
| 12.400   | Military Construction, National Guard (Passed through Ghiocel Predictive Technologies, Inc.; 200401)         | 619                                | 31,678 **   |                         |
| 12.400   | Military Construction, National Guard (Passed through Fuelcell Energy, Inc.; 20856)                          | 619                                | 65,430 **   | 12,510,748              |
| 12.401   | National Guard Military Operations and Maintenance (O&M) Projects  | 582                                | 23,256,310  | 23,256,310              |
| 12.402   | National Guard Military Operations and Projects  | 582                                | 53,084  | 53,084                  |
| 12.405   | National Guard Drug Interdiction and Counter Drug Activities   | 582                                | 86,095  | 86,095                  |
| 12.420   | Military Medical Research and Development  | 619                                | 403,042 **  |                         |
| 12.420   | Military Medical Research and Development (Passed through Johns Hopkins University; 8309-88649-0)            | 619                                | 132,702 **  |                         |
| 12.420   | Military Medical Research and Development (Passed through Academy of Applied Science; 04-83)                 | 619                                | 2,602 **  |                         |



State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number                                | Federal Department / Program name   | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|---|---|------------------------------------|---|-------------------------|
| <u>U.S. Department of Defense (continued)</u> |   |                                    |   |                         |
| 12.420  | Military Medical Research and Development   | 620                                | 167,926 **  | 706,272                 |
| 12.431  | Basic Scientific Research (\$6,352 provided to subrecipients)   | 619                                | 507,745 **  |                         |
| 12.431  | Basic Scientific Research (Passed through Cornell University;<br>39508-6585)  | 619                                | 133,374 **  |                         |
| 12.431  | Basic Scientific Research   | 620                                | 151,889 **  | 793,008                 |
| 12.630  | Basic, Applied, and Advanced Research in Science and<br>Engineering   | 620                                | 37,292 **   |                         |
| 12.630  | Basic, Applied, and Advanced Research in Science and<br>Engineering (Passed through University of California; KK2110)                       | 620                                | 116,439 **  |                         |
| 12.630  | Basic, Applied, and Advanced Research in Science and<br>Engineering (Passed through Academy of Applied Science;<br>Internship for Minority) | 620                                | 3,269 **  |                         |
| 12.630  | Basic, Applied, and Advanced Research in Science and<br>Engineering (Passed through University of Illinois; 20030396901)                    | 620                                | 55,221 **   | 212,221                 |
| 12.800  | Air Force Defense Research Sciences Program   | 619                                | 396,687 **  |                         |
| 12.800  | Air Force Defense Research Sciences Program (Passed through<br>AT&T Government Solutions; S000000501)                                       | 619                                | 70,000 **   |                         |
| 12.800  | Air Force Defense Research Sciences Program (Passed through<br>Rockwell Scientific Company, LLC; B2U437207)                                 | 619                                | 13,637 **   |                         |
| 12.800  | Air Force Defense Research Sciences Program (Passed through<br>Rockwell Collins, Inc; 4501148291, 4501384618)                               | 619                                | 151,708 **  |                         |
| 12.800  | Air Force Defense Research Sciences Program (Passed through<br>Terahertz Device Corporation)  | 619                                | 45,764 **   |                         |
| 12.800  | Air Force Defense Research Sciences Program   | 620                                | 670,653 **  | 1,348,449               |
| 12.900  | Language Grant Program  | 619                                | 4,836 **  | 4,836                   |
| 12.901  | Mathematical Sciences Grants Program  | 619                                | 38,631 **   |                         |
| 12.901  | Mathematical Sciences Grants Program  | 620                                | 14,936 **   | 53,567                  |
| 12.910  | Research and Technology Development (\$215,872 provided to<br>subrecipients)  | 619                                | 721,528 **  |                         |
| 12.910  | Research and Technology Development (Passed through HRL<br>Laboratories LLC; 100038)  | 619                                | 41,345 **   |                         |
| 12.910  | Research and Technology Development (Passed through NVE<br>Corporation; PO03944)  | 620                                | 135,005 **  |                         |
| 12.910  | Research and Technology Development (Passed through Boeing;<br>KG3524)  | 620                                | 55,482 **   | 953,360                 |
| 12.000  | Other Federal Assistance:   |                                    |   |                         |
|   | Department of the Army - Condition 5  | 542                                | 821,598   |                         |
|   | Department of the Army (\$112,993 provided to subrecipients)  | 619                                | 674,312 **  |                         |
|   | Department of the Army (Passed through Academy of Applied<br>Science)   | 619                                | 18,022 **   |                         |
|   | Department of the Army (Passed through University of<br>Michigan; F011657)  | 619                                | 400,615 **  |                         |
|   | Department of the Army (Passed through Ohio State University;<br>RF00904332)  | 619                                | 97,256 **   |                         |
|   | Unknown Title   | 620                                | 1,431,897 **  |                         |
|   | Unknown Title (Passed through Air Force Research Laboratory;<br>F3361502C1238)  | 620                                | 2,804 **  |                         |
|   | Unknown Title (Passed through Barron Associates, Inc.; 263SC01)   | 620                                | 30,952 **   |                         |
|   | Unknown Title (Passed through Concurrent Analytical;<br>Detect Weapons)   | 620                                | 180,813 **  |                         |
|   | Unknown Title (Passed through Desert Research Institute;<br>69352020002)  | 620                                | 12,115 **   |                         |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number  | Federal Department / Program name   | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|---|---|------------------------------------|---|-------------------------|
| <u>U.S. Department of Defense (continued)</u>           |   |                                    |   |                         |
|   | Unknown Title (Passed through Directed Vapor Technologies;<br>N0450010240)  | 620                                | 29,600 **   |                         |
|   | Department of the Navy (Passed through Draper Laboratory;<br>DLH546311)   | 620                                | 33,298 **   |                         |
|   | Unknown Title (Passed through Architecture Technology<br>Corporation; F0401202)   | 620                                | 35,645 **   |                         |
|   | Unknown Title (Passed through Agiltron, Inc; Novel<br>Biomimetric, Bioinspired Efficient)                                 | 620                                | 53,291 **   |                         |
|   | Unknown Title (Passed through Agiltron, Inc.; National Institute<br>of Standards and Technology Undergraduate Fellowship) | 620                                | 3,830 **  |                         |
|   | Unknown Title (Passed through Ewing Technology<br>Association; Micro-Discharge Micro-Thrusters Phase II)                  | 620                                | 4,329 **  |                         |
|   | Unknown Title (Passed through Keystone Synergistic; 408REVA)  | 620                                | 5,999 **  |                         |
|   | Unknown Title (Passed through Mechdyne Corporation;<br>GE29533A36)  | 620                                | 4,099 **  |                         |
|   | Unknown Title (Passed through NDE Technologies; 0327)   | 620                                | 3,905 **  |                         |
|   | Unknown Title (Passed through Rockwell Scientific Company;<br>0259, B5U526728)  | 620                                | 82,049 **   |                         |
|   | Unknown Title (Passed through Rolls Royce; 1830012666,<br>1840010483)   | 620                                | 22,179 **   |                         |
|   | Unknown Title (Passed through S&K Technologies;<br>5007IOWA001) (\$618,964 provided to subrecipients)                     | 620                                | 847,375 **  |                         |
|   | Unknown Title (Passed through Solid State Scientific;<br>Decision Analysis)   | 620                                | 61,924 **   |                         |
|   | Unknown Title (Passed through Stanley Consultants;<br>Design Support of Riverway)   | 620                                | 29,540 **   | 4,887,447               |
|   | Total U.S. Department of Defense  |                                    | 47,885,428  | 47,885,428              |
| <u>U.S. Department of Housing and Urban Development</u> |   |                                    |   |                         |
| 14.171  | Manufactured Home Construction and Safety Standards   | 595                                | 9,459   | 9,459                   |
| 14.228  | Community Development Block Grants/State's Program<br>(\$33,460,001 provided to subrecipients)                            | 269                                | 33,755,146  | 33,755,146              |
| 14.231  | Emergency Shelter Grants Program (\$1,676,052 provided to<br>subrecipients)   | 269                                | 1,676,052   | 1,676,052               |
| 14.239  | HOME Investment Partnerships Program (\$11,463,804 provided<br>to subrecipients)  | 269                                | 77,506,337 ***  | 77,506,337              |
| 14.246  | Community Development Block Grants/Brownfields Economic<br>Development Initiative (\$69,991 provided to subrecipients)    | 269                                | 157,273   | 157,273                 |
| 14.401  | Fair Housing Assistance Program - State and Local   | 167                                | 224,940   | 224,940                 |
|   | Total U.S. Department of Housing and Urban Development  |                                    | 113,329,207   | 113,329,207             |
| <u>U.S. Department of the Interior</u>                  |   |                                    |   |                         |
| 15.224  | Cultural Resource Management (Passed through Silos and<br>Smokestacks National Heritage Area)                             | 619                                | 5,746 **  | 5,746                   |
| 15.250  | Regulation of Surface Coal Mining and Surface Effects of<br>Underground Coal Mining                                       | 009                                | 128,842   | 128,842                 |
| 15.252  | Abandoned Mine Land Reclamation (AMLR) Program  | 009                                | 980,117   | 980,117                 |
| 15.605  | Sport Fish Restoration  | 542                                | 4,903,175   | 4,903,175               |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number                                     | Federal Department / Program name   | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|--|---|------------------------------------|---|-------------------------|
| <u>U.S. Department of the Interior (continued)</u> |   |                                    |   |                         |
| 15.608   | Fish and Wildlife Management Assistance   | 619                                | 18,419 **   |                         |
| 15.608   | Fish and Wildlife Management Assistance   | 620                                | 2,994 **  | 21,413                  |
| 15.611   | Wildlife Restoration  | 542                                | 4,993,927   | 4,993,927               |
| 15.615   | Cooperative Endangered Species Conservation Fund  | 542                                | 275,852   | 275,852                 |
| 15.616   | Clean Vessel Act (\$8,137 provided to subrecipients)  | 542                                | 8,137   | 8,137                   |
| 15.629   | Great Apes Conservation   | 620                                | 5,481 **  | 5,481                   |
| 15.634   | State Wildlife Grants   | 542                                | 200,438   | 200,438                 |
| 15.635   | Neotropical Migratory Bird Conservation   | 620                                | 1,561 **  | 1,561                   |
| 15.805   | Assistance to State Water Resources Research Institutes (Passed through Washington State University; 21442G0014830) | 619                                | 2,277 **  |                         |
| 15.805   | Assistance to State Water Resources Research Institutes (\$64,771 provided to subrecipients)                        | 620                                | 182,252 **  | 184,529                 |
| 15.808   | U.S. Geological Survey - Research and Data Collection   | 542                                | 136,667   |                         |
| 15.808   | U.S. Geological Survey - Research and Data Collection (\$25,814 provided to subrecipients)                          | 619                                | 93,018 **   |                         |
| 15.808   | U.S. Geological Survey - Research and Data Collection   | 620                                | 140,673 **  | 370,358                 |
| 15.810   | National Cooperative Geologic Mapping Program   | 542                                | 21,124  | 21,124                  |
| 15.811   | Gap Analysis Program  | 620                                | 7,791 **  | 7,791                   |
| 15.812   | Cooperative Research Units Program  | 620                                | 5,681 **  | 5,681                   |
| 15.904   | Historic Preservation Fund Grants-In-Aid  | 259                                | 624,265   | 624,265                 |
| 15.912   | National Historic Landmark  | 619                                | 9,252 **  | 9,252                   |
| 15.916   | Outdoor Recreation - Acquisition, Development and Planning  | 542                                | 901,849   |                         |
| 15.916   | Outdoor Recreation - Acquisition, Development and Planning (Passed through City of Fort Dodge; FY05P024)            | 619                                | 2,970 **  | 904,819                 |
| 15.922   | Native American Graves Protection and Repatriation Act  | 619                                | 39,400 **   | 39,400                  |
| 15.978   | Upper Mississippi River System Long Term Resource Monitoring Program  | 542                                | 382,387   | 382,387                 |
| 15.000   | Other Federal Assistance:   |                                    |   |                         |
|  | Unknown Title   | 620                                | 263,917 **  |                         |
|  | Unknown Title (Passed through University of Wyoming; Global Climate)  | 620                                | 1,288 **  | 265,205                 |
|  | Total U.S. Department of the Interior   |                                    | 14,339,500  | 14,339,500              |
| <u>U.S. Department of Justice</u>                  |   |                                    |   |                         |
| 16.202   | Offender Reentry Program  | 238                                | 531,180   | 531,180                 |
| 16.203   | Sex Offender Management Discretionary Grant   | 238                                | 44,233  | 44,233                  |
| 16.523   | Juvenile Accountability Incentive Block Grants (\$1,221,827 provided to subrecipients)                              | 379                                | 1,654,400   | 1,654,400               |
| 16.525   | Grants to Reduce Violent Crimes Against Women on Campus (\$2,625 provided to subrecipients)                         | 621                                | 39,536  | 39,536                  |
| 16.528   | Training Grants to Stop Abuse and Sexual Assault of Older Individuals or Individuals with Disabilities              | 297                                | 25,928  | 25,928                  |
| 16.540   | Juvenile Justice and Delinquency Prevention - Allocation to States (\$210,211 provided to subrecipients)            | 112                                | 215,909   |                         |
| 16.540   | Juvenile Justice and Delinquency Prevention - Allocation to States (\$779,250 provided to subrecipients)            | 379                                | 890,731   | 1,106,640               |
| 16.548   | Title V - Delinquency Prevention Program (\$88,407 provided to subrecipients)                                       | 379                                | 127,809   | 127,809                 |
| 16.549   | Part E - State Challenge Activities   | 379                                | 114,655   | 114,655                 |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number                                | Federal Department / Program name   | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|---|---|------------------------------------|---|-------------------------|
| <u>U.S. Department of Justice (continued)</u> |   |                                    |   |                         |
| 16.550  | State Justice Statistics Program for Statistical Analysis Centers   | 379                                | 28,037  |                         |
| 16.550  | State Justice Statistics Program for Statistical Analysis Centers   | 595                                | 194,719   | 222,756                 |
| 16.554  | National Criminal History Improvement Program (NCHIP)   | 595                                | 327,646   | 327,646                 |
| 16.560  | National Institute of Justice Research, Evaluation, and<br>Development Project Grants   | 620                                | 393,877 **  |                         |
| 16.560  | National Institute of Justice Research, Evaluation, and<br>Development Project Grants (\$41,015 provided to subrecipients)                | 642                                | 41,015  | 434,892                 |
| 16.564  | Crime Laboratory Improvement - Combined Offender DNA Index<br>System Backlog Reduction  | 595                                | 703,555   | 703,555                 |
| 16.575  | Crime Victim Assistance (\$3,618,134 provided to subrecipients)   | 112                                | 3,823,579   | 3,823,579               |
| 16.576  | Crime Victim Compensation   | 112                                | 1,843,000   | 1,843,000               |
| 16.579  | Byrne Formula Grant Program (\$5,022,365 provided to<br>subrecipients)  | 642                                | 5,426,534   | 5,426,534               |
| 16.580  | Edward Byrne Memorial State and Local Law Enforcement<br>Assistance Discretionary Grants Program (\$42,160 provided<br>to subrecipients)  | 112                                | 59,931  |                         |
| 16.580  | Edward Byrne Memorial State and Local Law Enforcement<br>Assistance Discretionary Grants Program (\$836,642 provided<br>to subrecipients) | 588                                | 888,769   | 948,700                 |
| 16.582  | Crime Victim Assistance/Discretionary Grants (\$42,955 provided<br>to subrecipients)  | 619                                | 72,727 **   | 72,727                  |
| 16.585  | Drug Court Discretionary Grant Program  | 379                                | 48,723  |                         |
| 16.585  | Drug Court Discretionary Grant Program  | 444                                | 160,875   | 209,598                 |
| 16.588  | Violence Against Women Formula Grants (\$1,451,149 provided<br>to subrecipients)  | 112                                | 1,534,803   | 1,534,803               |
| 16.589  | Rural Domestic Violence and Child Victimization Enforcement<br>Grant Program (\$255,416 provided to subrecipients)                        | 112                                | 427,066   |                         |
| 16.589  | Rural Domestic Violence and Child Victimization Enforcement<br>Grant Program  | 621                                | 43,613 **   |                         |
| 16.589  | Rural Domestic Violence and Child Victimization Enforcement<br>Grant Program (Passed through Iowa Coalition on Domestic<br>Violence)      | 621                                | 27,069  | 497,748                 |
| 16.590  | Grants to Encourage Arrest Policies and Enforcement of<br>Protection Orders   | 444                                | 123,459   | 123,459                 |
| 16.592  | Local Law Enforcement Block Grants Program (\$160,413<br>provided to subrecipients)   | 642                                | 166,533   | 166,533                 |
| 16.593  | Residential Substance Abuse Treatment for State Prisoners<br>(\$137,149 provided to subrecipients)  | 642                                | 139,051   | 139,051                 |
| 16.607  | Bulletproof Vest Partnership Program (\$7,942 provided to<br>subrecipients)   | 642                                | 7,942   | 7,942                   |
| 16.609  | Community Prosecution and Project Safe Neighborhoods<br>(\$252,374 provided to subrecipients)   | 379                                | 424,938   |                         |
| 16.609  | Community Prosecution and Project Safe Neighborhoods<br>(\$292,649 provided to subrecipients)   | 642                                | 406,767   | 831,705                 |
| 16.710  | Public Safety Partnership and Community Policing Grants   | 112                                | 209,120   |                         |
| 16.710  | Public Safety Partnership and Community Policing Grants<br>(Passed through Henry County Ag Extension; Youth Development)                  | 620                                | 10,875 **   |                         |
| 16.710  | Public Safety Partnership and Community Policing Grants<br>(\$1,240,483 provided to subrecipients)  | 642                                | 1,302,297   | 1,522,292               |
| 16.711  | Troops to COPS  | 595                                | 151,474   | 151,474                 |
| 16.727  | Enforcing Underage Drinking Laws Program (\$336,912<br>provided to subrecipients)   | 379                                | 361,890   | 361,890                 |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number                                | Federal Department / Program name   | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|---|---|------------------------------------|---|-------------------------|
| <u>U.S. Department of Justice (continued)</u> |   |                                    |   |                         |
| 16.735  | Protecting Inmates and Safeguarding Communities Discretionary Grant Program   | 238                                | 49,085  | 49,085                  |
| 16.741  | Forensic DNA Capacity Enhancement Program   | 595                                | 25,095  | 25,095                  |
| 16.000  | Other Federal Assistance:<br>Federal Marijuana Eradication  | 595                                | 38,895  | 38,895                  |
|   | Total U.S. Department of Justice  |                                    | 23,107,340  | 23,107,340              |
| <u>U.S. Department of Labor</u>               |   |                                    |   |                         |
| 17.002  | Labor Force Statistics  | 309                                | 2,160,135   |                         |
| 17.002  | Labor Force Statistics  | 620                                | 7,651 **  | 2,167,786               |
| 17.005  | Compensation and Working Conditions   | 309                                | 85,960  |                         |
| 17.005  | Compensation and Working Conditions (Passed through West Virginia University; 03-022-UI)  | 619                                | 116,695 **  |                         |
| 17.005  | Compensation and Working Conditions (Passed through ServiceSource) (\$2,000 provided to subrecipients)  | 619                                | 71,550 **   | 274,205                 |
| 17.203  | Labor Certification for Alien Workers   | 309                                | 88,582  | 88,582                  |
| 17.207  | Employment Service (\$1,062,494 provided to subrecipients)  | 309                                | 8,161,440   | 8,161,440               |
| 17.225  | Unemployment Insurance (\$538,201 provided to subrecipients)  | 309                                | 328,970,604   | 328,970,604             |
| 17.235  | Senior Community Service Employment Program (\$972,169 provided to subrecipients)   | 297                                | 1,118,938   | 1,118,938               |
| 17.245  | Trade Adjustment Assistance - Workers (\$23,952 provided to subrecipients)  | 309                                | 10,420,136  | 10,420,136              |
| 17.258  | WIA Adult Program (\$2,811,395 provided to subrecipients)   | 309                                | 3,491,535   | 3,491,535               |
| 17.259  | WIA Youth Activities (\$3,614,542 provided to subrecipients)  | 309                                | 4,273,851   | 4,273,851               |
| 17.260  | WIA Dislocated Workers (\$6,152,496 provided to subrecipients)  | 309                                | 7,477,572   | 7,477,572               |
| 17.261  | Employment and Training Administration Pilots, Demonstrations, and Research Projects (\$28,446 provided to subrecipients)                                     | 619                                | 633,587 **  |                         |
| 17.261  | Employment and Training Administration Pilots, Demonstrations, and Research Projects (Passed through ServiceSource) (\$10,000 provided to subrecipients)      | 619                                | 43,363 **   |                         |
| 17.261  | Employment and Training Administration Pilots, Demonstrations, and Research Projects (Passed through Iowa Policy Project) (\$4,500 provided to subrecipients) | 619                                | 12,533 **   |                         |
| 17.261  | Employment and Training Administration Pilots, Demonstrations, and Research Projects (\$40,000 provided to subrecipients)                                     | 621                                | 226,035   | 915,518                 |
| 17.266  | Work Incentives Grant (\$316,297 provided to subrecipients)   | 309                                | 972,228   | 972,228                 |
| 17.502  | Occupational Safety and Health - Susan Harwood Training Grants  | 619                                | 31,298 **   | 31,298                  |
| 17.504  | Consultation Agreements   | 309                                | 2,187,189   | 2,187,189               |
| 17.600  | Mine Health and Safety Grants (\$94,535 provided to subrecipients)  | 282                                | 96,954  | 96,954                  |
| 17.720  | Employment Programs for People with Disabilities (\$182,922 provided to subrecipients)  | 283                                | 519,940   |                         |
| 17.720  | Employment Programs for People with Disabilities (Passed through University of Massachusetts)   | 619                                | 68,697 **   | 588,637                 |
| 17.801  | Disabled Veterans' Outreach Program (DVOP) (\$65,745 provided to subrecipients)   | 309                                | 1,481,588   | 1,481,588               |
| 17.804  | Local Veterans' Employment Representative Program (\$12,536 provided to subrecipients)  | 309                                | 332,396   | 332,396                 |
| 17.000  | Other Federal Assistance:<br>National Crosswalk Service Center  | 282                                | 189,331   | 189,331                 |
|   | Total U.S. Department of Labor  |                                    | 373,239,788   | 373,239,788             |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number                           | Federal Department / Program name   | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|--|---|------------------------------------|---|-------------------------|
| <u>U.S. Department of State</u>          |   |                                    |   |                         |
| 19.402                                   | International Visitors Program  | 619                                | 4,681 **  | 4,681                   |
| 19.408                                   | Educational Exchange - Teachers from Secondary and<br>Postsecondary Levels and School Administrators                                | 620                                | 152,061 **  | 152,061                 |
| 19.415                                   | Professional Exchanges - Annual Open Grant (Passed through<br>National Council for Eurasian and East European Research;<br>819-6t)  | 619                                | 3,000 **  | 3,000                   |
| 19.424                                   | Educational Partnerships Program  | 619                                | 163,281 **  |                         |
| 19.424                                   | Educational Partnerships Program  | 620                                | 136,866 **  |                         |
| 19.424                                   | Educational Partnerships Program (Passed through NAFSA:<br>Association of International Educators; Global Agriculture Studies)      | 620                                | 148 **  | 300,295                 |
| 19.000                                   | Other Federal Assistance:   |                                    |   |                         |
|  | Unknown Title (\$321 provided to subrecipients)   | 619                                | 316,014 **  |                         |
|  | Unknown Title (Passed through NAFSA: Association of<br>International Educators)   | 619                                | 900 **  |                         |
|  | Unknown Title   | 620                                | 33,748 **   | 350,662                 |
|  | Total U.S. Department of State  |                                    | 810,699   | 810,699                 |
| <u>U.S. Department of Transportation</u> |   |                                    |   |                         |
| 20.106                                   | Airport Improvement Program   | 645                                | 419,748   | 419,748                 |
| 20.109                                   | Air Transportation Centers of Excellence (\$2,415,986 provided<br>to subrecipients)   | 620                                | 4,255,391 **  | 4,255,391               |
| 20.205                                   | Highway Planning and Construction   | 542                                | 517,986   |                         |
| 20.205                                   | Highway Planning and Construction (Passed through Kansas<br>Department of Transportation; RE036001)                                 | 620                                | 30,561 **   |                         |
| 20.205                                   | Highway Planning and Construction (\$61,692,278 provided to<br>subrecipients)   | 645                                | 337,049,980   | 337,598,527             |
| 20.215                                   | Highway Training and Education  | 619                                | 891,491 **  |                         |
| 20.215                                   | Highway Training and Education (Passed through Westat, Inc.;<br>Task Order 1) (\$303,230 provided to subrecipients)                 | 619                                | 595,810 **  |                         |
| 20.215                                   | Highway Training and Education  | 620                                | 74,014 **   | 1,561,315               |
| 20.218                                   | National Motor Carrier Safety (Passed through National Academy<br>of Sciences; HR 24-20, 5-18) (\$52,849 provided to subrecipients) | 619                                | 175,414 **  |                         |
| 20.218                                   | National Motor Carrier Safety   | 620                                | 1,768 **  |                         |
| 20.218                                   | National Motor Carrier Safety (Passed through Wapello County;<br>Evaluation of Concrete Bridge)                                     | 620                                | 28,900 **   |                         |
| 20.218                                   | National Motor Carrier Safety (Passed through City of Bettendorf;<br>Evaluation of a Three-Span Bridge)                             | 620                                | 21,827 **   |                         |
| 20.218                                   | National Motor Carrier Safety (\$772,666 provided to subrecipients)   | 645                                | 2,354,795   | 2,582,704               |
| 20.308                                   | Local Rail Freight Assistance   | 645                                | 211,970   | 211,970                 |
| 20.500                                   | Federal Transit - Capital Investment Grants (\$4,803,988 provided to<br>subrecipients)  | 645                                | 4,803,988   | 4,803,988               |
| 20.505                                   | Federal Transit - Metropolitan Planning Grants (Passed through<br>Howard R. Green Company; 178660J02)                               | 620                                | 12,275 **   |                         |
| 20.505                                   | Federal Transit - Metropolitan Planning Grants (\$93,525 provided<br>to subrecipients)  | 645                                | 93,525  | 105,800                 |
| 20.509                                   | Formula Grants for Other Than Urbanized Areas (\$5,287,363<br>provided to subrecipients)  | 645                                | 5,287,363   | 5,287,363               |
| 20.513                                   | Capital Assistance Program for Elderly Persons and Persons with<br>Disabilities (\$977,883 provided to subrecipients)               | 645                                | 977,883   | 977,883                 |
| 20.514                                   | Transit Planning and Research (\$46,074 provided to<br>subrecipients)   | 645                                | 46,074  | 46,074                  |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number                                       | Federal Department / Program name   | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|--|---|------------------------------------|---|-------------------------|
| <u>U.S. Department of Transportation (continued)</u> |   |                                    |   |                         |
| 20.515   | State Planning and Research (\$475,007 provided to subrecipients)   | 645                                | 475,007   | 475,007                 |
| 20.516   | Job Access - Reverse Commute (\$2,053,263 provided to subrecipients)  | 645                                | 2,053,263   | 2,053,263               |
| 20.600   | State and Community Highway Safety  | 112                                | 6,884   |                         |
| 20.600   | State and Community Highway Safety  | 542                                | 9,104   |                         |
| 20.600   | State and Community Highway Safety  | 595                                | 2,814,057   |                         |
| 20.600   | State and Community Highway Safety (\$88,571 provided to subrecipients)   | 619                                | 833,454   |                         |
| 20.600   | State and Community Highway Safety (Passed through Virginia Polytechnic Institute; CR 19235-425479)                       | 619                                | 329,407   |                         |
| 20.600   | State and Community Highway Safety (Passed through Westat, Inc.; Task Order 4)  | 619                                | 361,065   |                         |
| 20.600   | State and Community Highway Safety  | 645                                | 52,817  | 4,406,788               |
| 20.601   | Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants  | 595                                | 390,991   | 390,991                 |
| 20.602   | Occupant Protection   | 595                                | 332,565   | 332,565                 |
| 20.603   | Federal Highway Safety Data Improvements Incentive Grants   | 595                                | 100,957   |                         |
| 20.603   | Federal Highway Safety Data Improvements Incentive Grants (Passed through Crash Avoidance Metrics Partnership; FCW04-023) | 619                                | 10,393  | 111,350                 |
| 20.604   | Safety Incentive Grants for Use of Seatbelts  | 595                                | 674,824   | 674,824                 |
| 20.700   | Pipeline Safety   | 219                                | 229,446   | 229,446                 |
| 20.701   | University Transportation Centers Program (\$183,476 provided to subrecipients)   | 620                                | 820,852 **  |                         |
| 20.701   | University Transportation Centers Program (Passed through University of California; KK022 Year 3)                         | 620                                | 76 **   | 820,928                 |
| 20.703   | Interagency Hazardous Materials Public Sector Training and Planning Grants (\$142,039 provided to subrecipients)          | 583                                | 177,203   | 177,203                 |
| 20.900   | Transportation - Consumer Affairs (Passed through Delphi Delco Electronics)   | 619                                | 283,261 **  | 283,261                 |
| 20.000   | Other Federal Assistance:   |                                    |   |                         |
|  | Unknown Title (Passed through Crash Avoidance Metrics Partnership; CAM04-016)   | 619                                | 107,084 **  |                         |
|  | Unknown Title (\$468,142 provided to subrecipients)   | 620                                | 1,350,155 **  |                         |
|  | Unknown Title (Passed through Wisconsin Highway Research; 00920414)   | 620                                | 21,531 **   |                         |
|  | Unknown Title (Passed through Tama County; Tama County)   | 620                                | 9,149 **  |                         |
|  | Unknown Title (Passed through Innovative Pavement Research Foundation; IPRFFH1501001)                                     | 620                                | 9,070 **  |                         |
|  | Unknown Title (Passed through Science Applications International; 4400098809)   | 620                                | 7,000 **  |                         |
|  | Unknown Title (Passed through University of Wisconsin; 913G975)   | 620                                | 11,571 **   | 1,515,560               |
|  | Total U.S. Department of Transportation   |                                    | 369,321,949   | 369,321,949             |
| <u>U.S. Department of the Treasury</u>               |   |                                    |   |                         |
| 21.000   | Other Federal Assistance:   |                                    |   |                         |
|  | Temporary State Fiscal Relief (Jobs and Growth Tax Reconciliation Act of 2003) (\$20,676,620 provided to subrecipients)   | 269                                | 22,292,186  | 22,292,186              |
|  | Total U.S. Department of the Treasury   |                                    | 22,292,186  | 22,292,186              |
| <u>U.S. Equal Employment Opportunity Commission</u>  |   |                                    |   |                         |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number | Federal Department / Program name  | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|----------------|--|------------------------------------|---|-------------------------|
| 30.002         | Employment Discrimination - State and Local Fair Employment Practices Agency Contracts                           | 167                                | 680,050   | 680,050                 |
|                | Total U.S. Equal Employment Opportunity Commission   |                                    | 680,050   | 680,050                 |
|                | <u>Federal Mediation and Conciliation Service</u>  |                                    |   |                         |
| 34.002         | Labor Management Cooperation (\$74,984 provided to subrecipients)  | 309                                | 411,542   | 411,542                 |
|                | Total Federal Mediation and Conciliation Service   |                                    | 411,542   | 411,542                 |
|                | <u>U.S. General Services Administration</u>  |                                    |   |                         |
| 39.003         | Donation of Federal Surplus Personal Property  | 005                                | 225,127   | 225,127                 |
| 39.011         | Election Reform Payments   | 635                                | 3,608,666   | 3,608,666               |
| 39.000         | Other Federal Assistance:  |                                    |   |                         |
|                | Unknown Title (Passed through American Institute of Architects; Effectiveness of Work Space)                     | 620                                | 30,955 **   | 30,955                  |
|                | Total U.S. General Services Administration   |                                    | 3,864,748   | 3,864,748               |
|                | <u>U.S. Library of Congress</u>  |                                    |   |                         |
| 42.006         | Library of Congress - Library Services   | 619                                | 11,879 **   | 11,879                  |
|                | Total U.S. Library of Congress   |                                    | 11,879  | 11,879                  |
|                | <u>National Aeronautics and Space Administration</u>   |                                    |   |                         |
| 43.001         | Aerospace Education Services Program (\$282,185 provided to subrecipients)                                       | 619                                | 4,014,977 **  |                         |
| 43.001         | Aerospace Education Services Program (Passed through MCP Hahnemann University; NAGS-1840)                        | 619                                | 38,410 **   |                         |
| 43.001         | Aerospace Education Services Program (Passed through Johns Hopkins University; 88718)                            | 619                                | 17,613 **   |                         |
| 43.001         | Aerospace Education Services Program (Passed through University of New Hampshire; 04-854)                        | 619                                | 85,625 **   |                         |
| 43.001         | Aerospace Education Services Program (Passed through Smithsonian Institutional; G04-5035A, G04-5039A, G04-5086A) | 619                                | 24,054 **   |                         |
| 43.001         | Aerospace Education Services Program (Passed through Southwest Research Institute; 499928Q)                      | 619                                | 1,024 **  |                         |
| 43.001         | Aerospace Education Services Program (Passed through University of California, San Diego; 10233661)              | 619                                | 62,229 **   |                         |
| 43.001         | Aerospace Education Services Program (Passed through Space Telescope Science Institute; HST-GO-10001.02-A)       | 619                                | 1,563 **  |                         |
| 43.001         | Aerospace Education Services Program (\$169 provided to subrecipients)   | 620                                | 149,162 **  |                         |
| 43.001         | Aerospace Education Services Program (Passed through University of Northern Colorado; GKA030160, GKA040158)      | 620                                | 1,996 **  |                         |
| 43.001         | Aerospace Education Services Program   | 621                                | 973   | 4,397,626               |
| 43.002         | Technology Transfer  | 620                                | 140,361 **  |                         |
| 43.002         | Technology Transfer (Passed through Jet Propulsion Laboratory; 1250174)  | 620                                | 38,380 **   | 178,741                 |



State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number   | Federal Department / Program name  | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|--|--|------------------------------------|---|-------------------------|
| <u>National Aeronautics and Space Administration (continued)</u> |  |                                    |   |                         |
| 43.000   | Other Federal Assistance:  |                                    |   |                         |
|  | NASA Resident Office - Jet Propulsion Lab  | 619                                | 1,637,596 **  |                         |
|  | Goddard Space Flight Center  | 619                                | 464,366 **  |                         |
|  | Glenn Research Center  | 619                                | 393 **  |                         |
|  | Unknown Title (\$294,077 provided to subrecipients)  | 620                                | 3,829,699 **  |                         |
|  | Unknown Title (Passed through Jet Propulsion Laboratory;<br>1263961)   | 620                                | 4,928 **  |                         |
|  | Unknown Title (Passed through Pratt & Whitney; 21058)  | 620                                | 206,807 **  |                         |
|  | Unknown Title (Passed through Smithsonian Astrophysical<br>Observatory; G045103C)  | 620                                | 1,510 **  |                         |
|  | Unknown Title (Passed through Lockheed Martin; GH3216068)  | 620                                | 40,272 **   |                         |
|  | Unknown Title (Passed through Orbital Technologies;<br>OTCGS01401)   | 620                                | 25,117 **   |                         |
|  | Unknown Title  | 621                                | 301,512   | 6,512,200               |
|  | Total National Aeronautics and Space Administration  |                                    | 11,088,567  | 11,088,567              |
| <u>National Foundation on the Arts and the Humanities</u>        |  |                                    |   |                         |
| 45.024   | Promotion of the Arts - Grants to Organizations and Individuals  | 259                                | 18,105  |                         |
| 45.024   | Promotion of the Arts - Grants to Organizations and Individuals  | 619                                | 8,050 **  |                         |
| 45.024   | Promotion of the Arts - Grants to Organizations and Individuals  | 621                                | 10,000  | 36,155                  |
| 45.025   | Promotion of the Arts - Partnership Agreements   | 259                                | 561,777   |                         |
| 45.025   | Promotion of the Arts - Partnership Agreements (Passed through<br>New England Foundation for the Arts; 9219, 9260, 9286)       | 619                                | 8,750 **  |                         |
| 45.025   | Promotion of the Arts - Partnership Agreements (Passed through<br>Iowa Arts Council)   | 621                                | 1,000   | 571,527                 |
| 45.129   | Promotion of the Humanities - Federal/State Partnership  | 285                                | 2,009   |                         |
| 45.129   | Promotion of the Humanities - Federal/State Partnership  | 619                                | 13,100 **   |                         |
| 45.129   | Promotion of the Humanities - Federal/State Partnership (Passed<br>through Humanities Iowa; 263046, 273018)                    | 620                                | 1,650 **  | 16,759                  |
| 45.149   | Promotion of the Humanities - Division of Preservation and Access  | 619                                | 3,204 **  |                         |
| 45.149   | Promotion of the Humanities - Division of Preservation and Access<br>(Passed through University of Nebraska; 25-0512-0003-002) | 619                                | 26,774 **   |                         |
| 45.149   | Promotion of the Humanities - Division of Preservation and Access<br>(Passed through Cornell University; 369386308)            | 620                                | 17,483 **   | 47,461                  |
| 45.160   | Promotion of the Humanities - Fellowships and Stipends   | 619                                | 138,867 **  |                         |
| 45.160   | Promotion of the Humanities - Fellowships and Stipends (Passed<br>through Huntington Library)                                  | 619                                | 40,000 **   |                         |
| 45.160   | Promotion of the Humanities - Fellowships and Stipends<br>(Passed through Schomburg Center for Research in Black Culture)      | 619                                | 25,000 **   |                         |
| 45.160   | Promotion of the Humanities - Fellowships and Stipends   | 620                                | 21,145 **   | 225,012                 |
| 45.161   | Promotion of the Humanities - Research   | 619                                | 8,169 **  |                         |
| 45.161   | Promotion of the Humanities - Research   | 620                                | 72,284 **   | 80,453                  |
| 45.304   | Conservation Assessment Program  | 621                                | 4,610   | 4,610                   |
| 45.310   | State Library Program (\$26,270 provided to subrecipients)   | 282                                | 1,879,476   | 1,879,476               |
| 45.313   | Librarians for the 21st Century  | 619                                | 225,130 **  | 225,130                 |
|  | Total National Foundation on the Arts and the Humanities   |                                    | 3,086,583   | 3,086,583               |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number                     | Federal Department / Program name   | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances |    | Total By CFDA<br>Number |
|------------------------------------|---|------------------------------------|---|----|-------------------------|
| <u>National Science Foundation</u> |   |                                    |   |    |                         |
| 47.041                             | Engineering Grants (\$58,953 provided to subrecipients)   | 619                                | 1,518,154   | ** |                         |
| 47.041                             | Engineering Grants (\$107,473 provided to subrecipients)  | 620                                | 3,567,279   | ** |                         |
| 47.041                             | Engineering Grants (Passed through University of Texas;<br>UTA03134)  | 620                                | 962   | ** |                         |
| 47.041                             | Engineering Grants (Passed through Virginia Polytechnic<br>Institute; CR19223427152)  | 620                                | 101,285   | ** |                         |
| 47.041                             | Engineering Grants (Passed through Engineered Coatings;<br>Laser Glazing)   | 620                                | 12  | ** |                         |
| 47.041                             | Engineering Grants (Passed through MSTRS Technologies; 0402)  | 620                                | 76  | ** |                         |
| 47.041                             | Engineering Grants (Passed through University of Nebraska;<br>2511090055002)  | 620                                | 57,120  | ** | 5,244,888               |
| 47.049                             | Mathematical and Physical Sciences (\$368,989 provided to<br>subrecipients)   | 619                                | 3,125,013   | ** |                         |
| 47.049                             | Mathematical and Physical Sciences (Passed through University<br>of Kentucky Research Foundation; 4-65997-03-369)                         | 619                                | 82,527  | ** |                         |
| 47.049                             | Mathematical and Physical Sciences (Passed through University<br>of Notre Dame)   | 619                                | 13,535  | ** |                         |
| 47.049                             | Mathematical and Physical Sciences (\$66,065 provided to<br>subrecipients)  | 620                                | 3,358,197   | ** |                         |
| 47.049                             | Mathematical and Physical Sciences (Passed through University<br>of Minnesota; V5286054201)   | 620                                | 926   | ** |                         |
| 47.049                             | Mathematical and Physical Sciences (Passed through University<br>of Central Florida; 15357)   | 620                                | 63,641  | ** |                         |
| 47.049                             | Mathematical and Physical Sciences (Passed through California<br>Institute of Technology; 7E1072240)                                      | 620                                | 74,143  | ** |                         |
| 47.049                             | Mathematical and Physical Sciences (Passed through University<br>of Tennessee; 341700103)   | 620                                | 6,806   | ** |                         |
| 47.049                             | Mathematical and Physical Sciences  | 621                                | 35,520  | ** | 6,760,308               |
| 47.050                             | Geosciences (\$335,416 provided to subrecipients)   | 619                                | 1,642,027   | ** |                         |
| 47.050                             | Geosciences (Passed through Idaho State University; 02-0232E)   | 619                                | 30,137  | ** |                         |
| 47.050                             | Geosciences (Passed through University of Kansas; FY2004-085)   | 619                                | 11,635  | ** |                         |
| 47.050                             | Geosciences (\$144,450 provided to subrecipients)   | 620                                | 1,395,143   | ** |                         |
| 47.050                             | Geosciences (Passed through University of Buffalo; R244380)   | 620                                | 32,990  | ** |                         |
| 47.050                             | Geosciences   | 621                                | 19,478  | ** |                         |
| 47.050                             | Geosciences (Passed through University Corporation for<br>Atmospheric Research)   | 621                                | 436   | ** | 3,131,846               |
| 47.070                             | Computer and Information Science and Engineering  | 619                                | 689,298   | ** |                         |
| 47.070                             | Computer and Information Science and Engineering (\$133,244<br>provided to subrecipients)   | 620                                | 1,845,844   | ** |                         |
| 47.070                             | Computer and Information Science and Engineering (Passed<br>through University of Illinois; SUBK2001)                                     | 620                                | 15,651  | ** |                         |
| 47.070                             | Computer and Information Science and Engineering (Passed<br>through Drake University; 00113718)   | 620                                | 20,194  | ** |                         |
| 47.070                             | Computer and Information Science and Engineering (Passed<br>through Mississippi State University; 19100030047002)                         | 620                                | 38,133  | ** |                         |
| 47.070                             | Computer and Information Science and Engineering (Passed<br>through University of Maine; UMS426)  | 620                                | 101,072   | ** |                         |
| 47.070                             | Computer and Information Science and Engineering (Passed<br>through American Distance Education Consortium;<br>Internet Satellite-NCRCRD) | 620                                | 48,166  | ** |                         |
| 47.070                             | Computer and Information Science and Engineering (Passed<br>through Purdue University; 50114101)  | 620                                | 35,163  | ** |                         |
| 47.070                             | Computer and Information Science and Engineering (Passed<br>through University of Washington; 989115)                                     | 620                                | 8,481   | ** | 2,802,002               |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number                                 | Federal Department / Program name   | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|--|---|------------------------------------|---|-------------------------|
| <u>National Science Foundation (continued)</u> |   |                                    |   |                         |
| 47.074   | Biological Sciences (\$27,671 provided to subrecipients)  | 619                                | 2,279,372 **  |                         |
| 47.074   | Biological Sciences (Passed through University of Kansas Center<br>for Research, Inc.; NSF35020)                                | 619                                | 618,139 **  |                         |
| 47.074   | Biological Sciences (\$1,346,512 provided to subrecipients)   | 620                                | 7,187,780 **  |                         |
| 47.074   | Biological Sciences (Passed through University of California;<br>OORA1127, SA3372PG, K00881501)                                 | 620                                | 626,668 **  |                         |
| 47.074   | Biological Sciences (Passed through Boyce Thompson Institute;<br>Genetic Analysis)  | 620                                | 8,806 **  |                         |
| 47.074   | Biological Sciences (Passed through University of Florida;<br>SC00011511)   | 620                                | 74,756 **   |                         |
| 47.074   | Biological Sciences (Passed through University of Georgia;<br>DBI0321595)   | 620                                | 557,459 **  |                         |
| 47.074   | Biological Sciences (Passed through Purdue University;<br>501122701)  | 620                                | 80,178 **   |                         |
| 47.074   | Biological Sciences (Passed through Stanford University; PR0826,<br>PR0826/REU Supplement)                                      | 620                                | 2,639 **  |                         |
| 47.074   | Biological Sciences (Passed through North Carolina State<br>University; 2002166403)   | 620                                | 77,425 **   |                         |
| 47.074   | Biological Sciences (Passed through Massachusetts General<br>Hospital; Plant MAPK Cascades)                                     | 620                                | 81,773 **   |                         |
| 47.074   | Biological Sciences (Passed through Louisiana State University)   | 621                                | 3,011   | 11,598,006              |
| 47.075   | Social, Behavioral, and Economic Sciences   | 619                                | 524,259 **  |                         |
| 47.075   | Social, Behavioral, and Economic Sciences (Passed through<br>University of North Carolina; 5-37328)                             | 619                                | 26,528 **   |                         |
| 47.075   | Social, Behavioral, and Economic Sciences (Passed through<br>Civilian Research and Development Foundation;<br>RU-P2-2593-TO-04) | 619                                | 3,380 **  |                         |
| 47.075   | Social, Behavioral, and Economic Sciences (Passed through<br>Southern Illinois University)                                      | 619                                | 9,809 **  |                         |
| 47.075   | Social, Behavioral, and Economic Sciences (Passed through<br>National Institute of Statistical Sciences; 04-02)                 | 619                                | 10,885 **   |                         |
| 47.075   | Social, Behavioral, and Economic Sciences   | 620                                | 395,819 **  |                         |
| 47.075   | Social, Behavioral, and Economic Sciences (\$19,898 provided<br>to subrecipients)   | 621                                | 54,703 **   | 1,025,383               |
| 47.076   | Education and Human Resources (\$185,114 provided to<br>subrecipients)  | 619                                | 1,167,451 **  |                         |
| 47.076   | Education and Human Resources (Passed through Clemson<br>University; 765-7558-206-2002944)                                      | 619                                | 41,085 **   |                         |
| 47.076   | Education and Human Resources (Passed through Western<br>Michigan University; 25-7002520)                                       | 619                                | 65,593 **   |                         |
| 47.076   | Education and Human Resources (\$70,784 provided to<br>subrecipients)   | 620                                | 1,642,642 **  |                         |
| 47.076   | Education and Human Resources (Passed through Indian Hills<br>Community College; DUE01017113)                                   | 620                                | 78,680 **   |                         |
| 47.076   | Education and Human Resources (Passed through Kirkwood<br>Community College; 0101507, Evaluate Agrowknowledge)                  | 620                                | 40,000 **   |                         |
| 47.076   | Education and Human Resources (Passed through American<br>Association of Colleges; 0088753)                                     | 620                                | 3,500 **  |                         |
| 47.076   | Education and Human Resources (Passed through New Mexico<br>State University; Q00940)   | 620                                | 31,337 **   |                         |
| 47.076   | Education and Human Resources   | 621                                | 64,688  |                         |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number                                 | Federal Department / Program name   | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|--|---|------------------------------------|---|-------------------------|
| <u>National Science Foundation (continued)</u> |   |                                    |   |                         |
| 47.076   | Education and Human Resources (Passed through Hazardous Materials Institute)                              | 621                                | 56,298  |                         |
| 47.076   | Education and Human Resources (Passed through Youngstown State University)                                | 621                                | 3,717   |                         |
| 47.076   | Education and Human Resources (Passed through Math Association of America)                                | 621                                | 3,274   |                         |
| 47.076   | Education and Human Resources (Passed through Education Development Center)                               | 621                                | 20,757  | 3,219,022               |
| 47.078   | Polar Programs  | 620                                | 55,187 **   | 55,187                  |
| 47.000   | Other Federal Assistance:   |                                    |   |                         |
|  | Unknown Title (Passed through American Educational Research Association)                                  | 619                                | 800 **  |                         |
|  | Unknown Title   | 620                                | 351 **  |                         |
|  | Unknown Title (Passed through Cornell University; Market Interactions, Control Large Scale Power)         | 620                                | 7,932 **  |                         |
|  | Unknown Title (Passed through American Association for the Advancement of Science; Geochemistry)          | 620                                | 127 **  |                         |
|  | Unknown Title (Passed through Ohio State University Research Foundation; Replacement Funds)               | 620                                | 28 **   |                         |
|  | Unknown Title (Passed through RJ Lee Group; H22032)   | 620                                | 6,521 **  | 15,759                  |
|  | Total National Science Foundation   |                                    | 33,852,401  | 33,852,401              |
| <u>U.S. Small Business Administration</u>      |   |                                    |   |                         |
| 59.005   | Business Development Assistance to Small Business   | 620                                | 893 **  | 893                     |
| 59.007   | 7(i) Technical Assistance   | 621                                | 56,861  | 56,861                  |
| 59.037   | Small Business Development Center (\$1,415,736 provided to subrecipients)                                 | 620                                | 1,822,420 **  | 1,822,420               |
| 59.000   | Other Federal Assistance:   |                                    |   |                         |
|  | Unknown Title   | 621                                | 164,729   | 164,729                 |
|  | Total U.S. Small Business Administration  |                                    | 2,044,903   | 2,044,903               |
| <u>U.S. Department of Veterans Affairs</u>     |   |                                    |   |                         |
| 64.005   | Grants to States for Construction of State Home Facilities  | 672                                | 66  | 66                      |
| 64.014   | Veterans State Domiciliary Care   | 671                                | 846,373   | 846,373                 |
| 64.015   | Veterans State Nursing Home Care  | 671                                | 10,985,041  | 10,985,041              |
| 64.016   | Veterans State Hospital Care  | 671                                | 325,916   | 325,916                 |
|  | Total U.S. Department of Veterans Affairs   |                                    | 12,157,396  | 12,157,396              |
| <u>Environmental Protection Agency</u>         |   |                                    |   |                         |
| 66.001   | Air Pollution Control Program Support   | 542                                | 920,714   | 920,714                 |
| 66.032   | State Indoor Radon Grants (\$246,483 provided to subrecipients)   | 588                                | 327,573   | 327,573                 |
| 66.419   | Water Pollution Control State and Interstate Program Support  | 542                                | 2,831,674   | 2,831,674               |
| 66.432   | State Public Water System Supervision   | 542                                | 1,473,620   | 1,473,620               |
| 66.436   | Surveys, Studies, Demonstrations and Special Purpose Grants - Section 1442 of the Safe Drinking Water Act | 542                                | 11,000  | 11,000                  |
| 66.439   | Targeted Watershed Grants   | 009                                | 1,165   | 1,165                   |
| 66.454   | Water Quality Management Planning   | 542                                | 153,868   | 153,868                 |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number                                     | Federal Department / Program name  | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|--|--|------------------------------------|---|-------------------------|
| <u>Environmental Protection Agency (continued)</u> |  |                                    |   |                         |
| 66.458   | Capitalization Grants for Clean Water State Revolving Funds<br>(\$575,000 provided to subrecipients)                             | 542                                | 12,106,075  | 12,106,075              |
| 66.460   | Nonpoint Source Implementation Grants  | 542                                | 5,375,766   | 5,375,766               |
| 66.461   | Wetland Program Development Grants   | 009                                | 20,897  | 20,897                  |
| 66.463   | Water Quality Cooperative Agreements   | 009                                | 13,865  |                         |
| 66.463   | Water Quality Cooperative Agreements   | 542                                | 61,522  |                         |
| 66.463   | Water Quality Cooperative Agreements   | 620                                | 93,732 **   | 169,119                 |
| 66.468   | Capitalization Grants for Drinking Water State Revolving Funds   | 542                                | 5,139,848   | 5,139,848               |
| 66.474   | Water Protection Grants to the States  | 542                                | 214,007   | 214,007                 |
| 66.500   | Environmental Protection - Consolidated Research   | 542                                | 113   |                         |
| 66.500   | Environmental Protection - Consolidated Research   | 619                                | 199,057 **  |                         |
| 66.500   | Environmental Protection - Consolidated Research (Passed<br>through University of Rochester)                                     | 619                                | 35,382 **   |                         |
| 66.500   | Environmental Protection - Consolidated Research (Passed<br>through New York University; 02-230)                                 | 619                                | 198 **  |                         |
| 66.500   | Environmental Protection - Consolidated Research (Passed<br>through University of Missouri; 02102041-3)                          | 619                                | 99,865 **   |                         |
| 66.500   | Environmental Protection - Consolidated Research   | 620                                | 41,978 **   |                         |
| 66.500   | Environmental Protection - Consolidated Research (Passed<br>through Consortium Plant Biotech and Research;<br>EPA82947901146)    | 620                                | 36,577 **   |                         |
| 66.500   | Environmental Protection - Consolidated Research (Passed<br>through Oregon State University; E0101AB)                            | 620                                | 23,357 **   |                         |
| 66.500   | Environmental Protection - Consolidated Research (Passed<br>through University of Missouri; 001187919)                           | 620                                | 4,555 **  | 441,082                 |
| 66.509   | Science To Achieve Results (STAR) Program (\$21,625 provided<br>to subrecipients)  | 619                                | 148,133 **  |                         |
| 66.509   | Science To Achieve Results (STAR) Program  | 620                                | 206,719 **  | 354,852                 |
| 66.512   | Regional Environmental Monitoring and Assessment Program<br>(REMAP) Research Projects  | 542                                | 63,327  | 63,327                  |
| 66.605   | Performance Partnership Grants   | 009                                | 856,783   |                         |
| 66.605   | Performance Partnership Grants   | 542                                | 634,176   | 1,490,959               |
| 66.606   | Surveys, Studies, Investigations and Special Purpose Grants  | 542                                | 1,150,293   |                         |
| 66.606   | Surveys, Studies, Investigations and Special Purpose Grants  | 620                                | 814,076 **  |                         |
| 66.606   | Surveys, Studies, Investigations and Special Purpose Grants  | 621                                | 896,703   | 2,861,072               |
| 66.607   | Training and Fellowships for the Environmental Protection<br>Agency  | 620                                | 119 **  | 119                     |
| 66.608   | Environmental Information Exchange Network Grant Program   | 542                                | 253,011   | 253,011                 |
| 66.700   | Consolidated Pesticide Enforcement Cooperative Agreements<br>(Passed through Nebraska Department of Agriculture; 18-04-009)      | 619                                | 21,333 **   |                         |
| 66.700   | Consolidated Pesticide Enforcement Cooperative Agreements<br>(Passed through Missouri Department of Agriculture;<br>AOC40000466) | 619                                | 65,809 **   | 87,142                  |
| 66.701   | Toxic Substances Compliance Monitoring Cooperative Agreements  | 588                                | 186,650   | 186,650                 |
| 66.707   | TSCA Title IV State Lead Grants - Certification of Lead-Based<br>Paint Professionals   | 588                                | 405,765   | 405,765                 |
| 66.708   | Pollution Prevention Grants Program  | 542                                | 80,446  |                         |
| 66.708   | Pollution Prevention Grants Program  | 621                                | 28,822  | 109,268                 |
| 66.709   | Capacity Building Grants and Cooperative Agreements for States<br>and Tribes   | 542                                | 20,093  | 20,093                  |
| 66.802   | Superfund State, Political Subdivision, and Indian Tribe Site -<br>Specific Cooperative Agreements                               | 542                                | 128,919   | 128,919                 |
| 66.804   | State and Tribal Underground Storage Tanks Program   | 542                                | 186,875   | 186,875                 |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number                                     | Federal Department / Program name  | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|--|--|------------------------------------|---|-------------------------|
| <u>Environmental Protection Agency (continued)</u> |  |                                    |   |                         |
| 66.805   | Leaking Underground Storage Tank Trust Fund Program  | 542                                | 819,015   | 819,015                 |
| 66.808   | Solid Waste Management Assistance  | 620                                | 3,610 **  | 3,610                   |
| 66.809   | Superfund State and Indian Tribe Core Program Cooperative Agreements   | 542                                | 184,755   | 184,755                 |
| 66.810   | Chemical Emergency Preparedness and Prevention (CEPP) Technical Assistance Grants Program  | 542                                | 20,678  | 20,678                  |
| 66.817   | State and Tribal Response Program Grants   | 542                                | 629,062   | 629,062                 |
| 66.951   | Environmental Education Grants   | 542                                | 8,702   |                         |
| 66.951   | Environmental Education Grants (Passed through Hamilton County Ag Extension; Youth Agriculture Days)                                 | 620                                | 6,920 **  | 15,622                  |
| 66.000   | Other Federal Assistance:<br>Unknown Title   | 542                                | 7,641   | 7,641                   |
|  | Total Environmental Protection Agency  |                                    | 37,014,843  | 37,014,843              |
| <u>U.S. Department of Energy</u>                   |  |                                    |   |                         |
| 81.041   | State Energy Program   | 542                                | 758,402   | 758,402                 |
| 81.042   | Weatherization Assistance for Low-Income Persons (\$4,850,913 provided to subrecipients)   | 379                                | 5,464,978   | 5,464,978               |
| 81.049   | Office of Science Financial Assistance Program   | 619                                | 1,370,931 **  |                         |
| 81.049   | Office of Science Financial Assistance Program (Passed through Purdue University; 541036801)   | 619                                | 21,412 **   |                         |
| 81.049   | Office of Science Financial Assistance Program (Passed through Advanced Technology Institute; 2005-306)                              | 619                                | 236,928 **  |                         |
| 81.049   | Office of Science Financial Assistance Program (Passed through University of California, Berkeley; 6714810, SA4168-32401PG)          | 619                                | 41,045 **   |                         |
| 81.049   | Office of Science Financial Assistance Program (Passed through University of Medicine and Dentistry of New Jersey; DEFG02-02ER63447) | 619                                | 118,841 **  |                         |
| 81.049   | Office of Science Financial Assistance Program (Passed through Ohio State University; 741751)  | 619                                | 15,913 **   |                         |
| 81.049   | Office of Science Financial Assistance Program (Passed through Universities Research Association, Inc.; 510438, 553270)              | 619                                | 235,002 **  |                         |
| 81.049   | Office of Science Financial Assistance Program (Passed through Georgia Institute of Technology; G-32-659-G2)                         | 619                                | 14,020 **   |                         |
| 81.049   | Office of Science Financial Assistance Program (Passed through University of Chicago; 4F-00941)                                      | 619                                | 35,661 **   |                         |
| 81.049   | Office of Science Financial Assistance Program (\$124,203 provided to subrecipients)   | 620                                | 2,576,279 **  |                         |
| 81.049   | Office of Science Financial Assistance Program (Passed through University of California; 372432241)                                  | 620                                | 49,294 **   |                         |
| 81.049   | Office of Science Financial Assistance Program (Passed through University of Illinois; 03264)  | 620                                | 121,658 **  |                         |
| 81.049   | Office of Science Financial Assistance Program (Passed through Value Recovery; Computational Fluid)                                  | 620                                | 4,367 **  |                         |
| 81.049   | Office of Science Financial Assistance Program (Passed through St. Louis University; EASP01903, EASP2904)                            | 620                                | 21,828 **   |                         |
| 81.049   | Office of Science Financial Assistance Program (Passed through Smithsonian Astrophysical Observatory; DEFG0291ER40635/SV171002)      | 620                                | 220,818 **  | 5,083,997               |
| 81.057   | University Coal Research   | 620                                | 8,352 **  | 8,352                   |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number                               | Federal Department / Program name  | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|--|--|------------------------------------|---|-------------------------|
| <u>U.S. Department of Energy (continued)</u> |  |                                    |   |                         |
| 81.079                                       | Regional Biomass Energy Programs   | 542                                | 14,184  |                         |
| 81.079                                       | Regional Biomass Energy Programs   | 619                                | 252,143 **  |                         |
| 81.079                                       | Regional Biomass Energy Programs (Passed through Chariton Valley Resource Conservation and Development; Biomass Project) | 620                                | 565 **  | 266,892                 |
| 81.086                                       | Conservation Research and Development  | 619                                | 33,624 **   |                         |
| 81.086                                       | Conservation Research and Development (\$52,317 provided to subrecipients)   | 620                                | 549,514 **  |                         |
| 81.086                                       | Conservation Research and Development (Passed through Cargill; DEFC0703ID14216)  | 620                                | 105,607 **  |                         |
| 81.086                                       | Conservation Research and Development (Passed through University of Alabama; DEFC0702ID14229)                            | 620                                | 17,112 **   | 705,857                 |
| 81.087                                       | Renewable Energy Research and Development  | 620                                | 572,647 **  |                         |
| 81.087                                       | Renewable Energy Research and Development (Passed through National Renewable Energy Laboratory; XDJ23063032)             | 620                                | 120,905 **  |                         |
| 81.087                                       | Renewable Energy Research and Development (Passed through Purdue University; 541033803)                                  | 620                                | 29,073 **   |                         |
| 81.087                                       | Renewable Energy Research and Development  | 621                                | 1,136,631   | 1,859,256               |
| 81.089                                       | Fossil Energy Research and Development   | 620                                | 93,684 **   |                         |
| 81.089                                       | Fossil Energy Research and Development (Passed through Michigan Technology University; 010331Z2)                         | 620                                | 5,649 **  |                         |
| 81.089                                       | Fossil Energy Research and Development (Passed through University of Pittsburgh; 4021401)                                | 620                                | 26,220 **   | 125,553                 |
| 81.108                                       | Epidemiology and Other Health Studies Financial Assistance Program   | 619                                | 271,339 **  | 271,339                 |
| 81.114                                       | University Reactor Infrastructure and Education Support (Passed through Pennsylvania State University; 2580-UI-DOE-4423) | 619                                | 6,623 **  | 6,623                   |
| 81.117                                       | Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance   | 542                                | 68,217  | 68,217                  |
| 81.119                                       | State Energy Program Special Projects  | 542                                | 255,009   | 255,009                 |
| 81.121                                       | Nuclear Energy Research, Development and Demonstration   | 620                                | 10 **   | 10                      |
| 81.000                                       | Other Federal Assistance:  |                                    |   |                         |
|  | Petroleum Violation Escrow Funds   | 542                                | 214,059   |                         |
|  | Unknown Title (Passed through Mind Institute)  | 619                                | 14,227 **   |                         |
|  | Unknown Title (\$55,930 provided to subrecipients)   | 620                                | 559,107 **  |                         |
|  | Unknown Title (Passed through University of Florida; UFIFAS031125521)  | 620                                | 69,285 **   |                         |
|  | Unknown Title (Passed through Pacific Northwest National Laboratory; 5864)   | 620                                | 38,882 **   |                         |
|  | Unknown Title (Passed through Westinghouse; AB86159N)  | 620                                | 1,468 **  |                         |
|  | Unknown Title (Passed through Argonne National Laboratory (DOE); 1B00041)  | 620                                | 2,819 **  |                         |
|  | Unknown Title (Passed through Brookhaven National Laboratory; 76048)   | 620                                | 19,199 **   |                         |
|  | Unknown Title (Passed through Krell Institute; DOE Computational Science)  | 620                                | 3,652 **  |                         |
|  | Unknown Title (Passed through National Renewable Energy Laboratory; ACQ13061902, AAA13146201, ACQ13061908)               | 620                                | 29,744 **   |                         |
|  | Unknown Title (Passed through Lawrence Livermore National Laboratory; B536085, B551568, B541028)                         | 620                                | 65,954 **   |                         |
|  | Unknown Title (Passed through Oli Systems; Optimization Tools)   | 620                                | 42,506 **   |                         |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number                               | Federal Department / Program name  | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|--|--|------------------------------------|---|-------------------------|
| <u>U.S. Department of Energy (continued)</u> |  |                                    |   |                         |
|  | Unknown Title (Passed through Honeywell; 0000031557, EP6567)   | 620                                | 32,599 **   |                         |
|  | Unknown Title (Passed through Idaho National Engineering Environmental Laboratory; 00008454)   | 620                                | 149,194 **  |                         |
|  | Unknown Title (Passed through Chariton Valley Resource Conservation and Development, Inc.; Ottumwa Generating Station, Switchgrass Disease Management, Switchgrass Production, Grundy and Clarinda Units, Evaluate Fly Ash Produced) | 620                                | 68,332 **   |                         |
|  | Unknown Title (Passed through Cray Research; HPC Projects)   | 620                                | 22,015 **   |                         |
|  | Unknown Title (Passed through Fermi National Accelerator Laboratory; 524463)   | 620                                | 42,055 **   |                         |
|  | Unknown Title (Passed through Advanced Technology Institute; 2005303, 2005303/SUBTASK4.1)  | 620                                | 104,124 **  |                         |
|  | Unknown Title (Passed through Battelle Energy Alliance, LLC; 00040527)   | 620                                | 9,226 **  |                         |
|  | Unknown Title (Passed through University of California; 6714514)   | 620                                | 19,843 **   |                         |
|  | Unknown Title (Passed through Caterpillar; UBJQ72615)  | 620                                | 41,297 **   |                         |
|  | Unknown Title (Passed through Northern Microdesign; 0426)  | 620                                | 31,184 **   | 1,580,771               |
|  | Total U.S. Department of Energy  |                                    | 16,455,256  | 16,455,256              |
| <u>U.S. Department of Education</u>          |  |                                    |   |                         |
| 84.002                                       | Adult Education - State Grant Program (\$4,215,718 provided to subrecipients)  | 282                                | 4,607,077   | 4,607,077               |
| 84.007                                       | Federal Supplemental Educational Opportunity Grants  | 619                                | 663,412 *   |                         |
| 84.007                                       | Federal Supplemental Educational Opportunity Grants  | 620                                | 872,099 *   |                         |
| 84.007                                       | Federal Supplemental Educational Opportunity Grants  | 621                                | 475,890 *   | 2,011,401               |
| 84.010                                       | Title 1 Grants to Local Educational Agencies (\$67,929,064 provided to subrecipients)  | 282                                | 68,730,058  | 68,730,058              |
| 84.011                                       | Migrant Education - State Grant Program (\$1,823,942 provided to subrecipients)  | 282                                | 1,907,615   | 1,907,615               |
| 84.013                                       | Title 1 Program for Neglected and Delinquent Children (\$548,600 provided to subrecipients)  | 282                                | 548,600   | 548,600                 |
| 84.015                                       | National Resource Centers and Fellowships Program for Language and Area or Language and International Studies  | 619                                | 457,916 **  | 457,916                 |
| 84.016                                       | Undergraduate International Studies and Foreign Language Programs (\$68,503 provided to subrecipients)   | 619                                | 143,629 **  |                         |
| 84.016                                       | Undergraduate International Studies and Foreign Language Programs  | 620                                | 81,976 **   | 225,605                 |
| 84.017                                       | International Research and Studies   | 620                                | 119,799 **  | 119,799                 |
| 84.019                                       | Overseas - Faculty Research Abroad   | 619                                | 1,936 **  | 1,936                   |
| 84.022                                       | Overseas - Doctoral Dissertation   | 619                                | 5,465 **  | 5,465                   |
| 84.027                                       | Special Education - Grants to States (\$101,902,925 provided to subrecipients)   | 282                                | 108,178,466   |                         |
| 84.027                                       | Special Education - Grants to States (Passed through Drake University; 33704, Positive Behavior, Behavioral Support)   | 620                                | 142,092 **  | 108,320,558             |
| 84.032                                       | Federal Family Education Loans   | 284                                | 27,997,945 *  | 27,997,945              |
| 84.033                                       | Federal Work-Study Program   | 619                                | 1,506,925 *   |                         |
| 84.033                                       | Federal Work-Study Program   | 620                                | 1,263,707 *   |                         |
| 84.033                                       | Federal Work-Study Program   | 621                                | 602,133 *   | 3,372,765               |



State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number                                  | Federal Department / Program name   | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|---|---|------------------------------------|---|-------------------------|
| <u>U.S. Department of Education (continued)</u> |   |                                    |   |                         |
| 84.038  | Federal Perkins Loan Program - Federal Capital Contributions  | 619                                | 4,691,295 *   |                         |
| 84.038  | Federal Perkins Loan Program - Federal Capital Contributions  | 620                                | 5,445,427 *   |                         |
| 84.038  | Federal Perkins Loan Program - Federal Capital Contributions  | 621                                | 2,758,487 *   | 12,895,209              |
| 84.042  | TRIO - Student Support Services   | 619                                | 333,622   |                         |
| 84.042  | TRIO - Student Support Services   | 620                                | 307,199   |                         |
| 84.042  | TRIO - Student Support Services   | 621                                | 254,818   | 895,639                 |
| 84.044  | TRIO - Talent Search  | 620                                | 340,231   |                         |
| 84.044  | TRIO - Talent Search  | 621                                | 401,954   | 742,185                 |
| 84.047  | TRIO - Upward Bound   | 619                                | 394,183   |                         |
| 84.047  | TRIO - Upward Bound   | 620                                | 223,846   |                         |
| 84.047  | TRIO - Upward Bound   | 621                                | 610,506   | 1,228,535               |
| 84.048  | Vocational Education - Basic Grants to States (\$10,858,646 provided to subrecipients)  | 282                                | 12,645,917  |                         |
| 84.048  | Vocational Education - Basic Grants to States (Passed through Iowa Western Community College)                                       | 618                                | 397   | 12,646,314              |
| 84.063  | Federal Pell Grant Program  | 619                                | 8,278,494 *   |                         |
| 84.063  | Federal Pell Grant Program  | 620                                | 12,477,078 *  |                         |
| 84.063  | Federal Pell Grant Program  | 621                                | 7,023,734 *   | 27,779,306              |
| 84.066  | TRIO - Educational Opportunity Centers  | 621                                | 348,974   | 348,974                 |
| 84.069  | Leveraging Education Assistance Partnership   | 284                                | 347,840   | 347,840                 |
| 84.116  | Fund for the Improvement of Postsecondary Education   | 284                                | 800,424   |                         |
| 84.116  | Fund for the Improvement of Postsecondary Education   | 619                                | 5,927 **  |                         |
| 84.116  | Fund for the Improvement of Postsecondary Education (Passed through Indiana University)   | 619                                | 19,517 **   |                         |
| 84.116  | Fund for the Improvement of Postsecondary Education (\$34,498 provided to subrecipients)  | 620                                | 209,662 **  |                         |
| 84.116  | Fund for the Improvement of Postsecondary Education (Passed through University of Nebraska; 2463260131003)                          | 620                                | 2,215 **  |                         |
| 84.116  | Fund for the Improvement of Postsecondary Education (Passed through University of Arkansas; SA0509156)                              | 620                                | 3,302 **  |                         |
| 84.116  | Fund for the Improvement of Postsecondary Education (Passed through University of Kentucky; UKRF46722304106)                        | 620                                | 11,503 **   |                         |
| 84.116  | Fund for the Improvement of Postsecondary Education (Passed through Buck Institute for Education; 4030)                             | 620                                | 5,092 **  |                         |
| 84.116  | Fund for the Improvement of Postsecondary Education (Passed through University of Georgia; RH709005/3582667, RH212071/5812077)      | 620                                | 28,546 **   |                         |
| 84.116  | Fund for the Improvement of Postsecondary Education (Passed through Indian Hills Community College; Development of Bio Engineering) | 620                                | 48,000 **   |                         |
| 84.116  | Fund for the Improvement of Postsecondary Education (Passed through University of Missouri; C000057345HDFS)                         | 620                                | 3,780 **  |                         |
| 84.116  | Fund for the Improvement of Postsecondary Education (Passed through Virginia Tech; CR1922332255)                                    | 620                                | 1,527 **  |                         |
| 84.116  | Fund for the Improvement of Postsecondary Education (\$12,075 provided to subrecipients)  | 621                                | 230,090   |                         |
| 84.116  | Fund for the Improvement of Postsecondary Education (Passed through Des Moines Higher Education)                                    | 621                                | 27,967  | 1,397,552               |
| 84.126  | Rehabilitation Services - Vocational Rehabilitation Grants to States  | 131                                | 7,077,859   |                         |
| 84.126  | Rehabilitation Services - Vocational Rehabilitation Grants to States (\$1,032,245 provided to subrecipients)                        | 283                                | 27,130,983  | 34,208,842              |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number                                  | Federal Department / Program name   | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|---|---|------------------------------------|---|-------------------------|
| <u>U.S. Department of Education (continued)</u> |   |                                    |   |                         |
| 84.129  | Rehabilitation Long-Term Training   | 619                                | 272,685 **  | 272,685                 |
| 84.133  | National Institute on Disability and Rehabilitation Research  | 131                                | 496,401   |                         |
| 84.133  | National Institute on Disability and Rehabilitation Research<br>(\$296,633 provided to subrecipients)   | 619                                | 894,668 **  |                         |
| 84.133  | National Institute on Disability and Rehabilitation Research<br>(Passed through University of Missouri; C00003324-9)                              | 619                                | 9,178 **  |                         |
| 84.133  | National Institute on Disability and Rehabilitation Research<br>(Passed through Georgia Institute of Technology; K-10-826-G6)                     | 619                                | 136,778 **  | 1,537,025               |
| 84.153  | Business and International Education Projects   | 619                                | 50,551 **   |                         |
| 84.153  | Business and International Education Projects   | 621                                | 60,071  | 110,622                 |
| 84.161  | Rehabilitation Services - Client Assistance Program   | 379                                | 90,613  | 90,613                  |
| 84.169  | Independent Living - State Grants   | 131                                | 41,702  |                         |
| 84.169  | Independent Living - State Grants   | 283                                | 198,791   | 240,493                 |
| 84.173  | Special Education - Preschool Grants (\$3,650,379 provided to<br>subrecipients)   | 282                                | 3,977,046   | 3,977,046               |
| 84.177  | Rehabilitation Services - Independent Living Services for Older<br>Individuals Who Are Blind  | 131                                | 348,518   | 348,518                 |
| 84.181  | Special Education - Grants for Infants and Families with<br>Disabilities (\$2,852,334 provided to subrecipients)                                  | 282                                | 4,049,719   | 4,049,719               |
| 84.184  | Safe and Drug-Free Schools and Communities - National Programs<br>(\$225,441 provided to subrecipients)   | 282                                | 323,902   |                         |
| 84.184  | Safe and Drug-Free Schools and Communities - National Programs  | 619                                | 47,565 **   |                         |
| 84.184  | Safe and Drug-Free Schools and Communities - National Programs<br>(Passed through Washington Community School District;<br>Reconnecting Families) | 620                                | 136,136 **  |                         |
| 84.184  | Safe and Drug-Free Schools and Communities - National Programs<br>(Passed through Sioux Central Community School; Healthy<br>Choices)             | 620                                | 9,933 **  | 517,536                 |
| 84.185  | Byrd Honors Scholarships (\$387,000 provided to subrecipients)  | 282                                | 387,000   | 387,000                 |
| 84.186  | Safe and Drug-Free Schools and Communities - State Grants<br>(\$2,590,299 provided to subrecipients)  | 282                                | 2,758,796   |                         |
| 84.186  | Safe and Drug-Free Schools and Communities - State Grants<br>(\$450,231 provided to subrecipients)  | 588                                | 523,422   | 3,282,218               |
| 84.187  | Supported Employment Services for Individuals with Severe<br>Disabilities   | 131                                | 49,937  |                         |
| 84.187  | Supported Employment Services for Individuals with Severe<br>Disabilities   | 283                                | 273,729   | 323,666                 |
| 84.195  | Bilingual Education - Professional Development  | 621                                | 14,824  | 14,824                  |
| 84.196  | Education for Homeless Children and Youth (\$274,912 provided<br>to subrecipients)  | 282                                | 348,119   | 348,119                 |
| 84.200  | Graduate Assistance in Areas of National Need   | 619                                | 602,610 **  | 602,610                 |
| 84.206  | Javits Gifted and Talented Students Education Grant Program<br>(\$164,707 provided to subrecipients)  | 282                                | 189,114   | 189,114                 |
| 84.213  | Even Start - State Educational Agencies (\$1,006,094 provided to<br>subrecipients)  | 282                                | 1,062,487   | 1,062,487               |
| 84.215  | Fund for the Improvement of Education (\$15,976,373 provided to<br>subrecipients)   | 282                                | 16,508,610  |                         |
| 84.215  | Fund for the Improvement of Education   | 285                                | 1,669,881   |                         |
| 84.215  | Fund for the Improvement of Education (\$390,318 provided to<br>subrecipients)  | 619                                | 1,276,455 **  |                         |
| 84.215  | Fund for the Improvement of Education (Passed through Area<br>Education Agency 267)   | 619                                | 98,253 **   |                         |
| 84.215  | Fund for the Improvement of Education (Passed through Clinton<br>Community School District)   | 619                                | 2,967 **  |                         |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number                                  | Federal Department / Program name  | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|---|--|------------------------------------|---|-------------------------|
| <u>U.S. Department of Education (continued)</u> |  |                                    |   |                         |
| 84.215  | Fund for the Improvement of Education (Passed through Washington Community School District)  | 619                                | 120,588 **  |                         |
| 84.215  | Fund for the Improvement of Education (Passed through Polk County Agricultural Extension; Project Best Fit)  | 620                                | 51,499 **   |                         |
| 84.215  | Fund for the Improvement of Education (Passed through Iowa Association of School Boards; Evaluation of Lighthouse)   | 620                                | 15,216 **   |                         |
| 84.215  | Fund for the Improvement of Education (\$59,000 provided to subrecipients)   | 621                                | 1,237,268   | 20,980,737              |
| 84.217  | TRIO - McNair Post-Baccalaureate Achievement   | 620                                | 218,730 **  |                         |
| 84.217  | TRIO - McNair Post-Baccalaureate Achievement   | 621                                | 211,093   | 429,823                 |
| 84.224  | Assistive Technology (\$139,966 provided to subrecipients)   | 619                                | 292,428 **  | 292,428                 |
| 84.229  | Language Resource Centers (\$84,354 provided to subrecipients)   | 620                                | 312,360 **  | 312,360                 |
| 84.235  | Rehabilitation Services Demonstration and Training Programs  | 131                                | 248,546   |                         |
| 84.235  | Rehabilitation Services Demonstration and Training Programs  | 283                                | 60,705  | 309,251                 |
| 84.243  | Tech-Prep Education (\$1,188,687 provided to subrecipients)  | 282                                | 1,249,494   | 1,249,494               |
| 84.264  | Rehabilitation Training - Continuing Education (Passed through University of Missouri; CG005052-1)   | 619                                | 24,762 **   | 24,762                  |
| 84.265  | Rehabilitation Training - State Vocational Rehabilitation Unit In-Service Training   | 131                                | 17,367  |                         |
| 84.265  | Rehabilitation Training - State Vocational Rehabilitation Unit In-Service Training   | 283                                | 75,625  | 92,992                  |
| 84.268  | Federal Direct Student Loans   | 619                                | 132,001,987 *   |                         |
| 84.268  | Federal Direct Student Loans   | 620                                | 96,627,492 *  |                         |
| 84.268  | Federal Direct Student Loans   | 621                                | 55,872,720 *  | 284,502,199             |
| 84.282  | Charter Schools (\$250,000 provided to subrecipients)  | 282                                | 301,613   | 301,613                 |
| 84.286  | Ready to Teach (Passed through Public Broadcasting Service)  | 285                                | 20,775  | 20,775                  |
| 84.287  | Twenty-First Century Community Learning Centers (\$4,002,982 provided to subrecipients)  | 282                                | 4,114,209   |                         |
| 84.287  | Twenty-First Century Community Learning Centers (Passed through Waterloo Community Schools)  | 621                                | 36,457  | 4,150,666               |
| 84.293  | Foreign Language Assistance (Passed through East Brunswick Public Schools; PY502665)   | 620                                | 8,000   |                         |
| 84.293  | Foreign Language Assistance (Passed through West Des Moines School; Continue Evaluation)   | 620                                | 2,606   | 10,606                  |
| 84.295  | Ready-to-Learn Television (Passed through Public Broadcasting Service)   | 285                                | 64,548  | 64,548                  |
| 84.298  | State Grants for Innovative Programs (\$2,308,161 provided to subrecipients)   | 282                                | 2,823,814   | 2,823,814               |
| 84.302  | Regional Technology in Education Consortia   | 285                                | 20,125  | 20,125                  |
| 84.305  | Education Research, Development and Dissemination (\$731,672 provided to subrecipients)  | 619                                | 890,155 **  |                         |
| 84.305  | Education Research, Development and Dissemination (Passed through University of Wisconsin; 255G824)  | 619                                | 6,992 **  | 897,147                 |
| 84.318  | Education Technology State Grants (\$3,139,093 provided to subrecipients)  | 282                                | 3,765,394   | 3,765,394               |
| 84.323  | Special Education - State Program Improvement Grants for Children with Disabilities (\$68,402 provided to subrecipients)                                   | 282                                | 385,925   | 385,925                 |
| 84.324  | Special Education - Research and Innovation to Improve Services and Results for Children with Disabilities   | 620                                | 134,831 **  |                         |
| 84.324  | Special Education - Research and Innovation to Improve Services and Results for Children with Disabilities (Passed through University of Minnesota; 61824) | 620                                | 34,931 **   |                         |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number                                  | Federal Department / Program name   | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|---|---|------------------------------------|---|-------------------------|
| <u>U.S. Department of Education (continued)</u> |   |                                    |   |                         |
| 84.324  | Special Education - Research and Innovation to Improve Services and Results for Children with Disabilities                                  | 621                                | 158,049 **  |                         |
| 84.324  | Special Education - Research and Innovation to Improve Services and Results for Children with Disabilities                                  | 621                                | 230,527   | 558,338                 |
| 84.325  | Special Education - Personnel Preparation to Improve Services and Results for Children with Disabilities                                    | 619                                | 44,316 **   |                         |
| 84.325  | Special Education - Personnel Preparation to Improve Services and Results for Children with Disabilities                                    | 621                                | 292,823   |                         |
| 84.325  | Special Education - Personnel Preparation to Improve Services and Results for Children with Disabilities (Passed through Xavier University) | 621                                | 19,560  | 356,699                 |
| 84.326  | Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities                   | 282                                | 207,787   | 207,787                 |
| 84.329  | Special Education - Studies and Evaluations (Passed through Colorado State University; P310619)   | 620                                | 8,157 **  | 8,157                   |
| 84.330  | Advanced Placement Program (\$11,232 provided to subrecipients)   | 282                                | 438,816   | 438,816                 |
| 84.331  | Grants to States for Incarcerated Youth Offenders   | 252                                | 166,059   | 166,059                 |
| 84.332  | Comprehensive School Reform Demonstration (\$2,511,000 provided to subrecipients)   | 282                                | 2,608,864   | 2,608,864               |
| 84.334  | Gaining Early Awareness and Readiness for Undergraduate Programs  | 621                                | 195,359   | 195,359                 |
| 84.335  | Child Care Access Means Parents in School (\$12,629 provided to subrecipients)  | 619                                | 42,975 **   |                         |
| 84.335  | Child Care Access Means Parents in School (\$45,996 provided to subrecipients)  | 620                                | 51,231 **   |                         |
| 84.335  | Child Care Access Means Parents in School   | 621                                | 55,563  | 149,769                 |
| 84.336  | Teacher Quality Enhancement Grants (Passed through Western Kentucky University)   | 621                                | 4,672   | 4,672                   |
| 84.339  | Learning Anytime Anywhere Partnerships (\$67,538 provided to subrecipients)   | 619                                | 171,354 **  |                         |
| 84.339  | Learning Anytime Anywhere Partnerships  | 620                                | 383,175 **  | 554,529                 |
| 84.341  | Community Technology Centers  | 621                                | 152,273   | 152,273                 |
| 84.343  | Assistive Technology - State Grants for Protection and Advocacy   | 619                                | 50,000 **   | 50,000                  |
| 84.346  | Vocational Education - Occupational and Employment Information State Grants   | 282                                | 89,816  | 89,816                  |
| 84.348  | Title I Accountability Grants   | 282                                | 7,074   | 7,074                   |
| 84.352  | School Renovation Grants (\$423,989 provided to subrecipients)  | 282                                | 423,989   | 423,989                 |
| 84.357  | Reading First State Grants (\$4,264,394 provided to subrecipients)  | 282                                | 5,128,331   | 5,128,331               |
| 84.365  | English Language Acquisition Grants (\$1,983,993 provided to subrecipients)   | 282                                | 2,170,912   | 2,170,912               |
| 84.366  | Mathematics and Science Partnerships (\$351,500 provided to subrecipients)  | 282                                | 372,706   | 372,706                 |
| 84.367  | Improving Teacher Quality State Grants (\$20,709,027 provided to subrecipients)   | 282                                | 21,232,461  |                         |
| 84.367  | Improving Teacher Quality State Grants  | 615                                | 526,105   | 21,758,566              |
| 84.369  | Grants for State Assessments and Related Activities (\$3,258,352 provided to subrecipients)   | 282                                | 4,228,675   | 4,228,675               |
| 84.928  | National Writing Project (Passed through National Writing Project Corporation)  | 621                                | 80,975  | 80,975                  |
| 84.000  | Other Federal Assistance:   |                                    |   |                         |
|   | American Printing House for the Blind Federal Quota Grant   | 617                                | 3,678   |                         |
|   | Unknown Title (Passed through Heartland Area Education Agency 11; E2T2 Consortium Evaluation)   | 620                                | 35,170 **   |                         |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number                                      | Federal Department / Program name   | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|---|---|------------------------------------|---|-------------------------|
| <u>U.S. Department of Education (continued)</u>     |   |                                    |   |                         |
|   | Unknown Title (Passed through Heartland Area Education Agency; Iowa Professional Development)   | 620                                | 74,731 **   |                         |
|   | Unknown Title (Passed through School Administrators of Iowa; 37803)   | 620                                | 2,107 **  | 115,686                 |
|   | Total U.S. Department of Education  |                                    | 688,614,142   | 688,614,142             |
| <u>National Archives and Records Administration</u> |   |                                    |   |                         |
| 89.003  | National Historical Publications and Records Grants   | 259                                | 87,199  | 87,199                  |
|   | Total National Archives and Records Administration  |                                    | 87,199  | 87,199                  |
| <u>U.S. Institute of Peace</u>                      |   |                                    |   |                         |
| 91.001  | Unsolicited Grant Program   | 619                                | 20,121 **   | 20,121                  |
|   | Total U.S. Institute of Peace   |                                    | 20,121  | 20,121                  |
| <u>U.S. Department of Health and Human Services</u> |   |                                    |   |                         |
| 93.006  | State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program (\$119,462 provided to subrecipients) | 620                                | 256,654 **  | 256,654                 |
| 93.041  | Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation                         | 297                                | 60,378  | 60,378                  |
| 93.042  | Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals                                   | 297                                | 226,059   | 226,059                 |
| 93.043  | Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services (\$238,499 provided to subrecipients)       | 297                                | 251,342   | 251,342                 |
| 93.044  | Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers (\$3,826,904 provided to subrecipients)    | 297                                | 4,153,373   | 4,153,373               |
| 93.045  | Special Programs for the Aging - Title III, Part C - Nutrition Services (\$6,808,136 provided to subrecipients)                                   | 297                                | 7,185,613   | 7,185,613               |
| 93.048  | Special Programs for the Aging - Title IV - and Title II - Discretionary Projects (\$244,687 provided to subrecipients)                           | 297                                | 2,279,674   |                         |
| 93.048  | Special Programs for the Aging - Title IV - and Title II - Discretionary Projects   | 620                                | 95,285 **   | 2,374,959               |
| 93.051  | Alzheimer's Disease Demonstration Grants to States (\$247,478 provided to subrecipients)  | 297                                | 266,648   | 266,648                 |
| 93.052  | National Family Caregiver Support (\$1,815,368 provided to subrecipients)   | 297                                | 1,914,386   | 1,914,386               |
| 93.053  | Nutrition Services Incentive Program (\$1,685,797 provided to subrecipients) (note 2)   | 297                                | 1,685,797   | 1,685,797               |
| 93.103  | Food and Drug Administration - Research   | 427                                | 2,792   |                         |
| 93.103  | Food and Drug Administration - Research   | 619                                | 238,361 **  |                         |
| 93.103  | Food and Drug Administration - Research (Passed through Massachusetts General Hospital; FD-R-001968-01)   | 619                                | 5,046 **  | 246,199                 |
| 93.110  | Maternal and Child Health Federal Consolidated Programs (\$353,312 provided to subrecipients)   | 588                                | 799,391   |                         |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number  | Federal Department / Program name  | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|---|--|------------------------------------|---|-------------------------|
| <u>U.S. Department of Health and Human Services (continued)</u> |  |                                    |   |                         |
| 93.110  | Maternal and Child Health Federal Consolidated Programs<br>(\$6,000 provided to subrecipients)   | 619                                | 1,247,865 **  |                         |
| 93.110  | Maternal and Child Health Federal Consolidated Programs<br>(Passed through Children's Mercy Hospitals and Clinics;<br>04-0006, 04-0019, 05/0005)   | 619                                | 142,315 **  |                         |
| 93.110  | Maternal and Child Health Federal Consolidated Programs<br>(Passed through Family Voices; 2004-108)  | 619                                | 42,331 **   | 2,231,902               |
| 93.113  | Biological Response to Environmental Health Hazards  | 619                                | 486,886 **  |                         |
| 93.113  | Biological Response to Environmental Health Hazards (Passed<br>through Columbia University; 3)   | 619                                | 21,330 **   |                         |
| 93.113  | Biological Response to Environmental Health Hazards (\$304,136<br>provided to subrecipients)   | 620                                | 1,641,544 **  | 2,149,760               |
| 93.115  | Biometry and Risk Estimation - Health Risks from Environmental<br>Exposures (\$32,931 provided to subrecipients)                                   | 619                                | 1,019,534 **  |                         |
| 93.115  | Biometry and Risk Estimation - Health Risks from Environmental<br>Exposures (Passed through University of California San<br>Francisco; 9000004558) | 619                                | 1,054 **  |                         |
| 93.115  | Biometry and Risk Estimation - Health Risks from Environmental<br>Exposures (\$27,768 provided to subrecipients)                                   | 621                                | 121,615 **  | 1,142,203               |
| 93.116  | Project Grants and Cooperative Agreements for Tuberculosis<br>Control Programs (\$283,265 provided to subrecipients)                               | 588                                | 508,902   | 508,902                 |
| 93.121  | Oral Diseases and Disorders Research (\$1,233,195 provided to<br>subrecipients)  | 619                                | 7,887,950 **  |                         |
| 93.121  | Oral Diseases and Disorders Research (Passed through Albany<br>Medical College; 515162)  | 619                                | 25,259 **   |                         |
| 93.121  | Oral Diseases and Disorders Research (Passed through Mattek<br>Corporation)  | 619                                | 17,289 **   |                         |
| 93.121  | Oral Diseases and Disorders Research (Passed through University<br>of Kentucky; UKRF-4-67374-04-223)   | 619                                | 12,675 **   | 7,943,173               |
| 93.124  | Nurse Anesthetist Traineeships   | 619                                | 4,884 **  | 4,884                   |
| 93.127  | Emergency Medical Services for Children (\$12,405 provided to<br>subrecipients)  | 588                                | 77,850  |                         |
| 93.127  | Emergency Medical Services for Children (\$19,726 provided to<br>subrecipients)  | 619                                | 175,172 **  |                         |
| 93.127  | Emergency Medical Services for Children (Passed through<br>University of Southern Denmark)   | 619                                | 190,027 **  | 443,049                 |
| 93.130  | Primary Care Services - Resource Coordination and Development<br>(\$11,500 provided to subrecipients)  | 588                                | 194,471   | 194,471                 |
| 93.135  | Centers for Research and Demonstration for Health Promotion<br>and Disease Prevention (\$23,568 provided to subrecipients)                         | 619                                | 661,273 **  | 661,273                 |
| 93.136  | Injury Prevention and Control Research and State and Community<br>Based Programs (\$357,601 provided to subrecipients)                             | 588                                | 455,925   |                         |
| 93.136  | Injury Prevention and Control Research and State and Community<br>Based Programs (\$25,032 provided to subrecipients)                              | 619                                | 1,245,811 **  |                         |
| 93.136  | Injury Prevention and Control Research and State and Community<br>Based Programs   | 620                                | 58,076 **   |                         |
| 93.136  | Injury Prevention and Control Research and State and Community<br>Based Programs   | 621                                | 44,981 **   | 1,804,793               |
| 93.143  | NIEHS Superfund Hazardous Substances - Basic Research and<br>Education (Passed through University of Kentucky;<br>4-63692-03-414)                  | 619                                | 122,638 **  |                         |
| 93.143  | NIEHS Superfund Hazardous Substances - Basic Research and<br>Education (Passed through University of Illinois at Chicago;<br>2-5-34361)            | 619                                | 16,692 **   | 139,330                 |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number  | Federal Department / Program name  | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|---|--|------------------------------------|---|-------------------------|
| <u>U.S. Department of Health and Human Services (continued)</u> |  |                                    |   |                         |
| 93.145  | AIDS Education and Training Centers (Passed through University of Illinois at Chicago; 2-5-20728-5611, 2-5-23011-5612)   | 619                                | 102,866 **  | 102,866                 |
| 93.150  | Projects for Assistance in Transition from Homelessness (PATH) (\$293,366 provided to subrecipients)   | 401                                | 304,610   | 304,610                 |
| 93.155  | Rural Health Research Centers  | 619                                | 10,450 **   | 10,450                  |
| 93.156  | Geriatric Training for Physicians, Dentists, and Behavioral/<br>Mental Health Professionals  | 619                                | 200,329 **  | 200,329                 |
| 93.161  | Health Program for Toxic Substances and Disease Registry   | 588                                | 135,134   |                         |
| 93.161  | Health Program for Toxic Substances and Disease Registry<br>(Passed through Association of Occupational and Environmental<br>Clinics; U50/ATU300014)   | 619                                | 58,843 **   | 193,977                 |
| 93.165  | Grants for State Loan Repayment (\$120,000 provided to<br>subrecipients)   | 588                                | 120,000   | 120,000                 |
| 93.172  | Human Genome Research  | 619                                | 139,233 **  |                         |
| 93.172  | Human Genome Research (Passed through University of<br>Washington)   | 619                                | 65,054 **   |                         |
| 93.172  | Human Genome Research (Passed through Dana-Farber Cancer<br>Institute; 1R33HG002708-1A1)   | 619                                | 11,507 **   |                         |
| 93.172  | Human Genome Research  | 620                                | 15,900 **   |                         |
| 93.172  | Human Genome Research (Passed through Washington<br>University; PO29969M/WU0403, WU0530PO29422Q)   | 620                                | 92,700 **   | 324,394                 |
| 93.173  | Research Related to Deafness and Communication Disorders<br>(\$616,836 provided to subrecipients)  | 619                                | 8,846,049 **  |                         |
| 93.173  | Research Related to Deafness and Communication Disorders<br>(Passed through Massachusetts Eye and Ear Infirmary;<br>U01DC006296-01A1)  | 619                                | 103,537 **  |                         |
| 93.173  | Research Related to Deafness and Communication Disorders<br>(Passed through Salk Institute for Biological Studies; 502053)   | 619                                | 18,505 **   |                         |
| 93.173  | Research Related to Deafness and Communication Disorders<br>(Passed through University of Illinois; 2003-03433-02) (\$22,495<br>provided to subrecipients)                                       | 619                                | 143,593 **  |                         |
| 93.173  | Research Related to Deafness and Communication Disorders<br>(Passed through Creighton University; 5R01DC005009)  | 619                                | 103,295 **  |                         |
| 93.173  | Research Related to Deafness and Communication Disorders<br>(Passed through University of Texas; UTA01-511)  | 619                                | 68,474 **   |                         |
| 93.173  | Research Related to Deafness and Communication Disorders<br>(Passed through Johns Hopkins University; 840753681)   | 620                                | 21,053 **   | 9,304,506               |
| 93.184  | Disabilities Prevention (\$206,865 provided to subrecipients)  | 588                                | 478,443   |                         |
| 93.184  | Disabilities Prevention  | 619                                | 823,364 **  | 1,301,807               |
| 93.197  | Childhood Lead Poisoning Prevention Projects - State and Local<br>Childhood Lead Poisoning Prevention and Surveillance of Blood<br>Lead Levels in Children (\$365,391 provided to subrecipients) | 588                                | 756,141   | 756,141                 |
| 93.212  | Chiropractic Demonstration Project Grants (Passed through<br>Palmer Chiropractic University; 6 R18HP01423-02)  | 619                                | 27,503 **   | 27,503                  |
| 93.213  | Research and Training in Complementary and Alternative<br>Medicine   | 619                                | 58,751 **   |                         |
| 93.213  | Research and Training in Complementary and Alternative<br>Medicine (Passed through University of Connecticut; 02-0729,<br>456904)  | 619                                | 45,918 **   | 104,669                 |
| 93.217  | Family Planning - Services (\$908,981 provided to subrecipients)   | 588                                | 1,033,742   |                         |
| 93.217  | Family Planning - Services (Passed through Family Planning<br>Council of Iowa; 399-FY2005)   | 619                                | 58,932 **   | 1,092,674               |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number  | Federal Department / Program name   | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|---|---|------------------------------------|---|-------------------------|
| <u>U.S. Department of Health and Human Services (continued)</u> |   |                                    |   |                         |
| 93.226  | Research on Healthcare Costs, Quality and Outcomes  | 619                                | 1,201,286 **  |                         |
| 93.226  | Research on Healthcare Costs, Quality and Outcomes (Passed through Trinity Health; 1UC1HS015196)                                  | 619                                | 21,899 **   |                         |
| 93.226  | Research on Healthcare Costs, Quality and Outcomes (Passed through University of Pittsburgh; 106524)                              | 619                                | 149,795 **  | 1,372,980               |
| 93.230  | Consolidated Knowledge Development and Application (KD&A) Program   | 401                                | 9   |                         |
| 93.230  | Consolidated Knowledge Development and Application (KD&A) Program (\$3,105,300 provided to subrecipients)                         | 588                                | 3,343,249   |                         |
| 93.230  | Consolidated Knowledge Development and Application (KD&A) Program (\$181,005 provided to subrecipients)                           | 619                                | 941,199 **  |                         |
| 93.230  | Consolidated Knowledge Development and Application (KD&A) Program (Passed through Employee and Family Resources; KD1TI13708)      | 619                                | 16,728 **   |                         |
| 93.230  | Consolidated Knowledge Development and Application (KD&A) Program   | 620                                | 108,139 **  |                         |
| 93.230  | Consolidated Knowledge Development and Application (KD&A) Program (Passed through Henry County Ag Extension; State Incentive)     | 620                                | 38,420 **   | 4,447,744               |
| 93.234  | Traumatic Brain Injury - State Demonstration Grant Program (\$15,873 provided to subrecipients)                                   | 588                                | 47,129  | 47,129                  |
| 93.235  | Abstinence Education (\$182,202 provided to subrecipients)  | 588                                | 261,985   | 261,985                 |
| 93.236  | Grants for Dental Public Health Residency Training  | 619                                | 169,982 **  | 169,982                 |
| 93.238  | Cooperative Agreements for State Treatment Outcomes and Performance Pilot Studies Enhancement                                     | 588                                | 130,599   | 130,599                 |
| 93.239  | Policy Research and Evaluation Grants   | 401                                | 51,154  |                         |
| 93.239  | Policy Research and Evaluation Grants (Passed through University of Missouri; CG005179)   | 620                                | 10,000 **   | 61,154                  |
| 93.240  | State Capacity Building   | 588                                | 271,932   | 271,932                 |
| 93.241  | State Rural Hospital Flexibility Program (\$316,268 provided to subrecipients)  | 588                                | 523,787   | 523,787                 |
| 93.242  | Mental Health Research Grants (\$576,237 provided to subrecipients)   | 619                                | 10,023,169 **   |                         |
| 93.242  | Mental Health Research Grants (Passed through Northwestern University; 0600 520 S310)   | 619                                | 132,823 **  |                         |
| 93.242  | Mental Health Research Grants (Passed through University of Cincinnati; P021-040-N691-1109)                                       | 619                                | 18,540 **   |                         |
| 93.242  | Mental Health Research Grants (Passed through University of Maryland)   | 619                                | 120,812 **  |                         |
| 93.242  | Mental Health Research Grants (Passed through University of North Carolina; 5-32168, 5-33484, 5-51891, 5-52396)                   | 619                                | 192,254 **  |                         |
| 93.242  | Mental Health Research Grants (\$346,633 provided to subrecipients)   | 620                                | 1,189,182 **  |                         |
| 93.242  | Mental Health Research Grants (Passed through University of Georgia; RR274216/6330317)  | 620                                | 141,943 **  | 11,818,723              |
| 93.243  | Substance Abuse and Mental Health Services - Projects of Regional and National Significance                                       | 401                                | 154,839   |                         |
| 93.243  | Substance Abuse and Mental Health Services - Projects of Regional and National Significance (\$478,536 provided to subrecipients) | 588                                | 506,512   |                         |
| 93.243  | Substance Abuse and Mental Health Services - Projects of Regional and National Significance (\$26,870 provided to subrecipients)  | 620                                | 48,276 **   |                         |



State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number  | Federal Department / Program name   | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|---|---|------------------------------------|---|-------------------------|
| <u>U.S. Department of Health and Human Services (continued)</u> |   |                                    |   |                         |
| 93.243  | Substance Abuse and Mental Health Services - Projects of<br>Regional and National Significance (\$137,882 provided to<br>subrecipients)                 | 642                                | 145,139   | 854,766                 |
| 93.245  | Innovative Food Safety Projects (\$606,864 provided to<br>subrecipients)  | 282                                | 606,864   | 606,864                 |
| 93.247  | Advanced Education Nursing Grant Program  | 619                                | 261,830 **  | 261,830                 |
| 93.249  | Public Health Training Centers Grant Program  | 619                                | 463,266 **  | 463,266                 |
| 93.250  | Geriatric Academic Career Awards  | 619                                | 13,901 **   | 13,901                  |
| 93.251  | Universal Newborn Hearing Screening   | 619                                | 60,375 **   | 60,375                  |
| 93.259  | Rural Access to Emergency Devices Grant (\$264,126 provided to<br>subrecipients)  | 588                                | 270,873   | 270,873                 |
| 93.260  | Family Planning - Personnel Training (Passed through<br>Development Systems, Inc.)  | 619                                | 1,111 **  | 1,111                   |
| 93.262  | Occupational Safety and Health Research Projects (\$366,546<br>provided to subrecipients)   | 619                                | 903,840 **  |                         |
| 93.262  | Occupational Safety and Health Research Projects (Passed<br>through Center to Protect Workers' Rights; 1020-04) (\$17,490<br>provided to subrecipients) | 619                                | 76,079 **   | 979,919                 |
| 93.263  | Occupational Safety and Health - Training Grants (\$13,588<br>provided to subrecipients)  | 619                                | 1,291,049 **  | 1,291,049               |
| 93.264  | Nurse Faculty Loan Program (NFLP)   | 619                                | 49,000  | 49,000                  |
| 93.268  | Immunization Grants (\$9,496,219 provided to subrecipients) (note 2)  | 588                                | 10,715,742  | 10,715,742              |
| 93.271  | Alcohol Research Career Development Awards for Scientists and<br>Clinicians   | 619                                | 110,580 **  | 110,580                 |
| 93.272  | Alcohol National Research Service Awards for Research Training  | 619                                | 34,053 **   | 34,053                  |
| 93.273  | Alcohol Research Programs   | 619                                | 2,032,858 **  |                         |
| 93.273  | Alcohol Research Programs (Passed through State University of<br>New York; 1009189)   | 619                                | 421,345 **  |                         |
| 93.273  | Alcohol Research Programs (\$243,967 provided to subrecipients)   | 620                                | 639,272 **  |                         |
| 93.273  | Alcohol Research Programs (Passed through University of<br>Georgia; RR2741812264297)  | 620                                | 100,698 **  |                         |
| 93.273  | Alcohol Research Programs (Passed through Calvin College;<br>CC251)   | 620                                | 172,511 **  |                         |
| 93.273  | Alcohol Research Programs   | 621                                | 41,663 **   | 3,408,347               |
| 93.276  | Drug-Free Communities Support Program Grants (Passed through<br>Boone County Ag Extension; 200450461IAND)   | 620                                | 4,187 **  | 4,187                   |
| 93.279  | Drug Abuse Research Programs (\$18,324 provided to<br>subrecipients)  | 619                                | 2,754,718 **  |                         |
| 93.279  | Drug Abuse Research Programs (\$1,566,865 provided to<br>subrecipients)   | 620                                | 4,042,128 **  |                         |
| 93.279  | Drug Abuse Research Programs (Passed through Duke University;<br>3037033)   | 620                                | 36,604 **   | 6,833,450               |
| 93.281  | Mental Health Research Career/Scientist Development Awards  | 619                                | 846,286 **  | 846,286                 |
| 93.282  | Mental Health National Research Service Awards for Research<br>Training   | 619                                | 318,860 **  | 318,860                 |
| 93.283  | Centers for Disease Control and Prevention - Investigations and<br>Technical Assistance   | 583                                | 133,326   |                         |
| 93.283  | Centers for Disease Control and Prevention - Investigations and<br>Technical Assistance (\$13,509,151 provided to subrecipients)                        | 588                                | 19,606,948  |                         |
| 93.283  | Centers for Disease Control and Prevention - Investigations and<br>Technical Assistance (\$18,550 provided to subrecipients)                            | 619                                | 2,052,331 **  |                         |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number  | Federal Department / Program name  | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|---|--|------------------------------------|---|-------------------------|
| <u>U.S. Department of Health and Human Services (continued)</u> |  |                                    |   |                         |
| 93.283  | Centers for Disease Control and Prevention - Investigations and Technical Assistance (Passed through Association of Public Health Laboratories)  | 619                                | 94,138 **   |                         |
| 93.283  | Centers for Disease Control and Prevention - Investigations and Technical Assistance (Passed through Association of Schools of Public Health; A1012-21/22, D3309-23/23, S1689-21/23, S3111-23/23) (\$38,892 provided to subrecipients) | 619                                | 978,377 **  |                         |
| 93.283  | Centers for Disease Control and Prevention - Investigations and Technical Assistance (Passed through Association of American Medical Colleges; MM-0822-04/04)  | 619                                | 179,292 **  |                         |
| 93.283  | Centers for Disease Control and Prevention - Investigations and Technical Assistance (Passed through Association of Teachers of Preventative Medicine; TS-0652)  | 619                                | 41,477 **   |                         |
| 93.283  | Centers for Disease Control and Prevention - Investigations and Technical Assistance (Passed through Children's Hospital of Los Angeles)   | 619                                | 15,000 **   |                         |
| 93.283  | Centers for Disease Control and Prevention - Investigations and Technical Assistance (Passed through Children's Mercy Hospitals and Clinics; 03-0026)  | 619                                | 23,844 **   |                         |
| 93.283  | Centers for Disease Control and Prevention - Investigations and Technical Assistance (Passed through Health Research, Inc.; 2433-01, 2433-02, 2620-1)  | 619                                | 169,623 **  |                         |
| 93.283  | Centers for Disease Control and Prevention - Investigations and Technical Assistance (Passed through University of Alabama at Birmingham; 040)   | 619                                | 19,357 **   |                         |
| 93.283  | Centers for Disease Control and Prevention - Investigations and Technical Assistance (Passed through University of Minnesota; B6367576101)   | 619                                | 21,522 **   |                         |
| 93.283  | Centers for Disease Control and Prevention - Investigations and Technical Assistance   | 620                                | 1,260,220 **  |                         |
| 93.283  | Centers for Disease Control and Prevention - Investigations and Technical Assistance   | 621                                | 626,859   | 25,222,314              |
| 93.286  | Discovery and Applied Research (\$334,106 provided to subrecipients)   | 619                                | 1,929,829 **  |                         |
| 93.286  | Discovery and Applied Research (Passed through Brigham and Women's Hospital; 143611)   | 619                                | 18,398 **   |                         |
| 93.286  | Discovery and Applied Research   | 620                                | 113,370 **  | 2,061,597               |
| 93.287  | Bioengineering Research  | 619                                | 92,015 **   | 92,015                  |
| 93.301  | Small Rural Hospital Improvement Grants (\$26,447 provided to subrecipients)   | 588                                | 603,308   | 603,308                 |
| 93.307  | Loan Repayment for Health Disparities Research   | 621                                | 302,303   | 302,303                 |
| 93.342  | Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students  | 619                                | 1,393,297 *   |                         |
| 93.342  | Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students  | 620                                | 494,483 *   | 1,887,780               |
| 93.358  | Advanced Education Nursing Traineeships  | 619                                | 40,264 **   | 40,264                  |
| 93.361  | Nursing Research (\$146,877 provided to subrecipients)   | 619                                | 2,765,430 **  | 2,765,430               |
| 93.364  | Nursing Student Loans  | 619                                | 498,296 *   | 498,296                 |
| 93.389  | National Center for Research Resources   | 619                                | 8,174,528 **  |                         |
| 93.389  | National Center for Research Resources (Passed through University of California, Irvine; 2003-1250)  | 619                                | 440,945 **  |                         |
| 93.389  | National Center for Research Resources (Passed through University of Texas Medical Branch; 05-028)   | 619                                | 8,247 **  |                         |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number  | Federal Department / Program name   | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|---|---|------------------------------------|---|-------------------------|
| <u>U.S. Department of Health and Human Services (continued)</u> |   |                                    |   |                         |
| 93.389  | National Center for Research Resources (\$4,000 provided to subrecipients)  | 620                                | 187,710 **  | 8,811,430               |
| 93.393  | Cancer Cause and Prevention Research (\$222,145 provided to subrecipients)  | 619                                | 7,324,771 **  |                         |
| 93.393  | Cancer Cause and Prevention Research (Passed through Brigham and Women's Hospital; 30102)                         | 619                                | 2,000 **  |                         |
| 93.393  | Cancer Cause and Prevention Research (Passed through University of Wisconsin-Madison; 336F361)                    | 619                                | 38,823 **   |                         |
| 93.393  | Cancer Cause and Prevention Research (Passed through Mt. Sinai Medical Center; 0255-6155-4609)                    | 619                                | 7,979 **  |                         |
| 93.393  | Cancer Cause and Prevention Research (Passed through University of Minnesota; S6636193120)                        | 619                                | 12,721 **   |                         |
| 93.393  | Cancer Cause and Prevention Research (Passed through University of North Carolina; W504037)                       | 619                                | 471 **  |                         |
| 93.393  | Cancer Cause and Prevention Research (Passed through Wake Forest University; N01-WH-4-4221)                       | 619                                | 123,691 **  |                         |
| 93.393  | Cancer Cause and Prevention Research (Passed through Yeshiva University; 9-526-3878)                              | 619                                | 13,942 **   |                         |
| 93.393  | Cancer Cause and Prevention Research  | 620                                | 31,686 **   |                         |
| 93.393  | Cancer Cause and Prevention Research (Passed through University of Florida; UF02005, CA085295)                    | 620                                | 79,531 **   | 7,635,615               |
| 93.394  | Cancer Detection and Diagnosis Research   | 619                                | 463,349 **  |                         |
| 93.394  | Cancer Detection and Diagnosis Research (Passed through American College of Radiology; CA80098, 6652, 6654, 6660) | 619                                | 777,049 **  |                         |
| 93.394  | Cancer Detection and Diagnosis Research (Passed through Pennsylvania State University; 2605-UI-DHHS-4325)         | 619                                | 32,051 **   |                         |
| 93.394  | Cancer Detection and Diagnosis Research (Passed through University of Oklahoma; 2004-23)                          | 619                                | 23,297 **   |                         |
| 93.394  | Cancer Detection and Diagnosis Research   | 620                                | 256,053 **  |                         |
| 93.394  | Cancer Detection and Diagnosis Research (Passed through University of California; 10225622)                       | 620                                | 117,303 **  |                         |
| 93.394  | Cancer Detection and Diagnosis Research (Passed through Molecular Express, Inc.; 0321, Aptamers for Imaging)      | 620                                | 33,167 **   | 1,702,269               |
| 93.395  | Cancer Treatment Research (\$13,392 provided to subrecipients)  | 619                                | 3,378,681 **  |                         |
| 93.395  | Cancer Treatment Research (Passed through University of Chicago Cancer and Leukemia Group B Foundation)           | 619                                | 46,078 **   |                         |
| 93.395  | Cancer Treatment Research (Passed through Eastern Cooperative Oncology Group)                                     | 619                                | 752 **  |                         |
| 93.395  | Cancer Treatment Research (Passed through University of North Carolina; 5-32601)                                  | 619                                | 101,553 **  |                         |
| 93.395  | Cancer Treatment Research (Passed through University of Texas, MD Anderson Cancer Center; 12378-0-2000)           | 619                                | 99,706 **   |                         |
| 93.395  | Cancer Treatment Research (Passed through Children's Mercy Hospitals and Clinics; 03-0017)                        | 619                                | 15,327 **   |                         |
| 93.395  | Cancer Treatment Research (Passed through Clemson University; 627-7558-209-2003052)                               | 619                                | 30,122 **   |                         |
| 93.395  | Cancer Treatment Research (Passed through Duke Clinical Research Institute; Site 107)                             | 619                                | 4,166 **  |                         |
| 93.395  | Cancer Treatment Research (Passed through Washington University in St. Louis; WU-03-18)                           | 619                                | 74,934 **   |                         |
| 93.395  | Cancer Treatment Research (Passed through Institute for Cancer Prevention)  | 619                                | 15,979 **   |                         |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number  | Federal Department / Program name   | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|---|---|------------------------------------|---|-------------------------|
| <u>U.S. Department of Health and Human Services (continued)</u> |   |                                    |   |                         |
| 93.395  | Cancer Treatment Research (Passed through National Childhood Cancer Foundation; 12858, 13374, 11529, 6164, 98543-1211)        | 619                                | 37,824 **   |                         |
| 93.395  | Cancer Treatment Research (Passed through Molecular Express, Inc.; IPRT-0405)   | 620                                | 40,150 **   | 3,845,272               |
| 93.396  | Cancer Biology Research   | 619                                | 1,063,554 **  |                         |
| 93.396  | Cancer Biology Research (Passed through University of Southern California; H28307)  | 619                                | 71,603 **   |                         |
| 93.396  | Cancer Biology Research   | 620                                | 4,954 **  | 1,140,111               |
| 93.397  | Cancer Centers Support Grants (\$315,160 provided to subrecipients)   | 619                                | 3,651,844 **  |                         |
| 93.397  | Cancer Centers Support Grants (Passed through Fred Hutchinson Cancer Research Center; 04-102863-05-S0838, 05-200949-01-S1114) | 619                                | 12,246 **   | 3,664,090               |
| 93.398  | Cancer Research Manpower  | 619                                | 367,271 **  |                         |
| 93.398  | Cancer Research Manpower (Passed through Boston University; MC-45532-D-JW)  | 619                                | 11,306 **   | 378,577                 |
| 93.399  | Cancer Control  | 619                                | 992,096 **  |                         |
| 93.399  | Cancer Control (Passed through Mayo Clinic; CA 96704-02)  | 619                                | 164,971 **  |                         |
| 93.399  | Cancer Control (Passed through University of Texas Health Science Center; 120486/116267)                                      | 619                                | 7,885 **  |                         |
| 93.399  | Cancer Control (Passed through University of Texas, MD Anderson Cancer Center; 1R01CA110793-01)                               | 619                                | 13,638 **   |                         |
| 93.399  | Cancer Control (Passed through Dartmouth College; 5-30190.5725, 530547.5730, 5-37131-5705)                                    | 619                                | 209,301 **  |                         |
| 93.399  | Cancer Control (Passed through Cancer Therapy and Research Center Foundation; CA37429)  | 619                                | 38,829 **   | 1,426,720               |
| 93.556  | Promoting Safe and Stable Families  | 401                                | 2,300,040   | 2,300,040               |
| 93.558  | Temporary Assistance for Needy Families (\$8,991,724 provided to subrecipients)   | 401                                | 103,027,161   | 103,027,161             |
| 93.560  | Family Support Payments to States - Assistance Payments   | 401                                | 82,451  | 82,451                  |
| 93.563  | Child Support Enforcement   | 401                                | 41,279,792  | 41,279,792              |
| 93.564  | Child Support Enforcement Research  | 401                                | 31,468  | 31,468                  |
| 93.566  | Refugee and Entrant Assistance - State Administered Programs (\$2,318 provided to subrecipients)                              | 401                                | 1,535,935   | 1,535,935               |
| 93.568  | Low-Income Home Energy Assistance (\$37,624,504 provided to subrecipients)  | 379                                | 38,004,871  | 38,004,871              |
| 93.569  | Community Services Block Grant (\$6,592,550 provided to subrecipients)  | 379                                | 6,904,885   | 6,904,885               |
| 93.570  | Community Services Block Grant - Discretionary Awards (Passed through Iowa Community Action Association)                      | 619                                | 163 **  | 163                     |
| 93.575  | Child Care and Development Block Grant (\$4,772,608 provided to subrecipients)  | 401                                | 49,592,007  |                         |
| 93.575  | Child Care and Development Block Grant (Passed through Henry County Empowerment Board; Project Reach)                         | 620                                | 51,018 **   |                         |
| 93.575  | Child Care and Development Block Grant (Passed through Iowa Childcare and Early Education Network; 101)                       | 620                                | 25,765 **   | 49,668,790              |
| 93.576  | Refugee and Entrant Assistance - Discretionary Grants (\$150,072 provided to subrecipients)                                   | 282                                | 192,274   |                         |
| 93.576  | Refugee and Entrant Assistance - Discretionary Grants   | 401                                | 1,339,593   |                         |
| 93.576  | Refugee and Entrant Assistance - Discretionary Grants   | 588                                | 93,820  | 1,625,687               |
| 93.585  | Empowerment Zones Program   | 401                                | 96,187  | 96,187                  |
| 93.586  | State Court Improvement Program   | 444                                | 243,562   | 243,562                 |
| 93.590  | Community-Based Family Resource and Support Grants  | 401                                | 635,342   | 635,342                 |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number  | Federal Department / Program name  | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|---|--|------------------------------------|---|-------------------------|
| <u>U.S. Department of Health and Human Services (continued)</u> |  |                                    |   |                         |
| 93.596  | Child Care Mandatory and Matching Funds of the Child Care and Development Fund (\$338,702 provided to subrecipients)   | 401                                | 22,964,951  | 22,964,951              |
| 93.597  | Grants to States for Access and Visitation Programs  | 401                                | 89,954  | 89,954                  |
| 93.599  | Chafee Education and Training Vouchers Program   | 401                                | 436,007   | 436,007                 |
| 93.600  | Head Start   | 282                                | 138,333   |                         |
| 93.600  | Head Start   | 620                                | 117,585 **  |                         |
| 93.600  | Head Start (Passed through Tri-County Child & Family Development)  | 621                                | 230,451   | 486,369                 |
| 93.601  | Child Support Enforcement Demonstration and Special Projects   | 401                                | 1,908   | 1,908                   |
| 93.603  | Adoption Incentive Payments  | 401                                | 808,722   | 808,722                 |
| 93.617  | Voting Access for Individuals with Disabilities-Grants to States   | 635                                | 143,059   | 143,059                 |
| 93.623  | Runaway and Homeless Youth   | 379                                | 138,160   | 138,160                 |
| 93.630  | Developmental Disabilities Basic Support and Advocacy Grants   | 401                                | 772,340   | 772,340                 |
| 93.631  | Developmental Disabilities Projects of National Significance   | 401                                | 29,711  | 29,711                  |
| 93.632  | University Centers for Excellence in Developmental Disabilities Education, Research, and Service   | 619                                | 415,352 **  | 415,352                 |
| 93.643  | Children's Justice Grants to States  | 401                                | 84,312  | 84,312                  |
| 93.645  | Child Welfare Services - State Grants  | 401                                | 3,053,786   | 3,053,786               |
| 93.647  | Social Services Research and Demonstration (Passed through University of Nebraska; 2405200005004, 2405200013003 HDFS)  | 620                                | 15,473 **   |                         |
| 93.647  | Social Services Research and Demonstration (Passed through University of North Carolina; 552413) (\$65,775 provided to subrecipients)  | 620                                | 137,785 **  | 153,258                 |
| 93.648  | Child Welfare Services Training Grants (\$11,989 provided to subrecipients)  | 619                                | 224,229 **  | 224,229                 |
| 93.658  | Foster Care - Title IV-E (\$908,960 provided to subrecipients)   | 401                                | 24,838,751  | 24,838,751              |
| 93.659  | Adoption Assistance (\$211,883 provided to subrecipients)  | 401                                | 24,738,971  | 24,738,971              |
| 93.667  | Social Services Block Grant (\$1,138,685 provided to subrecipients)  | 401                                | 30,025,927  | 30,025,927              |
| 93.669  | Child Abuse and Neglect State Grants   | 401                                | 155,761   | 155,761                 |
| 93.671  | Family Violence Prevention and Services/Grants for Battered Women's Shelters - Grants to States and Indian Tribes (\$1,107,915 provided to subrecipients)                              | 112                                | 1,166,014   | 1,166,014               |
| 93.674  | Chafee Foster Care Independent Living  | 401                                | 1,393,510   | 1,393,510               |
| 93.767  | State Children's Insurance Program   | 401                                | 42,714,242  | 42,714,242              |
| 93.775  | State Medicaid Fraud Control Units   | 427                                | 724,605   | 724,605                 |
| 93.777  | State Survey and Certification of Health Care Providers and Suppliers  | 401                                | 4,106,384   |                         |
| 93.777  | State Survey and Certification of Health Care Providers and Suppliers  | 427                                | 2,622,932   | 6,729,316               |
| 93.778  | Medical Assistance Program (\$1,867,454 provided to subrecipients)   | 401                                | 1,625,766,898   | 1,625,766,898           |
| 93.779  | Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations  | 216                                | 586,565   |                         |
| 93.779  | Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations  | 401                                | 1,429,556   |                         |
| 93.779  | Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations  | 427                                | 154,393   |                         |
| 93.779  | Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations (\$4,235 provided to subrecipients)  | 588                                | 27,214  |                         |
| 93.779  | Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations (Passed through Magellan Behavioral Care of Iowa, Inc.) (\$12,001 provided to subrecipients) | 619                                | 172,981 **  | 2,370,709               |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number  | Federal Department / Program name  | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|---|--|------------------------------------|---|-------------------------|
| <u>U.S. Department of Health and Human Services (continued)</u> |  |                                    |   |                         |
| 93.837  | Heart and Vascular Diseases Research (\$443,223 provided to subrecipients)   | 619                                | 21,180,285 **   |                         |
| 93.837  | Heart and Vascular Diseases Research (Passed through University of Wisconsin-Madison; P248485)   | 619                                | 46,252 **   |                         |
| 93.837  | Heart and Vascular Diseases Research (Passed through Duke Clinical Research Institute; 213)  | 619                                | 13,286 **   |                         |
| 93.837  | Heart and Vascular Diseases Research   | 620                                | 2,274 **  |                         |
| 93.837  | Heart and Vascular Diseases Research (Passed through Living Systems; R43HL07970201)  | 620                                | 7,079 **  | 21,249,176              |
| 93.838  | Lung Diseases Research (\$229,440 provided to subrecipients)   | 619                                | 11,105,595 **   |                         |
| 93.838  | Lung Diseases Research (Passed through National Jewish Medical and Research Center; 22067704)  | 619                                | 31,872 **   |                         |
| 93.838  | Lung Diseases Research (Passed through Trustees of Columbia University; 548221)  | 619                                | 52,554 **   |                         |
| 93.838  | Lung Diseases Research (Passed through University of Colorado; FY03.102.012, FY04.102.032)   | 619                                | 28,468 **   |                         |
| 93.838  | Lung Diseases Research (Passed through Vida Technologies, L.L.C.; I-001)   | 619                                | 11,304 **   |                         |
| 93.838  | Lung Diseases Research (Passed through Johns Hopkins University; N01HR76119)   | 619                                | 240,952 **  | 11,470,745              |
| 93.839  | Blood Diseases and Resources Research (\$35,772 provided to subrecipients)   | 619                                | 1,322,714 **  |                         |
| 93.839  | Blood Diseases and Resources Research (Passed through Case Western Reserve University; 1R01HL-076810-01)   | 619                                | 72,729 **   |                         |
| 93.839  | Blood Diseases and Resources Research (Passed through University of Pennsylvania; 534832)  | 619                                | 4,457 **  | 1,399,900               |
| 93.846  | Arthritis, Musculoskeletal and Skin Diseases Research (\$193,259 provided to subrecipients)  | 619                                | 3,317,164 **  |                         |
| 93.846  | Arthritis, Musculoskeletal and Skin Diseases Research (Passed through Palmer Chiropractic University)  | 619                                | 61,103 **   |                         |
| 93.846  | Arthritis, Musculoskeletal and Skin Diseases Research  | 620                                | 290,620 **  | 3,668,887               |
| 93.847  | Diabetes, Endocrinology and Metabolism Research (\$124,257 provided to subrecipients)  | 619                                | 4,358,885 **  |                         |
| 93.847  | Diabetes, Endocrinology and Metabolism Research (Passed through University of Florida; K15032)   | 619                                | 176 **  |                         |
| 93.847  | Diabetes, Endocrinology and Metabolism Research (Passed through Joslin Diabetes Center; R01 DK062218)  | 619                                | 31,251 **   |                         |
| 93.847  | Diabetes, Endocrinology and Metabolism Research (Passed through Intronn, Inc.)   | 619                                | 41,238 **   |                         |
| 93.847  | Diabetes, Endocrinology and Metabolism Research (Passed through State University of New York; 28036)   | 619                                | 173,303 **  | 4,604,853               |
| 93.848  | Digestive Diseases and Nutrition Research  | 619                                | 1,647,401 **  |                         |
| 93.848  | Digestive Diseases and Nutrition Research (\$34,088 provided to subrecipients)   | 620                                | 425,057 **  | 2,072,458               |
| 93.849  | Kidney Diseases, Urology and Hematology Research (\$104,000 provided to subrecipients)   | 619                                | 2,858,221 **  |                         |
| 93.849  | Kidney Diseases, Urology and Hematology Research (Passed through University of Virginia; GC10841-120116, GC10841-122157) (\$110,357 provided to subrecipients) | 619                                | 232,412 **  |                         |
| 93.849  | Kidney Diseases, Urology and Hematology Research (Passed through Rhode Island Hospital; 701-7515)  | 619                                | 71,032 **   |                         |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number  | Federal Department / Program name   | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|---|---|------------------------------------|---|-------------------------|
| <u>U.S. Department of Health and Human Services (continued)</u> |   |                                    |   |                         |
| 93.849  | Kidney Diseases, Urology and Hematology Research (Passed through Tufts University; 0043519)   | 619                                | 1,284 **  |                         |
| 93.849  | Kidney Diseases, Urology and Hematology Research (Passed through Vanderbilt University; VUMC10385FSHN)                                      | 620                                | 32,241 **   | 3,195,190               |
| 93.853  | Extramural Research Programs in the Neurosciences and Neurological Disorders (\$1,359,175 provided to subrecipients)                        | 619                                | 13,862,055 **   |                         |
| 93.853  | Extramural Research Programs in the Neurosciences and Neurological Disorders (Passed through Baylor College of Medicine; 4600455496)        | 619                                | 18,028 **   |                         |
| 93.853  | Extramural Research Programs in the Neurosciences and Neurological Disorders (Passed through Columbia University; 1)                        | 619                                | 3,889 **  |                         |
| 93.853  | Extramural Research Programs in the Neurosciences and Neurological Disorders (Passed through Stanford University; 13496970-32115-A)         | 619                                | 61,489 **   |                         |
| 93.853  | Extramural Research Programs in the Neurosciences and Neurological Disorders (Passed through University of Cincinnati; P021-040-L772-1109)  | 619                                | 26,005 **   |                         |
| 93.853  | Extramural Research Programs in the Neurosciences and Neurological Disorders (Passed through University of Michigan; F010399)               | 619                                | 78,831 **   |                         |
| 93.853  | Extramural Research Programs in the Neurosciences and Neurological Disorders (Passed through University of South Dakota; 401506)            | 619                                | 90,071 **   |                         |
| 93.853  | Extramural Research Programs in the Neurosciences and Neurological Disorders (Passed through Ohio State University; RF00972640)             | 619                                | 10,822 **   |                         |
| 93.853  | Extramural Research Programs in the Neurosciences and Neurological Disorders (Passed through Washington University in St. Louis; WU-03-271) | 619                                | 102,376 **  |                         |
| 93.853  | Extramural Research Programs in the Neurosciences and Neurological Disorders (Passed through Wayne State University; WSU01195)              | 619                                | 29,328 **   |                         |
| 93.853  | Extramural Research Programs in the Neurosciences and Neurological Disorders (\$7,954 provided to subrecipients)                            | 620                                | 1,905,239 **  |                         |
| 93.853  | Extramural Research Programs in the Neurosciences and Neurological Disorders (Passed through Wayne State University; 0091)                  | 620                                | 6,098 **  |                         |
| 93.853  | Extramural Research Programs in the Neurosciences and Neurological Disorders (Passed through University of Maryland; S01666)                | 620                                | 79,415 **   |                         |
| 93.853  | Extramural Research Programs in the Neurosciences and Neurological Disorders (Passed through University of Pennsylvania; 538167)            | 620                                | 26,476 **   |                         |
| 93.853  | Extramural Research Programs in the Neurosciences and Neurological Disorders (Passed through Georgetown University)                         | 621                                | 32,884 **   | 16,333,006              |
| 93.855  | Allergy, Immunology and Transplantation Research (\$196,768 provided to subrecipients)  | 619                                | 5,182,156 **  |                         |
| 93.855  | Allergy, Immunology and Transplantation Research (Passed through University of Kentucky; UKRF-4-67181-04-089)                               | 619                                | 11,203 **   |                         |
| 93.855  | Allergy, Immunology and Transplantation Research  | 620                                | 280,707 **  | 5,474,066               |
| 93.856  | Microbiology and Infectious Diseases Research (\$1,169,607 provided to subrecipients)   | 619                                | 14,017,212 **   |                         |
| 93.856  | Microbiology and Infectious Diseases Research (Passed through Baylor College of Medicine; 4600486648)                                       | 619                                | 14,601 **   |                         |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number  | Federal Department / Program name  | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|---|--|------------------------------------|---|-------------------------|
| <u>U.S. Department of Health and Human Services (continued)</u> |  |                                    |   |                         |
| 93.856  | Microbiology and Infectious Diseases Research (Passed through Boston University; 0194601)                                    | 619                                | 6,839 **  |                         |
| 93.856  | Microbiology and Infectious Diseases Research (Passed through Inbios International, Inc.; R44AI052683-02)                    | 619                                | 26,296 **   |                         |
| 93.856  | Microbiology and Infectious Diseases Research (Passed through Indiana University; 39402-0025)                                | 619                                | 19,072 **   |                         |
| 93.856  | Microbiology and Infectious Diseases Research (Passed through University of Minnesota; M6356597419, M6356597492)             | 619                                | 74,345 **   |                         |
| 93.856  | Microbiology and Infectious Diseases Research (Passed through University of Virginia; GO10039-123006)                        | 619                                | 10,613 **   |                         |
| 93.856  | Microbiology and Infectious Diseases Research (Passed through Stanford University; 25176-B, PY-2580)                         | 619                                | 46,906 **   |                         |
| 93.856  | Microbiology and Infectious Diseases Research (Passed through University of Cincinnati; P021-040-N683-1073)                  | 619                                | 8,825 **  |                         |
| 93.856  | Microbiology and Infectious Diseases Research (Passed through Wake Forest University; PA-03-047)                             | 619                                | 52,479 **   |                         |
| 93.856  | Microbiology and Infectious Diseases Research (Passed through University of Notre Dame; 46236)                               | 619                                | 32,489 **   |                         |
| 93.856  | Microbiology and Infectious Diseases Research (Passed through University of Wisconsin-Madison; P265801)                      | 619                                | 33,737 **   |                         |
| 93.856  | Microbiology and Infectious Diseases Research (\$147,565 provided to subrecipients)  | 620                                | 1,843,517 **  |                         |
| 93.856  | Microbiology and Infectious Diseases Research (Passed through Pace University; 8C09019924267)                                | 620                                | 122,621 **  |                         |
| 93.856  | Microbiology and Infectious Diseases Research (Passed through Concurrent Analytical; Automated Wind Detection)               | 620                                | 227,503 **  | 16,537,055              |
| 93.859  | Biomedical Research and Research Training (\$509,399 provided to subrecipients)  | 619                                | 9,489,911 **  |                         |
| 93.859  | Biomedical Research and Research Training (Passed through Brown University; 978742)  | 619                                | 31,381 **   |                         |
| 93.859  | Biomedical Research and Research Training (Passed through Medical College of Wisconsin; R01GM068746-03)                      | 619                                | 41,151 **   |                         |
| 93.859  | Biomedical Research and Research Training (\$86,244 provided to subrecipients)   | 620                                | 3,600,317 **  |                         |
| 93.859  | Biomedical Research and Research Training (Passed through Meharry Medical College; 021002HKR167S210, 021002HKR16751S202FSHN) | 620                                | 18,259 **   |                         |
| 93.859  | Biomedical Research and Research Training (Passed through University of Kansas; FY2004020)                                   | 620                                | 115,261 **  |                         |
| 93.859  | Biomedical Research and Research Training (Passed through University of Washington; 938961)                                  | 620                                | 8,087 **  |                         |
| 93.859  | Biomedical Research and Research Training (Passed through Virginia University; 520829/POP655698)                             | 620                                | 20,696 **   | 13,325,063              |
| 93.865  | Child Health and Human Development Extramural Research (\$548,133 provided to subrecipients)                                 | 619                                | 7,849,949 **  |                         |
| 93.865  | Child Health and Human Development Extramural Research (Passed through Emory University; 1R01HD38979-04)                     | 619                                | 70,932 **   |                         |
| 93.865  | Child Health and Human Development Extramural Research (Passed through Albert Einstein Healthcare Network; 5K12HD001097-08)  | 619                                | 99,085 **   |                         |
| 93.865  | Child Health and Human Development Extramural Research (Passed through Foundation for Blood Research)                        | 619                                | 37,367 **   |                         |



State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number  | Federal Department / Program name  | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|---|--|------------------------------------|---|-------------------------|
| <u>U.S. Department of Health and Human Services (continued)</u> |  |                                    |   |                         |
| 93.865  | Child Health and Human Development Extramural Research<br>(\$149,697 provided to subrecipients)                    | 620                                | 852,155 **  |                         |
| 93.865  | Child Health and Human Development Extramural Research<br>(Passed through Custom Kynetics, Inc.; Biomechanical)    | 620                                | 6,811 **  |                         |
| 93.865  | Child Health and Human Development Extramural Research<br>(Passed through Penn State University; 2913ISUDHH0045)   | 620                                | 6,811 **  |                         |
| 93.865  | Child Health and Human Development Extramural Research<br>(Passed through University of Georgia; RR580323/7514917) | 620                                | 44,941 **   |                         |
| 93.865  | Child Health and Human Development Extramural Research<br>(Passed through Northwestern University; 0980520W297976) | 620                                | 44,732 **   | 9,012,783               |
| 93.866  | Aging Research (\$69,942 provided to subrecipients)  | 619                                | 2,917,963 **  |                         |
| 93.866  | Aging Research (Passed through Indiana University;<br>R01 AG010436)  | 619                                | 59,253 **   |                         |
| 93.866  | Aging Research (Passed through University of Pittsburgh;<br>108926-1)  | 619                                | 71,506 **   |                         |
| 93.866  | Aging Research (Passed through Digital Artifacts, LLC;<br>UI030901)  | 619                                | 41,265 **   |                         |
| 93.866  | Aging Research (Passed through Saint Louis University;<br>5 R01 HH10234-04)  | 619                                | 22,304 **   |                         |
| 93.866  | Aging Research (Passed through University of Michigan;<br>F010654, F012545)  | 619                                | 127,937 **  |                         |
| 93.866  | Aging Research (Passed through Washington University in St.<br>Louis; WU-02-12)                                    | 619                                | 3,110 **  |                         |
| 93.866  | Aging Research (Passed through Interactive Medical<br>Developments, L.C.; R42AG021844-01)                          | 619                                | 44,121 **   |                         |
| 93.866  | Aging Research (Passed through Wake Forest University;<br>N01-AG-9-2115)   | 619                                | 26,354 **   |                         |
| 93.866  | Aging Research (Passed through Research Foundation for Mental<br>Hygiene, Inc.; 1003756/1/23532)                   | 619                                | 74,820 **   |                         |
| 93.866  | Aging Research   | 620                                | 21,906 **   |                         |
| 93.866  | Aging Research (Passed through Metabolic Technologies;<br>MTI0303 FSHN)  | 620                                | 164,666 **  |                         |
| 93.866  | Aging Research (Passed through University of Georgia;<br>RR546023/760547)  | 620                                | 88,475 **   | 3,663,680               |
| 93.867  | Vision Research (\$198,953 provided to subrecipients)  | 619                                | 3,863,449 **  |                         |
| 93.867  | Vision Research (Passed through Jaeb Center for Health<br>Research; U10 EY 09435)                                  | 619                                | 13,520 **   |                         |
| 93.867  | Vision Research (Passed through Johns Hopkins University;<br>8210-26269-X)   | 619                                | 30,146 **   |                         |
| 93.867  | Vision Research (Passed through Kestrel Corporation; 0111B,<br>0145B)  | 619                                | 19,627 **   |                         |
| 93.867  | Vision Research (Passed through Ohio State University;<br>RF00965093)  | 619                                | 295 **  |                         |
| 93.867  | Vision Research (Passed through University of Pennsylvania;<br>5-41275, 5-41791, 5-42833-E, 5-43507)               | 619                                | 106,683 **  |                         |
| 93.867  | Vision Research (Passed through University of Florida;<br>UF03080, UF05029)  | 619                                | 167,373 **  |                         |
| 93.867  | Vision Research (Passed through Medical College of Wisconsin;<br>752278)   | 619                                | 34,182 **   |                         |
| 93.867  | Vision Research  | 620                                | 155,794 **  | 4,391,069               |
| 93.879  | Medical Library Assistance (\$8,723 provided to subrecipients)   | 619                                | 261,008 **  |                         |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number  | Federal Department / Program name   | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|---|---|------------------------------------|---|-------------------------|
| <u>U.S. Department of Health and Human Services (continued)</u> |   |                                    |   |                         |
| 93.879  | Medical Library Assistance (Passed through National Network of Libraries of Medicine)   | 619                                | 4,846 **  |                         |
| 93.879  | Medical Library Assistance (Passed through University of Illinois at Chicago; 030158, 2-5-20494)  | 619                                | 18,827 **   | 284,681                 |
| 93.884  | Grants for Residency Training in Primary Care Medicine and Dentistry  | 619                                | 436,913 **  | 436,913                 |
| 93.888  | Specially Selected Health Projects (\$456,481 provided to subrecipients)  | 588                                | 811,137   | 811,137                 |
| 93.889  | National Bioterrorism Hospital Preparedness Program (\$4,827,271 provided to subrecipients)   | 588                                | 5,402,632   | 5,402,632               |
| 93.894  | Resource and Manpower Development in the Environmental Health Services  | 619                                | 1,267,132 **  | 1,267,132               |
| 93.912  | Rural Health Outreach and Rural Network Development Program (Passed through Sioux Central Community School; Tri County Health Network Rise)               | 620                                | 107 **  | 107                     |
| 93.913  | Grants to States for Operation of Offices of Rural Health (\$14,450 provided to subrecipients)  | 588                                | 213,714   | 213,714                 |
| 93.917  | HIV Care Formula Grants (\$708,234 provided to subrecipients)   | 588                                | 2,083,045   | 2,083,045               |
| 93.918  | Grants to Provide Outpatient Early Prevention Services with Respect to HIV Disease  | 619                                | 675,385 **  | 675,385                 |
| 93.925  | Scholarships for Health Professions Students from Disadvantaged Backgrounds   | 619                                | 204,905 *   | 204,905                 |
| 93.926  | Healthy Start Initiative (Passed through Visiting Nurse Services; 1H78 MC00025-01)  | 619                                | 26,958 **   | 26,958                  |
| 93.938  | Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems                   | 282                                | 237,150   | 237,150                 |
| 93.940  | HIV Prevention Activities - Health Department Based (\$962,556 provided to subrecipients)   | 588                                | 1,556,087   | 1,556,087               |
| 93.944  | Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance   | 588                                | 155,588   |                         |
| 93.944  | Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance (Passed through University of Wisconsin-Madison; 922N493) | 619                                | 11,684 **   | 167,272                 |
| 93.952  | Improving EMS/Trauma Care in Rural Areas (\$2,858 provided to subrecipients)  | 588                                | 35,834  | 35,834                  |
| 93.956  | Agricultural Health and Safety Programs (\$23,300 provided to subrecipients)  | 619                                | 603,083 **  |                         |
| 93.956  | Agricultural Health and Safety Programs   | 620                                | 203,905 **  | 806,988                 |
| 93.958  | Block Grants for Community Mental Health Services (\$3,306,440 provided to subrecipients)   | 401                                | 3,438,961   |                         |
| 93.958  | Block Grants for Community Mental Health Services (Passed through Northwest Iowa Mental Health Center)  | 619                                | 1,720 **  | 3,440,681               |
| 93.959  | Block Grants for Prevention and Treatment of Substance Abuse (\$11,753,387 provided to subrecipients)   | 588                                | 12,473,362  | 12,473,362              |
| 93.964  | Public Health Traineeships  | 619                                | 22,099 **   | 22,099                  |
| 93.969  | Geriatric Education Centers (\$64,269 provided to subrecipients)  | 619                                | 367,688 **  | 367,688                 |
| 93.977  | Preventative Health Services - Sexually Transmitted Diseases Control Grants (\$448,664 provided to subrecipients)   | 588                                | 842,192   | 842,192                 |
| 93.982  | Mental Health Disaster Assistance and Emergency Mental Health   | 401                                | 253,507   | 253,507                 |
| 93.988  | Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems (\$23,902 provided to subrecipients)              | 588                                | 287,178   | 287,178                 |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number  | Federal Department / Program name  | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|---|--|------------------------------------|---|-------------------------|
| <u>U.S. Department of Health and Human Services (continued)</u> |  |                                    |   |                         |
| 93.989  | International Research and Research Training (\$4,467 provided to subrecipients)                         | 619                                | 577,339 **  | 577,339                 |
| 93.991  | Preventive Health and Health Services Block Grant (\$264,611 provided to subrecipients)                  | 588                                | 1,240,339   | 1,240,339               |
| 93.994  | Maternal and Child Health Services Block Grant to the States (\$5,323,263 provided to subrecipients)     | 588                                | 6,284,253   | 6,284,253               |
| 93.000  | Other Federal Assistance:  |                                    |   |                         |
|   | Unknown Title  | 619                                | 32,527 **   |                         |
|   | Unknown Title (\$167,262 provided to subrecipients)  | 620                                | 615,853 **  |                         |
|   | Unknown Title (Passed through Methodist and Lutheran Health Systems; Geriatric Innovation)               | 620                                | 48,432 **   |                         |
|   | Unknown Title (Passed through Integrated Sensor Technologies; 0502)                                      | 620                                | 10,202 **   |                         |
|   | Unknown Title (Passed through Molecular Express, Inc.; 0412, Targeted Revealed Aptamer Probes)           | 620                                | 12,063 **   |                         |
|   | Unknown Title (Passed through the State University of New York; 9819)                                    | 620                                | 21,254 **   |                         |
|   | Unknown Title (Passed through University of Nebraska; NIH2P01CA49210-12A1)                               | 620                                | 136,109 **  |                         |
|   | Unknown Title (Passed through Westat Inc.; S716713 HHP, S716713)   | 620                                | 22,789 **   | 899,229                 |
|   | Total U.S. Department of Health and Human Services   |                                    | 2,351,155,833   | 2,351,155,833           |
| <u>Corporation for National and Community Service</u>           |  |                                    |   |                         |
| 94.003  | State Commissions  | 269                                | 211,757   | 211,757                 |
| 94.004  | Learn and Serve America - School and Community Based Programs (\$87,723 provided to subrecipients)       | 282                                | 107,413   |                         |
| 94.004  | Learn and Serve America - School and Community Based Programs (Passed through Area Education Agency 267) | 621                                | 7,836   | 115,249                 |
| 94.005  | Learn and Serve America - Higher Education (Passed through National Council for the Social Studies)      | 619                                | 40,604 **   |                         |
| 94.005  | Learn and Serve America - Higher Education (Passed through Purdue University; 64208371)                  | 620                                | 2,182 **  | 42,786                  |
| 94.006  | AmeriCorps (\$1,311,093 provided to subrecipients)   | 269                                | 1,314,011   |                         |
| 94.006  | AmeriCorps   | 542                                | 230,928   |                         |
| 94.006  | AmeriCorps   | 619                                | 57,570 **   |                         |
| 94.006  | AmeriCorps (Passed through Iowa Commission on Volunteer Service; 02G103C, 03G103C, 04AP01)               | 620                                | 166,042 **  |                         |
| 94.006  | AmeriCorps (Passed through Clay County Agricultural Extension; Americorps Planning Corporation)          | 620                                | 2,330 **  |                         |
| 94.006  | AmeriCorps   | 621                                | 22,363  | 1,793,244               |
| 94.009  | Training and Technical Assistance  | 269                                | 103,695   | 103,695                 |
| 94.011  | Foster Grandparent Program   | 411                                | 197,019   | 197,019                 |
|   | Total Corporation for National and Community Service   |                                    | 2,463,750   | 2,463,750               |
| <u>Social Security Administration</u>                           |  |                                    |   |                         |
| 96.001  | Social Security - Disability Insurance   | 131                                | 43,703  |                         |
| 96.001  | Social Security - Disability Insurance   | 283                                | 18,350,920  | 18,394,623              |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number                                    | Federal Department / Program name   | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|---|---|------------------------------------|---|-------------------------|
| <u>Social Security Administration (continued)</u> |   |                                    |   |                         |
| 96.007  | Social Security - Research and Demonstration  | 401                                | 25,075  |                         |
| 96.007  | Social Security - Research and Demonstration (\$60,689 provided to subrecipients)   | 619                                | 574,379 **  | 599,454                 |
|   | Total Social Security Administration  |                                    | 18,994,077  | 18,994,077              |
| <u>U.S. Department of Homeland Security</u>       |   |                                    |   |                         |
| 97.004  | State Domestic Preparedness Equipment Support Program (\$2,602,034 provided to subrecipients)   | 583                                | 21,612,197  | 21,612,197              |
| 97.008  | Urban Areas Security Initiative   | 583                                | 182,451   | 182,451                 |
| 97.012  | Boating Safety Financial Assistance   | 542                                | 1,101,841   | 1,101,841               |
| 97.021  | Hazardous Materials Assistance Program (\$16,000 provided to subrecipients)   | 583                                | 16,000  | 16,000                  |
| 97.023  | Community Assistance Program - State Support Services Element (CAP-SSSE)  | 542                                | 102,729   | 102,729                 |
| 97.029  | Flood Mitigation Assistance (\$60,712 provided to subrecipients)  | 583                                | 64,202  | 64,202                  |
| 97.032  | Crisis Counseling   | 401                                | 127,087   | 127,087                 |
| 97.034  | Disaster Unemployment Assistance  | 309                                | 2,888,302   | 2,888,302               |
| 97.036  | Public Assistance Grants  | 542                                | 83,713  |                         |
| 97.036  | Public Assistance Grants (\$10,099,662 provided to subrecipients)   | 583                                | 10,324,068  |                         |
| 97.036  | Public Assistance Grants  | 619                                | 930 **  | 10,408,711              |
| 97.038  | First Responder Counter-Terrorism Training Assistance   | 595                                | 26,770  | 26,770                  |
| 97.039  | Hazard Mitigation Grant (\$1,650,282 provided to subrecipients)   | 583                                | 1,853,400   | 1,853,400               |
| 97.041  | National Dam Safety Program   | 542                                | 44,726  | 44,726                  |
| 97.042  | Emergency Management Performance Grants (\$52,198 provided to subrecipients)  | 583                                | 269,504   | 269,504                 |
| 97.044  | Assistance to Firefighters Grant  | 620                                | 7,326 **  | 7,326                   |
| 97.047  | Pre-Disaster Mitigation (\$328,598 provided to subrecipients)   | 583                                | 370,339   | 370,339                 |
| 97.050  | Federal Assistance to Individuals and Households-Other Needs  | 401                                | 275,285   | 275,285                 |
| 97.052  | Emergency Operations Centers  | 583                                | 317,181   | 317,181                 |
| 97.054  | Community Emergency Response Teams (\$91,578 provided to subrecipients)   | 583                                | 262,756   | 262,756                 |
| 97.067  | Homeland Security Grant Program (\$921,981 provided to subrecipients)   | 583                                | 1,672,233   | 1,672,233               |
| 97.070  | Map Modernization Management Support  | 542                                | 4,882   | 4,882                   |
|   | Total U.S. Department of Homeland Security  |                                    | 41,607,922  | 41,607,922              |
| <u>U.S. Agency for International Development</u>  |   |                                    |   |                         |
| 98.001  | USAID Foreign Assistance for Programs Overseas (Passed through Catholic Relief Services; Well Being of Children)  | 620                                | 38,395 **   | 38,395                  |
| 98.000  | Other Federal Assistance:   |                                    |   |                         |
|   | Unknown Title (Passed through Academy for Educational Development)  | 619                                | 151,854 **  |                         |
|   | Unknown Title (Passed through University of California; 1332528) (\$54,589 provided to subrecipients)   | 620                                | 164,181 **  |                         |
|   | Unknown Title (Passed through Association Liaison Office for University Cooperation In Development; La Molina Partnership, University Cooperation, HNEA00970005900, Policy Harmonization Project) | 620                                | 137,226 **  |                         |

State of Iowa  
Schedule of Expenditures of Federal Awards  
By Federal Department  
For the Year Ended June 30, 2005

| CFDA<br>Number   | Federal Department / Program name  | State<br>Agency<br>(See<br>pg 253) | Federal<br>Expenditures/<br>Disbursements/<br>Issuances | Total By CFDA<br>Number |
|--|--|------------------------------------|---|-------------------------|
| <u>U.S. Agency for International Development (continued)</u> |  |                                    |   |                         |
|  | Unknown Title (Passed through International Center for Tropical Agriculture; Alleviate Vitamin A Deficiency, Carotene Maize, High B-Carotene Maize, Maize Transgenics) | 620                                | 213,115 **  |                         |
|  | Unknown Title (Passed through Development Alternatives, Inc.; 408000P001)  | 620                                | 272 **  |                         |
|  | Unknown Title (Passed through Higher Institute for Ag Cooperative; Ag Research)  | 620                                | 925 **  |                         |
|  | Unknown Title (Passed through International Crops Research Institute; Seed Commercialization)  | 620                                | 8,308 **  |                         |
|  | Unknown Title (Passed through Virginia Tech; 19223425631, 19223425632)   | 620                                | 17,593 **   |                         |
|  | Unknown Title (Passed through University of Wisconsin; P619916)  | 620                                | 178 **  |                         |
|  | Unknown Title (Passed through American Council on Education) (\$577 provided to subrecipients)   | 621                                | 5,525   | 699,177                 |
|  | Total U.S. Agency for International Development  |                                    | <u>737,572</u>  | <u>737,572</u>          |
|  | Total Federal Financial Assistance   |                                    | <u>\$ 4,622,690,419</u>                                 | <u>4,622,690,419</u>    |

\* Combined student financial assistance expenditures treated as a major federal financial assistance program.

\*\* Research and development grant expenditures treated as a major federal financial assistance program.

\*\*\* CFDA 14.239 HOME Investment Partnerships Program includes the balance of loans from previous years of \$66,108,486 for which the federal government imposes continuing compliance requirements.

**State of Iowa**

## Notes to Schedule of Expenditures of Federal Awards

June 30, 2005

### (1) Significant Accounting Policies

Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, requires a Schedule of Expenditures of Federal Awards showing total federal awards expended for each individual federal program. Programs listed in the Catalog of Federal Domestic Assistance (CFDA) are so identified. Programs not in the catalog are identified as other federal assistance.

#### A. Reporting Entity

The reporting entity includes all state departments and entities included in the State's Comprehensive Annual Financial Report.

#### B. Basis of Presentation

In accordance with OMB Circular A-133, federal financial assistance is defined as assistance that non-federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Type A programs, as defined by OMB Circular A-133, are those programs for the State of Iowa which exceeded \$11,500,000 in federal awards expended during the audit period.

#### C. Basis of Accounting

Expenditures are presented on the modified accrual basis of accounting except for those of the universities which are on the accrual basis.

#### D. Grantees

Assistance received directly from the federal government is shown by the grantee receiving the funds. Assistance received from other entities is so noted.

### (2) Non-Cash Assistance

Non-cash assistance was as follows:

|             | Issuances<br>Year ended<br>June 30, 2005 | Inventory<br>June 30, 2005 |
|-------------|--|----------------------------|
| Commodities | \$ 15,929,160                            | 1,508,800                  |
| Vaccines    | 10,715,742                               | 8,623,532                  |

Donated federal surplus personal property inventory is presented at the fair market value of the property received. The fair market value was estimated to be 23.3% of the property's original acquisition value, which is the assessed value provided by the U.S. General Services Administration. This property was not reported in the Comprehensive Annual Financial Report.

**(3) Federally Funded Loan Programs**

Loan balances of federally funded loan programs at June 30, 2005 were as follows:

| CFDA No. | Program   | Outstanding Loans<br>June 30, 2005 |
|----------|---|------------------------------------|
| 14.228   | Community Development Block Grants/<br>State's Program  | \$ 338,499                         |
| 14.239   | HOME Investment Partnerships Program  | 72,498,020                         |
| 20.308   | Local Rail Freight Assistance   | 422,987                            |
| 66.458   | Capitalization Grants for Clean Water<br>State Revolving Funds  | 259,369,000 *                      |
| 66.468   | Capitalization Grants for Drinking Water<br>State Revolving Funds                                     | 127,656,000 *                      |
| 84.038   | Federal Perkins Loan Program – Federal<br>Capital Contributions                                       | 48,612,134                         |
| 93.264   | Nurse Faculty Loan Program (NFLP)   | 114,000                            |
| 93.342   | Health Professions Student Loans,<br>Including Primary Care Loans/Loans<br>for Disadvantaged Students | 10,500,691                         |
| 93.364   | Nursing Student Loans   | 1,803,841                          |

\* The outstanding loans consist of federal and state funds.

**(4) Unemployment Insurance**

Unemployment Insurance expenditures for the year ended June 30, 2005, reported as CFDA 17.225, included the following:

|               |                       |
|---------------|-----------------------|
| Federal funds | \$ 35,114,752         |
| State funds   | <u>293,855,852</u>    |
| Total         | <u>\$ 328,970,604</u> |



**State of Iowa**



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

David A. Vaudt, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

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 Governor and Members of the General Assembly:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the State of Iowa as of and for the year ended June 30, 2005, which collectively comprise the State's basic financial statements as listed in the table of contents and have issued our report thereon dated December 19, 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.

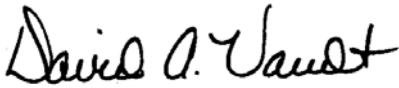
Internal Control Over Financial Reporting

In planning and performing our audit, we considered the State of Iowa'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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting which will be reported to management in separate departmental reports.

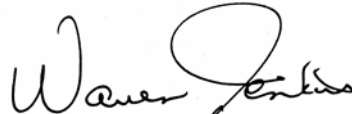
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Iowa's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit 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 which will be reported to management in separate departmental reports.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of the State of Iowa and other parties to whom the State of Iowa 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 19, 2005



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

David A. Vaudt, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

Independent Auditor's Report on Compliance with Requirements  
Applicable to Each Major Program, on Internal Control over Compliance  
in Accordance with OMB Circular A-133  
and on the Schedule of Expenditures of Federal Awards

To the Governor and Members of the General Assembly:

Compliance

We have audited the compliance of the State of Iowa with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2005. The State of Iowa's major federal programs are 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 each of its major federal programs is the responsibility of the State of Iowa's management. Our responsibility is to express an opinion on the State of Iowa'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 the State of Iowa's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit and the reports of the other auditors provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the State of Iowa's compliance with those requirements.

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

Internal Control Over Compliance

The management of the State of Iowa is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered the State of Iowa'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.

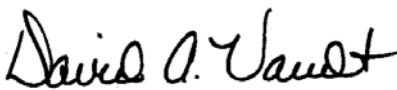
We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the State of Iowa's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grant agreements. Reportable conditions are described in Part III of the accompanying Schedule of Findings and Questioned Costs.

A material weakness is a 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 non-compliance with applicable requirements of laws, regulations, contracts and grant agreements 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. Our consideration of the internal control over compliance 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 05-III-HHS-401-13 on page 235 to be a material weakness.

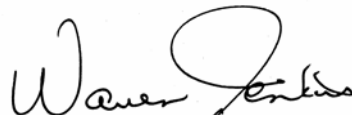
#### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the State of Iowa as of and for the year ended June 30, 2005, and have issued our report thereon dated December 19, 2005. We did not audit the financial statements of certain discretely presented component units, which statements reflect 98% of assets and 95% of revenues of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion insofar as it relates to the amounts included for these discretely presented component units is based on the reports of the other auditors. Our audit and the audits of the other auditors were performed for the purpose of forming opinions on the financial statements that collectively comprise the State of Iowa's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

March 10, 2006, except for the paragraph regarding the Schedule of Expenditures of Federal Awards, as to which the date is December 19, 2005

State of Iowa  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2005

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

- (a) Unqualified opinions were issued on the financial statements.
- (b) No material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) Reportable conditions in internal control over major programs were disclosed by the audit of the financial statements, one of which was considered to be a material weakness.
- (e) The independent auditor's report on compliance for major programs expressed an unqualified opinion for all major programs.
- (f) The audit disclosed findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:
  - CFDA Number 10.550 – Food Donation
  - CFDA Number 10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children
  - CFDA Number 10.558 – Child and Adult Care Food Program
  - CFDA Number 12.401 – National Guard Military Operations and Maintenance (O&M) Projects
  - CFDA Number 14.228 – Community Development Block Grants/State's Program
  - CFDA Number 14.239 – HOME Investment Partnerships Program
  - CFDA Number 16.575 – Crime Victim Assistance
  - CFDA Number 17.225 – Unemployment Insurance
  - CFDA Number 20.205 – Highway Planning and Construction
  - CFDA Number 20.509 – Formula Grants for Other Than Urbanized Areas
  - CFDA Number 21.000 – Temporary State Fiscal Relief (Jobs and Growth Tax Reconciliation Act of 2003)
  - CFDA Number 66.458 – Capitalization Grants for Clean Water State Revolving Funds

State of Iowa  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2005

- CFDA Number 81.042 – Weatherization Assistance for Low-Income Persons
- CFDA Number 84.010 – Title I Grants to Local Educational Agencies
- CFDA Number 84.048 – Vocational Education – Basic Grants to States
- CFDA Number 84.126 – Rehabilitation Services - Vocational Rehabilitation Grants to States
- CFDA Number 84.215 – Fund for the Improvement of Education
- CFDA Number 84.367 – Improving Teacher Quality State Grants
- CFDA Number 93.230 – Consolidated Knowledge Development and Application (KD&A) Program
- CFDA Number 93.558 – Temporary Assistance for Needy Families
- CFDA Number 93.563 – Child Support Enforcement
- CFDA Number 93.568 – Low-Income Home Energy Assistance
- CFDA Number 93.658 – Foster Care – Title IV-E
- CFDA Number 93.659 – Adoption Assistance
- CFDA Number 93.767 – State Children’s Insurance Program
- CFDA Number 93.889 – National Bioterrorism Hospital Preparedness Program
- CFDA Number 97.004 – State Domestic Preparedness Equipment Support Program
- CFDA Number 97.034 – Disaster Unemployment Assistance
- Clustered Programs:
  - Food Stamp Cluster:
    - CFDA Number 10.551 – Food Stamps
    - CFDA Number 10.561 – State Administrative Matching Grants for Food Stamp Program
  - Nutrition Cluster:
    - CFDA Number 10.553 – School Breakfast Program
    - CFDA Number 10.555 – National School Lunch Program
    - CFDA Number 10.556 – Special Milk Program for Children
    - CFDA Number 10.559 – Summer Food Service Program for Children

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

WIA Cluster:

- CFDA Number 17.258 – WIA Adult Program
- CFDA Number 17.259 – WIA Youth Activities
- CFDA Number 17.260 – WIA Dislocated Workers

Aging Cluster:

- CFDA Number 93.044 – Special Programs for the Aging – Title III, Part B – Grants  
for Supportive Services and Senior Centers
- CFDA Number 93.045 – Special Programs for the Aging – Title III, Part C –  
Nutritional Services
- CFDA Number 93.053 – Nutrition Services Incentive Program

Child Care Cluster:

- CFDA Number 93.575 – Child Care and Development Block Grant
- CFDA Number 93.596 – Child Care Mandatory and Matching Funds of the  
Child Care and Development Fund

Medicaid Cluster:

- CFDA Number 93.775 – State Medicaid Fraud Control Units
- CFDA Number 93.777 – State Survey and Certification of Health Care  
Providers and Suppliers
- CFDA Number 93.778 – Medical Assistance Program

Student Financial Assistance Cluster:

(See \* on the Schedule of Expenditures of Federal Awards)

Research and Development Cluster:

(See \*\* on the Schedule of Expenditures of Federal Awards)

- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$11,500,000.
- (i) The State of Iowa did not qualify as a low-risk auditee.



State of Iowa  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2005

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

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**REPORTABLE CONDITIONS:**

No material weaknesses in internal control over financial reporting were noted.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

**Key to Numbering of Findings in Part III:**

Part III Example: 05-III-USDA-282-1

- 05 – Fiscal Year Finding reported in (i.e. Fiscal Year Ended June 30, 2005)
- III – Part Number of the Schedule of Findings and Questioned Costs
- USDA – Federal Agency identification. In this case, the U.S. Department of Agriculture. See table of Federal Agency by Agency Identification on page 252.
- 282 – State Agency identification number. In this case, the Iowa Department of Education. See table of Iowa State Agencies by Agency Number on page 253.
- 1 – Comment Number for the Federal Agency

State of Iowa  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2005

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

**U.S. Department of Agriculture**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**REPORTABLE CONDITIONS:**

**CFDA Number: 10.550 – Food Donation**

**Agency Number: None**

**Federal Award Year: 2005**

**Iowa Department of Education**

**05-III-USDA-282-1**

FNS-155 Reporting – USDA policy for commodity reporting requires the Department to complete an Inventory Management Register (FNS-155) which reports all commodity inventories warehoused within each state facility, either commercial or state-operated, which have been on hand greater than six months. Inventory items which had been on hand greater than six months were not reported on the June 30, 2005 FNS-155 report as required.

Recommendation – The Department should perform the six month excess inventory calculation for each item on the ending inventory listing to determine which items should be included on the FNS-155 report.

Response and Corrective Action Planned – The Bureau has requested further guidance from USDA on the FNS-155 report related to inconsistencies in guidance received over the past three years. Based on a dialogue and assistance from USDA regarding this matter on March 1, 2006 and March 2, 2006, a formula and a worksheet have been developed which the consultant working with the Food Donation Program will use with each commodity food item that is reported in the warehouse inventory in June and December of each year. This information will be used to determine which items should be included on the FNS-155 report when it is filed with USDA at those times. Documentation of the findings and the process will be kept on file.

Conclusion – Response accepted.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

**CFDA Number: 10.550 – Food Donation**

**Agency Number: None**

**Federal Award Year: 2005**

**Iowa Department of Education**

**05-III-USDA-282-2**

Commodities Distribution – The Department has entered into a contractual agreement for the storage and distribution of federal commodities. The contract requires the Warehouse Release and Order Form to be signed by an authorized individual at each Community School District (CSD). A copy of the signed form is to be provided to the Department.

During our review, we noted 9 of 40 Warehouse Release and Order Forms did not contain a signature.

Recommendation – The Department should take steps to ensure the Warehouse Release and Order Forms are properly signed by each CSD.

Response and Corrective Action Planned – Correction of this item will be a priority. The consultant working with the Food Donation Program will discuss with the contracted transportation company (Keck, Inc.) the importance of securing signatures from school staff at the time of each delivery. In addition, the Department will remind the schools of their duty to sign off on the delivery ticket before the truck driver leaves the facility by newsletters and by the summer short course workshops held for schools. Also, the Department will more closely monitor the delivery tickets to reconcile, follow-up and provide further institution specific reminders for any delivery orders that are returned without a signature.

Conclusion – Response accepted.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

**CFDA Number: 10.553 – School Breakfast Program**

**Agency Number: 2004IN109943, 2005IN109943**

**Federal Award Year: 2004, 2005**

**Iowa Department of Education**

**CFDA Number: 10.555 – National School Lunch Program**

**Agency Number: 2004IN109943, 2005IN109943**

**Federal Award Year: 2004, 2005**

**Iowa Department of Education**

**CFDA Number: 10.556 – Special Milk Program for Children**

**Agency Number: 2004IN109943, 2005IN109943**

**Federal Award Year: 2004, 2005**

**Iowa Department of Education**

**05-III-USDA-282-3**

Timely Submission – Federal requirements state the Department must submit the Food and Nutrition Service (FNS) 10 report within 30 and 90 days following the month of the sponsor's claim. The 30 day reports for July and August 2004 were submitted late.

Recommendation – The Department should ensure the reports are submitted timely.

Response and Corrective Action Planned – The Department understands the importance of timely filing of reports. At the time of the filing of the 30 day reports for July and August 2004, the Department was in the midst of a conversion to a new web based system. Implementation of the new system was a contributing factor to these reports being late. As a preventive measure, additional reminders have been placed in the calendars utilized by staff responsible for the preparation and submission of this report.

Conclusion – Response accepted.

**CFDA Number: 10.553 – School Breakfast Program**

**Agency Number: 2004IN109943, 2005IN109943**

**Federal Award Year: 2004, 2005**

**Iowa Department of Education**

**CFDA Number: 10.555 – National School Lunch Program**

**Agency Number: 2004IN109943, 2005IN109943**

**Federal Award Year: 2004, 2005**

**Iowa Department of Education**

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

**CFDA Number: 10.556 – Special Milk Program for Children**  
**Agency Number: 2004IN109943, 2005IN109943**  
**Federal Award Year: 2004, 2005**  
**Iowa Department of Education**

**CFDA Number: 10.558 – Child and Adult Care Food Program**  
**Agency Number: 2004IN109943, 2005IN109943**  
**Federal Award Year: 2004, 2005**  
**Iowa Department of Education**

**05-III-USDA-282-4**

Timely Submission – Federal requirements state the Department must submit the Summer Food (SF) 269 reports by dates specified in Title 7 of the Code of Federal Regulations (CFR) 277.11(c)(4). The reports due for the first quarter, fourth quarter, and the final annual report were submitted after the due date.

Recommendation – The Department should ensure the reports are submitted timely.

Response and Corrective Action Planned – The Department understands the importance of timely filing of reports. Specific reminders have been placed in the calendars utilized by staff responsible for the preparation and submission of this report.

Conclusion – Response accepted.

**CFDA Number: 10.555 – National School Lunch Program**  
**Agency Number: 2004IN109943, 2005IN109943**  
**Federal Award Year: 2004, 2005**  
**Iowa Department of Education**

**05-III-USDA-282-5**

Evidence of Review – Federal requirements state the Department must submit the Food and Nutrition Service (FNS) 13 report. The report should have evidence of review. The reviewer did not sign the FNS 13 report filed for fiscal year 2005.

Recommendation – The Department should ensure the Departmental review is evidenced on the report.

Response and Corrective Action Planned – The Department understands evidence of the Departmental review of the FNS 13 report should show on the report. The reviewer will sign the FNS 13 report. A reminder notation has been placed in the file folder that will be utilized in the generation of future reports.

Conclusion – Response accepted.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

**CFDA Number: 10.558 – Child and Adult Care Food Program**

**Agency Number: 2005IN202043**

**Federal Award Year: 2005**

**Iowa Department of Education**

**05-III-USDA-282-6**

Administrative Reviews – Title 7 Code of Federal Regulations (CFR) 226.6(m)(4) states the Department is to review sponsoring organizations every three years for sponsors having 1-100 facilities and every two years for those having greater than 100 facilities.

Eleven facilities on a three year cycle were not visited within the required time period. In addition, two of twenty-five facilities in which the review was closed by the Department did not have documentation on file stating the corrective action taken was acceptable.

Recommendation – The Department should ensure sponsoring facilities are being reviewed within the proper three year cycle and ensure written documentation relating to administrative reviews is maintained.

Response and Corrective Action Planned –

CACFP reviews not completed according to CACFP regulations timeline:

The Department is currently tracking CACFP reviews using an Access program. Each new fiscal year, consultants with CACFP responsibilities receive a list of reviews to be completed as required by the CACFP federal regulations. Consultants are responsible for conducting the review, corrective action, if needed and closure of the review.

Six of the eleven reviews in question have been made and are in various states of closure depending on the required corrective action needed. The other five reviews have been scheduled or are in the process of being scheduled by assigned consultants.

We are in the process of designing a more integrated review system with edits to help ensure required reviews, with the required close out documentation, are completed according to regulations. Part of these changes will make monitoring of the process easier.

Closed review documentation:

One of the two reviews which did not have documentation of the close out on file was notified by phone rather than in writing. The consultant has been requested to document the phone call and send/email it to the office.

The second review question had a statement in the review letter indicating there were no required changes. This would mean no additional follow-up was needed and the consultant considered the review closed. The consultant has retired so it will not be possible to request additional documentation.

Conclusion – Response accepted.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

**CFDA Number: 10.558 – Child and Adult Care Food Program**

**Agency Number: 2005IN202043**

**Federal Award Year: 2005**

**Iowa Department of Education**

**05-III-USDA-282-7**

Eligibility Reporting – Title 7 Code of Federal Regulations (CFR) 226.6(f)(9) states the Department must provide sponsoring organizations a list of elementary schools in the state which have at least half of their students eligible for free or reduced price meals by February 15<sup>th</sup> of each year. For fiscal year 2005, this listing was submitted March 14<sup>th</sup>.

Recommendation – The Department should ensure this listing is submitted timely.

Response and Corrective Action Planned – The Department annually reviews October school lunch data to determine the public elementary schools which have at least half of their students eligible for free or reduced price meals. In past years, this has been done after the 90 day revised claims are processed (about early February). Said data does not all directly correspond to the required school information under 7 CFR 226.6(f)(9) e.g. split elementary grade ranges within individual buildings; further assessment of schools on the preliminary list is required and this takes time. With school consolidations, redistricting, and other changes occurring with the structure of schools this list needs to be assessed annually to determine those meeting CACFP requirements that are thus eligible to be placed on the final list to be distributed.

By modifying current procedures and beginning the review process in January, even though the list will not be finalized until after the 90 day revised claim data is available, the Department anticipates being able to comply with the annual February 15<sup>th</sup> deadline for providing a list of eligible public elementary schools in the future.

Conclusion – Response accepted.

**CFDA Number: 10.558 – Child and Adult Care Food Program**

**Agency Number: 2005IN202043**

**Federal Award Year: 2005**

**Iowa Department of Education**

**05-III-USDA-282-8**

Eligibility – Title 7 Code of Federal Regulations (CFR) 226.6, 226.7 and 226.23 states sponsoring organizations must submit, with their application, a copy of their valid center license, a policy statement, and a non-school food service contract if using outside food service providers. In addition, Department of Education consultants review and approve these applications, which involves signing and dating an approval checklist.



State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

For twenty-five application files reviewed, the following conditions were identified:

- (a) Four applications did not contain a copy of the center's policy statement.
- (b) One application did not contain a copy of the non-school food service contract.
- (c) One application did not have the consultant's approval.

Recommendation – The Department should ensure all required parts of the application are submitted before approving a sponsor to participate in the Child and Adult Care Food Program. Consultants should sign the approval checklist and the actual application agreement upon approval.

Response and Corrective Action Planned –

- (a) All new first-time applications have submitted the appropriate policy statement. Any missing policy statement reflects inadvertent oversight in filing. All missing policy statements will be located or recollected and filed.
- (b) Failure to collect the missing non-school food service contract is an inadvertent oversight. Said contract has now been acquired from the program sponsor and will be filed with applicable program records.
- (c) All applications have been approved. One application document did not include the approving consultant's signature to indicate approval. Other completed documents show approval. The missing signature is an inadvertent oversight.

Conclusion – Response accepted.

**CFDA Number: 10.561 – State Administrative Matching Grants for Food Stamp Program**

**Agency Number: 008016199S6008**

**Federal Award Year: 2004, 2005**

**Iowa Department of Human Services**

**05-III-USDA-401-9**

Semi-Annual Certifications – OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, Attachment B-8(h)(3), requires semi-annual certifications to support salaries and wages for all employees who work exclusively on a single federal program.

The Department does not obtain semi-annual certifications for employees who work exclusively on a single federal program.

Recommendation – The Department should comply with OMB Circular A-87.

Response and Corrective Action Planned – The Department began obtaining semi-annual certifications for employees who work exclusively on a single federal program in July 2005.

Conclusion – Response accepted.

State of Iowa  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2005

**U.S. Department of Defense**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**REPORTABLE CONDITIONS:**

**CFDA Number: 12.431 – Basic Scientific Research**  
**Master Cooperative Agreement: DAAD19-02-1-0243**  
**Federal Award Year: 2005**  
**State University of Iowa**

**05-III-DOD-619-1**

Subrecipient Monitoring – OMB Circular A-133 Subpart C.320(a) requires subrecipients subject to a single audit to submit audit reports to the pass-through entity within the earlier of 30 days after the receipt of the audit report or nine months after the end of the audit period, unless a longer period is agreed to in advance by the oversight agency for audit.

The University sent letters to subrecipients for the fiscal year ended June 30, 2004 requesting a copy of the single audit report or documentation stating the subrecipient was not subject to the single audit requirement. As of February 16, 2006, the University had not obtained and reviewed single audit reports or determined audits were not applicable for 26 of 135 subrecipients.

Recommendation – The University should implement procedures to ensure single audit reports are obtained within nine months after the subrecipient's fiscal year end.

Response and Corrective Action Planned – All subrecipient single audit reports were obtained and reviewed by February 28, 2006, which follows the current grant accounting subrecipient monitoring documented procedures.

As an improvement to current practice, the grant accounting subrecipient monitoring procedures will be revised to ensure the single audit reports will be obtained within six months after the subrecipient is required to issue their single audit report.

Conclusion – Response acknowledged. The University's procedures should ensure subrecipients subject to a single audit submit required audit reports for timely review as required by OMB Circular A-133.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

**U.S. Department of Housing and Urban Development**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**REPORTABLE CONDITIONS:**

**CFDA Number: 14.228 – Community Development Block Grants/State’s Program**

**Agency Number: B-03-DC-19-0001, B-04-DC-19-0001, B-05-DC-19-0001**

**Federal Award Year: 2003, 2004, 2005**

**Iowa Department of Economic Development**

**05-III-HUD-269-1**

Subrecipient Monitoring – OMB Circular A-133 requires a pass-through entity to be responsible for monitoring the activities of its subrecipients, as necessary, to ensure federal awards are used for authorized purposes and in compliance with laws, regulations and provisions of the contract or grant.

The Department has established policies and procedures for subrecipient monitoring. One of the procedures requires department personnel to issue a determination letter to a subrecipient upon completion of an on-site monitoring visit.

In eight of twenty-five subrecipient files reviewed, the Department did not issue determination letters upon completion of on-site monitoring visits. For seven of these instances in which monitoring files were still open, the on-site monitoring visits had been performed seven to seventeen months earlier. For the remaining instance, the file was considered closed without the issuance of this letter.

Recommendation – The Department should implement procedures to ensure determination letters are issued to subrecipients in a timely manner upon completion of on-site monitoring visits.

Response and Corrective Action Planned – The Department will strengthen its procedures and oversight to ensure determination letters and subsequent close-out of projects are completed in a more timely manner. This will involve having team leaders follow-up more closely with project managers, including the use of weekly/monthly reports indicating the projects monitored and the status of the determination letter on the project.

Conclusion – Response accepted.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

**CFDA Number: 14.228 – Community Development Block Grants/State’s Program**

**Agency Number: B-03-DC-19-0001, B-04-DC-19-0001, B-05-DC-19-0001**

**Federal Award Year: 2003, 2004, 2005**

**Iowa Department of Economic Development**

**CFDA Number: 14.239 – HOME Investment Partnerships Program**

**Agency Number: M-03-SG-19-0001, M-04-SG-19-0001, M-05-SG-19-0001**

**Federal Award Year: 2003, 2004, 2005**

**Iowa Department of Economic Development**

**05-III-HUD-269-2**

Cash Management – Effective cash management procedures provide for minimizing the amount of time between the drawdown/request for federal funds and the disbursement of those funds. As stated in the Cash Management Improvement Act (CMIA) Agreement, the CDBG and HOME programs are funded on a cash advance basis. This means federal draws are not to be deposited more than three days prior to the date of disbursement.

A review of the Department’s ledgers and cash management system identified the following:

- (a) In five instances, the Department drew CDBG funds, but the corresponding disbursements were not made until four to thirteen working days later. The draw amounts ranged from \$8,188 to \$874,128.
- (b) In seven instances, the Department drew HOME funds, but the corresponding disbursements were not made until four to eight working days later. The draw amounts ranged from \$39,623 to \$409,720.

Recommendation – The Department should develop and implement procedures to ensure federal funds are drawn in amounts sufficient to cover current needs and are disbursed in a timely manner without carrying excessive daily balances.

Response and Corrective Action Planned – The Department will increase its efforts to eliminate this finding from future audit reports. During fiscal year 2006, we made an addition to the fiscal staff to assist the Department to further refine the drawdown process. However, a new accounting system hindered this process during the first quarter and into the second quarter of state fiscal year 2005. These were system wide slowdowns that affected all agencies. Despite this, the accounting department will more closely monitor draw frequency when received from program staff and try to ensure the federal funds are disbursed within the three day timeframe.

Conclusion – Response accepted.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

**U.S. Department of Justice**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**REPORTABLE CONDITIONS:**

**CFDA Number: 16.575 – Crime Victim Assistance**

**Agency Number: None**

**Federal Award Year: 2005**

**Iowa Department of Justice**

**05-III-DOJ-112-1**

Subrecipient Monitoring – OMB Circular A-133 requires a pass-through entity to be responsible for monitoring the activities of the subrecipients, as necessary, to ensure federal awards are used for authorized purposes in compliance with laws, regulations, and provisions of the contract and grant.

The Department has established policies and procedures to be followed in the performance of subrecipient monitoring. These policies state site monitoring visits will be scheduled every two years for each subrecipient.

During our review of program monitoring files, we noted five out of twenty subrecipients tested had not had a site monitoring visit performed in the last two years as required by the Department's policies.

Recommendation – The Department should ensure policies and procedures are followed relating to the performance of subrecipient site monitoring visits.

Response and Corrective Action Planned – To ensure federal awards are used for authorized purposes, Crime Victim Assistance Division (CVAD) uses many monitoring techniques including, but not limited to, site monitoring visits. Crime Victim Assistance Division also monitors subrecipients in the following ways:

- (a) Monthly or quarterly claim vouchers, including supporting documentation
- (b) Bi-annual progress reports
- (c) Annual performance reports
- (d) Annual grant management and orientation workshops
- (e) Annual grant writing workshops

In 2005, we changed our internal policy for performing site visits from once every three years to once every two years. We realize now this was an unrealistic expectation with the reduced number of grant staff and the increased numbers of grant contracts. Grant staff has decreased in the last two years from five staff to three staff. Our internal site monitoring visit policy has been changed back to performing a site-monitoring visit once every three years. Effective July 1, 2005, Crime Victim Assistance Division will perform site visits at a minimum of once every three years for each grantee to be in compliance with our own internal policy.

Conclusion – Response accepted.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

**U.S. Department of Labor**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**REPORTABLE CONDITIONS:**

**CFDA Number: 17.225 – Unemployment Insurance**

**Agency Number: UI12638KS, UI12638KR, UI13547NE, UI13547ND, UI14434QD**

**Federal Award Year: 2003, 2004, 2005**

**Iowa Department of Workforce Development**

**05-III-DOL-309-1**

CMIA Agreement – Payroll – As stated in the Cash Management Improvement Act (CMIA) Agreement, the state utilizes a bi-weekly payroll system with a payday every other Friday. Consistent with the state's cash advance requirements, departments must have funds on hand by Tuesday preceding the payday to cover net pay, employer contributions and employee deductions. Due to these administrative constraints, the state is required to pay interest on direct payroll costs for 4.60 days, which is the dollar weighted average clearance of payroll related costs for mandatory and discretionary deductions held by the Centralized Payroll Trustee.

The Department is required to submit a spreadsheet to the Iowa Department of Administrative Services which documents payroll expenditures and related federal drawdowns by pay period. The spreadsheet for fiscal year 2005 for the cost pool included allocation percentages to distribute the costs to various cost centers. The percentages used did not correspond with the percentages actually used in the Integrated Information for Iowa (I3) system for nine pay periods throughout the year.

In addition, indirect cost recovery rates were applied to the payroll to more accurately reflect the expenditures related to the federal drawdowns. However, in several instances, the amounts reported for indirect cost recovery could not be recalculated or supported.

Recommendation – The Department should ensure the payroll spreadsheet submitted to the Iowa Department of Administrative Services is accurate.

Response and Corrective Action Planned – The State of Iowa implemented a new accounting system on June 1, 2004. Iowa Workforce Development (IWD) is the only State agency utilizing the cost allocation module that is part of that new system. As noted in our response to this comment in the fiscal year '04 audit, during the first few months after implementation, the cost allocation system was not working at one point and not working accurately at another. IWD and the vendor were forced to make an extraordinary amount of adjusting entries to allocate and reallocate postings to the system.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

This made it very difficult to follow the audit trail on many transactions as there were many instances of adjustments to adjustments. Not only did this make it difficult to analyze daily cash balances, but also to verify accuracy of each individual posting for indirect costs. With the initial system problems addressed, we expect to see improvement in cash management. IWD will continue to monitor cash balances and work to meet the intent of the Federal Cash Management Act.

Conclusion – Response accepted.

**CFDA Number: 17.225 – Unemployment Insurance**

**Agency Number: UI10935FM, UI11819HY, UI12638KS, UI12638KR, UI13547NE**

**Federal Award Year: 2001, 2002, 2003, 2004**

**Iowa Department of Workforce Development**

**CFDA Number: 17.258 – WIA Adult Program**

**Agency Number: AA12925MO, AA13798OO, AA13798PQ**

**Federal Award Year: 2004, 2005**

**Iowa Department of Workforce Development**

**CFDA Number: 17.259 – WIA Youth Activities**

**Agency Number: AA13798NZ**

**Federal Award Year: 2004**

**Iowa Department of Workforce Development**

**CFDA Number: 17.260 – WIA Dislocated Workers**

**Agency Number: EM10882JJ, EM10882LY, EM10882KF, EM10885MR,  
AA12925MP, AA13798OQ, AA13798PS, EM10882PU**

**Federal Award Year: 2002, 2003, 2004, 2005**

**Iowa Department of Workforce Development**

**05-III-DOL-309-2**

Cash Management – Effective cash management procedures provide for minimizing the amount of time between the drawdown/request for federal funds and the disbursement of these funds. They also minimize the amount of state and other federal funds used to supplant programs until federal funds are received.

For the Unemployment Insurance program, six instances were noted where the cash balance was excessive for a period of five to sixty-two days.

For the Workforce Investment Act programs, two instances were noted where the cash balance was excessive for a period of five to thirty-eight days.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

Recommendation – The Department should monitor cash balances to ensure balances on hand are sufficient to cover current needs and are disbursed in a timely manner without carrying excessive daily balances.

Response and Corrective Action Planned – This issue was caused by the same problem identified in 05-III-DOL-309-1. With so many transactions waiting processing in the cost allocation module, it was impossible to determine the accurate amount of funds to be drawn on any one program. The initial system errors have been corrected, however IWD had no alternative at the time, as data from the new State accounting system was not accurate for several months.

Conclusion – Response accepted.

**CFDA Number: 17.225 – Unemployment Insurance**

**Agency Number: UI12638KS, UI12638KR, UI13547NE, UI13547ND, UI14434QD**

**Federal Award Year: 2003, 2004, 2005**

**Iowa Department of Workforce Development**

**CFDA Number: 17.258 – WIA Adult Program**

**Agency Number: 12925MO, AA13798OO, AA13798PQ**

**Federal Award Year: 2004, 2005**

**Iowa Department of Workforce Development**

**CFDA Number: 17.259 – WIA Youth Activities**

**Agency Number: AA13798NZ**

**Federal Award Year: 2004**

**Iowa Department of Workforce Development**

**CFDA Number: 17.260 – WIA Dislocated Workers**

**Agency Number: EM10882JJ, EM10882LY, EM10882KF, EM10885MR,  
AA12925MP, AA13798OQ, AA13798PS, EM10882PU**

**Federal Award Year: 2002, 2003, 2004, 2005**

**Iowa Department of Workforce Development**

**05-III-DOL-309-3**

Payroll Allocation – The Department performs a time study on a monthly basis to determine percentages of time spent on various federal programs within a designated cost pool. The percentages are based upon certifications submitted by the employees working within the cost pool. The percentages are compiled on a monthly basis and a quarterly average is calculated. Utilizing the quarterly averages, total costs are distributed to the federal programs within the cost pool.

Review of work report information provided by employees on the state payroll system indicated three instances where the total time charged to the cost pool did not agree with the percentage of time certified. Also, one employee charged time to the cost pool for a portion of the fiscal year but was not included in the time study and one employee was included in the time study but no time was charged to the cost pool.



State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

Recommendation – The Department should develop procedures to ensure payroll certifications are supported by actual time charged through the state payroll system. Also, the Department should ensure all employees are properly included in the time study.

Response and Corrective Action Planned – The State's automated payroll system has two separate and distinct programs for entering time allocations. Variances are always found between the one updated by the IWD personnel department and the one used by IWD staff. The two systems are not linked and continuously cause this type of problem. In addition, neither of the two systems has the flexibility to allow the volume of allocations that one staff member may need to accurately allocate their time to all the programs they work on.

This has caused IWD to use a manual cost pool methodology to allocate time for those that have more than 5 programs they charge time to. With three different programs being used to allocate time, variances are always a concern. It is our understanding that the new State payroll system will eliminate many of the problems we currently face in payroll allocations. However, the implementation date for this new payroll system has not been announced. IWD will continue our efforts to minimize variance in the reports.

Conclusion – Response accepted.

**CFDA Number: 17.258 – WIA Adult Program**  
**Agency Number: AA12925MO, AA13798OO, AA13798PQ**  
**Federal Award Year: 2004, 2005**  
**Iowa Department of Workforce Development**

**CFDA Number: 17.259 – WIA Youth Activities**  
**Agency Number: AA13798NZ**  
**Federal Award Year: 2004**  
**Iowa Department of Workforce Development**

**CFDA Number: 17.260 – WIA Dislocated Workers**  
**Agency Number: EM10882JJ, EM10882LY, EM10882KF, EM10885MR,**  
**AA12925MP, AA13798OQ, AA13798PS, EM10882PU**  
**Federal Award Year: 2002, 2003, 2004, 2005**  
**Iowa Department of Workforce Development**

**05-III-DOL-309-4**

Subrecipient Monitoring – OMB Circular A-133 Compliance Supplement states, in part, each state must have a monitoring system which provides for annual on-site monitoring reviews of subrecipient's compliance with U.S. Department of Labor uniform administrative requirements, ensures established policies to achieve program quality and outcomes meet the Workforce Investment Act's objectives and enables the Governor to determine if subrecipients and contractors are in substantial compliance with WIA requirements. The Circular also states each state must ensure required audit reports of subrecipients are completed within nine months of the end of the subrecipient's audit period, issue a management decision on audit findings within six months of receipt of the subrecipient's audit report and ensure the subrecipient takes timely and appropriate corrective action on all audit findings.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

The Department has established policies and procedures to be followed in the performance of subrecipient monitoring. These policies state a final determination will be issued to a subrecipient after receipt of a response from the subrecipient after initial determination. Final determinations had not been sent to two of sixteen subrecipients after resolution.

Recommendation – The Department should ensure policies and procedures are followed to provide subrecipients with final determinations on a timely basis.

Response and Corrective Action Planned – The Department has reviewed policies, procedures and tracking documents related to program monitoring requirements. This information has been distributed to all staff responsible for program monitoring activities and management has emphasized that final determination reports must be submitted within established time lines.

Conclusion – Response accepted.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

**CFDA Number: 17.258 – WIA Adult Program**  
**Agency Number: AA12925MO, AA13798OO, AA13798PQ**  
**Federal Award Year: 2004, 2005**  
**Iowa Department of Workforce Development**

**CFDA Number: 17.259 – WIA Youth Activities**  
**Agency Number: AA13798NZ**  
**Federal Award Year: 2004**  
**Iowa Department of Workforce Development**

**CFDA Number: 17.260 – WIA Dislocated Workers**  
**Agency Number: EM10882JJ, EM10882LY, EM10882KF, EM10885MR,**  
**AA12925MP, AA13798OQ, AA13798PS, EM10882PU**  
**Federal Award Year: 2002, 2003, 2004, 2005**  
**Iowa Department of Workforce Development**

**05-III-DOL-309-5**

Grant Management – The Office of Auditor of State is conducting an on-going investigation related to grants awarded to the Central Iowa Employment and Training Consortium (CEITC) for the programs identified above. The grants were awarded to CEITC by the Iowa Department of Workforce Development. Disbursements to CEITC for the above programs for the grant period July 1, 2003 through September 30, 2005 totaled \$3,296,531. A report will be issued by the Office of Auditor of State when the investigation is completed and will be provided to the appropriate oversight entity. The report will include any recommendations, questioned costs and other concerns identified. In addition, the results will be disclosed within the subsequent year's schedule of findings and questioned costs.

Response and Corrective Action Planned – Department response not requested.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

**U.S. Department of Transportation**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**REPORTABLE CONDITIONS:**

**CFDA Number: 20.205 – Highway Planning and Construction**

**Agency Number: None**

**Federal Award Year: 2005**

**Iowa Department of Transportation**

**05-III-DOT-645-1**

Davis-Bacon – Wage Rate Interviews – The Department established policies and procedures to be followed regarding Davis-Bacon wage rate requirements. The Department's Construction Manual, Chapter 2.24 requires the project engineer to document findings of the wage rate interview for the EEO Project Site Inspection/Wage Rate Interview form (Form No. 650170). This form was not on file for three of ten projects tested.

Recommendation – The Department should ensure the established procedures are followed so the Employee Wage Rate Interview forms are completed and filed in the project files.

Response and Corrective Action Planned – The residency will be counseled on the established procedures and required documents

Conclusion – Response accepted.

**CFDA Number: 20.205 – Highway Planning and Construction**

**Agency Number: None**

**Federal Award Year: 2005**

**Iowa Department of Transportation**

**05-III-DOT-645-2**

Davis-Bacon – Certified Payrolls – OMB Circular A-133 requires the contractor or subcontractor to submit to the non-federal entity a certified payroll each week in which any contract work is performed. The Department's established policies and procedures contained within the Department's Construction Manual, Chapter 2.24 states this requirement is to be included in the proposal for a federally-funded project. Chapter 2.24 also states the Department may, after written notice to the contractor, suspend further payments. However, the policies and procedures do not specify how quickly the action should be taken.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

A contractor began to perform work for the Chariton/Ottumwa Resident Construction Engineer on March 8, 2004, and provided no weekly certified payrolls. The Department suspended payments to the contractor on February 22, 2005, after sending the required written notice to the contractor. The Department paid \$92,948 to the contractor before suspension of payments. No certified payrolls have been provided. The Chariton/Ottumwa Resident Construction Engineer recommended bidding privileges for this contractor be revoked until certified payrolls are provided.

Recommendation – The Department should establish policies and procedures to specify how quickly to send written notice of non-submission of certified payrolls to a contractor and to suspend further payments.

Response and Corrective Action Planned – Chapter 2.24 of the Construction Manual states the “Transcript is submitted within one week after the end of a payroll period.”

To address issues of untimely submittal of payrolls of subcontractors, the following was included in the January 31, 2006 revision;

“If payrolls are not received, the residency staff should advise the prime contractor, in writing, which payrolls have not been submitted and that progress payments for the subcontracted items will be withheld.”

It is proposed to include the following time limits in the next Construction Manual revision:

“If payrolls of the prime contractor are not received within 2 weeks of the period covered, the residency staff should advise the prime contractor, in writing, which payrolls have not been submitted and that progress payments for the work will be withheld. If payrolls of subcontractors are not received within 3 weeks of the period covered, the residency staff should advise the prime contractor, in writing, which payrolls have not been submitted and that progress payments for the subcontracted items will be withheld. In either case, communication with the contractor sooner than these time limits may be appropriate to inquire on the status of payrolls.”

Prompt payment has been an emphasis area of the Department and Federal Highway Administration the past two years. The lack of payrolls from the contractor was overlooked in the pursuit of promptly making payment for work performed.

Conclusion – Response accepted.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

**CFDA Number: 20.509 – Formula Grants to Other Than Urbanized Areas**

**Agency Number: None**

**Federal Award Year: 2005**

**Iowa Department of Transportation**

**05-III-DOT-645-3**

Federal Transit Administration (FTA) – Subrecipient Monitoring of Davis-Bacon – OMB

Circular A-133 requires a pass-through entity to be responsible for monitoring the activities of the subrecipients, as necessary, to ensure federal awards are used for authorized purposes in compliance with laws, regulations, and provisions of the contract or grant. The Department delegated responsibility for compliance with federal requirements related to the Davis-Bacon Act to the director of the transit agency, who is the subrecipient for these projects. The Department has no written policies and procedures to ensure subrecipient monitoring includes compliance with the Davis-Bacon Act.

Recommendation – The Department should develop and implement written policies and procedures to determine and ensure compliance with Davis-Bacon requirements on federally participating FTA projects. The written policies and procedures should require oversight activities be performed during the course of the project to ensure federal requirements are met and corrective action is taken when non-compliance is noted.

Response and Corrective Action Planned – The Office of Public Transit (OPT) agrees there has been a gap in formal oversight procedures concerning its subrecipients' responsibilities to monitor contractors' implementation of Davis-Bacon provisions. OPT proposes to incorporate into its Iowa Transit Managers' Handbook a description of the monitoring procedures that are required of its subrecipients when they have Davis-Bacon covered construction projects and also to develop a training session to discuss the full range of responsibilities related to Davis-Bacon administration. OPT Program Administrators will: 1) require designation of the specific trained individual responsible for Davis-Bacon monitoring on behalf of the subrecipient before concurring in the award of any construction contract, 2) require documentation of wage survey results before processing any payment request that would result in a cumulative reimbursement exceeding 50% of approved costs on any construction line item, and 3) require a recap showing Davis-Bacon compliance before closing out any construction project.

Conclusion – Response accepted.

State of Iowa  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2005

**National Aeronautics and Space Administration**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**REPORTABLE CONDITIONS:**

**CFDA Number: 43.001 – Aerospace Education Services Program**  
**Agency Number: NAG5-8918**  
**Federal Award Year: 2005**  
**State University of Iowa**

**05-III-NASA-619-1**

Subrecipient Monitoring – OMB Circular A-133 Subpart C.320(a) requires subrecipients subject to a single audit to submit audit reports to the pass-through entity within the earlier of 30 days after the receipt of the audit report or nine months after the end of the audit period, unless a longer period is agreed to in advance by the oversight agency for audit.

The University sent letters to subrecipients for the fiscal year ended June 30, 2004 requesting a copy of the single audit report or documentation stating the subrecipient was not subject to the single audit requirement. As of February 16, 2006, the University had not obtained and reviewed single audit reports or determined audits were not applicable for 26 of 135 subrecipients.

See audit finding 05-III-DOD-619-1 on page 201 for additional information, including the recommendation, response and corrective action plan, and conclusion.

State of Iowa  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2005

**National Science Foundation**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**REPORTABLE CONDITIONS:**

**CFDA Number: 47.041 – Engineering Grants**  
**Agency Number: EEC 00-02971**  
**Federal Award Year: 2005**  
**State University of Iowa**

**CFDA Number: 47.049 – Mathematical and Physical Sciences**  
**Agency Number: DMS 02-19737**  
**Federal Award Year: 2005**  
**State University of Iowa**

**CFDA Number: 47.050 – Geosciences**  
**Agency Number: ATM 02-05198**  
**Federal Award Year: 2005**  
**State University of Iowa**

**05-III-NSF-619-1**

Subrecipient Monitoring – OMB Circular A-133 Subpart C.320(a) requires subrecipients subject to a single audit to submit audit reports to the pass-through entity within the earlier of 30 days after the receipt of the audit report or nine months after the end of the audit period, unless a longer period is agreed to in advance by the oversight agency for audit.

The University sent letters to subrecipients for the fiscal year ended June 30, 2004 requesting a copy of the single audit report or documentation stating the subrecipient was not subject to the single audit requirement. As of February 16, 2006, the University had not obtained and reviewed single audit reports or determined audits were not applicable for 26 of 135 subrecipients.

See audit finding 05-III-DOD-619-1 on page 201 for additional information, including the recommendation, response and corrective action plan, and conclusion.



State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

**Environmental Protection Agency**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**REPORTABLE CONDITIONS:**

**CFDA Number: 66.458 – Capitalization Grants for Clean Water State Revolving Funds**

**Agency Number: CS1900103**

**Federal Award Year: 2003**

**Iowa Department of Natural Resources**

**05-III-EPA-542-1**

Subrecipient monitoring – OMB Circular A-133 requires a pass-through entity to monitor the activities of the subrecipients, as necessary, to ensure federal awards are used for authorized purposes in compliance with laws, regulations and provisions of the contract or grant. As part of this system, OMB Circular A-133 Compliance Supplement requires Departments to review subrecipient audit reports within six months after receipt of the audit report to ensure appropriate corrective action is taken.

The Department monitors subrecipients through audits performed at the subrecipient level for the Clean Water State Revolving Fund (CWSRF) program. The Department requires subrecipients to submit an audit report if expenditures or disbursements exceed \$500,000 during the fiscal year. The Department notifies the recipients of the audit requirement at the time the recipient receives the funds and again when Department records indicate the recipient has drawn down close to \$500,000 in a fiscal year.

Three of twenty-three subrecipient audit reports for the CWSRF program were not reviewed within six months of the Department receiving the report.

Recommendation – The Department should implement procedures to ensure subrecipient audit reports are reviewed in a timely manner.

Response and Corrective Action Planned – The Department currently has a good system of procedures in place to monitor subrecipients, ensure they submit the required audit reports and review them after receipt. Due to our limited resources, we do not plan to change our current procedures for collecting and reviewing these audit reports.

We will continue to make every effort to review these audit reports within the designated time frame as we have in the past. However, to ensure every report is reviewed within this time frame, it would require additional resources be directed toward this effort. We do not feel the additional costs related to this would be a beneficial use of funding, as late review of subrecipient audit reports has no real impact on these programs.

All three of the subrecipient audit reports noted in the audit finding have now been reviewed.

Conclusion – Response acknowledged. The Department should comply with OMB-Circular A-133.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

**U.S. Department of Energy**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**REPORTABLE CONDITIONS:**

**CFDA Number: 81.042 – Weatherization Assistance for Low-Income Persons**

**Agency Number: None**

**Federal Award Year: 2005**

**Iowa Department of Human Rights**

**05-III-DOE-379-1**

Allocation Approval – The contract between the Department of Human Rights and the United States Department of Energy requires both program and fiscal monitoring to be performed. The contract further requires written program monitoring and fiscal monitoring reports be sent to the subrecipient within 30 days of the review being completed.

Five of eighteen program monitoring reports and three of eighteen fiscal monitoring reports tested were not sent to the subrecipient within 30 days of the review being completed.

Recommendation – The Department should establish a policy to ensure both program and fiscal monitoring reports are sent out in a timely manner.

Response and Corrective Action Planned – Checklists are used to ensure we have all of the information we need for the program and fiscal monitoring. As a reminder, we will include on the checklist the date by which the report needs to be sent to the local agency in order to meet the 30-day threshold.

Conclusion – Response accepted.

State of Iowa  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2005

**U.S. Department of Education**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**REPORTABLE CONDITIONS:**

**CFDA Number: 84.007 – Federal Supplemental Educational Opportunity Grants**  
**Agency Number: P007A041440/SEOG 04-05**  
**Federal Award Year: 2005**  
**Iowa State University**

**05-III-USDE-620-1**

Federal Supplemental Educational Opportunity Grants (FSEOG) – The 2004–2005 Federal Student Aid (SFA) Handbook, Chapter 2 states a school must make FSEOG funds reasonably available to all eligible students. It further states a school is allowed to establish categories of students to be considered for FSEOG funding. However, categorization may not be used to exclude certain students or groups of students from consideration. Iowa State University Office of Student Financial Aid awarding parameters allocated no FSEOG awards to Iowa residents in 2004–2005. However, 203 Iowa residents received a total of \$182,819 in FSEOG awards.

Additionally, the SFA Handbook gives guidance on the priority in which students are to be awarded FSEOG funds. “First selection group” students are defined as students with exceptional financial need, which are those with the lowest expected family contributions (EFC) who will also receive a Federal Pell Grant. Twenty-two students who were not eligible for a Pell Grant received FSEOG funds in 2004–2005 totaling \$23,900.

Recommendation – The University should ensure awarding parameters are in compliance with the SFA Handbook to award FSEOG funds. Additionally, the University should review FSEOG recipients to help ensure awards are made to the “first selection group” students.

Response and Corrective Action Planned – The Office of Student Financial Aid changed awarding parameters for the 2005–2006 award year to include Pell-eligible resident and non-resident students in the pool for FSEOG consideration.

Additionally, the Office of Student Financial Aid has implemented periodic queries of the award system to confirm that students who will receive FSEOG awards are also recipients of the Federal Pell Grant.

Conclusion – Response accepted.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

**CFDA Number: 84.038 – Federal Perkins Loan Program – Federal Capital Contributions**

**Agency Number: None**

**Federal Award Year: 2005**

**State University of Iowa**

**05-III-USDE-619-2**

Federal Perkins Loan Program Transfer – 34 CFR 674.18 allows the University to transfer up to 25% of its Federal Perkins Loan Program allocation for an award year to the Federal Work-Study Program. Unexpended Federal Work-Study Program funds are to be transferred back to the Federal Perkins Loan Program at the end of the year.

The University transferred \$16,387 from the Federal Perkins Loan Program to the Federal Work-Study Program during fiscal year 2005. At the end of the year, unexpended Federal Work-Study Program funds of \$11,658 were reported on the Fiscal Operations Report and Application to Participate (FISAP) report for 2004-2005 as a carry forward to the 2005-2006 Federal Work-Study Program instead of being transferred back into the Federal Perkins Loan Program.

As a result, unexpended Federal Work-Study Program funds of \$11,658 not returned to the Federal Perkins Loan Program as of June 30, 2005 are questioned.

Recommendation – The University should make a corrective transfer of \$11,658 from the Federal Work-Study Program to the Federal Perkins Loan Program.

Response and Corrective Action Planned – The University of Iowa Office of Student Financial Aid acknowledges the interpretation of the applicable regulation used by this office varied from the description cited in the Federal Student Aid Handbook. The University will immediately make the corrective transfer from the Federal Work-Study Program to the Federal Perkins Loan Program.

Conclusion – Response accepted.

**CFDA Number: 84.038 – Federal Perkins Loan Program – Federal Capital Contributions**

**Agency Number: None**

**Federal Award Year: 2005**

**State University of Iowa**

**05-III-USDE-619-3**

Refunds to Federal Perkins Loan Fund – 34 CFR 668.22 requires the University to return unearned funds for which it is responsible within 30 days from the date the institution determines the student withdrew.

Unearned funds for nine students who withdrew during the Fall 2004 semester and 1 student who withdrew in February 2005 were not returned to the Federal Perkins Loan Program until May or June 2005. Funds for an additional 57 students who refused or cancelled their loans during the academic year 2004-2005 were not returned to the Federal Perkins Loan Program until May or June 2005.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

Recommendation – The University should implement procedures to ensure unearned funds for students who withdraw are returned to the Federal Perkins Loan Program within 30 days as required by Federal regulations. In addition, procedures should be implemented to ensure funds for loans that are refused or cancelled are returned to the Federal Perkins Loan Program in a timely manner.

Response and Corrective Action Planned – The University has recently completed Information Technology (IT) programming updates which will ensure Federal Perkins Loan Program funds which are unearned due to a student's withdrawal are returned to the program within 30 days and loan funds which are refused or cancelled are returned to the Federal Perkins Loan Program in a timely manner. These programming updates will be rolled into production not later than March 31, 2006.

Conclusion – Response accepted.

**CFDA Number: 84.048 – Vocational Education-Basic Grants to States**

**Agency Number: V048A040015A**

**Federal Award Year: 2005**

**Iowa Department of Education**

**05-III-USDE-282-4**

Subrecipient Monitoring – OMB Circular A-133 requires a pass-through entity to be responsible for monitoring the activities of its subrecipients, as necessary, to ensure federal awards are used for authorized purposes in compliance with laws, regulations, and provisions of the contract and grant.

The Department has established written policies and procedures for the performance of on-site monitoring of subrecipients. These policies state on-site monitoring visits will be performed once every three years for each subrecipient. Forty-one of the ninety-seven subrecipients were not reviewed within the last three years.

Recommendation – The Department should ensure monitoring visits are performed within a three year cycle as established in the Department's written policies and procedures.

Response and Corrective Action Planned – The Department has written policies and procedures for performing on-site monitoring of subrecipients of the vocational education programs. Staff from the Division of Community Colleges report through an on-line system when they have monitored subrecipients. During the past year, some monitoring was not completed and log entries were not completed in a timely manner. This situation will be corrected through a more equal distribution of Perkins grants' monitoring assignments which will become part of each staff members' performance evaluation plan.

Conclusion – Response accepted.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

**CFDA Number: 84.048 – Vocational Education-Basic Grants to States**

**Agency Number: V048A040015A**

**Federal Award Year: 2005**

**Iowa Department of Education**

**05-III-USDE-282-5**

Maintenance of Effort – Perkins III, section 323(a) requires the State to provide from non-federal sources an amount not less than the amount provided by the State for the preceding fiscal or program year for State administrative costs. If the federal grant is reduced from the preceding year, State funds may be reduced by the same percentage, but cannot exceed the percentage of the federal award decrease.

The Department did not calculate or monitor the maintenance of effort for the administration portion of the grant. In addition, per the calculation performed by the auditor, the state funding for administrative costs decreased by 3.47% while the federal award for fiscal year 2005 decreased by only 2.67%.

Recommendation – The Department should monitor the State's maintenance of effort over administrative costs to ensure adequate maintenance of effort is maintained.

Response and Corrective Action Planned – Over the past several years, the Department has integrated the evaluation and monitoring of vocational education programs into the comprehensive school improvement visits that are conducted by department staff. This was done to increase the efficiency of staff visits to school districts throughout the state. In fiscal year '05, the Department experienced significant turnover of staff in this area. We have since filled the vacant positions. The expenditure of administrative costs is being closely monitored by the Bureau of Internal Operations to ensure maintenance of effort is maintained.

Conclusion – Response acknowledged. The Department should consult with the U.S. Department of Education to determine corrective action.

**CFDA Number: 84.133 – National Institute on Disability and Rehabilitation Research**

**Agency Number: H133B010102**

**Federal Award Year: 2005**

**State University of Iowa**

**05-III-USDE-619-6**

Subrecipient Monitoring – OMB Circular A-133 Subpart C.320(a) requires subrecipients subject to a single audit to submit audit reports to the pass-through entity within the earlier of 30 days after the receipt of the audit report or nine months after the end of the audit period, unless a longer period is agreed to in advance by the oversight agency for audit.

The University sent letters to subrecipients for the fiscal year ended June 30, 2004 requesting a copy of the single audit report or documentation stating the subrecipient was not subject to the single audit requirement. As of February 16, 2006, the University had not obtained and reviewed single audit reports or determined audits were not applicable for 26 of 135 subrecipients.

See audit finding 05-III-DOD-619-1 on page 201 for additional information, including the recommendation, response and corrective action plan, and conclusion.

State of Iowa  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2005

**U.S. Department of Health and Human Services**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**REPORTABLE CONDITIONS:**

**CFDA Number: 93.044 – Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers**

**Agency Number: 04-AA-IA-1320, 05-AA-IA-1320**

**Federal Award Year: 2004, 2005**

**Iowa Department of Elder Affairs**

**CFDA Number: 93.045 – Special Programs for the Aging – Title III, Part C – Nutrition Services**

**Agency Number: 04-AA-IA-1712, 04-AA-IA-1713, 05-AA-IA-1712, 05-AA-IA-1713**

**Federal Award Year: 2004, 2005**

**Iowa Department of Elder Affairs**

**CFDA Number: 93.053 – Nutrition Services Incentive Program**

**Agency Number: 04-AA-IA-NSIP, 05-AA-IA-NSIP**

**Federal Award Year: 2004, 2005**

**Iowa Department of Elder Affairs**

**05-III-HHS-297-1**

Subrecipient Audit Report Review – The Department is required under OMB Circular A-133, as it applies to subrecipients, to develop and maintain a subrecipient monitoring system. As part of this system, OMB Circular A-133 Compliance Supplement requires Departments to review subrecipient audit reports within six months after receipt of the audit report to ensure appropriate corrective action is taken. The Department's procedures require each subrecipient Area Agency on Aging (AAA) to submit an audit report to the Department for review to determine whether the AAA complied with federal and program requirements.

The Department last reviewed subrecipient audit reports for fiscal year 2002.

Recommendation – The Department should develop and implement procedures to ensure timely review of subrecipient audit reports.

Response and Corrective Action Planned – The Department has re-defined priorities to ensure and strengthen the process whereby subrecipient audit reports are logged in, reviews are completed and a management decision is issued within six months of receipt. This timeframe will be met for all fiscal year 2005 and subsequent subrecipient audit reports received.

Conclusion – Response accepted.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

**CFDA Number: 93.121 – Oral Diseases and Disorders Research**

**Agency Number: 5 8-P0DE13076A**

**Federal Award Year: 2005**

**State University of Iowa**

**CFDA Number: 93.173 – Research Related to Deafness and Communication Disorders**

**Agency Number: 8-R1DC04290A, 8-P0DC02746B**

**Federal Award Year: 2005**

**State University of Iowa**

**CFDA Number: 93.230 – Consolidated Knowledge Development and Application (KD & A) Program**

**Agency Number: C-U1TI12632A, C-U1TI13596A**

**Federal Award Year: 2005**

**State University of Iowa**

**CFDA Number: 93.242 – Mental Health Research Grants**

**Agency Number: 8-R1MH61731A, 8-R1MH65134A, 8-R1MH61836B, 8-R1MH63758B**

**Federal Award Year: 2005**

**State University of Iowa**

**CFDA Number: 93.262 – Occupational Safety and Health Research Projects**

**Agency Number: 1020-04**

**Federal Award Year: 2005**

**State University of Iowa – Passed through Center to Protect Workers Rights**

**CFDA Number: 93.361 – Nursing Research**

**Agency Number: 8-R1NR05269A, 8-RNR008528A, 8-P0NR03979B**

**Federal Award Year: 2005**

**State University of Iowa**

**CFDA Number: 93.395 – Cancer Treatment Research**

**Agency Number: TFED34-013**

**Federal Award Year: 2005**

**State University of Iowa – Passed through NSABP Foundation, Inc.**

**CFDA Number: 93.396 – Cancer Biology Research**

**Agency Number: 8-R1CA88043A**

**Federal Award Year: 2005**

**State University of Iowa**

**CFDA Number: 93.837 – Heart and Vascular Diseases Research**

**Agency Number: 8-P0HL55006B**

**Federal Award Year: 2005**

**State University of Iowa**

**CFDA Number: 93.838 – Lung Diseases Research**

**Agency Number: 8-R1HL64368A**

**Federal Award Year: 2005**

**State University of Iowa**



State of Iowa  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2005

**CFDA Number: 93.853 – Extramural Research Programs in the Neurosciences and Neurological Disorders**

**Agency Number: 8-R1NS38554A, 8-R1NS40068A**

**Federal Award Year: 2005**

**State University of Iowa**

**CFDA Number: 93.856 – Microbiology and Infectious Diseases Research**

**Agency Number: 8-N01AI30040**

**Federal Award Year: 2005**

**State University of Iowa**

**CFDA Number: 93.859 – Biomedical Research and Research Training**

**Agency Number: 8-P1gM58890A**

**Federal Award Year: 2005**

**State University of Iowa**

**CFDA Number: 93.865 – Child Health and Human Development Extramural Research**

**Agency Number: 8-R1HD39753A, 8-R1HD32579C**

**Federal Award Year: 2005**

**State University of Iowa**

**CFDA Number: 93.866 – Aging Research**

**Agency Number: 8-R1AG12350C**

**Federal Award Year: 2005**

**State University of Iowa**

**CFDA Number: 93.867 – Vision Research**

**Agency Number: C-U9TI13354A**

**Federal Award Year: 2005**

**State University of Iowa**

**CFDA Number: 93.956 – Agricultural Health and Safety Programs**

**Agency Number: 9-U00H07548A**

**Federal Award Year: 2005**

**State University of Iowa**

**05-III-HHS-619-2**

Subrecipient Monitoring – OMB Circular A-133 Subpart C.320(a) requires subrecipients subject to a single audit to submit audit reports to the pass-through entity within the earlier of 30 days after the receipt of the audit report or nine months after the end of the audit period, unless a longer period is agreed to in advance by the oversight agency for audit.

The University sent letters to subrecipients for the fiscal year ended June 30, 2004 requesting a copy of the single audit report or documentation stating the subrecipient was not subject to the single audit requirement. As of February 16, 2006, the University had not obtained and reviewed single audit reports or determined audits were not applicable for 26 of 135 subrecipients.

See audit finding 05-III-DOD-619-1 on page 201 for additional information, including the recommendation, response and corrective action plan, and conclusion.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

**CFDA Number: 93.558 – Temporary Assistance for Needy Families**

**Agency Number: PJ2004**

**Federal Award Year: 2004**

**Iowa Department of Workforce Development**

**05-III-HHS-309-3**

CMIA Agreement - Payroll – As stated in the Cash Management Improvement Act (CMIA) Agreement, the state utilizes a bi-weekly payroll system with a payday every other Friday. Consistent with the state's cash advance requirements, Departments must have funds on hand by Tuesday preceding the payday to cover net pay, employer contributions and employee deductions. Due to these administrative constraints, the state is required to pay interest on direct payroll costs for 4.60 days, which is the dollar weighted average clearance of payroll related costs for mandatory and discretionary deductions held by the Centralized Payroll Trustee.

The Department is required to submit a spreadsheet to the Iowa Department of Administrative Services which documents payroll expenditures and related federal drawdowns by pay period. The spreadsheet for fiscal year 2005 for the cost pool included allocation percentages to distribute the costs to various cost centers. The percentages used did not correspond with the percentages actually used in the Integrated Information for Iowa (I3) system for seventeen pay periods throughout the year.

In addition, indirect cost recovery rates were applied to the payroll to more accurately reflect the expenditures related to the federal drawdowns. However, in several instances, the amounts reported for indirect cost recovery could not be recalculated or supported.

See audit finding 05-III-DOL-309-1 on page 205 for additional information, including the recommendation, response and corrective action plan and conclusion.

**CFDA Number: 93.558 – Temporary Assistance for Needy Families**

**Agency Number: PJ2004**

**Federal Award Year: 2004**

**Iowa Department of Workforce Development**

**05-III-HHS-309-4**

Cash Management – Effective cash management procedures provide for minimizing the amount of time between the drawdown/request for federal funds and the disbursement of these funds. They also minimize the amount of state funds that must be used to operate the program until the federal funds are received.

For the Temporary Assistance for Needy Families (TANF) program, seven instances were noted where the cash balance was excessive for a period of four to fifty-six days.

Recommendation – The Department should monitor cash balances to ensure balances on hand are sufficient to cover current needs and are disbursed in a timely manner without carrying excessive daily balances.

State of Iowa  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2005

Response and Corrective Action Planned – This issue was caused by the same problem identified in 05-III-DOL-309-1. With so many transactions waiting processing in the cost allocation module, it was impossible to determine the accurate amount of funds to be drawn on any one program. The initial system errors have been corrected, however IWD had no alternative at the time, as data from the new state accounting system was not accurate for several months.

Conclusion – Response accepted.

**CFDA Number: 93.558 – Temporary Assistance for Needy Families**  
**Agency Number: PJ2004**  
**Federal Award Year: 2004**  
**Iowa Department of Workforce Development**

**05-III-HHS-309-5**

Payroll Allocation – The Department performs a time study on a monthly basis to determine percentages of time spent on various federal programs within a designated cost pool. The percentages are based upon certifications submitted by the employees working within the cost pool. The percentages are compiled and total costs are distributed to the federal programs within the cost pool.

Review of work report information provided by employees on the state payroll system indicated three instances where the total time charged to the cost pool did not agree with the percentage of time certified. Also, one employee charged time to the cost pool for a portion of the fiscal year but was not included in the time study and one employee was included in the time study but no time was charged to the cost pool.

See audit finding 05-III-DOL-309-3 on page 207 for additional information, including the recommendation, response and corrective action plan and conclusion.

**CFDA Number: 93.558 – Temporary Assistance for Needy Families**  
**Agency Number: PJ2004**  
**Federal Award Year: 2004**  
**Iowa Department of Workforce Development – Passed through Iowa Department of Human Services**

**05-III-HHS-309-6**

Grant Management – The Office of Auditor of State is conducting an on-going investigation related to grants awarded to the Central Iowa Employment and Training Consortium (CEITC) for the program identified above. The grants were awarded to CEITC by the Iowa Department of Workforce Development after passing through the Iowa Department of Human Services. Disbursements to CEITC for the above program for the grant period July 1, 2003 through September 30, 2005 totaled \$3,922,165. A report will be issued by the Office of Auditor of State when the investigation is completed and will be provided to the appropriate oversight entity. The report will include any recommendations, questioned costs and other concerns identified. In addition, the results will be disclosed within the subsequent year's schedule of findings and questioned costs.

Response and Corrective Action Planned – Department response not requested.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

**CFDA Number: 93.558 – Temporary Assistance for Needy Families**

**Agency Number: G-04011ATANF/G-05011ATANF**

**Federal Award Year: 2004, 2005**

**Iowa Department of Human Services**

**05-III-HHS-401-7**

Temporary Assistance for Needy Families (TANF) – The TANF program provides assistance payments to individuals based upon an application of need.

The following conditions were identified during the fiscal year 2005 case file testing:

- (a) Title 4-G-32 and 4-G-33 of the Employees' Manual states, in part, when State Income and Eligibility Verifications System (IEVS) information is received, the worker should determine if the information was previously reported and verify new and previously unverified information. The worker should document the IEVS review on the IEVS report and file it in the case record or note and date the information in a narrative in the case record. For sixteen of twenty-nine cases reviewed, the IEVS review was not documented in the case file.
- (b) Title 4-C-8 of the Employees' Manual states, in part, the parent/caretaker must assign all rights to support from any other person to the Department. For four of twenty-nine cases reviewed, the form assigning all rights to support could not be located.
- (c) Title 4-B-1 of the Employees' Manual states, in part, any family has the right to apply for assistance by completing an application for Family Investment Program (FIP) on form 470-0462, Public Assistance Application. For two of twenty-nine cases reviewed, there was no Public Assistance Application located in the case file.
- (d) Title 4-A-10 and 4-A-11 of the Employees' Manual states, in part, the Notice of Decision must be in the case file to document the calculation and support of the payment made for a particular month. For one of twenty-nine cases reviewed, there was no Notice of Decision covering the month tested in the case file.
- (e) Title 4-C-1 of the Employees' Manual states, in part, the fundamental qualification for Family Investment Program (FIP) benefits (the State's TANF program) is there is a dependent child who is living with a specified relative. During foster care case file testing, for five of thirty-two cases reviewed, TANF/FIP benefits were paid to the family while the child was in foster care.

Recommendation – The Department should implement procedures to ensure compliance with the Employees' Manual.

State of Iowa  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2005

Response and Corrective Action Planned –

Individual corrective action was taken on the specific cases in error.

Statewide corrective action is as follows:

Based on the fiscal year '04 Single Audit, an IEVS corrective action plan was developed and implemented. The IEVS corrective action plan was submitted to the TANF federal staff on August 12, 2005 and accepted. Income Maintenance (IM) Bureau teleconference call training was provided in September, 2005, to all staff with regards to handling IEVS reports. Effective October 1, 2005 IM staff will review, document and file all non-IRS related IEVS reports in the case records as appropriate. Effective October 1, 2005 and thereafter the IM Supervisors are monitoring compliance by randomly reviewing selected samplings of IEVS documents. The implementation of the IEVS corrective action plan should be reflected in the findings of the fiscal year '06 Single Audit.

Training will be provided at the April 20, 2006 IM Bureau teleconference call for field staff to clarify when the "Requirements for Support Enforcement" form 470-0169 is required to be completed.

Each local office supervisor will review by April 28, 2006 with IM and clerical staff the requirement that the application for the Family Investment Program (FIP) on form 470-0462 "Public Assistance Application" be kept in the case record.

Each local office supervisor will review by April 28, 2006 with IM staff the requirement that the "Notice of Decision" must be in the case file to document the calculation and support of the payment made for a particular month.

The Service Area Managers, by April 28, 2006, will discuss with their Service Administrators and Income Maintenance Administrators the issue of notification by Service staff to IM staff when a child on FIP enters Foster Care and implement a strategy to improve communication on this issue.

Conclusion – Response accepted.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

**CFDA Number: 93.558 – Temporary Assistance for Needy Families**

**Agency Number: G-0401IATANF/G-0501IATANF**

**Federal Award Year: 2004, 2005**

**Iowa Department of Human Services**

**CFDA Number: 93.563 – Child Support Enforcement**

**Agency Number: G-0404IA4004/G-0504IA4004**

**Federal Award Year: 2004, 2005**

**Iowa Department of Human Services**

**CFDA Number: 93.575 – Child Care and Development Block Grant**

**Agency Number: G-0301IACCDF/G-0401IACCDF/G-0501IACCDF**

**Federal Award Year: 2003, 2004, 2005**

**Iowa Department of Human Services**

**CFDA Number: 93.596 – Child Care Mandatory and Matching Funds of the  
Child Care and Development Fund**

**Agency Number: G-0301IACCDF/G-0401IACCDF/G-0501IACCDF**

**Federal Award Year: 2003, 2004, 2005**

**Iowa Department of Human Services**

**CFDA Number: 93.658 – Foster Care – Title IV-E**

**Agency Number: G-0401IA1401/G-0501IA1401**

**Federal Award Year: 2004, 2005**

**Iowa Department of Human Services**

**CFDA Number: 93.659 – Adoption Assistance**

**Agency Number: G-0401IA1407/G-0501IA1407**

**Federal Award Year: 2004, 2005**

**Iowa Department of Human Services**

**CFDA Number: 93.778 – Medical Assistance Program**

**Agency Number: 5-0305IA5028/5-0405IA5028/5-0405IA5048/  
5-0505IA5028/5-0505IA5048**

**Federal Award Year: 2003, 2004, 2005**

**Iowa Department of Human Services**

**05-III-HHS-401-8**

DHS Field Office Internal Controls – For fiscal year 2005, eleven county offices and three Child Support Recovery Unit (CSRU) offices were visited. In conjunction with this limited review, the following conditions were noted.

In nine county offices, the person who sends the receipt to central office also compares the validated transmittal from central office to the receipt in the receipt log or receipt book. For eight of these nine county offices, the person can also prepare the receipt.

In three county offices and one CSRU office, checks or money orders are not restrictively endorsed by the field office immediately upon receipt.

State of Iowa  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2005

In one county office, checks or money orders are not submitted to central office in a timely manner.

In seven county offices, the person who enters invoices for payment onto the Purchase of Service Data System (POSS) is also able to receive and review the transaction report from central office. For five of these seven county offices, the person can also enter provider agreements onto POSS.

Recommendation – The Department should implement changes to strengthen internal control and develop policies and procedures to ensure compliance with the Employee's Manual.

Response and Corrective Action Planned – The Service Area Managers or their designees will develop and implement a corrective action plan by April 14, 2006 for each county office:

- (a) To ensure one person sends the receipt to central office, a second person compares the validated transmittal from central office to the receipt book or receipt log and the person who compares the receipt to the receipt book or receipt log does not write the receipt.
- (b) All checks and money orders are restrictively endorsed immediately upon receipt.
- (c) All checks and money orders are submitted in a timely manner to central office.
- (d) One person enters the invoices for payment onto the POSS. A second person receives and reviews the transaction report from central office. The person who enters provider agreements on POSS is different from the person who enters invoices for payments.

The eight Service Area Managers will review the field offices in their service areas to determine if they are in compliance with one person entering invoices for payment on POSS, a second person receiving and reviewing the transaction report from central office and a third person entering provider agreements on POSS. If any offices are out of compliance, a plan will be developed by May 1, 2006 and implemented by June 1, 2006 to bring the office into compliance.

All eight Service Area Administrators will be required to attest in writing by April 14, 2006 the counties within their Service Areas are in compliance regarding the writing and management of receipts, restrictively endorsing checks and money orders and submitting checks and money orders timely to central office.

In the one CSRU office, the supervisor implemented the appropriate policy on July 27, 2005. As of that date, all checks or money orders are restrictively endorsed immediately upon receipt at the CSRU office.

Conclusion – Response accepted.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

**CFDA Number: 93.558 – Temporary Assistance for Needy Families**

**Agency Number: G-0401IATANF/G-0501IATANF**

**Federal Award Year: 2004, 2005**

**Iowa Department of Human Services**

**CFDA Number: 93.563 – Child Support Enforcement**

**Agency Number: G-0404IA4004/G-0504IA4004**

**Federal Award Year: 2004, 2005**

**Iowa Department of Human Services**

**CFDA Number: 93.575 – Child Care and Development Block Grant**

**Agency Number: G-0301IACCDF/G-0401IACCDF/G-0501IACCDF**

**Federal Award Year: 2003, 2004, 2005**

**Iowa Department of Human Services**

**CFDA Number: 93.596 – Child Care Mandatory and Matching Funds of the Child  
Care and Development Fund**

**Agency Number: G-0301IACCDF/G-0401IACCDF/G-0501IACCDF**

**Federal Award Year: 2003, 2004, 2005**

**Iowa Department of Human Services**

**CFDA Number: 93.658 – Foster Care – Title IV-E**

**Agency Number: G-0401IA1401/G-0501IA1401**

**Federal Award Year: 2004, 2005**

**Iowa Department of Human Services**

**CFDA Number: 93.659 – Adoption Assistance**

**Agency Number: G-0401IA1407/G-0501IA1407**

**Federal Award Year: 2004, 2005**

**Iowa Department of Human Services**

**CFDA Number: 93.767 – State Children’s Insurance Program**

**Agency Number: 05-0405IA5021/05-0505IA5R21**

**Federal Award Year: 2004, 2005**

**Iowa Department of Human Services**

**CFDA Number: 93.778 – Medical Assistance Program**

**Agency Number: 5-0305IA5028/5-0405IA5028/5-0405IA5048/  
5-0505IA5028/5-0505IA5048**

**Federal Award Year: 2003, 2004, 2005**

**Iowa Department of Human Services**

**05-III-HHS-401-9**

Cash Management Controls – Effective Cash Management procedures provide for minimizing the amount of time between the request for federal funds (drawdown) and the disbursement of these funds. They also minimize the amount of state funds which must be used to operate the program until the federal funds are received. The Department’s procedure for preparing drawdown requests include an independent approval of the request prior to the drawdown being made.



State of Iowa  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2005

For eight of sixty-two drawdown requests reviewed, the same employee prepared and approved the drawdown. Also, for three of sixty-two drawdown requests reviewed, the individual documented as the preparer on the drawdown was not a current employee of the Department. Therefore, it could not be determined if the preparer and approver were the same individual.

Per discussions with Department personnel, it was determined some Department personnel were not always changing the name on the electronic form used for the drawdown request. Therefore, it is possible there were additional drawdown requests with the same preparer and approver.

Recommendation – The Department should implement procedures to strengthen internal controls by segregating the preparer of drawdown requests from the approver.

Response and Corrective Action Planned – The Department hired an Accountant 3 position in February 2005. The Accountant 3 now approves all drawdown request forms. In the event of absence, the drawdowns are approved by the Bureau Chief. In March 2006, the Department also implemented a new procedure requiring both the preparer and the approver to initial the drawdown request forms to document the duties are properly segregated.

Conclusion – Response accepted.

**CFDA Number: 93.558 – Temporary Assistance for Needy Families**

**Agency Number: G-0401IATANF/G-0501IATANF**

**Federal Award Year: 2004, 2005**

**Iowa Department of Human Services**

**CFDA Number: 93.563 – Child Support Enforcement**

**Agency Number: G-0404IA4004/G-0504IA4004**

**Federal Award Year: 2004, 2005**

**Iowa Department of Human Services**

**CFDA Number: 93.575 – Child Care and Development Block Grant**

**Agency Number: G-0301IACCDF/G-0401IACCDF/G-0501IACCDF**

**Federal Award Year: 2003, 2004, 2005**

**Iowa Department of Human Services**

**CFDA Number: 93.596 – Child Care Mandatory and Matching Funds of the Child  
Care and Development Fund**

**Agency Number: G-0301IACCDF/G-0401IACCDF/G-0501IACCDF**

**Federal Award Year: 2003, 2004, 2005**

**Iowa Department of Human Services**

**CFDA Number: 93.658 – Foster Care – Title IV-E**

**Agency Number: G-0401IA1401/G-0501IA1401**

**Federal Award Year: 2004, 2005**

**Iowa Department of Human Services**

**CFDA Number: 93.659 – Adoption Assistance**

**Agency Number: G-0401IA1407/G-0501IA1407**

**Federal Award Year: 2004, 2005**

**Iowa Department of Human Services**

**CFDA Number: 93.767 – State Children's Insurance Program**

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

**Agency Number: 05-0405IA5021/05-0505IA5R21**

**Federal Award Year: 2004, 2005**

**Iowa Department of Human Services**

**CFDA Number: 93.778 – Medical Assistance Program**

**Agency Number: 5-0305IA5028/5-0405IA5028/5-0405IA5048/  
5-0505IA5028/5-0505IA5048**

**Federal Award Year: 2003, 2004, 2005**

**Iowa Department of Human Services**

**05-III-HHS-401-10**

Semi-Annual Certifications – OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, Attachment B-8(h)(3), requires semi-annual certifications to support salaries and wages for all employees who work exclusively on a single federal program.

The Department does not obtain semi-annual certifications for employees who work exclusively on a single federal program.

See audit finding 05-III-USDA-401-9 on page 200 for additional information, including the recommendation, response and corrective action plan and conclusion.

**CFDA Number: 93.568 – Low-Income Home Energy Assistance**

**Agency Number: G04B1IALIEA**

**Federal Award Year: 2005**

**Iowa Department of Human Rights**

**05-III-HHS-379-11**

Cash Management – Effective cash management procedures provide for minimizing the amount of time between the drawdown/request for federal funds and the disbursement of those funds. As stated in the Cash Management Improvement Act (CMIA) Agreement, the Low-Income Home Energy Assistance Program (LIHEAP) is funded on a cash advance basis. This means federal draws are not to be deposited more than three days prior to the date of disbursement.

From July 20, 2004 to July 29, 2004, a balance ranging from \$555,945 to \$2,841,098 was carried, and during the period August 17, 2004 to August 31, 2004 a balance ranging from \$66,460 to \$1,879,220 was carried.

Recommendation – The Department should develop and implement procedures to ensure federal funds are drawn in amounts sufficient to cover current needs and are disbursed in a timely manner without carrying excessive daily balances.

State of Iowa  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2005

Response and Corrective Action Planned – The Department will continue to closely monitor its cash management procedures to ensure compliance with federal guidelines.

The last instance cited by the Office of the State Auditor was August 17, 2004 to August 31, 2004. It appears for the rest of state fiscal year (SFY) 2005 procedures implemented by our Department prevented excessive federal funds from being drawn down.

Reports showing our daily cash balances for SFY 2006 from July 1, 2005 through the present day (February 7, 2006) will be forwarded to the auditors for a mid-year review.

Conclusion – Response accepted.

**CFDA Number: 93.568 – Low-Income Home Energy Assistance**  
**Agency Number: G04B1IALIEA**  
**Federal Award Year: 2005**  
**Iowa Department of Human Rights**

**05-III-HHS-379-12**

Monitoring of Subrecipient Audit Reports – OMB Circular A-133 Subpart C.300(e) and Subpart D.400(d)(4) require the Department to ensure subrecipients expending \$500,000 or more in federal awards submit audit reports to it within nine months of the subrecipient's fiscal year end. The Department has established a policy to perform timely reviews of the audit reports within six months of receipt and send out letters of findings as appropriate.

Thirteen of nineteen subrecipient audit reports received had been reviewed. Of the thirteen reviewed, ten were not reviewed in a timely manner.

Recommendation – The Department should follow established policy to ensure subrecipient audit reports are reviewed in a timely manner.

Response and Corrective Action Planned – Job duty assignments are being evaluated. Due to fiscal staff vacancy in state fiscal year 2006, tasks including the review of subrecipient audits will be redistributed to ensure they are being completed in a timely manner.

Conclusion – Response accepted.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

**CFDA Number 93.575 – Child Care and Development Block Grant**  
**Agency Number: G-0301IACCDF, G-0401IACCDF, G-0501IACCDF**  
**Federal Award Year: 2003, 2004, 2005**  
**Iowa Department of Human Services**

**CFDA Number 93.596 – Child Care Mandatory and Matching Funds of the**  
**Child Care and Development Fund**  
**Agency Number: G-0301IACCDF, G-0401IACCDF, G-0501IACCDF**  
**Federal Award Year: 2003, 2004, 2005**  
**Iowa Department of Human Services**

**05-III-HHS-401-13**

Child Care Assistance – The Child Care Assistance program provides assistance payments for child care services.

The following conditions were identified during the fiscal year 2005 case file testing:

- (a) Title 14-L-6 of the Employees' Manual states, in part, before an invoice is processed an authorized person at the local office level is to approve the invoice for payment. This person should be different from the individual on-lining the invoice onto the Purchase of Service Data System (POSS). For ten of twenty-seven cases reviewed, the person approving the paper invoice was the same as the individual on-lining the invoice onto POSS. For four of twenty-seven cases reviewed, no independent approval was evident on the paper invoice.
- (b) Title 13-G-73 of the Employees' Manual states, in part, provider invoices are to be reviewed to verify the units billed are within the units authorized by the Notice of Decision. For two of the twenty-seven cases reviewed, the number of units charged exceeded the number of units authorized per the Notice of Decision.
- (c) Title 13-G-61 of the Employees' Manual requires a fee to be assessed for each half-day unit of service for families above 100% of the federal poverty guidelines. For three of the twenty-seven cases reviewed, the Notice of Decision or the family's income level indicated a fee should have been assessed. However, fees were not assessed to the individual.
- (d) Title 13-G-51 of the Employees' Manual establishes the maximum half-day rate of payment by child age and provider type. For one of twenty-seven cases reviewed, the half-day rate exceeded the maximum allowed.

Recommendation – The Department should implement procedures to ensure compliance with the Employees' Manual and to ensure providers are authorized on POSS.

State of Iowa  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2005

Response and Corrective Action Planned –

Corrective action was taken on the individual cases found to be in error.

For statewide corrective action:

Each local office supervisor will review their local procedure for handling invoices to ensure they have separate persons responsible for approving Child Care Assistance (CCA) payments and entering invoices. The local office supervisor will also provide training by April 28, 2006 to all staff responsible for handling CCA to ensure they understand the policy of having separate individuals approving payments and entering them on POSS.

The Notice of Decision (NOD) is only a best estimate of monthly child care need. Payment in excess of units approved on the NOD is acceptable with proper documentation of need. Local office supervisors will provide training by April 28, 2006 to all staff responsible for handling CCA cases regarding the need to document when approved number of units exceeds the number of units on the NOD.

Local office supervisors will provide training by April 28, 2006 to all staff responsible for handling CCA cases regarding the need to require a fee for each half-day unit of service for families above 100% of the federal poverty guidelines. Per 13-G-63, fees may be waived under certain conditions and local office supervisors will train on the need to document why in the case record, if fees are waived.

Local office supervisors will review their procedures for establishing and entering provider rates into POSS to ensure staff understand the correct policy. The local office supervisor will provide training by April 28, 2006 to all staff responsible for this task.

Conclusion – Response accepted.

**CFDA Number 93.575 – Child Care and Development Block Grant**  
**Agency Number: G-0301IACCDF, G-0401IACCDF, G-0501IACCDF**  
**Federal Award Year: 2003, 2004, 2005**  
**Iowa Department of Human Services**

**CFDA Number 93.596 – Child Care Mandatory and Matching Funds of the**  
**Child Care and Development Fund**  
**Agency Number: G-0301IACCDF, G-0401IACCDF, G-0501IACCDF**  
**Federal Award Year: 2003, 2004, 2005**  
**Iowa Department of Human Services**

**05-III-HHS-401-14**

Wrap-Around Grant Subrecipient Monitoring – OMB Circular A-133 requires a pass-through entity to be responsible for monitoring the activities of its subrecipients, as necessary, to ensure federal awards are used to authorized purposes in compliance with laws, regulations and provisions of the contract or grant.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

The monitoring procedures developed by the Department include the submission of a 6 month report and an annual report by each recipient. However, these reports lack the disclosure of detailed expenditure activity. In addition, on-site visits do not include a review of financial activity for allowable costs nor are they performed by the Department on a regular basis.

Recommendation – The Department should develop written subrecipient monitoring procedures which include the review of financial activity for allowable costs. Additionally, the Department should consider performing on-site monitoring visits on a regular basis.

Response and Corrective Action Planned – The 2005-2006 annual report will be revised to require additional financial documentation. We are working with the State Auditor's Office to have their staff conduct financial audits of wrap-around grantees on a regular basis.

Conclusion – Response accepted.

**CFDA 93.658 – Foster Care – Title IV-E**  
**Agency Number: G-0301IA1401/G-0401IA1401**  
**Federal Award Year: 2004, 2005**  
**Iowa Department of Human Services**

**05-III-HHS-401-15**

Foster Care (Title IV-E) – The Title IV-E program provides assistance payments for maintenance, adoption assistance and voluntary foster care.

The following conditions were identified during the fiscal year 2005 case file testing:

- (a) Title 18-A-82 of the Employees' Manual states, in part, the case plan shall be developed within 45 days from the date the judicial notice (court order) is received or within 60 days from the date the State assumed responsibility for providing services, whichever is later. For four of thirty-two cases reviewed, an initial case plan was not developed within the prescribed limits.
- (b) Title 18-A-55 of the Employees' Manual states, in part, the case plan shall be re-evaluated every six months. The case plan covering the payment selected was reviewed, as well as the prior and subsequent case plans, when available. For seven of thirty-two cases reviewed, case plans were not re-evaluated within six months.
- (c) Title 18-A-85 of the Employees' Manual states, in part, the case permanency plan should be signed by both the case worker and their supervisor. For two of thirty-two cases reviewed, the case plan was not signed by the supervisor as required.

State of Iowa  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2005

Recommendation – The Department should enforce the provisions of the Employees' Manual.

Response and Corrective Action Planned –

Individual cases affected were reviewed by supervisors with individual workers and corrective action, if possible, was taken.

All items, (a), (b) and (c), are part of the new case reading tool being rolled out in all eight service areas. Currently, 25 Service Supervisors are using and testing the new case reading tool. By the end of May 2006, all Service Supervisors will have been trained on how to use the new case reading tool and be expected to immediately begin using it. Also, performance reporting is occurring as a result of administrative data pulls in addition to case reading. Cases are then reviewed by the supervisors with their staff.

All items, (a), (b) and (c), will be reviewed at the April 27, 2006 bi-monthly teleconference call. All service staff attend the bi-monthly teleconference call. The Des Moines Area Service Administrator will be reiterating to all field staff compliance related to developing the case permanency plan timely, evaluating the case permanency plan every six months and having both the supervisor and worker signing the case permanency plan.

In addition, all items, (a), (b), and (c), will be forwarded to the Service Area Quality Assurance Committees for further compliance discussions.

Conclusion – Response accepted.

**CFDA Number: 93.658 – Foster Care – Title IV-E**  
**Agency Number: G-0401IA1401/G-0501IA1401**  
**Federal Award Year: 2004, 2005**  
**Iowa Department of Human Services**

**05-III-HHS-401-16**

Foster Care Licensing – Title 12-C-100 of the Employees' Manual states, in part, at least one unannounced visit to all foster group care facilities shall be conducted annually. For three of three in-state facility licensing files reviewed, an unannounced visit was not documented for the current year.

Recommendation – The Department should implement procedures to ensure compliance with the Employees' Manual.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

Response and Corrective Action Planned – The Department of Human Services (DHS) contracts with the Department of Inspections and Appeals (DIA) to conduct licensing inspections of group foster care facilities. Iowa Code Chapter 237.7 requires DIA to conduct the annual unannounced inspections. DHS will reemphasize this particular requirement with DIA to ensure compliance. DHS will also work with DIA to determine if additional resources are needed to conduct the annual unannounced visits.

Conclusion – Response accepted.

**CFDA Number: 93.658 – Foster Care – Title IV-E**  
**Agency Number: G-0401IA1401/G-0501IA1401**  
**Federal Award Year: 2004, 2005**  
**Iowa Department of Human Services**

**CFDA Number: 93.659 – Adoption Assistance**  
**Agency Number: G-0401IA1407/G-0501IA1407**  
**Federal Award Year: 2004, 2005**  
**Iowa Department of Human Services**

**05-III-HHS-401-17**

DHS Field Office – Case Records – For fiscal year 2005, eleven county offices and three Child Support Recovery Unit (CSRU) offices were visited. In conjunction with this limited review, case records were tested for completeness of documentation. The following conditions were noted.

Foster Care (Title IV-E)

Title 18-Appendix-54 of the Employees' Manual states, in part, a completed copy of the form 470-0716 "Foster Family Placement Contract," should be placed in the child's case record. For three of thirty-five cases reviewed, this form was not maintained in the child's case record.

Title 18-D-45 of the Employees' Manual states, in part, a new case permanency plan form 470-3453 "Family Case Plan," should be completed at least every six months. For five of thirty-five cases reviewed, a current case permanency plan was not maintained in the child's case record.

Foster Care (Title IV-E) Adoption Assistance

Title 13-C-2a of the Employee's Manual states, in part, when a "Notice of Decision" form 470-0745 is issued, a copy should be placed in the case file. For two of six cases reviewed, the Notice of Decision was not maintained in the child's case record.

Recommendation – The Department should enforce the provisions of the Employees' Manual.



State of Iowa  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2005

Response and Corrective Action Planned –

Individual cases affected were reviewed by supervisors with individual workers and corrective action, if possible, was taken.

Regarding the completion of the family case plan, the new case reading tool being rolled out in all eight service areas identifies compliance in this area. Currently, 25 Service Supervisors are using and testing the new case reading tool. By the end of May 2006, all Service Supervisors will have been trained on how to use the new case reading tool and be expected to immediately begin using it.

As the new case reading tool evolves, consideration will be given to adding the “Foster Family Placement Contract” and “Notice of Decision” as items the supervisors specifically check to see are in the case record.

At the April 27, 2006 bi-monthly teleconference call, the Des Moines Area Service Administrator will be reiterating to all field staff compliance of (a) a copy of Form 470-0716 “Foster Family Placement Contract” is to be in the child’s case record, (b) a new case permanency plan form 470-3453 “Family Case Plan” is to be completed every six months, and (c) when a “Notice of Decision” form 470-0745 is issued, a copy is to be put in the child’s case record.

Each service area has a newly formed Service Area Quality Assurance Committee. Each of these items will be forwarded to those committees for continued compliance discussions.

Conclusion – Response accepted.

**CFDA Number: 93.659 – Adoption Assistance**  
**Agency Number: G-0401IA1407/G-0501IA1407**  
**Federal Award Year: 2004, 2005**  
**Iowa Department of Human Services**

**05-III-HHS-401-18**

Foster Care (Title IV-E) Adoption Assistance – The Adoption Assistance program provides assistance payments for maintenance and adoption assistance.

The following conditions were identified during the fiscal year 2004 case file testing:

- (a) Title 13-C(1)-35 of the Employees’ Manual states, in part, the adoption subsidy case record should contain an Adoption Subsidy Agreement, form 470-0749. For two of thirty-five cases reviewed, the subsidy agreement was not maintained in the subsidy case record.
- (b) The Adoption Subsidy Agreement, form 470-0749, establishes the daily maintenance payment rate. For one of thirty-five cases reviewed, the daily maintenance rate did not agree with the approved amount on the subsidy agreement. The payment was less than the subsidy agreement.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

- (c) The Adoption Assistance program allows for payment of special issuances such as supplies and equipment. For one of thirty-five cases reviewed, no supporting documentation was maintained for a special issuance payment.

Recommendation – The Department should implement procedures to ensure compliance with the Employees' Manual. In addition, the Department should ensure supporting documentation is maintained for all special issuances.

Response and Corrective Action Planned –

Individual cases affected were reviewed by supervisors with individual workers and corrective action, if possible, was taken.

All items, (a), (b) and (c), will be reviewed at the April 27, 2006, bi-monthly teleconference call. The Des Moines Area Service Administrator will be reiterating to all the field staff compliance with the Adoption Subsidy Agreement form 470-0749 being maintained in the adoption subsidy case, the need for the daily maintenance rate to agree with the amount on the subsidy agreement and the case record having the supporting documentation for special issuance payments.

In addition, all items, (a), (b) and (c), will be forwarded to the Service Area Quality Assurance Committees for further compliance discussions.

Conclusion – Response accepted.

**CFDA Number: 93.777 – State Survey and Certification of Health Care Providers and Suppliers**

**Agency Number: None**

**Federal Award Year: 2005**

**Iowa Department of Inspections and Appeals.**

**05-III-HHS-427-19**

Surveys – The State Operations Manual, section 2141 A-D outlines Intermediate Care Facilities for the Mentally Retarded (ICF-MR) have a time-limited certification which is limited to 12 full calendar months. The surveys are allowed a 2 month extension of term if specified criteria are met. During our review we found 74 ICF-MR facilities in which the current surveys were not issued within the allowable 14 month time frame..

Recommendation – Each ICF-MR should be reviewed within the time frame allowed. For any facility which is greater than the 12 months, documentation of the reason for the 2 month extension should be included in the files.

Response and Corrective Action Planned – The audit comment is appropriate. The Department took proactive management action to address and correct this issue well before the audit was started.

State of Iowa  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2005

The timing of the Specialized Services Bureau ICF-MR survey cycle started to manifest itself with a significant and sustained increase in complaint intakes needing to be timely investigated (e.g., 34% from November 2004). The spiking of complaints was partially attributed to an increase of self-reporting by facilities as a result of rule changes instituted by the Iowa Department of Human Services. The Department has a single Program Coordinator and six surveyors at its disposal to timely respond to these complaints and to conduct surveys (these surveyors have specialized certification unlike the surveyors conducting long-term care surveys). On average, 18 complaints per month needed to be investigated since November 2004, which represented a tripling of the number from the previous year. Approximately 40% of the complaints came from the resource centers in SFY05 (67 of 172). These complaints involved serious allegations of sexual abuse and death and required the Bureau to divert its limited staff to conduct lengthy investigations.

Diverting the staff to conduct these sensitive investigations was a conscious decision. The annual surveys with possible revisits were put on hold using contract extensions. It was impossible to survey facilities coming up for their annual survey on a timely basis even with extensions and also address in a timely fashion these sensitive complaints. On average, 11 surveys needed to be conducted in each month. Iowa has 134 IMR facilities to survey during a 12 month rolling average. No state within our federal region even approaches the total number of IMR facilities that Iowa has to regulate (e.g., Nebraska – 4, Kansas – 31, and Missouri – 19).

Iowa proactively self-reported this issue to our federal partner in Kansas City (Centers for Medicare and Medicaid Services – CMS). The Department was also given permission by DAS/HRE and IDOM to hire two additional staff (historically speaking, the Bureau used to have eight field surveyors). Finally, the Department contracted with the Council on Quality Leadership (CQL) to complete 60 surveys between October 24, 2005 and January 31, 2006. All of our activities were coordinated with the Iowa Department of Human Services. As of February 1, 2006 the backlog of facilities to be surveyed is current.

Recognizing this Bureau will continue to struggle with timely completing the increase in complaint investigations and to survey 60+ of the facilities visited by CQL over a three month period 12 months hence, the Bureau has proactively asked permission from CMS to conduct earlier visits of some of these facilities throughout the year so as to spread the workload.

Conclusion – Response accepted.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

**CFDA Number: 93.778 – Medical Assistance Program**

**Agency Number: 5-0305IA5028/5-0405IA5028/5-0405IA5048/  
5-0505IA5028/5-0505IA5048**

**Federal Award Year: 2003, 2004, 2005**

**Iowa Department of Human Services**

**05-III-HHS-401-20**

Medicaid Cost Reports – OMB Circular A-133 states, in part, the State Medicaid Agency is required to provide for the filing of uniform cost reports by each participating provider of Medicaid services. These cost reports are used by the State Medicaid Agency to aid in the establishment of payment rates. The State Medicaid Agency is required to provide for periodic audits of the financial and statistical records of the participating providers which could include desk review or on-site reviews.

Iowa Administrative Code section 441 Chapter 81.6(3) requires Medicaid facilities to submit a cost report annually within three months of the facility's fiscal year end. Failure to submit a report within this time shall reduce payment to 75 percent of the current rate for a period no longer than three months, after which no further payments are to be made.

For four of the 25 desk reviews tested, the cost report was not submitted within the required three months of the end of the fiscal year. The reports were submitted 43 to 69 days late. These facilities were not subject to a reduction or penalty.

For five of the five on-site reviews tested, the facilities submitted amendments to their original cost reports after the due date. The original cost reports could not be located by the Department, nor did the Department have record of when the originals were submitted. Therefore, it could not be determined if the original cost reports were submitted timely.

During separate rate testing, the rate per the cost report was not made available for review for five of twenty-five payments tested. Therefore, it could not be determined if the payment rate was allowable.

Recommendation – The Department should establish procedures to ensure compliance with OMB Circular A-133 and the Iowa Administrative Code. Additionally, the Department should maintain documentation of when original cost reports are received.

Response and Corrective Action Planned – Prior to July 1, 2005, cost reports were submitted to the Department's contractor (Ryun, Givens, Wenthe & Co.), who was located in West Des Moines. Coordination and tracking of the dates the cost reports were received was difficult and responsibility for the tracking between the contractor and the Bureau of Long Term Care was not always clear.

State of Iowa  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2005

Beginning July 1, 2005, the Iowa Medicaid Enterprise (IME) was implemented. Now the IME Provider Cost Audit and rate setting contractor is located in the same building as the State Medicaid Agency staff, the Bureau of Long Term Care. Coordination and tracking of receipt of nursing facility cost reports are now the responsibility of this IME unit. Procedures have been established to record the due date and date of receipt of the cost reports and the information is logged in a database. Reminder letters are sent when a cost report is not received.

In addition, cost reports are now maintained electronically for ease in locating upon request. It is the experience of the IME providers have become timelier in their filing of cost reports. In order to ensure full compliance with the regulations, the Department plans to issue an informational release to all nursing facility providers in April 2006. This informational release will describe the rule IAC 441 81.6(3) and inform providers, beginning with cost reports with fiscal year end June 30, 2006, this policy will be enforced.

Conclusion – Response accepted.

**CFDA Number: 93.778 – Medical Assistance Program**  
**Agency Number: 5-0305IA5028/5-0405IA5028/5-0405IA5048/  
5-0505IA5028/5-0505IA5048**  
**Federal Award Year: 2003, 2004, 2005**  
**Iowa Department of Human Services**

**05-III-HHS-401-21**

Medicaid Waivers – Medicaid waivers enable eligible recipients to remain in their own home or communities rather than be admitted into a medical institution. The services are limited to certain client eligibility groups who have requested a waiver and have been given departmental approval. The mental retardation (MR) waiver is an eligibility group of recipients with a primary diagnosis of mental retardation. The following information is required to be included in a clients case file for MR waivers:

- (a) Title 8-N-24 of the Employees' Manual requires form 470-2927, Health Services Application.
- (b) Title 8-N-39 of the Employees' Manual requires a Notice of Decision.

During fiscal year 2005 testing of Medicaid claims, five waiver case files were reviewed, one of which was an MR waiver case. The required forms noted above were not included in the MR waiver case file reviewed.

Recommendation – The Department should implement procedures to ensure compliance with the Employees' Manual.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

Response and Corrective Action Planned –

(a) IM workers are required to have a Health Services Application in the file for consumers that are not already Medicaid eligible. If they are Medicaid eligible, a Medicaid application is to be in the file. Upon further review, it appears neither form was located in the file. The IM worker is sending an application to the consumer to complete immediately.

(b) A Notice of Decision is to always be present in the file.

The Bureau of Long Term Care will clarify the expectations of consumer file content and will address this with IM field staff from central office. Changes will be made to come into compliance with the Employees' Manual. A plan of correction will be developed from this meeting that identifies the needed changes in policy and procedure. Training on the changes will occur on one of the regularly scheduled IM teleconference calls conducted by the Department. In meeting with the field staff, a timeline will be developed for implementation of the required changes. It is anticipated the required changes will be completed by December 31, 2006.

Conclusion – Response accepted.

State of Iowa  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2005

**U.S. Department of Homeland Security**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**REPORTABLE CONDITIONS:**

**CFDA Number: 97.004 – State Domestic Preparedness Equipment Support Program**  
**Agency Number: 066591/066898/074207**  
**Federal Award Year: 2003, 2004**  
**Iowa Department of Public Defense – Homeland Security and Emergency  
Management Division**

**05-III-DHS-583-1**

Timely Submission – The Department must submit quarterly Standard Form (SF) 269A report within 45 days following the end of the calendar quarter as required by grant guidance from the U.S. Department of Homeland Security. A separate report is submitted for each grant number. For five grant numbers, the quarterly reports for the quarter ended March 31, 2005 were not submitted timely.

Recommendation – The Department should ensure the reports are submitted timely.

Response and Corrective Action Planned – The Department implemented an in-house policy/procedure starting state fiscal year 2006 to ensure all quarterly reports are filed in a timely manner.

Conclusion – Response accepted.

**CFDA Number: 97.004 – State Domestic Preparedness Equipment Support Program**  
**Agency Number: 066591/066898/074207**  
**Federal Award Year: 2003, 2004**  
**Iowa Department of Public Defense – Homeland Security and Emergency  
Management Division**

**05-III-DHS-583-2**

Cash Management – Effective cash management procedures provide for minimizing the amount of time between the drawdown/request for federal funds and the disbursement of those funds. As stated in the Cash Management Improvement Act (CMIA) Agreement, the State Domestic Preparedness Equipment Support program is funded on a cash advance basis. This means federal draws are not to be deposited more than three days prior to the date of disbursement.

In addition, effective cash management procedures also minimize the amount of state funds which must be used to operate the program until the federal funds are received.

State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

As part of its cash management procedures, the Homeland Security and Emergency Management Division accumulates reimbursable costs for each federal program on a spreadsheet. These spreadsheets are to support requests for reimbursement for federal programs and are attached to a summary spreadsheet or cash receipt.

A review of the Department's ledgers and cash management system identified the following:

- (a) In one instance, the Department drew funds, but the corresponding disbursements were not made until six working days later. The draw amount was \$28,858.
- (b) In four instances, the Department drew more funds than were documented on the spreadsheets used to support requests for reimbursement for federal programs.
- (c) Twelve instances were noted where the cash balance was in excess of \$100,000 for a period of four to thirty-seven days.

Recommendation – The Department should develop and implement procedures to ensure federal funds are drawn in amounts sufficient to cover current needs and are disbursed in a timely manner without carrying excessive daily balances.

Response and Corrective Action Planned – The Department has started using the same automated billing system as the state fiscal office. This system only draws money from the federal grants in amounts that are processed as payments. When draws are received, corresponding claims are forwarded to Department of Administrative Services – State Accounting Enterprise (DAS-SAE) for payment thereby expending the draw amount and limiting the cash on hand only to claims that have not processed through DAS-SAE.

Conclusion – Response accepted.

**CFDA Number: 97.034 – Disaster Unemployment Assistance**

**Agency Number: UI13547NT, UI14434QT**

**Federal Award Year: 2005**

**Iowa Department of Workforce Development**

**05-III-DHS-309-3**

Calculation of Benefits – The Disaster Unemployment Assistance program provides assistance to individuals whose employment or self-employment has been lost or interrupted as a direct result of a major disaster declared by the President of the United States. The maximum weekly benefit amount is determined under the provisions of the state law for unemployment insurance in the state where the disaster occurred.



State of Iowa

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

Of sixty benefit payments tested totaling \$66,536, eleven payments were noted in which the maximum benefit amount for the previous year was used instead of the maximum benefit amount for the current year. This resulted in underpayments totaling \$2,176 for the payments tested.

Recommendation – The Department should contact the U.S. Department of Labor to determine the appropriate resolution of this issue.

Response and Corrective Action Planned – IWD will contact the U.S. Department of Labor concerning this issue.

Conclusion – Response accepted.

**State of Iowa**

Index of Findings  
By State Agency and Program Name

| <u>CFDA No.</u> | <u>State Agency/Program Name</u>  | <u>Page</u>             |
|-----------------|---|-------------------------|
|                 | <u>Iowa Department of Justice</u>   |                         |
| 16.575          | Crime Victim Assistance .....   | 204                     |
|                 | <u>Iowa Department of Economic Development</u>  |                         |
| 14.228          | Community Development Block Grants/State's Program .....  | 202,203                 |
| 14.239          | HOME Investment Partnerships Program .....  | 203                     |
|                 | <u>Iowa Department of Education</u>   |                         |
| 10.550          | Food Donation.....  | 194,195                 |
| 10.553          | School Breakfast Program .....  | 196                     |
| 10.555          | National School Lunch Program .....   | 197                     |
| 10.556          | Special Milk Program for Children .....   | 196                     |
| 10.558          | Child and Adult Care Food Program .....   | 196,198,199             |
| 84.048          | Vocational Education-Basic Grants to States.....  | 220,221                 |
|                 | <u>Iowa Department of Elder Affairs</u>   |                         |
| 93.044          | Special Programs for the Aging – Title III, Part B – Grants for Supportive<br>Services and Senior Centers ..... | 222                     |
| 93.045          | Special Programs for the Aging – Title III, Part C – Nutrition Services .....                                   | 222                     |
| 93.053          | Nutrition Services Incentive Program .....  | 222                     |
|                 | <u>Iowa Department of Workforce Development</u>   |                         |
| 17.225          | Unemployment Insurance.....   | 205,206,207             |
| 17.258          | WIA Adult Program .....   | 206,207,208,210         |
| 17.259          | WIA Youth Activities .....  | 206,207,208,210         |
| 17.260          | WIA Dislocated Workers .....  | 206,207,208,210         |
| 93.558          | Temporary Assistance for Needy Families .....   | 225,226,227             |
| 97.034          | Disaster Unemployment Assistance .....  | 247                     |
|                 | <u>Iowa Department of Human Rights</u>  |                         |
| 81.042          | Weatherization Assistance for Low-Income Persons .....  | 217                     |
| 93.568          | Low-Income Home Energy Assistance .....   | 233,234                 |
|                 | <u>Iowa Department of Human Services</u>  |                         |
| 10.561          | State Administrative Matching Grants for Food Stamp Program .....   | 200                     |
| 93.558          | Temporary Assistance for Needy Families .....   | 227,229,231,232         |
| 93.563          | Child Support Enforcement .....   | 229,231,232             |
| 93.575          | Child Care and Development Block Grant.....   | 229,231,232,235,236     |
| 93.596          | Child Care Mandatory and Matching Funds of the Child<br>Care and Development Fund .....                         | 229,231,232,235,236     |
| 93.658          | Foster Care – Title IV-E.....   | 229,231,232,237,238,239 |
| 93.659          | Adoption Assistance .....   | 229,231,232,239,240     |
| 93.767          | State Children's Insurance Program .....  | 231,232                 |
| 93.778          | Medical Assistance Program .....  | 229,231,232,243,244     |

Iowa Department of Inspections and Appeals

|        |   |     |
|--------|---|-----|
| 93.777 | State Survey and Certification of Health Care Providers and Suppliers ..... | 241 |
|--------|---|-----|

Iowa Department of Natural Resources

|        |   |     |
|--------|---|-----|
| 66.458 | Capitalization Grants for Clean Water State Revolving Funds ..... | 216 |
|--------|---|-----|

Iowa Department of Public Defense – Homeland Security  
and Emergency Management Division

|        |   |     |
|--------|---|-----|
| 97.004 | State Domestic Preparedness Equipment Support Program ..... | 246 |
|--------|---|-----|

State University of Iowa

|        |  |     |
|--------|--|-----|
| 12.431 | Basic Scientific Research .....  | 201 |
| 43.001 | Aerospace Education Services Program .....   | 214 |
| 47.041 | Engineering Grants .....   | 215 |
| 47.049 | Mathematical and Physical Sciences.....  | 215 |
| 47.050 | Geosciences.....   | 215 |
| 84.038 | Federal Perkins Loan Program – Federal Capital Contributions.....                    | 219 |
| 84.133 | National Institute on Disability and Rehabilitation Research .....                   | 221 |
| 93.121 | Oral Diseases and Disorders Research .....   | 223 |
| 93.173 | Research Related to Deafness and Communication Disorders.....                        | 223 |
| 93.230 | Consolidated Knowledge Development and Application (KD&A) Program.....               | 223 |
| 93.242 | Mental Health Research Grants .....  | 223 |
| 93.262 | Occupational Safety and Health Research Projects .....                               | 223 |
| 93.361 | Nursing Research .....   | 223 |
| 93.395 | Cancer Treatment Research.....   | 223 |
| 93.396 | Cancer Biology Research .....  | 223 |
| 93.837 | Heart and Vascular Diseases Research.....  | 223 |
| 93.838 | Lung Diseases Research .....   | 223 |
| 93.853 | Extramural Research Programs in the Neurosciences and Neurological<br>Disorders..... | 223 |
| 93.856 | Microbiology and Infectious Diseases Research.....                                   | 223 |
| 93.859 | Biomedical Research and Research Training.....                                       | 223 |
| 93.865 | Child Health and Human Development Extramural Research .....                         | 223 |
| 93.866 | Aging Research.....  | 223 |
| 93.867 | Vision Research.....   | 223 |
| 93.956 | Agricultural Health and Safety Programs .....  | 223 |

Iowa State University

|        |  |     |
|--------|--|-----|
| 84.007 | Federal Supplemental Educational Opportunity Grants..... | 218 |
|--------|--|-----|

Iowa Department of Transportation

|        |   |     |
|--------|---|-----|
| 20.205 | Highway Planning and Construction.....              | 211 |
| 20.509 | Formula Grants for Other Than Urbanized Areas ..... | 213 |

Federal Agency  
By Agency Identification

Identification

| <u>Initials</u> | <u>Agency</u>                                    |
|-----------------|--|
| USDA            | U.S. Department of Agriculture                   |
| DOD             | U.S. Department of Defense                       |
| HUD             | U.S. Department of Housing and Urban Development |
| DOJ             | U.S. Department of Justice                       |
| DOL             | U.S. Department of Labor                         |
| DOT             | U.S. Department of Transportation                |
| NASA            | National Aeronautics and Space Administration    |
| NSF             | National Science Foundation                      |
| EPA             | U.S. Environmental Protection Agency             |
| DOE             | U.S. Department of Energy                        |
| USDE            | U.S. Department of Education                     |
| HHS             | U.S. Department of Health and Human Services     |
| DHS             | U.S. Department of Homeland Security             |

Iowa State Agencies  
By Agency Number

| <u>Agency<br/>No.</u> | <u>Agency</u>  |
|-----------------------|--|
| 005                   | Department of Administrative Services  |
| 009                   | Department of Agriculture and Land Stewardship                                     |
| 112                   | Department of Justice  |
| 131                   | Department for the Blind   |
| 167                   | Civil Rights Commission  |
| 216                   | Department of Commerce – Insurance Division  |
| 219                   | Department of Commerce – Utilities Division  |
| 238                   | Department of Corrections  |
| 252                   | Ft. Dodge Correctional Facility  |
| 259                   | Department of Cultural Affairs   |
| 269                   | Department of Economic Development   |
| 282                   | Department of Education  |
| 283                   | Department of Education – Division of Vocational Rehabilitation Services           |
| 284                   | College Student Aid Commission   |
| 285                   | Iowa Public Television   |
| 297                   | Department of Elder Affairs  |
| 309                   | Department of Workforce Development  |
| 379                   | Department of Human Rights   |
| 401                   | Department of Human Services   |
| 411                   | Glenwood Resource Center   |
| 427                   | Department of Inspections and Appeals  |
| 444                   | Judicial Department  |
| 542                   | Department of Natural Resources  |
| 582                   | Department of Public Defense – Military Division                                   |
| 583                   | Department of Public Defense – Homeland Security and Emergency Management Division |
| 588                   | Department of Public Health  |
| 595                   | Department of Public Safety  |
| 615                   | Board of Regents   |
| 617                   | Braille and Sight Saving School  |
| 618                   | School for the Deaf  |
| 619                   | State University of Iowa   |
| 620                   | Iowa State University  |
| 621                   | University of Northern Iowa  |
| 635                   | Secretary of State   |
| 642                   | Governor’s Office on Drug Control Policy   |
| 645                   | Department of Transportation   |
| 655                   | Treasurer of State   |
| 671                   | Commission of Veterans Affairs   |
| 672                   | Veterans Affairs Capital   |