

COUNTY OF SCOTT, IOWA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2008

Prepared by:
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INTRODUCTORY

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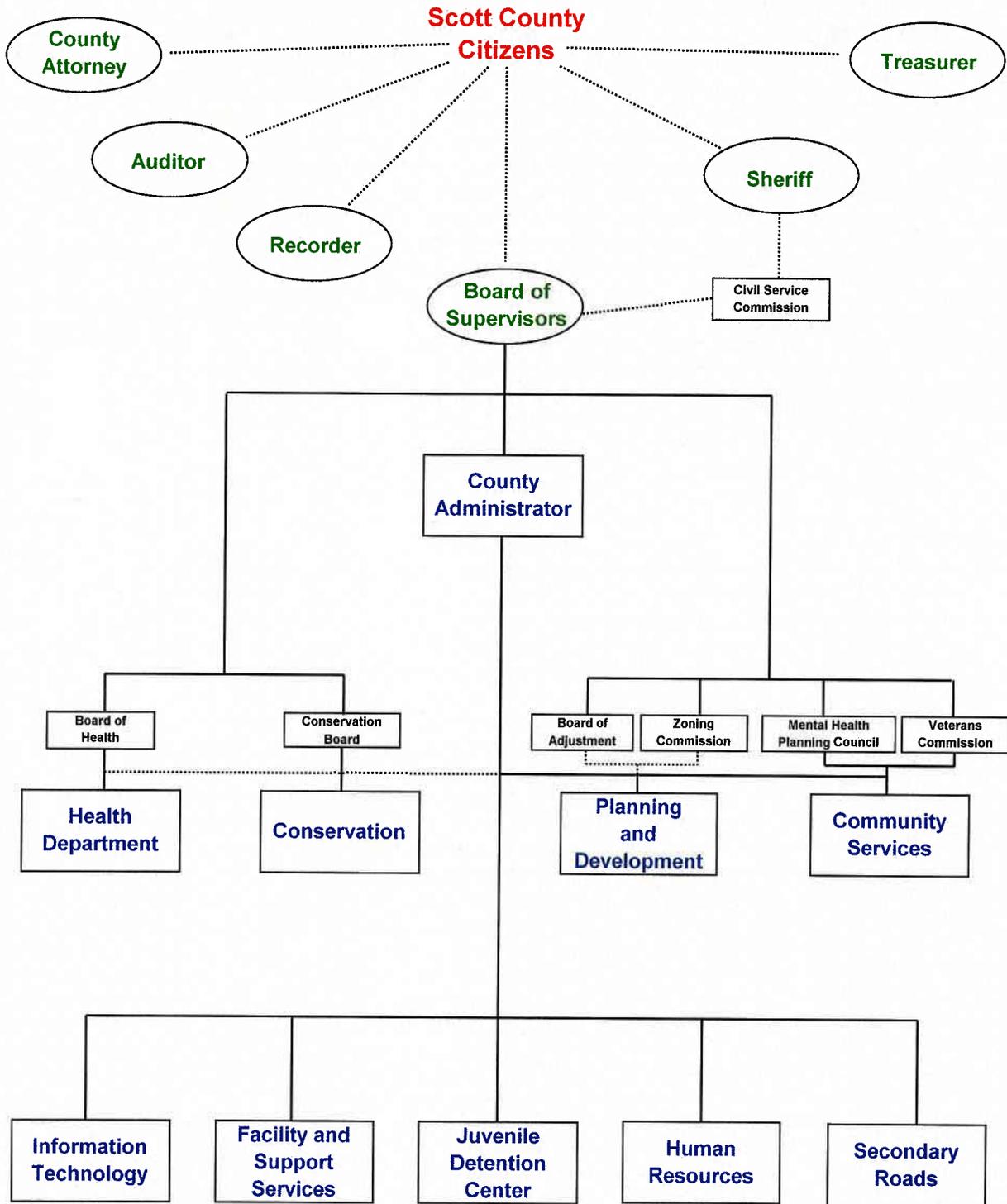
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Scott County Government Organizational Chart



— Direct supervision
 Advisory relationship

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Scott
Iowa

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Oliver S. Cox

President

Jeffrey R. Emswiler

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Scott County

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November 18, 2008

To the Members of the Scott County Board of Supervisors, and Citizens of Scott County:

State law requires that every general-purpose local government publish within nine months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2008.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

McGladrey & Pullen, LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion of Scott County's financial statements for the year ended June 30, 2008. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of Scott County Government

Scott County, Iowa was incorporated on December 31, 1837. Antoine LeClaire, an early settler of the County, donated the square of land the Scott County Courthouse stands on today. If the County ever abandons the site, the property would revert to the heirs of Antoine LeClaire. The first courthouse was erected on this land during 1840-41 and served for 45 years. The following years to 1874 saw changes and additions to the structure of Scott County government. One of the major changes was in the structure of the governing board. From 1838 until 1850 county commissioners were elected on an annual basis. By 1861 the name Board of Supervisors had been mandated, with 14 supervisors from throughout the county representing the citizens. In 1870 the structure changed again, and only three board supervisors were elected countywide. In 1874, the membership of the board of supervisors increased to its present five officials, all elected at-large.

Only recently have there been dramatic changes in the actual governing of the county. In 1979 an administrator form of government was adopted, and the Board of Supervisors hired a county administrator. Subsequently, staff and departments have grown in efficiency and capacity to serve citizens. In 1978 the County Home Rule Bill was enacted, granting all powers to counties consistent with state laws and not specifically prohibited by the Iowa General Assembly.

The County provides a full range of services. These services include law enforcement and legal services, physical health and social services, mental health and developmental disabilities services, county environment and education, planning and zoning, construction and maintenance of secondary roads, education and general administrative services.

Component units are legally separate entities for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

The County's discretely presented component units are as follows: Emergency Management Agency, which provides direction for the delivery of the emergency management services and planning, administration, coordination, training and support for local governments and their departments, Emergency Management Agency-Scott Emergency Communication Center (SECC), which provides county-wide consolidated emergency 911 dispatch services; County Library, which provides library services to all cities within Scott County with the exception of the City of Bettendorf and the City of Davenport; County Assessor, which is responsible for the operations of the Scott County Assessor's office including the assessment of all properties within Scott county with the exception of the City of Davenport, County Assessor Special, which is responsible to the County Conference Board to perform in-house revaluations for various classes of property; City Assessor, which is responsible for the operations of the City Assessor's office, including assessment of all properties within the City of Davenport; City Assessor Special, which is responsible to the City Conference Board to perform in-house revaluations for various classes of property; and the Scott County Public Safety Authority, which is responsible for the construction of the recently voter approved jail expansion project.

These component units are discretely presented in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations and cash flows from those of the primary government. The County Board is a voting member of each of the governing bodies of all component units except for the Scott County Library for which the County Board appoints all the Library Trustees and the Public Safety Authority for which the County Board appoints two commissioners, one jointly appointed with the City of Davenport. The component units are discussed further in Note 1.

The Board is required to adopt a final budget by no later than March 15th prior to the beginning of the fiscal year. This annual budget serves as the foundation for Scott County's financial planning and control. The State of Iowa requires the passage of an annual budget of total County operating expenditures by major program service areas (i.e., public safety and legal services, physical health and social services, etc.). Activities of the general fund, special revenue funds, capital projects fund and debt service fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the total program service area level. The County also maintains administrative budgetary control beyond the State required program service area level at the major object of expenditure basis within each County department.

Local Economy

Scott County is part of a three county, bi-state, metropolitan area referred to as the Quad-Cities. The counties of Scott (Iowa), Rock Island and Henry (Illinois), contain the Davenport-Rock Island-Moline Metropolitan Statistical Area (MSA), with a 2000 U.S. Census Bureau count of 359,062 which is a 2.3% increase over the 1990 census count of 350,861. The U. S. Census Bureau's 2000 population of Scott County was 158,689, which is a 5.1% increase over the 1990 census count of 150,979. However, that figure is still under the 1980 census count for Scott County which was 160,022 and only 11.2% greater than the 1970 census count of 142,687. The U.S. Census Bureau's estimates for 2006 for Scott County's population are 162,621 and for the MSA it is 360,505. Woods and Poole Economics project the population of the Quad Cities MSA to reach 378,915 by 2025, an approximate 5.5% increase over the above cited year 2000 figure. The same projection expects Scott County's population to grow to 180,370. This would represent an increase in population for the County over that 25 year time period of 13.7%.

The Quad-Cities has been historically known as an industrial, retail/service and transportation center. In the last twenty five years the economy has shifted, showing a decline in the number of manufacturing sector jobs. In 1980, 30% of the area jobs were in manufacturing and 53% in the service sector. In 1990 that had changed to 17% manufacturing, 41% service sector; with 20% classified as trade and 4% mining and construction. In 2007 the split was 14% manufacturing and 50% classified as service sector; with 17% classified as trade and 5% mining and construction. The portion of government sector jobs has remained fairly even at 16.2% in 1980, to 16% in 1990 and 14% in 2007.

The shift in the Quad-Cities area economy towards creation of service sector jobs in the professional, non-professional, retail and wholesale sectors of the economy has been significant. From 1990 until 2007 the number of service providing jobs in the QCA increased from 130,100 to 154,500. This is an increase of 18.75%; which offsets the loss of over 2,500 durable goods manufacturing sector jobs, a 12.8% decrease over that same time period. The number of total manufacturing sector jobs was down from 28,900 in 1990 to 25,600 in 2007 a 11.4% drop, with a decrease of 10.5% in jobs in the non-durable goods manufacturing sector. Construction and mining sector jobs have increased by 1,900 jobs, a 28.4% increase from 1990 to 2007.

The annual average labor force in the Quad Cities MSA was 197,269 in 2007 which was a 9.9% increase from the 1990 figure of 179,426. The annual average labor force for Scott County was 88,490 in 2007, which was a 12.5% increase over the 1990 annual average labor force of 78,660 for the county. In 1980 the unemployment rate for the Quad Cities was 6.7%. In 1983 the unemployment rate for the Quad-Cities MSA hit a high of 14.8%. Scott County's unemployment rate that same year was 10.8%, following a Scott County high the year before in 1982 of 11.2%. In 1990 the unemployment rate for the QCA was 5.0% and Scott County was 4.2%. Those rates dipped to a low of 3.4 % and 2.7% in 1998 but have risen slightly to the current rates for 2007 of 4.5% and 3.8%, respectively.

The median household income in Scott County has risen between 1980 and 2000, from \$20,767 in 1980 to \$29,979 in 1990 and \$42,701 in 2000. That is an increase of 105.6% over the twenty-year period. The 2006 per capita personal income for Scott County was \$36,950, which represented 111.8% of the statewide average and 100.6% of the national average at \$36,714. The per capita personal income for Scott County was \$10,969 in 1980, \$18,757 in 1990 and \$28,158 in 2000.

New residential construction has begun to slow recently in the Quad-Cities MSA and Scott County, although are still relatively strong when compared to the figures from 20 years ago. Between 1985 and 1987, only 700 single family dwellings units were started in Scott County, with only 925 in the entire Quad Cities MSA over those same three years. 1546 building permits for new single family dwelling units have been issued in Scott County from 1998 through 2000. Over that same time period 2500 new

house permits have been issued in the MSA. Between 1998 and 2000, of the new house permits issued in the Quad Cities, 62% have been in Scott County. This is an average for Scott County of over 500 permits a year over that three year time period.

In 2002, of the 863 new house permits issued in the QCMSA, 583 were issued in Scott County. For 2003 those figures were 801 and 556, respectively. The 2004 figures continued to show an increase in housing starts for Scott County at 608 with a total MSA figure of 861. This is an average of 550 new house starts a year for Scott County over that three year time period. In 2005 Scott County had 652 of the 961 housing starts in the Quad Cities MSA or 68% of the total. In 2006 and 2007, housing starts have started to slow with Scott County having 538 housing starts in 2006 and 407 in 2007. The Scott County figures represented 65% of the total Quad Cities MSA housing starts in 2006 and 61% in 2007.

Even with a slowing housing market the Quad Cities remains one of the most affordable housing markets in the country. The average sales price for homes in the Iowa Quad Cities was \$126,200 in June, 2000, \$127,300 in June, 2002, 137,600 in June, 2004 and \$162,300 in June, 2007. On the Illinois side of the river the average sales price was \$90,400 in June, 2000, \$95,600 in June, 2002, \$101,400 in June, 2004 and \$112,200 in June, 2007. The median home values between 1980 and 1990 in Scott County only increased 3% from \$52,800 to \$54,400. From 1990 to 2000 the median home values in Scott County jumped 70% to \$92,400.

Even with the drastic decline in the national economic indicators, the global credit crisis and a decrease in consumer confidence the immediate outlook for the Quad Cities still can be considered somewhat stable. Housing prices have not seen a sharp decline in this area mainly because they had not seen significant increases in previous years. There have been some layoffs and production slow downs at some of the areas largest employers, while others have seen modest increases or have been hiring to replace retiring workers. Although the recent BRAC announcement will reduce positions at the Arsenal over the next six years, current production capacity at the Rock Island Arsenal is increasing with the increasing need for vehicle armor and other munitions. The Local Arsenal Redevelopment Task Force is working to attract new private jobs to the Arsenal in the future.

Economic development efforts for the Quad Cities continue to try to diversify the economy, while taking advantage of its unique location on major transportation corridors and the tremendous asset of the Mississippi River. The Quad Cities and Scott County is also positioned well for the renewable energy sector as a location for the manufacture, assembly and distribution of wind and solar energy generators. A recent economic development task force recommendation is for the Quad Cities to continue to focus its regional economic development marketing efforts through a strengthened Quad City Development Group. Scott County is on record as supporting those efforts.

Long-Term Financial Planning

Unreserved, undesignated fund balance in the general fund (14% of total general fund expenditures) falls nearly within the policy guidelines set by the Board for budgetary and planning purposes (i.e., minimum of 15 percent of total general fund expenditures). It is noted that the reserved portion of the general fund for the advance to the golf course enterprise fund will begin to be paid back in 2013 when the golf course debt retirement is completed.

As a part of Scott County's target issues the renovation and expansion of the county jail is nearly complete. This \$29.7 million project will be financed through Public Safety Authority revenue bonds. Increased operating costs for this facility projected to be completed in FY09 will be offset by the elimination of inmate housing costs in out of county facilities due to the current facility being at capacity.

Relevant Financial Policies

It is Scott County's policy to use its share of riverboat gaming proceeds for one-time capital projects. The County is currently using these funds toward a pay as you go courthouse renovation project. County funding of new, additional community projects such as Bettendorf's RiversEdge project and Davenport's RiverVision project must come from anticipated increased future gaming revenues.

Major Initiatives

In addition to the aforementioned jail expansion/renovation project, the County is also developing a county-wide GIS system. This \$2.5 million project is being financed by essential service general obligation bonds. Scott County created a GIS Strategic Plan in 2003 with implementation started in 2005. The development and implementation of this county-wide GIS system is estimated to be completed at the end of 2009.

The continued renovation of the Courthouse and the Tremont Annex (minimum security jail and patrol/training) will be completed on a pay as you go basis over the next several years. This will complete the Space Planning Master Plan developed in the 1990's which moved all non-public safety/court offices from the Courthouse to the Administrative Center.

Awards and Acknowledgements

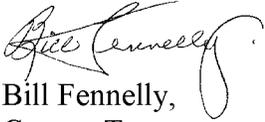
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Scott County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2007. This was the nineteenth consecutive year that Scott County has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both general accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, Scott County also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated March 6, 2008. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staffs of the Auditor's Office, Treasurer's Office and the Administration Office. We wish to express our appreciation to all members of our offices who assisted and contributed to the preparation of this report. Appreciation is also expressed for the excellent assistance received from our independent accountants, McGladrey & Pullen, LLP. Credit also must be given to the Board of Supervisors for their unfailing support for maintaining the highest standards of professionalism in the management of Scott County's finances.

Respectfully submitted,



Bill Fennelly,
County Treasurer



Wes Rostenbach
County Auditor



C. Ray Wierson,
County Administrator

FINANCIAL

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

To the Board of Supervisors
County of Scott, Iowa
Davenport, Iowa

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 County of Scott, Iowa as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Scott, Iowa's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Scott, Iowa as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2008, on our consideration of the County of Scott, 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.

The Management's Discussion and Analysis on pages 3 through 14, and budgetary comparison information on pages 57 and 58 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the 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 County of Scott, Iowa's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*, 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, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

Davenport, Iowa
November 13, 2008

County of Scott, Iowa

Management's Discussion and Analysis Year Ended June 30, 2008

It is an honor to present to you the financial picture of the County of Scott, Iowa. We offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County of Scott, Iowa for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

The assets of the County of Scott exceeded its liabilities as of June 30, 2008 and 2007 by \$79,493,421 and \$79,683,117 (net assets), respectively. Of this amount, \$2,834,881 and \$7,743,101, respectively, may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net assets decreased by \$189,696 and increased \$1,241,214 during the years ended June 30, 2008 and 2007, respectively.

As of June 30, 2008, the County of Scott's governmental funds reported combined ending fund balances of \$20,180,696, a decrease of \$1,376,105 in comparison with 2007. Approximately 63 percent of this total amount, \$12,707,926, is available for spending at the government's discretion (unreserved undesignated fund balance). As of June 30, 2007, the County of Scott's governmental funds reported combined ending fund balances of \$21,556,801, an increase of \$1,805,160 in comparison with 2006. Approximately 64 percent of this total amount, \$13,841,109, is available for spending at the government's discretion (unreserved undesignated fund balance).

As of June 30, 2008, unreserved undesignated fund balance for the General Fund was \$5,849,553 or 14 percent of total General Fund expenditures and \$5,301,970 or 13 percent for 2007.

The County of Scott, Iowa's total long-term debt, excluding compensated absences and claims payable, decreased by \$2,254,492 during fiscal year June 30, 2008 and increased by \$660,000 during fiscal year ended June 30, 2007. The decrease in 2008 was attributed to scheduled payments on bonds. The increase in 2007 was attributed to the issuance of general obligation geographic information system bonds and solid waste refunding bonds.

Overview of the Financial Statements

This Discussion and Analysis is intended to serve as an introduction to the County of Scott's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the County of Scott's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the County of Scott, Iowa's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

County of Scott, Iowa

Management's Discussion and Analysis Year Ended June 30, 2008

Both of the government-wide financial statements distinguished functions of the County of Scott that are principally supported by taxes (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County of Scott include public safety and legal services, physical health and social services, mental health, County environment and education, roads and transportation, government services to residents and administration. The business-type activities of the County of Scott include an 18-hole golf course.

The government-wide financial statements include the County of Scott and the following discretely presented component units: Emergency Management Agency, County Library, County Assessor, County Assessor Special, City Assessor, City Assessor Special, Public Safety Authority and Scott Emergency Communication Center. There are no other organizations or agencies whose financial statements should be combined and presented with the financial statements of the County.

The government-wide financial statements can be found on pages 15 through 18 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Scott, Iowa, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County of Scott, Iowa maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Mental Health/Development Disabilities Fund, Secondary Roads Fund, Capital Projects Fund and Debt Service Fund which are considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 19 through 24 of this report.

Proprietary funds: The County of Scott maintains one type of proprietary funds: enterprise. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County of Scott maintains one enterprise fund. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Golf Course Fund, as this fund is considered to be a major fund of the County of Scott.

County of Scott, Iowa

Management's Discussion and Analysis Year Ended June 30, 2008

The basic proprietary fund financial statements can be found on pages 25 through 27 of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County of Scott, Iowa's own programs. The fiduciary funds of the County are considered agency funds. Total assets of the fiduciary funds were \$206,838,406 and \$195,442,691 for the years ended June 30, 2008 and 2007, respectively.

The basic fiduciary fund financial statements can be found on page 28 of this report.

Notes to basic financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County of Scott, Iowa's budgetary comparison. This information can be found on pages 57 and 58 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to basic financial statements and the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The County's total net assets have decreased from a year ago from \$79,683,117 to \$79,493,421.

Of the County of Scott's net assets, 90 percent reflects its investment in capital assets (e.g., land, buildings and improvements, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The County of Scott uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The County's net assets invested in capital assets, net of related debt, was \$71,334,933 for 2008 and \$65,931,738 for 2007. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1 - County of Scott's Net Assets

| | Governmental Activities | | Business-Type Activities | | Total County | |
|---|-------------------------|----------------------|--------------------------|-----------------------|----------------------|----------------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Current and other assets | \$ 64,122,137 | \$ 68,410,415 | \$ (2,254,825) | \$ (1,865,924) | \$ 61,867,312 | \$ 66,544,491 |
| Capital assets | 98,344,173 | 94,361,014 | 2,266,457 | 2,422,402 | 100,610,630 | 96,783,416 |
| Total assets | 162,466,310 | 162,771,429 | 11,632 | 556,478 | 162,477,942 | 163,327,907 |
| Noncurrent liabilities outstanding | 34,067,530 | 36,120,641 | 1,133,817 | 1,481,097 | 35,201,347 | 37,601,738 |
| Other liabilities | 46,811,740 | 45,095,105 | 971,434 | 947,947 | 47,783,174 | 46,043,052 |
| Total liabilities | 80,879,270 | 81,215,746 | 2,105,251 | 2,429,044 | 82,984,521 | 83,644,790 |
| Net assets: | | | | | | |
| Invested in capital assets, net of related debt | 70,527,812 | 65,298,164 | 807,121 | 633,574 | 71,334,933 | 65,931,738 |
| Restricted | 4,994,081 | 5,681,447 | 325,166 | 326,831 | 5,319,247 | 6,008,278 |
| Unrestricted | 6,065,147 | 10,576,072 | (3,225,906) | (2,832,971) | 2,839,241 | 7,743,101 |
| Total net assets | \$ 81,587,040 | \$ 81,555,683 | \$ (2,093,619) | \$ (1,872,566) | \$ 79,493,421 | \$ 79,683,117 |

County of Scott, Iowa

Management's Discussion and Analysis Year Ended June 30, 2008

Net assets are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted through enabling legislation for 2008 and 2007 consist of \$3,728,760 and \$4,152,198 for debt service, \$572,242 and \$396,372 for mental health and \$486,405 and \$936,185 for secondary roads, respectively. An additional \$531,840 and \$523,523 is restricted by external third parties, respectively. The remaining balance of unrestricted net assets, \$2,839,241 for 2008 and \$7,743,101 for 2007, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County of Scott, Iowa is able to report positive balances in all three categories of net assets. The same situation held true for the prior fiscal year.

The County's total net assets decreased by \$189,696 during the current fiscal year as compared to an increase of \$1,241,214 in 2007. The governmental-type activities' net assets increased by \$31,357 in 2008 and \$1,575,031 in 2007. The increases in 2007 and 2008 were due to increases in capital assets. The total business-type activities' net assets decreased by \$221,053 in 2008 and \$333,817 in 2007. The decreases in 2007 and 2008 were due to interest payments on the debt of the golf course and increased costs to operate the golf course.

Table 2 highlights the County's revenues and expenses for the fiscal year ended June 30, 2008 and 2007. These two main components are subtracted to yield the change in net assets. This table utilizes the full accrual method of accounting.

Revenue is further divided into two major components: program revenue and general revenue. Program revenue is defined as charges for services and sales and services, operating grants and contributions and capital grants and contributions. General revenue includes taxes, investment income and other unrestricted revenue sources.

Table 2 - County of Scott's Changes in Net Assets

| | Governmental Activities | | Business-Type Activities | | Total County | |
|---|-------------------------|-------------------|--------------------------|----------------|-------------------|-------------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 4,877,531 | \$ 5,038,423 | \$ 947,487 | \$ 875,270 | \$ 5,825,018 | \$ 5,913,693 |
| Operating grants and contributions | 11,847,705 | 9,896,826 | - | - | 11,847,705 | 9,896,826 |
| Capital grants and contributions | 153,469 | 1,417,942 | - | - | 153,469 | 1,417,942 |
| General revenues: | | | | | | |
| Taxes: | | | | | | |
| Property taxes | 33,138,131 | 31,995,844 | - | - | 33,138,131 | 31,995,844 |
| Local option sales tax | 3,867,941 | 3,700,844 | - | - | 3,867,941 | 3,700,844 |
| Gaming | 815,524 | 789,210 | - | - | 815,524 | 789,210 |
| Other taxes | 65,253 | 61,766 | - | - | 65,253 | 61,766 |
| Utility tax replacements | 1,341,669 | 1,382,625 | - | - | 1,341,669 | 1,382,625 |
| Penalties, interest and costs on taxes | 731,456 | 782,123 | - | - | 731,456 | 782,123 |
| State tax replacement credits | 5,194,016 | 5,243,536 | - | - | 5,194,016 | 5,243,536 |
| State shared revenues | 2,866,918 | 2,906,371 | - | - | 2,866,918 | 2,906,371 |
| Grants and contributions not restricted to specific program | - | 188,557 | - | - | - | 188,557 |
| Payments in lieu of taxes | 8,226 | 165 | - | - | 8,226 | 165 |
| Investment earnings | 1,447,577 | 2,140,787 | 9,827 | 14,609 | 1,457,404 | 2,155,396 |
| Miscellaneous | 859,093 | 780,711 | - | - | 859,093 | 780,711 |
| Total revenues | 67,214,509 | 66,325,730 | 957,314 | 889,879 | 68,171,823 | 67,215,609 |

County of Scott, Iowa

Management's Discussion and Analysis
Year Ended June 30, 2008

Table 2 - County of Scott's Changes in Net Assets (Continued)

| | Governmental Activities | | Business-Type Activities | | Total County | |
|-------------------------------------|-------------------------|----------------------|--------------------------|-----------------------|----------------------|----------------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Expenses: | | | | | | |
| Public safety and legal services | 20,289,680 | 20,051,534 | - | - | 20,289,680 | 20,051,534 |
| Physical health and social services | 5,956,132 | 5,682,835 | - | - | 5,956,132 | 5,682,835 |
| Mental health | 15,211,596 | 14,308,820 | - | - | 15,211,596 | 14,308,820 |
| County environment and education | 4,410,086 | 4,371,103 | - | - | 4,410,086 | 4,371,103 |
| Roads and transportation | 6,712,511 | 6,711,217 | - | - | 6,712,511 | 6,711,217 |
| Government services to residents | 2,151,064 | 2,074,972 | - | - | 2,151,064 | 2,074,972 |
| Administration | 10,980,111 | 9,943,559 | - | - | 10,980,111 | 9,943,559 |
| Debt service, interest | 1,471,972 | 1,606,659 | - | - | 1,471,972 | 1,606,659 |
| Golf course | - | - | 1,178,367 | 1,223,696 | 1,178,367 | 1,223,696 |
| Total expenses | 67,183,152 | 64,750,699 | 1,178,367 | 1,223,696 | 68,361,519 | 65,974,395 |
| Increase in net assets | 31,357 | 1,575,031 | (221,053) | (333,817) | (189,696) | 1,241,214 |
| Net assets, beginning | 81,555,683 | 79,980,652 | (1,872,566) | (1,538,749) | 79,683,117 | 78,441,903 |
| Net assets, ending | <u>\$ 81,587,040</u> | <u>\$ 81,555,683</u> | <u>\$ (2,093,619)</u> | <u>\$ (1,872,566)</u> | <u>\$ 79,493,421</u> | <u>\$ 79,683,117</u> |

Table 3 below discloses cost of services for governmental activities. The total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Succinctly put, net costs are costs that must be covered by local taxes or other general revenue or transfers.

Table 3 - County of Scott's Governmental Activities

| Programs | Total Cost of Services 2008 | Total Cost of Services 2007 | Net (Expense) of Services 2008 | Net (Expense) of Services 2007 |
|-------------------------------------|-----------------------------|-----------------------------|--------------------------------|--------------------------------|
| Public safety and legal services | \$ 20,289,680 | \$ 20,051,534 | \$ (18,202,256) | \$ (17,426,676) |
| Physical health and social services | 5,956,132 | 5,682,835 | (3,776,438) | (3,568,163) |
| Mental health | 15,211,596 | 14,308,820 | (7,320,249) | (7,984,459) |
| County environment and education | 4,410,086 | 4,371,130 | (3,103,406) | (3,296,617) |
| Roads and transportation | 6,712,511 | 6,711,217 | (6,657,725) | (5,731,588) |
| Government services to residents | 2,151,064 | 2,074,972 | 775,395 | 749,991 |
| Administration | 10,980,111 | 9,943,559 | (10,547,796) | (9,533,337) |
| Debt service, interest | 1,471,972 | 1,606,659 | (1,471,972) | (1,606,659) |
| Golf course | 1,178,367 | 1,223,696 | (230,880) | (348,426) |
| Total | <u>\$ 68,361,519</u> | <u>\$ 65,974,422</u> | <u>\$ (50,535,327)</u> | <u>\$ (48,745,934)</u> |

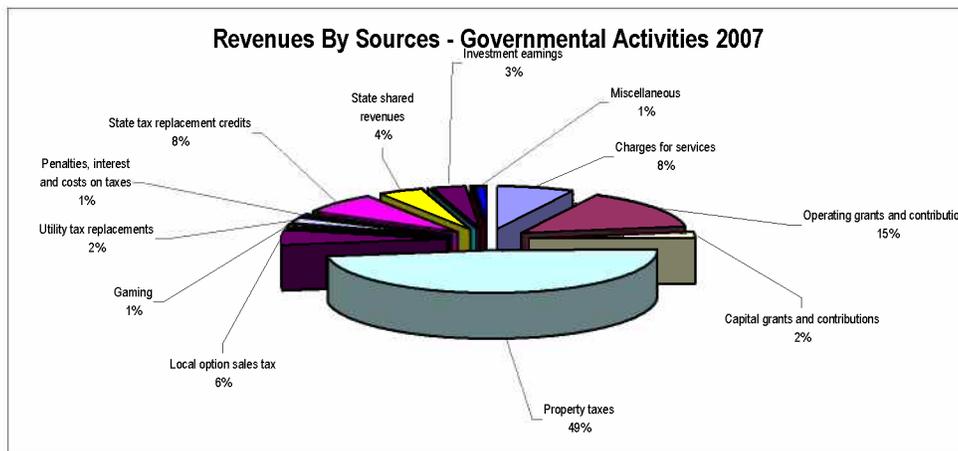
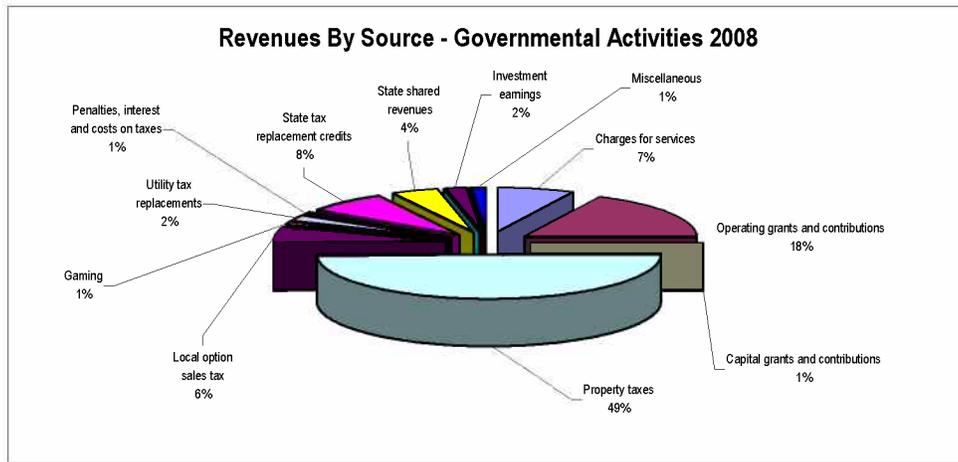
Net cost of services is 74 percent of total cost of services in 2008 and 2007. The County was able to maintain the net cost of services in the current year due to nontax revenues and fees being reviewed and adjusted on an ongoing basis.

County of Scott, Iowa

Management's Discussion and Analysis
Year Ended June 30, 2008

Governmental Activities

The graphs below show the percentage of the total governmental activities revenues allocated by each revenue type for 2008 and 2007.

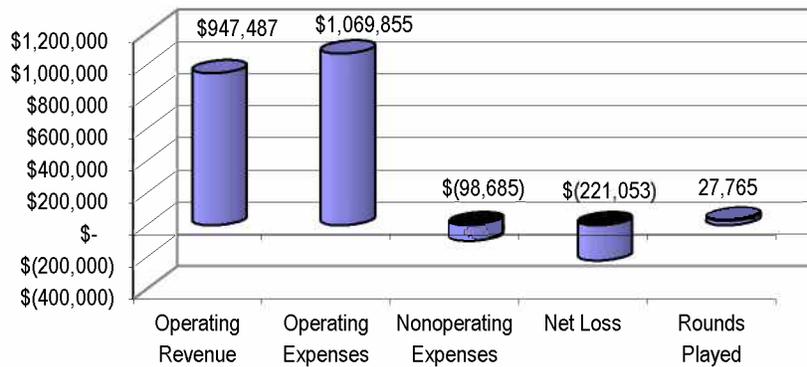


County of Scott, Iowa

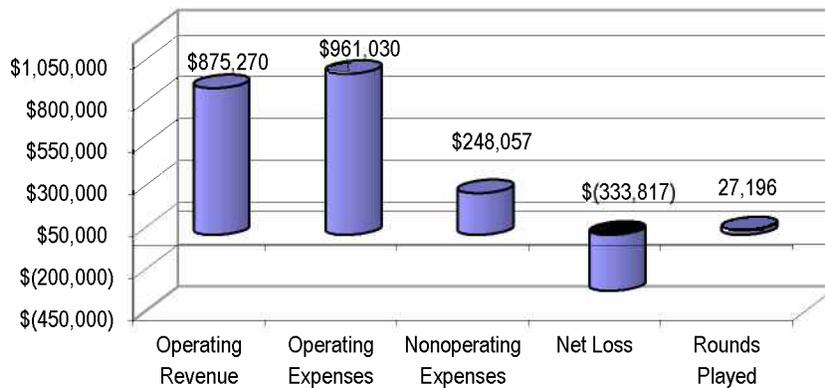
Management's Discussion and Analysis
Year Ended June 30, 2008

Total business-type activities' revenue for the fiscal years ended June 30, 2008 and 2007 was \$957,314 and \$889,879, respectively. All but \$9,827 and \$14,609 of this revenue was generated for specific business-type activity expenses. The graphs below show a comparison between the business-type activity expenditures and program revenues and operations for Glynn's Creek Golf Course in 2008 and 2007.

Golf Course Operations 2008



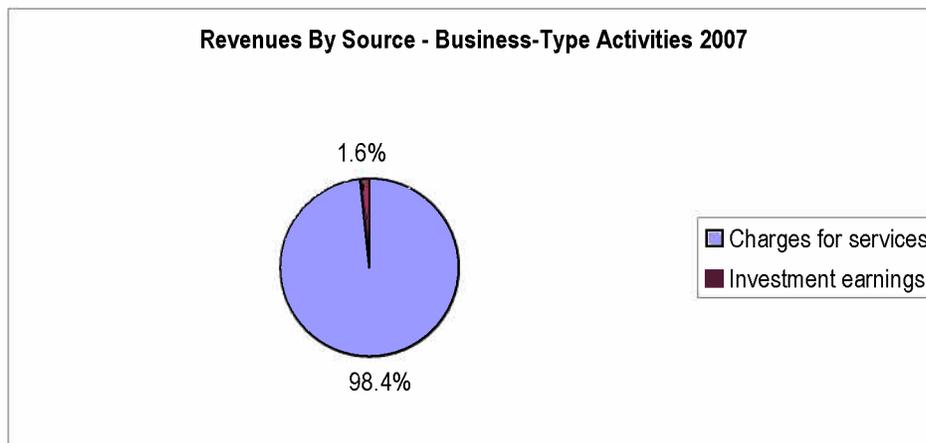
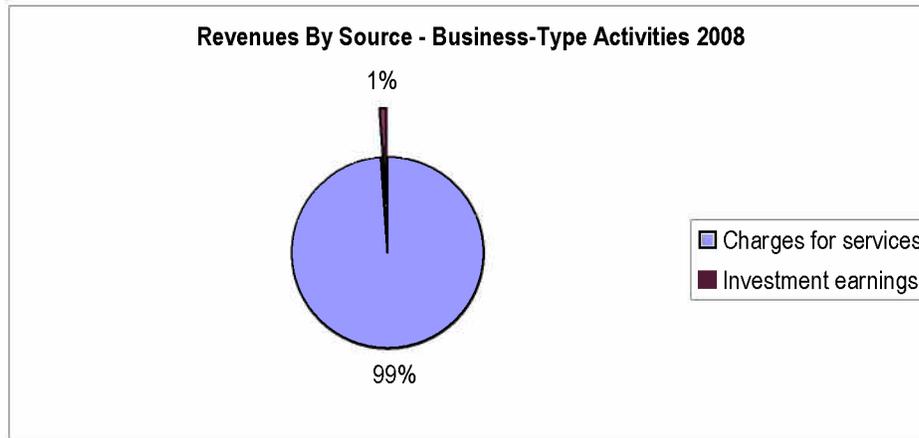
Golf Course Operations 2007



County of Scott, Iowa

Management's Discussion and Analysis
Year Ended June 30, 2008

The graphs below show the breakdown of revenues by source for the business-type activities in 2008 and 2007.



Business-type activities: Business-type activities decreased the County of Scott's net assets by \$333,817, accounting for (.12) percent of the decline in the government's net assets in fiscal year ended June 30, 2007 compared to a decrease of \$221,053 and 117 percent in fiscal year ended June 30, 2008. The Golf Course Fund is responsible for this decrease.

Financial Analysis of the Government's Funds

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

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

County of Scott, Iowa

Management's Discussion and Analysis Year Ended June 30, 2008

As of the end of the current fiscal year, the County of Scott, Iowa's governmental funds reported combined ending fund balances of \$20,180,696, a decrease of \$1,376,105 in comparison with the prior year fund balance of \$21,556,801. Approximately 63 percent of the 2008 total amount, or \$12,707,926, and \$13,841,109, or 64 percent, for 2007 constitutes unreserved fund balance, which is available for spending at the government's discretion. However, approximately 54 percent of this unreserved amount, \$6,858,373 in 2008 and 61 percent \$8,539,139 in 2007, is reported in special revenue funds or capital projects funds. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed.

The General Fund is the chief operating fund of the County. At the end of the fiscal year, the unreserved and undesignated fund balance of the General Fund was \$5,849,553 for 2008 and \$5,301,970 for 2007 while total fund balance reached \$9,593,563 for 2008 and \$8,865,464 for 2007. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved/undesignated fund balance and total fund balance to fund expenditures. Unreserved/undesignated fund balance represents 14 and 13 percent of total General Fund expenditures for 2008 and 2007, respectively, while total fund balance also represents approximately 23 and 22 percent of that same amount for 2008 and 2007, respectively.

The fund balance of the County's General Fund increased by \$728,099 during the year ended June 30, 2008. The key factors in this increase are a planned increase in property tax revenues and local option taxes received and unplanned increases in interest income received due to market recoveries.

The fund balance of the County's General Fund increased by \$352,793 during the year ended June 30, 2007. The key factors in this increase are a planned increase in property tax revenues and local option taxes received and unplanned increases in interest income received due to market recoveries.

The Mental Health/Development Disabilities Fund balance increased to \$572,242 in 2008 from \$396,372 in 2007 and decreased from \$855,147 in 2006. Revenues are to be used to provide mental health and disability services. The Mental Health/Development Disabilities Fund balance increased in 2008 due to additional state funding provided to the Counties following local officials lobbying efforts for additional state mental health funding. Fund balance decreased in 2007 due to state budget cuts in County funding made in 2001 that have never been fully restored. This has been the highest legislative priority of the Board of Supervisors for the past several legislative sessions – to find a permanent solution to funding MH-DD services in Iowa. The County MH-DD Advisory Committee has developed a list of prioritized service reductions totaling \$1.7 million which will be implemented should the legislature not take action to restore MH-DD funding during their 2008 legislative session.

The Secondary Roads Fund decreased \$449,780 in 2008 from \$936,185 in 2007 from \$1,459,411 in 2006. The decreases in fund balance relate to planned capital and construction projects.

The Capital Projects Fund decreased \$1,403,910 in 2008 from \$6,945,117 in 2007. The decrease in fund balance relates to planned capital projects.

The Debt Service Fund decreased \$423,438 in 2008 from \$4,152,198 in 2007. The decrease in fund balance relates to the normal principal and interest payments on debt outstanding.

County of Scott, Iowa

Management's Discussion and Analysis Year Ended June 30, 2008

Proprietary funds: The County of Scott's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. Other factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

Budgetary Highlights

Formal and legal budgetary control is based on nonmajor classes of disbursements known as functions, not by fund or fund type. Differences between the original budget and the final amended budget can be summarized as follows:

- The total original revenue budget of \$64,891,883 was increased to \$66,128,883 (an increase of \$1,237,000) mainly due to an expected increase in intergovernmental revenues. Actual revenues received were \$66,992,001.
- The total original expenditure budget of \$70,816,565 was increased to \$74,414,565 (an increase of \$3,598,000) mainly for expected expenditures in the service areas of public safety and legal services, physical health and social services, roads and transportation, County environment and education services, government services to residents, capital projects and administration. Actual expenditures were \$68,417,863.
- The total original budget for transfers in and out of \$9,395,486 was unchanged.

During the year, however, expenditures were less than budgetary expenditures. Iowa law requires budget amendments to specific expenditure service areas, i.e., public safety and legal service, to be enacted by the Board of Supervisors no later than May 31 of each fiscal year. Since the County's fiscal year ends on June 30 and since the County's budget is based on the current financial resources measurement focus and the modified accrual basis of accounting, the Board takes a conservative approach when enacting year-end budget amendments. This means the comparison of actual to budgeted amounts will usually show expenditures to be well below budgeted amounts. This is especially true for capital outlay function when projects may roll over to a subsequent fiscal year. The budgeted transfers out are for transfers to capital projects and special revenue funds.

Capital Asset and Debt Administration

Capital assets: The County of Scott's investment in capital assets for its governmental and business-type activities as of June 30, 2008 and 2007, amounts to \$100,610,630 and \$96,783,416 (net of accumulated depreciation), respectively. This investment in capital assets includes land, buildings and improvements, equipment, infrastructure and construction-in-progress. The total increase in capital assets for 2008 was 4 percent (a 4 percent increase for governmental activities and a 6 percent decrease for business-type activities). The total increase in capital assets for 2007 was 23 percent (a 24 percent increase for governmental activities and a 6 percent decrease for business-type activities).

Major capital asset events during the current fiscal year ended June 30, 2008 included the Wapsi Environmental Education Center residence, the pool and aquatic center renovation, the 5th street parking lot expansion, the second floor courthouse renovation and the jail facility expansion.

Major capital asset events during the current fiscal year ended June 30, 2007 included the Whispering Pines renovation, the pool and aquatic center renovation, the Juvenile Detention Center roof expansion, the 5th Street parking lot expansion, the second floor courthouse renovation and the jail facility expansion.

County of Scott, Iowa

Management's Discussion and Analysis Year Ended June 30, 2008

Table 4 - County of Scott's Capital Assets

| | Business-Type Activities | | Governmental Activities | | Total | |
|-----------------------------------|--------------------------|---------------------|-------------------------|----------------------|-----------------------|----------------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Land | \$ 1,556,336 | \$ 1,556,336 | \$ 4,365,740 | \$ 4,365,740 | \$ 5,922,076 | \$ 5,922,076 |
| Construction-in-progress | - | - | 33,686,691 | 27,267,969 | 33,686,691 | 27,267,969 |
| Buildings | 506,490 | 506,490 | 35,269,249 | 35,133,892 | 35,775,739 | 35,640,382 |
| Improvements other than buildings | 663,428 | 663,428 | 2,785,053 | 2,752,982 | 3,448,481 | 3,416,410 |
| Infrastructure | 62,374 | 62,374 | 78,871,946 | 77,323,701 | 78,934,320 | 77,386,075 |
| Machinery and equipment | 970,497 | 954,847 | 15,524,893 | 15,078,812 | 16,495,390 | 16,033,659 |
| Accumulated depreciation | (1,492,668) | (1,321,073) | (72,159,399) | (67,562,082) | (73,652,067) | (68,883,155) |
| Total | \$ 2,266,457 | \$ 2,422,402 | \$ 98,344,173 | \$ 94,361,014 | \$ 100,610,630 | \$ 96,783,416 |

Additional information on the County of Scott's capital assets can be found in Note 7 of this report.

Debt: As of June 30, 2008, the County of Scott, Iowa had general obligation bonds outstanding totaling \$8,760,000, a lease agreement for the jail facility for \$25,740,000 and a purchase contract and capital lease (business-type activities) outstanding totaling \$1,459,336. In the current year, the County governmental activities paid \$1,925,000 in principal and \$1,503,745 in interest on outstanding debt. Business-type activities paid \$335,597 in principal and \$108,512 in interest on outstanding debt in the current year.

As of June 30, 2007, the County of Scott, Iowa had general obligation bonds outstanding totaling \$9,655,000, a lease agreement for the jail facility for \$26,770,000 and a purchase contract and capital lease (business-type activities) outstanding totaling \$1,788,828. In the current year, the County governmental activities paid \$5,525,000 in principal and \$1,569,359 in interest on outstanding debt. Business-type activities paid \$307,066 in principal and \$262,540 in interest on outstanding debt in the current year.

Table 5 - County of Scott's Outstanding Debt, June 30

| | 2008 | 2007 | Maturity |
|---|----------------------|----------------------|----------|
| Governmental activities: | | | |
| General obligation bonds | \$ 8,760,000 | \$ 9,655,000 | 2017 |
| Lease agreement | 25,740,000 | 26,770,000 | 2025 |
| Total governmental activities | <u>\$ 34,500,000</u> | <u>\$ 36,425,000</u> | |
| Business-type activities, purchase contract and capital lease | <u>\$ 1,459,336</u> | <u>\$ 1,788,828</u> | 2013 |

Additional information about the County's long-term debt can be found in Note 8 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

- The County of Scott decreased the urban county levy rate by 3.6 percent and decreased the rural county levy rate by 3.1 percent for the budget year ending June 30, 2009 primarily due to the increase in the County's tax base.
- The tax base for the County of Scott increased 6.7 percent over the previous year.

County of Scott, Iowa

Management's Discussion and Analysis Year Ended June 30, 2008

- Health care costs and personnel costs, which make up a significant portion of the County's operating costs, continue to be reasonably controlled and negotiated. All of the County's five bargaining unit contracts are currently under negotiation for the next budget year.

All of these factors were considered in preparing the County of Scott, Iowa's budget for the June 30, 2009 fiscal year.

Requests for Information

These financial statements and discussions are designed to provide our citizens, taxpayers, investors and creditors with a complete disclosure of the County's finances and to demonstrate a high degree of accountability for the public dollars entrusted to us. If you have questions about this report or need additional information, please write C. Ray Wierson, County Administrator, Scott County Administrative Center, 600 West 4th Street, Davenport, Iowa 52801-1003.



Scott County

Iowa

County of Scott, Iowa

Statement of Net Assets
June 30, 2008

| Assets | Primary Government | | | Component Units |
|--|-------------------------|--------------------------|-----------------------|----------------------|
| | Governmental Activities | Business-Type Activities | Total | |
| Cash and investments | \$ 21,437,746 | \$ 10,771 | \$ 21,448,517 | \$ 2,809,615 |
| Cash and investments in escrow | - | 325,166 | 325,166 | - |
| Restricted cash and investments | 206,674 | - | 206,674 | 861,296 |
| Receivables: | | | | |
| Property taxes | 36,666,997 | - | 36,666,997 | 1,817,238 |
| Accrued interest | 541,923 | - | 541,923 | 1,250 |
| Accounts | 209,241 | 98,043 | 307,284 | 537,606 |
| Due from other governmental agencies | 2,171,288 | - | 2,171,288 | - |
| Capital lease receivable from primary government | - | - | - | 1,070,000 |
| Inventories | - | 13,509 | 13,509 | - |
| Total current assets | 61,233,869 | 447,489 | 61,681,358 | 7,097,005 |
| Noncurrent assets: | | | | |
| Receivables, notes | 116,175 | - | 116,175 | - |
| Capital lease receivable from primary government | - | - | - | 24,670,000 |
| Internal balances | 2,702,314 | (2,702,314) | - | - |
| Bond issuance costs | 69,779 | - | 69,779 | 109,203 |
| Capital assets: | | | | |
| Not depreciated: | | | | |
| Land | 4,365,740 | 1,556,336 | 5,922,076 | 16,600 |
| Construction-in-progress | 33,686,691 | - | 33,686,691 | - |
| Depreciated: | | | | |
| Buildings | 35,269,249 | 506,490 | 35,775,739 | 1,297,266 |
| Improvements other than buildings | 2,785,053 | 663,428 | 3,448,481 | - |
| Infrastructure | 78,871,946 | 62,374 | 78,934,320 | - |
| Machinery and equipment | 15,524,893 | 970,497 | 16,495,390 | 555,297 |
| Less accumulated depreciation | (72,159,399) | (1,492,668) | (73,652,067) | (518,373) |
| Total capital assets | 98,344,173 | 2,266,457 | 100,610,630 | 1,350,790 |
| Total noncurrent assets | 101,232,441 | (435,857) | 100,796,584 | 26,129,993 |
| Total assets | \$ 162,466,310 | \$ 11,632 | \$ 162,477,942 | \$ 33,226,998 |

See Notes to Basic Financial Statements.

| Liabilities and Net Assets | Primary Government | | | Component Units |
|---|----------------------------|-----------------------------|-----------------------|----------------------|
| | Governmental Activities | Business-Type Activities | Total | |
| Liabilities: | | | | |
| Accounts payable | \$ 5,662,247 | \$ 41,007 | \$ 5,703,254 | \$ 1,440,134 |
| Current portion of claims payable | 270,404 | - | 270,404 | - |
| Accrued liabilities | 926,336 | 22,361 | 948,697 | 42,042 |
| Interest payable | 39,906 | 516,393 | 556,299 | 87,515 |
| Unearned revenue | 36,650,228 | 20,869 | 36,671,097 | 1,810,709 |
| Compensated absences | 1,197,619 | 20,217 | 1,217,836 | 103,362 |
| Current portion of general obligation bonds | 995,000 | - | 995,000 | - |
| Current portion of capital lease payable to component unit | 1,070,000 | - | 1,070,000 | - |
| Current portion of purchase contract | - | 235,000 | 235,000 | - |
| Current portion of capital leases | - | 115,587 | 115,587 | - |
| Current portion of revenue bonds | - | - | - | 1,070,000 |
| Total current liabilities | 46,811,740 | 971,434 | 47,783,174 | 4,553,762 |
| Noncurrent liabilities: | | | | |
| Claims payable | 448,443 | - | 448,443 | - |
| Compensated absences | 1,177,726 | 25,068 | 1,202,794 | 60,242 |
| General obligation bonds payable | 7,765,000 | - | 7,765,000 | - |
| Capital lease payable to component unit | 24,670,000 | - | 24,670,000 | - |
| Bond premium | 6,361 | - | 6,361 | - |
| Bond discounts | - | - | - | (249,968) |
| Purchase contract | - | 1,068,735 | 1,068,735 | - |
| Capital leases | - | 40,014 | 40,014 | - |
| Revenue bonds payable | - | - | - | 24,670,000 |
| Total noncurrent liabilities | 34,067,530 | 1,133,817 | 35,201,347 | 24,480,274 |
| Total liabilities | 80,879,270 | 2,105,251 | 82,984,521 | 29,034,036 |
| Net assets: | | | | |
| Invested in capital assets, net of related debt | 70,527,812 | 807,121 | 71,334,933 | 1,350,790 |
| Restricted for: | | | | |
| Debt service | 3,728,760 | - | 3,728,760 | - |
| County conservation sewage treatment | 206,674 | - | 206,674 | - |
| Lease purchase contract | - | 325,166 | 325,166 | - |
| Mental health | 572,242 | - | 572,242 | - |
| Secondary roads | 486,405 | - | 486,405 | - |
| Capital project, jail expansion | - | - | - | 1,067,224 |
| Unrestricted | 6,065,147 | (3,225,906) | 2,839,241 | 1,774,948 |
| Total net assets | 81,587,040 | (2,093,619) | 79,493,421 | 4,192,962 |
| Total liabilities and net assets | \$ 162,466,310 | \$ 11,632 | \$ 162,477,942 | \$ 33,226,998 |

County of Scott, Iowa

Statement of Activities
Year Ended June 30, 2008

| Functions/ Programs | Expenses | Program Revenues | | |
|--------------------------------------|----------------------|--------------------------------|------------------------------------|----------------------------------|
| | | Charges for Sales and Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government | | | | |
| Governmental activities: | | | | |
| Public safety and legal services | \$ 20,289,680 | \$ 939,874 | \$ 1,065,108 | \$ 82,442 |
| Physical health and social services | 5,956,132 | 330,296 | 1,849,398 | - |
| Mental health | 15,211,596 | 42,261 | 7,849,086 | - |
| County environment and education | 4,410,086 | 920,315 | 315,338 | 71,027 |
| Roads and transportation | 6,712,511 | 11,268 | 43,518 | - |
| Government services to residents | 2,151,064 | 2,382,447 | 544,012 | - |
| Administration | 10,980,111 | 251,070 | 181,245 | - |
| Interest on long-term debt | 1,471,972 | - | - | - |
| Total governmental activities | 67,183,152 | 4,877,531 | 11,847,705 | 153,469 |
| Business-type activities, golf | 1,178,367 | 947,487 | - | - |
| Total primary government | \$ 68,361,519 | \$ 5,825,018 | \$ 11,847,705 | \$ 153,469 |
| Component Units | \$ 3,815,504 | \$ 12,750 | \$ 1,606,475 | \$ - |

General Revenues

| |
|---|
| Taxes: |
| Property taxes |
| Local option sales tax |
| Gaming |
| Other taxes |
| Utility tax replacements |
| Penalties, interest and costs on taxes |
| State tax replacement credits, unrestricted |
| State shared revenues, unrestricted |
| Payments in lieu of taxes |
| Investment earnings |
| Miscellaneous |
| Total general revenues |
| Changes in net assets |
| Net assets, beginning of year |
| Net assets, end of year |

See Notes to Basic Financial Statements

| Net (Expense) Revenue and Changes in Net Assets | | | | |
|---|-----------------------------|-----------------|-----------------|-------------|
| Primary Government | | | | |
| Governmental Activities | Business-Type Activities | Total | Component Units | |
| \$ (18,202,256) | \$ - | \$ (18,202,256) | \$ | - |
| (3,776,438) | - | (3,776,438) | | - |
| (7,320,249) | - | (7,320,249) | | - |
| (3,103,406) | - | (3,103,406) | | - |
| (6,657,725) | - | (6,657,725) | | - |
| 775,395 | - | 775,395 | | - |
| (10,547,796) | - | (10,547,796) | | - |
| (1,471,972) | - | (1,471,972) | | - |
| (50,304,447) | - | (50,304,447) | | - |
| - | (230,880) | (230,880) | | - |
| (50,304,447) | (230,880) | (50,535,327) | | - |
| - | - | - | | (2,196,279) |
| 33,138,131 | - | 33,138,131 | | 1,685,775 |
| 3,867,941 | - | 3,867,941 | | - |
| 815,524 | - | 815,524 | | - |
| 65,253 | - | 65,253 | | 71,993 |
| 1,341,669 | - | 1,341,669 | | - |
| 731,456 | - | 731,456 | | - |
| 5,194,016 | - | 5,194,016 | | - |
| 2,866,918 | - | 2,866,918 | | - |
| 8,226 | - | 8,226 | | - |
| 1,447,577 | 9,827 | 1,457,404 | | 1,220,776 |
| 859,093 | - | 859,093 | | 58,096 |
| 50,335,804 | 9,827 | 50,345,631 | | 3,036,640 |
| 31,357 | (221,053) | (189,696) | | 840,361 |
| 81,555,683 | (1,872,566) | 79,683,117 | | 3,352,601 |
| \$ 81,587,040 | \$ (2,093,619) | \$ 79,493,421 | \$ | 4,192,962 |

County of Scott, Iowa

Balance Sheet
Governmental Funds
June 30, 2008

| Assets | Primary Government | |
|--|----------------------|---|
| | General | Mental Health/ Development Disabilities |
| Cash and investments | \$ 7,514,535 | \$ 3,813,362 |
| Restricted cash | 206,674 | - |
| Receivables, net of allowance for uncollectibles: | | |
| Property taxes, net of allowance for collection losses of \$12,800 | 30,400,258 | 3,288,350 |
| Accrued interest | 541,923 | - |
| Accounts | 191,518 | 16,911 |
| Notes | 116,175 | - |
| Advance to other funds | 2,702,314 | - |
| Due from other governmental agencies | 1,604,628 | 126,620 |
| Total assets | \$ 43,278,025 | \$ 7,245,243 |
| Liabilities and Fund Balances | | |
| Liabilities: | | |
| Accounts payable | \$ 1,298,200 | \$ 3,370,708 |
| Claims payable | 31,512 | - |
| Accrued liabilities | 840,736 | 15,548 |
| Compensated absences | 202 | - |
| Accrued interest payable | - | - |
| Deferred revenue | 31,513,812 | 3,286,745 |
| Total liabilities | 33,684,462 | 6,673,001 |
| Fund balances: | | |
| Reserved for: | | |
| Notes receivable | 116,175 | - |
| Advances | 2,702,314 | - |
| Debt service | - | - |
| County conservation sewage treatment | 206,674 | - |
| Unreserved, designated, claim liabilities | 718,847 | - |
| Unreserved, undesignated, reported in: | | |
| General Fund | 5,849,553 | - |
| Special revenue funds | - | 572,242 |
| Capital Projects Fund | - | - |
| Total fund balances | 9,593,563 | 572,242 |
| Total liabilities and fund balances | \$ 43,278,025 | \$ 7,245,243 |

See Notes to Basic Financial Statements.

Primary Government

| Secondary Roads | Capital Projects | Debt Service | Nonmajor Governmental Funds | Total |
|--------------------|---------------------|---------------------|-----------------------------------|----------------------|
| \$ 382,730 | \$ 5,730,127 | \$ 3,739,190 | \$ 257,802 | \$ 21,437,746 |
| - | - | - | - | 206,674 |
| - | - | 725,792 | 2,252,597 | 36,666,997 |
| - | - | - | - | 541,923 |
| 500 | - | - | 312 | 209,241 |
| - | - | - | - | 116,175 |
| - | - | - | - | 2,702,314 |
| 440,040 | - | - | - | 2,171,288 |
| <u>\$ 823,270</u> | <u>\$ 5,730,127</u> | <u>\$ 4,464,982</u> | <u>\$ 2,510,711</u> | <u>\$ 64,052,358</u> |
| \$ 266,813 | \$ 188,920 | \$ - | \$ - | \$ 5,124,641 |
| - | - | - | - | 31,512 |
| 70,052 | - | - | - | 926,336 |
| - | - | - | - | 202 |
| - | - | 10,910 | - | 10,910 |
| - | - | 725,312 | 2,252,192 | 37,778,061 |
| <u>336,865</u> | <u>188,920</u> | <u>736,222</u> | <u>2,252,192</u> | <u>43,871,662</u> |
| - | - | - | - | 116,175 |
| - | - | - | - | 2,702,314 |
| - | - | 3,728,760 | - | 3,728,760 |
| - | - | - | - | 206,674 |
| - | - | - | - | 718,847 |
| - | - | - | - | 5,849,553 |
| 486,405 | - | - | 258,519 | 1,317,166 |
| - | 5,541,207 | - | - | 5,541,207 |
| <u>486,405</u> | <u>5,541,207</u> | <u>3,728,760</u> | <u>258,519</u> | <u>20,180,696</u> |
| <u>\$ 823,270</u> | <u>\$ 5,730,127</u> | <u>\$ 4,464,982</u> | <u>\$ 2,510,711</u> | <u>\$ 64,052,358</u> |



Scott County

Iowa

County of Scott, Iowa

**Reconciliation of Total Governmental Fund Balances - Primary Government
to Net Assets of Governmental Activities
June 30, 2008**

Total governmental fund balances \$ 20,180,696

Amounts reported for governmental activities are not financial resources and, therefore, are not reported in the funds:

| | | | |
|-----------------------------------|----|--------------|------------|
| Land | \$ | 4,365,740 | |
| Construction-in-progress | | 33,686,691 | |
| Buildings | | 35,269,249 | |
| Improvements other than buildings | | 2,785,053 | |
| Infrastructure | | 78,871,946 | |
| Machinery and equipment | | 15,524,893 | |
| Accumulated depreciation | | (72,159,399) | |
| | | 98,344,173 | 98,344,173 |

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

Deferred revenues 1,127,833

Accounts payable to component unit related to capital assets (537,606)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

| | | | |
|--|----|--------------|--------------|
| Claims payable | \$ | (687,335) | |
| Compensated absences | | (2,375,143) | |
| Accrued interest payable | | (28,996) | |
| Capital lease payable to component unit | | (25,740,000) | |
| Bond issuance costs | | 69,779 | |
| Bond premium | | (6,361) | |
| General obligation bonds payable | | (8,760,000) | |
| Net assets of governmental activities | | (37,528,056) | (37,528,056) |

\$ 81,587,040

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2008

| | Primary Government | |
|--|--------------------|---|
| | General | Mental Health/ Development Disabilities |
| Revenues: | | |
| Property taxes | \$ 27,341,294 | \$ 3,080,795 |
| Local option sales tax | 3,860,101 | - |
| Other taxes | 1,176,272 | 131,139 |
| Interest and penalties on taxes | 731,456 | - |
| Intergovernmental | 4,440,702 | 12,089,200 |
| Charges for services | 4,252,194 | 42,261 |
| Investment earnings | 1,397,200 | - |
| Licenses and permits | 536,840 | - |
| Rentals and fees | 157,323 | - |
| Other | 436,706 | 15,182 |
| Total revenues | 44,330,088 | 15,358,577 |
| Expenditures: | | |
| Current: | | |
| Public safety and legal services | 19,214,446 | - |
| Physical health and social services | 5,915,796 | - |
| Mental health | - | 15,182,707 |
| County environment and education | 3,627,466 | - |
| Roads and transportation | - | - |
| Government services to residents | 2,012,787 | - |
| Administration | 8,238,360 | - |
| Capital outlay | - | - |
| Debt service: | | |
| Principal | 1,030,000 | - |
| Interest | 1,088,805 | - |
| Total expenditures | 41,127,660 | 15,182,707 |
| Excess (deficiency) of revenues over expenditures | 3,202,428 | 175,870 |
| Other financing sources (uses): | | |
| Transfers in | 3,005,362 | - |
| Transfers out | (5,479,691) | - |
| Proceeds from sale of capital assets | - | - |
| Total other financing sources (uses) | (2,474,329) | - |
| Net change in fund balances | 728,099 | 175,870 |
| Fund balances, beginning of year | 8,865,464 | 396,372 |
| Fund balances, end of year | \$ 9,593,563 | \$ 572,242 |

See Notes to Basic Financial Statements.

Primary Government

| Secondary Roads Fund | Capital Projects | Debt Service | Nonmajor Governmental Funds | Total |
|-------------------------|---------------------|---------------------|-----------------------------------|----------------------|
| \$ - | \$ - | \$ 670,093 | \$ 2,028,566 | \$ 33,120,748 |
| - | - | - | - | 3,860,101 |
| - | 815,524 | 27,093 | 72,418 | 2,222,446 |
| - | - | - | - | 731,456 |
| 2,910,436 | 153,469 | 189,316 | 89,926 | 19,873,049 |
| 7,938 | - | - | 34,968 | 4,337,361 |
| - | 45,221 | - | 5,156 | 1,447,577 |
| 3,330 | - | - | - | 540,170 |
| - | - | - | - | 157,323 |
| 19,007 | 230,875 | - | - | 701,770 |
| <u>2,940,711</u> | <u>1,245,089</u> | <u>886,502</u> | <u>2,231,034</u> | <u>66,992,001</u> |
| - | - | - | - | 19,214,446 |
| - | - | - | - | 5,915,796 |
| - | - | - | - | 15,182,707 |
| - | - | - | 472,082 | 4,099,548 |
| 4,493,009 | - | - | - | 4,493,009 |
| - | - | - | - | 2,012,787 |
| - | - | - | - | 8,238,360 |
| 1,238,908 | 4,593,557 | - | - | 5,832,465 |
| - | - | 895,000 | - | 1,925,000 |
| - | - | 414,940 | - | 1,503,745 |
| <u>5,731,917</u> | <u>4,593,557</u> | <u>1,309,940</u> | <u>472,082</u> | <u>68,417,863</u> |
| <u>(2,791,206)</u> | <u>(3,348,468)</u> | <u>(423,438)</u> | <u>1,758,952</u> | <u>(1,425,862)</u> |
| 2,341,426 | 3,169,434 | - | - | 8,516,222 |
| - | (1,274,633) | - | (1,761,898) | (8,516,222) |
| - | 49,757 | - | - | 49,757 |
| <u>2,341,426</u> | <u>1,944,558</u> | <u>-</u> | <u>(1,761,898)</u> | <u>49,757</u> |
| (449,780) | (1,403,910) | (423,438) | (2,946) | (1,376,105) |
| 936,185 | 6,945,117 | 4,152,198 | 261,465 | 21,556,801 |
| <u>\$ 486,405</u> | <u>\$ 5,541,207</u> | <u>\$ 3,728,760</u> | <u>\$ 258,519</u> | <u>\$ 20,180,696</u> |

County of Scott, Iowa

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities - Primary Government
Year Ended June 30, 2008

Net change in fund balances - governmental funds \$ (1,376,105)

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the detail of the amount by which capital outlays exceeded depreciation in the current year:

| | | |
|-------------------------------------|--------------|-------------|
| Capital outlay | | 4,799,890 |
| Depreciation: | | |
| Public safety and legal services | \$ (644,467) | |
| Physical health and social services | (20,272) | |
| Mental health | (23,602) | |
| County environment and education | (474,893) | |
| Roads and transportation | (2,743,502) | |
| Governmental services to residents | (130,852) | |
| Administration | (1,414,837) | (5,452,425) |

| | | |
|--------------------------------------|--|-------------|
| Proceeds from sale of capital assets | | (49,757) |
| Loss on sales of capital assets | | (127,253) |
| Capital assets from capital lease | | 4,275,098 |
| Change in deferred item | | (4,275,098) |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 222,508

The issuance of long-term debt (e.g. bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following is a detail of the net effect of these differences in the treatment of long-term debt and related items:

| | | |
|--|--|-----------|
| Repayment of bond principal and capital lease | | 1,925,000 |
| Interest expense | | 31,773 |
| Amortization of bond premium and bond issuance costs | | (18,067) |

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

| | | |
|--|--|------------------|
| Change in claims payable | | 309,004 |
| Change in compensated absences | | (233,211) |
| Change in net assets of governmental activities | | \$ 31,357 |

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Net Assets (Deficit)
Enterprise Fund
June 30, 2008

| | <u>Golf Course</u> |
|---|---------------------|
| Assets | |
| Current assets: | |
| Cash and investments | \$ 10,771 |
| Cash and investments in escrow | 325,166 |
| Receivables, accounts | 98,043 |
| Inventories | 13,509 |
| Total current assets | <u>447,489</u> |
| Noncurrent assets: | |
| Capital assets: | |
| Land | 1,556,336 |
| Buildings | 506,490 |
| Improvements other than buildings | 663,428 |
| Infrastructure | 62,374 |
| Machinery and equipment | 970,497 |
| Less accumulated depreciation | <u>(1,492,668)</u> |
| Total noncurrent assets | <u>2,266,457</u> |
| Total assets | <u>\$ 2,713,946</u> |
| Liabilities and Net Assets (Deficit) | |
| Current liabilities: | |
| Accounts payable | \$ 41,007 |
| Accrued liabilities | 22,361 |
| Interest payable | 516,393 |
| Unearned revenue | 20,869 |
| Compensated absences | 20,217 |
| Current portion of purchase contract | 235,000 |
| Current portion of capital lease | 115,587 |
| Total current liabilities | <u>971,434</u> |
| Noncurrent liabilities: | |
| Compensated absences | 25,068 |
| Advance from other funds | 2,702,314 |
| Purchase contract, noncurrent portion | 1,068,735 |
| Capital lease, noncurrent | 40,014 |
| Total noncurrent liabilities | <u>3,836,131</u> |
| Total liabilities | <u>4,807,565</u> |
| Net assets (deficit): | |
| Invested in capital assets, net of related debt | 807,121 |
| Restricted for lease purchase contract | 325,166 |
| Unrestricted (deficit) | <u>(3,225,906)</u> |
| Total net assets (deficit) | <u>(2,093,619)</u> |
| Total liabilities and net assets (deficit) | <u>\$ 2,713,946</u> |

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Revenues, Expenses and Changes in Net Assets (Deficit)
Enterprise Fund
Year Ended June 30, 2008

| | Golf Course |
|---|-----------------------|
| Operating revenues: | |
| Charges for services | \$ 817,944 |
| Sales, net of cost of goods sold of \$62,415 | 128,475 |
| Other | 1,068 |
| Total operating revenues | <u>947,487</u> |
| Operating expenses: | |
| Personnel | 567,218 |
| Depreciation | 171,595 |
| Other | 331,042 |
| Total operating expenses | <u>1,069,855</u> |
| Operating loss | <u>(122,368)</u> |
| Nonoperating revenues (expenses): | |
| Investment earnings | 9,827 |
| Interest expense | (108,512) |
| Total nonoperating revenues (expenses) | <u>(98,685)</u> |
| Change in net assets | (221,053) |
| Total net assets (deficit), beginning of year | (1,872,566) |
| Total net assets (deficit), end of year | <u>\$ (2,093,619)</u> |

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Cash Flows
Enterprise Fund
Year Ended June 30, 2008

| | Golf Course |
|--|------------------|
| Cash flows from operating activities: | |
| Cash received from customers | \$ 958,793 |
| Cash payments to acquire goods for resale | (70,039) |
| Cash payments to suppliers for goods and services | (325,361) |
| Cash payments to employees for services | (561,676) |
| Net cash provided by operating activities | 1,717 |
| Cash flows from capital and related financing activities: | |
| Payments of purchase contract | (225,000) |
| Payments on capital lease | (110,597) |
| Purchase of capital assets | (15,650) |
| Interest paid on purchase contract and capital lease | (111,954) |
| Net cash (used in) capital and related financing activities | (463,201) |
| Cash flows from noncapital financing activities, advance from other funds | 440,000 |
| Cash flows from investing activities, interest received | 9,827 |
| Net decrease in cash and cash equivalents | (11,657) |
| Cash and cash equivalents: | |
| Beginning | 347,594 |
| Ending | \$ 335,937 |
| Reconciliation of operating loss to net cash provided by operating activities: | |
| Operating loss | \$ (122,368) |
| Adjustments to reconcile operating loss to net cash provided by operating activities: | |
| Depreciation | 171,595 |
| (Increase) decrease in: | |
| Receivables | (55,132) |
| Inventories | (7,624) |
| Increase (decrease) in: | |
| Accounts payable | 5,681 |
| Accrued compensation | (462) |
| Compensated absences | 6,004 |
| Unearned revenue | 4,023 |
| Net cash provided by operating activities | \$ 1,717 |
| Noncash capital and related financing activities, amortization of bond issuance costs and discount on purchase contract | \$ 6,105 |

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Assets and Liabilities

Agency Funds

June 30, 2008

Assets

| | | |
|----------------------|-----------|--------------------|
| Cash and investments | \$ | 7,191,496 |
| Receivables: | | |
| Property taxes | | 199,626,935 |
| Accounts | | 19,975 |
| Total assets | \$ | 206,838,406 |

Liabilities

| | | |
|------------------------------------|-----------|--------------------|
| Accounts payable | \$ | 227,738 |
| Due to other governmental agencies | | 205,962,576 |
| Due to private individuals | | 648,092 |
| Total liabilities | \$ | 206,838,406 |

See Notes to Basic Financial Statements.



Scott County

Iowa

County of Scott, Iowa

Statement of Net Assets
Discretely Presented Component Units
June 30, 2008

| Assets | Emergency Management Agency | County Library | County Assessor | County Assessor Special |
|--|-----------------------------------|---------------------|--------------------|-------------------------------|
| Current assets: | | | | |
| Cash and investments | \$ 190,970 | \$ 164,664 | \$ 287,407 | \$ 533,034 |
| Restricted cash and investments | - | - | - | - |
| Receivables: | | | | |
| Property taxes | - | - | 654,141 | 164,621 |
| Accrued interest | - | - | - | - |
| Accounts | - | - | - | - |
| Capital lease receivable from primary government | - | - | - | - |
| Total current assets | 190,970 | 164,664 | 941,548 | 697,655 |
| Noncurrent assets: | | | | |
| Capital lease receivable from primary government | - | - | - | - |
| Bond issuance costs | - | - | - | - |
| Capital assets: | | | | |
| Land | - | 16,600 | - | - |
| Buildings | - | 1,297,266 | - | - |
| Machinery and equipment | 214,727 | 230,109 | - | - |
| Accumulated depreciation | (52,324) | (365,385) | - | - |
| Total capital assets, net | 162,403 | 1,178,590 | - | - |
| Total noncurrent assets | 162,403 | 1,178,590 | - | - |
| Total assets | \$ 353,373 | \$ 1,343,254 | \$ 941,548 | \$ 697,655 |
| Liabilities and Net Assets | | | | |
| Current liabilities: | | | | |
| Accounts payable | \$ 2,948 | \$ 10,689 | \$ 4,015 | \$ - |
| Accrued liabilities | 2,410 | 19,990 | 16,577 | - |
| Interest payable | - | - | - | - |
| Unearned revenue | - | - | 651,773 | 164,572 |
| Compensated absences | 5,976 | 22,210 | 36,534 | - |
| Current portion revenue bonds payable | - | - | - | - |
| Total current liabilities | 11,334 | 52,889 | 708,899 | 164,572 |
| Noncurrent liabilities: | | | | |
| Compensated absences | 10,409 | - | 49,833 | - |
| Revenue bonds payable | - | - | - | - |
| Bond discounts | - | - | - | - |
| Total noncurrent liabilities | 10,409 | - | 49,833 | - |
| Total liabilities | 21,743 | 52,889 | 758,732 | 164,572 |
| Net Assets: | | | | |
| Invested in capital assets, net of related debt | 162,403 | 1,178,590 | - | - |
| Restricted for capital project, jail expansion | - | - | - | - |
| Unrestricted | 169,227 | 111,775 | 182,816 | 533,083 |
| Total net assets | 331,630 | 1,290,365 | 182,816 | 533,083 |
| Total liabilities and net assets | \$ 353,373 | \$ 1,343,254 | \$ 941,548 | \$ 697,655 |

See Notes to Basic Financial Statements.

| City Assessor | City Assessor Special | Public Safety Authority | Scott Emergency Communication Center | Total |
|---------------|-----------------------|-------------------------|--------------------------------------|---------------|
| \$ 294,280 | \$ 187,647 | \$ 782,540 | \$ 369,073 | \$ 2,809,615 |
| - | - | 861,296 | - | 861,296 |
| 852,167 | 146,309 | - | - | 1,817,238 |
| - | - | 1,250 | - | 1,250 |
| - | - | 537,606 | - | 537,606 |
| - | - | 1,070,000 | - | 1,070,000 |
| 1,146,447 | 333,956 | 3,252,692 | 369,073 | 7,097,005 |
| - | - | 24,670,000 | - | 24,670,000 |
| - | - | 109,203 | - | 109,203 |
| - | - | - | - | 16,600 |
| - | - | - | - | 1,297,266 |
| 110,461 | - | - | - | 555,297 |
| (100,664) | - | - | - | (518,373) |
| 9,797 | - | - | - | 1,350,790 |
| 9,797 | - | 24,779,203 | - | 26,129,993 |
| \$ 1,156,244 | \$ 333,956 | \$ 28,031,895 | \$ 369,073 | \$ 33,226,998 |
| \$ 26,264 | \$ 8,058 | \$ 1,387,124 | \$ 1,036 | \$ 1,440,134 |
| - | - | - | 3,065 | 42,042 |
| - | - | 87,515 | - | 87,515 |
| 848,148 | 146,216 | - | - | 1,810,709 |
| 38,642 | - | - | - | 103,362 |
| - | - | 1,070,000 | - | 1,070,000 |
| 913,054 | 154,274 | 2,544,639 | 4,101 | 4,553,762 |
| - | - | - | - | 60,242 |
| - | - | 24,670,000 | - | 24,670,000 |
| - | - | (249,968) | - | (249,968) |
| - | - | 24,420,032 | - | 24,480,274 |
| 913,054 | 154,274 | 26,964,671 | 4,101 | 29,034,036 |
| 9,797 | - | - | - | 1,350,790 |
| - | - | 1,067,224 | - | 1,067,224 |
| 233,393 | 179,682 | - | 364,972 | 1,774,948 |
| 243,190 | 179,682 | 1,067,224 | 364,972 | 4,192,962 |
| \$ 1,156,244 | \$ 333,956 | \$ 28,031,895 | \$ 369,073 | \$ 33,226,998 |

County of Scott, Iowa

Statement of Activities
Discretely Presented Component Units
Year Ended June 30, 2008

| | Program Revenues | | | | |
|---|---------------------|--------------------------------|------------------------------------|----------------------------------|-----------------------------|
| | Expenses | Charges for Sales and Services | Operating Grants and Contributions | Capital Grants and Contributions | Emergency Management Agency |
| Emergency Management Agency | | | | | |
| Public safety and legal services | \$ 141,403 | \$ - | \$ 239,973 | \$ - | \$ 98,570 |
| County Library | | | | | |
| County environment and education | 1,012,387 | 11,531 | 916,240 | - | - |
| County Assessor | | | | | |
| Government services to residents | 604,414 | 1,219 | 15,862 | - | - |
| County Assessor Special | | | | | |
| Government services to residents | 28,550 | - | 7,648 | - | - |
| City Assessor | | | | | |
| Government services to residents | 747,582 | - | 21,428 | - | - |
| City Assessor Special | | | | | |
| Government services to residents | 160,353 | - | 4,897 | - | - |
| Public Safety Authority | | | | | |
| Public safety and legal services | 1,084,327 | - | - | - | - |
| Scott Emergency Communication Center | | | | | |
| Government services to residents | 36,488 | - | 400,427 | - | - |
| Total component units | \$ 3,815,504 | \$ 12,750 | \$ 1,606,475 | \$ - | 98,570 |

General Revenues

Taxes:

Property taxes

-

Other taxes

-

Interest earnings

-

Miscellaneous

49,176

Total general revenues

49,176

Changes in net assets

147,746

Net assets, beginning of year

183,884

Net assets, end of year

\$ 331,630

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Assets

| County Library | County Assessor | County Assessor Special | City Assessor | City Assessor Special | Public Safety Authority | Scott Emergency Communication Center | Total |
|----------------|-----------------|-------------------------|---------------|-----------------------|-------------------------|--------------------------------------|--------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 98,570 |
| (84,616) | - | - | - | - | - | - | (84,616) |
| - | (587,333) | - | - | - | - | - | (587,333) |
| - | - | (20,902) | - | - | - | - | (20,902) |
| - | - | - | (726,154) | - | - | - | (726,154) |
| - | - | - | - | (155,456) | - | - | (155,456) |
| - | - | - | - | - | (1,084,327) | - | (1,084,327) |
| - | - | - | - | - | - | 363,939 | 363,939 |
| (84,616) | (587,333) | (20,902) | (726,154) | (155,456) | (1,084,327) | 363,939 | (2,196,279) |
| - | 471,933 | 227,499 | 802,886 | 183,457 | - | - | 1,685,775 |
| - | 17,874 | 8,618 | 37,037 | 8,464 | - | - | 71,993 |
| - | - | - | - | - | 1,220,776 | - | 1,220,776 |
| 5,695 | 425 | - | 1,767 | - | - | 1,033 | 58,096 |
| 5,695 | 490,232 | 236,117 | 841,690 | 191,921 | 1,220,776 | 1,033 | 3,036,640 |
| (78,921) | (97,101) | 215,215 | 115,536 | 36,465 | 136,449 | 364,972 | 840,361 |
| 1,369,286 | 279,917 | 317,868 | 127,654 | 143,217 | 930,775 | - | 3,352,601 |
| \$ 1,290,365 | \$ 182,816 | \$ 533,083 | \$ 243,190 | \$ 179,682 | \$ 1,067,224 | \$ 364,972 | \$ 4,192,962 |



Scott County

Iowa

County of Scott, Iowa

Notes to Basic Financial Statements

Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Significant Accounting Policies

Nature of operations:

The County of Scott, Iowa (The County) is incorporated and operates under the provisions of the Code of Iowa. The County is governed by a County Board and managed by the County Administrator. The powers and duties of the County Administrator are to coordinate and direct all administrative and management functions of the County government not otherwise vested by law in boards or commissions or in other elected officials. The County provides many functions and services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, education and general administrative services. Other activities include the operation of a road department and contracts with a third party to provide mental health services.

Financial reporting entity:

In accordance with the Codification of Governmental Accounting and Financial Reporting Standards, the basic financial statements include all funds, organizations, agencies, boards, commissions and authorities for which the County is financially accountable. The County has also considered all other potential organizations for which the nature and significance of their relationships with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a majority of an organization's governing body, and (1) the ability of the County to impose its will on that organization or (2) the potential for that organization to provide specific benefits to or impose specific financial burdens on the County. Based on these criteria, the County is presented as a primary government and includes the following component units because of their operational significance and relationship with the County. The organizations provide specific benefits to the County. All of the component units have a June 30 year-end and are considered discretely presented component units. Discretely presented component units are as follows:

Emergency Management Agency: The Scott County Emergency Management Commission provides direction for the delivery of the emergency management services of planning, administration, coordination, training and support for local governments and their departments. The Commission coordinates its services in the event of a disaster. The Commission receives its funding from the federal government, public utility companies and voluntary allocations from the participating governments.

County Library: The Scott County Library Board of Trustees provides library services to all the cities within Scott County with the exception of the City of Bettendorf and the City of Davenport. In addition, the Library provides services to the unincorporated residents of Scott County and also to the citizens of the City of Durant through a contractual arrangement. The Trustees annually direct the Board of Supervisors to levy property taxes to the unincorporated area, in addition to providing tax levying amounts to each of the participating cities.

County Assessor: The County Conference Board is responsible for the operations of the Scott County Assessor's Office, including the assessment of all properties within Scott County with the exception of the City of Davenport. The County Conference Board is a separate tax certifying body. The County Assessor's Office provides services to the County, all incorporated cities in the County, except the City of Davenport, and school districts in the County.

County of Scott, Iowa

Notes to Basic Financial Statements

Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Significant Accounting Policies (Continued)

County Assessor Special: The County Assessor Special is responsible to the City Conference Board to perform in-house revaluations for various classes of property. The Code of Iowa requires the County to be custodian of funds for the County Assessor Special and account for all transactions within the books and records of the County. The County Assessor Special is included as a component unit of the County based on the significance of this relationship.

City Assessor: The City Conference Board is responsible for the operations of the City Assessor's Office, including the assessment of all properties within the City of Davenport. The City Conference Board is a separate tax certifying body. The Code of Iowa requires the County to be custodian of funds for the City Assessor and accounts for all transactions of the City Assessor in the books and records of the County. The City Assessor is included as a component unit of the County based on the significance of this relationship.

City Assessor Special: The City Assessor Special is also responsible to the City Conference Board to perform in-house revaluations for various classes of property. The Code of Iowa requires the County to be custodian of funds for the City Assessor Special and accounts for all transactions within the books and records of the County. The City Assessor Special is included as a component unit of the County based on the significance of this relationship.

Public Safety Authority: The Public Safety Authority (PSA) is responsible for the jail expansion project through the issuance of revenue bonds. The jail expansion will provide holding cells and a centralized booking area to the County and the City of Davenport. The Authority entered into a lease with the County to provide the funding necessary for the bond repayment schedule. Although the PSA has a jointly appointed Board by the County of Scott, Iowa and the City of Davenport, it is considered a component unit of the County due to the PSA being fiscally dependent on the County of Scott, Iowa, making the County of Scott, Iowa financially accountable for the PSA.

Scott Emergency Communication Center: The Scott Emergency Communication Center provides public safety dispatch and communication services for all participating public safety answering points to improve services to the citizens of Scott County, Iowa.

Complete financial statements of the individual component units can be obtained from their respective administrative offices or from the office of the County Administrator in the Scott County Administrative Center, 600 West 4th Street, Davenport, Iowa.

In addition, the GASB issued Statement No. 39, in May 2002, which sets forth additional criteria to determine whether certain organizations for which the County is not financially accountable should be reported as component units based on the nature and significance of their relationship with the County. These criteria include 1) the economic resources being received or held by the separate organization being entirely or almost entirely for the direct benefit of the County, its component units, or its constituents, 2) the County being entitled to, or having the ability to otherwise access, a majority of the economic resources received or held by the County and 3) the economic resources received or held by an individual organization that the County is entitled to, or has the ability to otherwise access, are significant to the County. Based on these additional criteria, there are no additional organizations which should be included in these basic financial statements.

County of Scott, Iowa

Notes to Basic Financial Statements

Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Significant Accounting Policies (Continued)

Basis of presentation:

The County's basic financial statements consist of government-wide statements including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide and fund financial statements: The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

Fund accounting: The accounts of the County are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, reserves, fund balance/net assets, revenues and expenditures or expenses, as appropriate. The County has the following fund types:

Governmental fund types: Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as "fund balance." The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the County's major governmental funds:

General Fund: The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Mental Health/Developmental Disabilities Fund: To account for state revenues allocated to the County to be used to provide mental health and disability services. The Mental Health/Developmental Disabilities Fund is a special revenue fund.

County of Scott, Iowa

Notes to Basic Financial Statements

Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Significant Accounting Policies (Continued)

Secondary Roads Fund: To account for state revenue allocated to the County to be used to maintain and improve the County's roads.

Capital Projects Fund: To account for the acquisition of property and equipment or construction of major capital projects not being financed by proprietary funds.

Debt Service Fund: To account for the servicing of the general long-term debt not financed by a specific source.

The other governmental funds of the County are considered nonmajor and are as follows:

Special Revenue Funds: are used to account for the proceeds of specific revenue sources (other than certain capital projects that are legally restricted to expenditures for specific projects).

Rural Services Fund: To account for taxes levied to benefit the rural residents of the County.

Recorders Management Fees Fund: To account for one dollar fee collected for each recorded transaction to be used for the purpose of preserving and maintaining public records.

Proprietary fund types: Proprietary fund types are used to account for a government's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position and cash flows.

Enterprise Funds: are used to account for those operations that are financed and operated in a manner similar to private business or where the County has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the County has elected to apply all applicable Financial Accounting Standards Board (FASB) pronouncements, including those issued on or before November 30, 1989, except for those pronouncements which conflict with or contradict GASB pronouncements.

The following is the County's major Enterprise Fund:

Glynns Creek Golf Course Fund: This fund is used to account for the operation and maintenance for the County's 18-hole golf course.

Notes to Basic Financial Statements

Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Significant Accounting Policies (Continued)

Fiduciary fund types: Fiduciary fund types are used to account for net assets and changes in net assets. The fiduciary funds of the County are considered agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The County's agency funds consist of the following:

Agricultural Extension Service Fund, Bangs Eradication Fund, City Taxing Districts Fund, Community College Taxing District Fund, Fire Taxing District Fund, School Taxing District Fund, Township Taxing District Fund and Other Taxing Districts Fund: To account for the property taxes collected by the County for the Districts.

City Special Assessments Fund: To account for the special assessment taxes collected by the County on behalf of the City of Davenport.

County Sheriff Agency Fund: To account for the funds received for court services performed by the Sheriff's department.

Community Services Fund: To account for funds for those individuals who are incapable of managing their own affairs.

County Recorder Agency Fund, Motor Vehicle Tax Fund and Use Tax Fund: To account for fees and taxes collected by the County for the state.

Original Bond Issue Escrow Fund: To account for monies held in escrow.

Tax Sale Redemption Fund: To account for the tax sale proceeds collected by the County.

Jail Inmate Fund: To account for receipts from the sale of commissary items to inmates and for funds confiscated upon arrest.

Measurement focus and basis of accounting:

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Notes to Basic Financial Statements

Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Significant Accounting Policies (Continued)

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the County; therefore, revenues are recognized based upon the expenditures recorded and the availability criteria. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Licenses and permits, fines and forfeitures, charges for sales and services, and miscellaneous revenues are generally recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are measurable and available.

Property taxes are recognized as a receivable at the time an enforceable legal claim is established. This is determined to occur when the budget is certified and approved by the state of Iowa. The current tax levy recognized in revenue was certified in May 2007, based on the 2006 assessed valuations. These taxes are due in two installments, on September 30 and March 31, with a 1.5 percent per month penalty for delinquent payment.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Significant accounting policies:

Pooled cash and investment account: Separate bank accounts and investments are not maintained for all County funds, as certain funds maintain their cash and investment balances in a pooled account. Accounting records are maintained to show the portion of the pooled account attributable to each participating fund.

Earnings on the pooled account are allocated to the General Fund unless statutes require otherwise or the Board of Supervisors has authorized otherwise. These respective allocations are made based on the average balances by fund.

Investments: Investments are reported at fair value. Short-term investments are reported at cost which approximates fair value. Securities traded on the national or international exchange are valued at the last reported sales price at current exchange rates.

Notes to Basic Financial Statements

Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Significant Accounting Policies (Continued)

Statement of cash flows: For purposes of cash flows, the County considers its pooled cash and investment accounts as cash equivalents since these accounts have the general characteristics of demand deposits. Also, all highly liquid investments, with a maturity of three months or less when purchased, are considered to be cash equivalents.

Inventories: Inventories are carried at cost, as determined using the first-in, first-out method.

Capital assets: Capital assets, including land, construction-in-progress, buildings, improvements other than buildings, machinery and equipment, and infrastructure are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure also includes assets acquired prior to June 30, 1980. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an initial useful life of one year or greater. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized in the current fiscal year.

All reported capital assets except land and construction-in-progress are depreciated.

Depreciation has been provided using the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives for each capital assets type are as follows:

| | |
|-----------------------------------|----------------|
| Buildings | 50 years |
| Improvements other than buildings | 20 years |
| Infrastructure | 10 - 100 years |
| Machinery and equipment | 5 - 20 years |

The County's collection of works of art, library books and other similar assets are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to County policy that requires proceeds from the sale of these items, if any, to be used to acquire other collection items.

Unearned revenue: Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2008, but which were levied to finance fiscal year 2009 operations, have been recorded as unearned revenue.

County of Scott, Iowa

Notes to Basic Financial Statements

Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Significant Accounting Policies (Continued)

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Interfund transactions: Transactions from County funds that would be treated as revenues and expenditures or expenses if they involved organizations external to County government are accounted for as revenues and expenditures or expenses in the funds involved.

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which revenues are to be expended, are separately reported in the respective funds' operating statements.

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Noncurrent portions of long-term inter-fund loan receivables are reported as advances. Within the governmental funds, advances are offset equally by a fund balance reserve account which indicates they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

Compensated absences: Under terms of the County's personnel policy, County employees are granted vacation and sick leave in varying amounts based upon length of employment by the County. Vacation days accumulate up to two times the employee's yearly vacation rate, and total accumulated vacation will be paid upon termination of employment. Sick leave accumulates without limit. Employees hired before July 1, 2000 have an option of being paid 50 percent of all hours above 720 up to a maximum of 1,680 hours or to be paid 25 percent of all hours available up to a maximum of 1,680 hours. Payment should not exceed 480 hours. The option is not selected until retirement. Employees hired after July 1, 2000 are paid 25 percent of all hours available up to a maximum of 1,680. Payment should not exceed 420 hours.

For proprietary fund types, these accumulations are recorded as expenses and liabilities of the appropriate fund in the fiscal year earned. The governmental fund types report the amount of accumulated unpaid vacation and sick leave, which is considered due, as a result of employee retirements and resignations. The amount of the liability not considered due is not reported in the fund financial statements. However, the entire compensated absence liability is reported in the government-wide financial statements.

Fund equity: Reservations of fund balance represent amounts that are not appropriated or are legally segregated for a specific purpose. Restrictions of net assets are limited to outside third-party restrictions. Designations of fund balance represents tentative management plans that are subject to change.

Notes to Basic Financial Statements

Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Significant Accounting Policies (Continued)

Net assets: Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt, excludes unspent debt proceeds. Net assets are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted through enabling legislation consists of \$3,728,760 for debt service, \$572,242 for mental health and \$486,405 for secondary roads.

The County first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Bond discounts, premiums and issue costs: In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Bond discounts and premiums, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond discounts and premiums, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Discounts received on debt issuances are reported as other financing uses while premiums on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Budgetary information: Budgets are prepared using the same accounting basis and practices as are used to account for and prepare financial reports for the funds; thus, budgets presented in this report for comparison to actual amounts are presented in accordance with accounting principles generally accepted in the United States of America.

The County uses the following procedures when establishing their operational budget:

Prior to January 15, each County Officer and department submits budget estimates for the coming fiscal year to the Director of Budget and Information Processing. The Director of Budget and Information Processing compiles the budget estimates received from the officers and departments and presents them to the County Board prior to January 20.

- Public hearings are conducted to obtain taxpayer comments.
- Prior to March 15, the budget is legally adopted by resolution of the County Board.
- The budget may be amended by majority approval of the County Board prior to May 31 after public notice has been published.
- Encumbrances are not recognized in the budget and appropriations lapse at year-end.

The legal level of control is at the program expenditure level. These seven classes are: public safety and legal services, physical health and social services, mental health, County environment and education, roads and transportation, governmental services to residents and administration.

County of Scott, Iowa

Notes to Basic Financial Statements

Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Significant Accounting Policies (Continued)

In addition, the County Board must appropriate, by resolution, the budgets for each of the different County offices and departments. Emphasis is placed on monitoring budgets at the departmental level by major class of expenditures, rather than by line item expenditure. County management can approve budget shifts within the major classes but not between major classes. During the year, there was one budget amendment adopted in May 2008.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the general purpose financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Deficit Net Assets

The Enterprise Fund, Glynn's Creek Golf Course, had a net asset deficit of \$2,093,619 as of June 30, 2008. The deficit is expected to be eliminated through future earnings of the golf course.

Note 3. Deposits and Investments

As of June 30, 2008, the County's cash and investments were as follows:

| | |
|--|----------------------|
| Cash on hand and deposits with financial institutions | \$ 17,706,453 |
| Investments | 4,273,904 |
| Cash on hand and deposits with financial institutions, discretely presented component units | 2,809,615 |
| Investments, discretely presented component units | 861,296 |
| Cash on hand and deposits with financial institutions, Agency Funds | 7,191,496 |
| | <u>\$ 32,842,764</u> |

Interest rate risk: Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the County's investment policy, portfolio maturities shall be staggered in a way that avoids undue concentration of assets in a specific maturity sector. Maturities shall be selected which provide stability of income and reasonable liquidity.

County of Scott, Iowa

Notes to Basic Financial Statements

Note 3. Deposits and Investments (Continued)

As of June 30, 2008, the County had the following investments:

| Investments | Maturities | Fair Value |
|--|------------|---------------------|
| Scott Area Solid Waste Commission Revenue Bond | 06/01/2015 | \$ 3,305,000 |
| General Electric CAPT Corp Commercial Paper | 07/25/2008 | 643,738 |
| Fidelity Treasury Money Market Fund | 17 days | 325,166 |
| Wells Fargo Advantage Government Money Market Fund | 24 days | 861,296 |
| | | <u>\$ 5,135,200</u> |

Credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County is authorized by statute to invest in U.S. government and agency obligations, perfected repurchase agreements and commercial paper rated within the two highest prime classifications by at least one of the standard rating services. The County's investment policy does limit them from investing in reverse repurchase agreements, futures and options contracts, inverse floaters, and stripped securities, including principal only and interest only strips.

As of June 30, 2008, the County's investments were rated as follows:

| Investment Type | Moody's Investor Services | Standard & Poor's |
|--|---------------------------------|----------------------|
| Scott Area Solid Waste Commission Revenue Bond | Aa3 | Not Rated |
| General Electric CAPT Corp Commercial Paper | P1 | A1+ |
| Fidelity Treasury Money Market Fund | Aaa | AAAm |
| Wells Fargo Advantage Government Money Market Fund | Aaa | AAA |

County of Scott, Iowa

Notes to Basic Financial Statements

Note 3. Deposits and Investments (Continued)

Concentration of credit risk: The County's investment policy is to diversify its investment portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. However, the County's policy limits them from investing in prime bankers' acceptances or commercial paper of more than 10 percent of the investment portfolio and more than 5 percent of the investment portfolio with a single issuer at the time of purchase. In addition, no more than 5 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 at the time of purchase. Investments in any one issuer that represent more than 5 percent of the County's investments (money market funds are excluded from this) are as follows:

| Issuer | Investment Type | |
|---|------------------|-------|
| Scott County Solid Waste Commission | Revenue Bond | 64.4% |
| General Electric CAPT Corp Commercial Paper | Commercial Paper | 12.5 |

Custodial credit risk: For deposits, this is the risk that in the event of bank failure, the County's deposits may not be returned to it. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Chapter 12C of the Code of Iowa requires all County funds be deposited into an approved depository and be either insured or collateralized. As of June 30, 2008, the County had no deposits or investments exposed to custodial credit risk.

Note 4. Interfund Account Balances

Advances from and to other funds as of June 30, 2008 were as follows:

| | Advances To Other Funds | Advances From Other Funds |
|---|----------------------------|------------------------------|
| Major governmental fund, General | \$ 2,702,314 | \$ - |
| Business-type activity, Glynn's Creek Golf Course | - | 2,702,314 |
| | <u>\$ 2,702,314</u> | <u>\$ 2,702,314</u> |

Any excess funds generated by the golf course are used to repay interest on this advance.

County of Scott, Iowa

Notes to Basic Financial Statements

Note 5. Interfund Transfers

The following is a schedule of transfers as included in the basic financial statements of the County:

| | Transfers In | Transfers Out |
|--------------------------------------|---------------------|---------------------|
| Governmental activities: | | |
| Major governmental funds: | | |
| General | \$ 3,005,362 | \$ 5,479,691 |
| Secondary roads | 2,341,426 | - |
| Capital projects | 3,169,434 | 1,274,633 |
| Nonmajor governmental funds: | | |
| Rural services | - | 1,723,540 |
| Recorders management fees | - | 38,358 |
| Total governmental activities | <u>\$ 8,516,222</u> | <u>\$ 8,516,222</u> |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them or (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 6. Note Receivable

The County issued a note to Greater Davenport Redevelopment Corporation (GDRC) for the purpose of funding operating expenses. The note was originally due in one installment on June 30, 2008; due to a modification in the current year, the note is now due upon the sale or conveyance by GDRC of any lot or parcel, of which there were none in the current year. The modified agreement increased the principal amount to \$116,175 and decreased the interest rate to 0 percent. As of June 30, 2008, the outstanding balance was \$116,175.

Scott County has entered into a subordination agreement with Wells Fargo in regards to the GDRC note. This subordination agreement states that if GDRC defaults on their loan of \$400,000 with Wells Fargo, the County will be unable to collect the \$116,175 note receivable; therefore, the note receivable has been presented as a noncurrent asset.

County of Scott, Iowa

Notes to Basic Financial Statements

Note 7. Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2008:

| Governmental Activities | 2007 Balance | Additions | Deletions | 2008 Balance |
|--|----------------------|---------------------|---------------------|----------------------|
| Capital assets not depreciated: | | | | |
| Land | \$ 4,365,740 | \$ - | \$ - | \$ 4,365,740 |
| Construction-in-progress | 27,267,969 | 6,418,722 | - | 33,686,691 |
| Total capital assets not being depreciated | 31,633,709 | 6,418,722 | - | 38,052,431 |
| Capital assets being depreciated: | | | | |
| Buildings | 35,133,892 | 135,357 | - | 35,269,249 |
| Improvements other than buildings | 2,752,982 | 32,071 | - | 2,785,053 |
| Infrastructure | 77,323,701 | 1,548,245 | - | 78,871,946 |
| Machinery and equipment | 15,078,812 | 1,478,199 | (1,032,118) | 15,524,893 |
| Total capital assets being depreciated | 130,289,387 | 3,193,872 | (1,032,118) | 132,451,141 |
| Less accumulated depreciation for: | | | | |
| Buildings | 16,643,311 | 1,476,098 | - | 18,119,409 |
| Improvements other than buildings | 692,133 | 169,739 | - | 861,872 |
| Infrastructure | 41,145,285 | 2,281,214 | - | 43,426,499 |
| Machinery and equipment | 9,081,353 | 1,525,374 | (855,108) | 9,751,619 |
| Total accumulated depreciation | 67,562,082 | 5,452,425 | (855,108) | 72,159,399 |
| Total capital assets being depreciated, net | 62,727,305 | (2,258,553) | (177,010) | 60,291,742 |
| Governmental activities capital assets, net | \$ 94,361,014 | \$ 4,160,169 | \$ (177,010) | \$ 98,344,173 |

| Business-Type Activities | 2007 Balance | Additions | Deletions | 2008 Balance |
|---|---------------------|---------------------|-------------|---------------------|
| Capital assets not being depreciated, land | \$ 1,556,336 | \$ - | \$ - | \$ 1,556,336 |
| Capital assets being depreciated: | | | | |
| Buildings | 506,490 | - | - | 506,490 |
| Improvements other than buildings | 663,428 | - | - | 663,428 |
| Infrastructure | 62,374 | - | - | 62,374 |
| Machinery and equipment | 954,847 | 15,650 | - | 970,497 |
| Total capital assets being depreciated | 2,187,139 | 15,650 | - | 2,202,789 |
| Less accumulated depreciation for: | | | | |
| Buildings | 144,700 | 10,130 | - | 154,830 |
| Improvements other than buildings | 542,525 | 12,376 | - | 554,901 |
| Infrastructure | 62,374 | - | - | 62,374 |
| Machinery and equipment | 571,474 | 149,089 | - | 720,563 |
| Total accumulated depreciation | 1,321,073 | 171,595 | - | 1,492,668 |
| Total capital assets being depreciated, net | 866,066 | (155,945) | - | 710,121 |
| Business-type activities capital assets, net | \$ 2,422,402 | \$ (155,945) | \$ - | \$ 2,266,457 |

County of Scott, Iowa

Notes to Basic Financial Statements

Note 7. Capital Assets (Continued)

A summary of the changes in capital assets of the discretely presented component units is as follows:

| Discretely Presented Component Units | 2007 Balance | Additions | Deletions | 2008 Balance |
|--|---------------------|---------------------|-----------------------|---------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 16,600 | \$ - | \$ - | \$ 16,600 |
| Construction-in-progress | - | 4,812,704 | (4,812,704) | - |
| Total capital assets not being depreciated | 16,600 | 4,812,704 | (4,812,704) | 16,600 |
| Capital assets being depreciated: | | | | |
| Buildings | 1,297,266 | - | - | 1,297,266 |
| Machinery and equipment | 382,616 | 172,681 | - | 555,297 |
| Total capital assets being depreciated | 1,679,882 | 172,681 | - | 1,852,563 |
| Less accumulated depreciation for: | | | | |
| Buildings | 146,264 | 33,519 | - | 179,783 |
| Machinery and equipment | 308,081 | 30,509 | - | 338,590 |
| Total accumulated depreciation | 454,345 | 64,028 | - | 518,373 |
| Total capital assets being depreciated, net | 1,225,537 | 108,653 | - | 1,334,190 |
| Component units capital assets, net | \$ 1,242,137 | \$ 4,921,357 | \$ (4,812,704) | \$ 1,350,790 |

As of June 30, 2008, the discretely presented component unit, Public Safety Authority, transferred \$4,275,098 of construction-in-progress related to the capital lease agreement between the County and the Public Safety Authority to Governmental Activities. An additional \$537,606 of construction-in-progress was transferred, in which the governmental activities owes the Public Safety Authority for at year-end.

Depreciation expense was charged to the functions of the primary government as follows:

| | |
|--|---------------------|
| Governmental activities: | |
| Public safety and legal services | \$ 644,467 |
| Physical health and social services | 20,272 |
| Mental health | 23,602 |
| County environment and education | 474,893 |
| Roads and transportation | 2,743,502 |
| Governmental services to residents | 130,852 |
| Administration | 1,414,837 |
| Total depreciation expense, governmental activities | \$ 5,452,425 |
| Business-type activities, golf course | \$ 171,595 |

County of Scott, Iowa

Notes to Basic Financial Statements

Note 8. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2008:

| | Balance June 30, 2007 | Additions | Deletions | Balance June 30, 2008 | Due Within One Year |
|---------------------------------------|--------------------------|---------------------|---------------------|--------------------------|------------------------|
| Governmental Activities: | | | | | |
| General obligation bonds | \$ 9,655,000 | \$ - | \$ 895,000 | \$ 8,760,000 | \$ 995,000 |
| Compensated absences | 2,141,932 | 1,430,830 | 1,197,417 | 2,375,345 | 1,197,619 |
| Capital lease | 26,770,000 | - | 1,030,000 | 25,740,000 | 1,070,000 |
| Claims payable | 1,004,488 | 495,784 | 781,425 | 718,847 | 270,404 |
| | <u>\$ 39,571,420</u> | <u>\$ 1,926,614</u> | <u>\$ 3,903,842</u> | <u>\$ 37,594,192</u> | <u>\$ 3,533,023</u> |
| Business-Type Activities: | | | | | |
| | Balance June 30, 2007 | Additions | Retirements | Balance June 30, 2008 | Due Within One Year |
| Capital lease | \$ 266,198 | \$ - | \$ 110,597 | \$ 155,601 | \$ 115,587 |
| Purchase contract | 1,522,630 | - | 218,895 | 1,303,735 | 235,000 |
| Compensated absences | 39,281 | 26,221 | 20,217 | 45,285 | 20,217 |
| | <u>\$ 1,828,109</u> | <u>\$ 26,221</u> | <u>\$ 349,709</u> | <u>\$ 1,504,621</u> | <u>\$ 370,804</u> |
| Discretely Presented Component | | | | | |
| Units Activities: | | | | | |
| Revenue bonds | \$ 26,770,000 | \$ - | \$ 1,030,000 | \$ 25,740,000 | \$ 1,070,000 |
| Compensated absences | 152,929 | 114,036 | 103,361 | 163,604 | 103,362 |
| | <u>\$ 26,922,929</u> | <u>\$ 114,036</u> | <u>\$ 1,133,361</u> | <u>\$ 25,903,604</u> | <u>\$ 1,173,362</u> |

General obligation bonds outstanding as of June 30, 2008 consist of \$3,305,000 of solid waste refunding bonds with interest rates ranging from 3.6 percent to 3.8 percent, \$3,385,000 of general obligation urban renewal bonds with interest at rates ranging from 2.3 percent to 4.6 percent and \$2,070,000 of general obligation geographic information systems bonds with interest at rates ranging from 4.0 percent to 4.1 percent.

On March 1, 2007, Scott County issued \$3,685,000 of general obligation urban renewal bonds with interest rates ranging from 3.6 percent to 3.8 percent to refund \$3,645,000 of outstanding Scott Area Solid Waste Management Commission Solid Waste Disposal Revenue Bond, Series 1995, with interest rates ranging from 5.0 percent to 5.7 percent.

On July 13, 2006, the County issued \$2,500,000 in General Obligation Geographic Information System Bonds, Series 2006A. The bonds were issued to finance improvements to the County's Geographic Information System and related costs. The bonds are due in annual installments of \$215,000 to \$290,000 through 2016 at an interest rate of 4.0 percent to 4.1 percent.

County of Scott, Iowa

Notes to Basic Financial Statements

Note 8. Long-Term Debt (Continued)

The debt service requirements on the bonds outstanding as of June 30, 2008 are as follows:

| <u>Year ending June 30:</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> |
|-----------------------------|----------------------|---------------------|---------------------|
| 2009 | \$ 1,342,957 | \$ 995,000 | \$ 347,957 |
| 2010 | 1,340,650 | 1,030,000 | 310,650 |
| 2011 | 1,351,583 | 1,080,000 | 271,583 |
| 2012 | 1,349,868 | 1,120,000 | 229,868 |
| 2013 | 1,356,613 | 1,170,000 | 186,613 |
| 2014-2017 | 3,670,437 | 3,365,000 | 305,437 |
| Total | \$ 10,412,108 | \$ 8,760,000 | \$ 1,652,108 |

On February 13, 2006, the Public Safety Authority, a discretely presented component unit, issued \$29,700,000 Jail Facilities Revenue Bonds, Series 2006. The bonds were issued for the purpose of building a new jail facility. The bonds were issued with interest rates ranging from 3.75 percent to 4.375 percent. The debt service requirements on the bonds outstanding as of June 30, 2008 are as follows:

| <u>Year Ending June 30:</u> | <u>Total Payment</u> | <u>Principal</u> | <u>Interest</u> |
|-----------------------------|----------------------|----------------------|----------------------|
| 2009 | \$ 2,120,180 | \$ 1,070,000 | \$ 1,050,180 |
| 2010 | 2,120,055 | 1,110,000 | 1,010,055 |
| 2011 | 2,118,430 | 1,150,000 | 968,430 |
| 2012 | 2,125,305 | 1,200,000 | 925,305 |
| 2013 | 2,122,305 | 1,245,000 | 877,305 |
| 2014 - 2018 | 10,660,925 | 7,065,000 | 3,595,925 |
| 2019 - 2023 | 10,820,456 | 8,785,000 | 2,035,456 |
| 2024 - 2025 | 4,385,618 | 4,115,000 | 270,618 |
| | \$ 36,473,274 | \$ 25,740,000 | \$ 10,733,274 |

The County has pledged as security for bonds issued by the Public Safety Authority, a portion of the County's property taxes. The bonds issued by the Public Safety Authority in February 2006 in the amount of \$29,700,000 for the purpose of renovation and construction additions to existing jail facilities are payable through 2025. The County has committed to appropriate each year, from the property taxes, amount sufficient to cover the principal and interest requirements on the Public Safety Authority's debt. The Public Safety Authority has pledged as sole security for the bonds the appropriation from the County. Total principal and interest remaining on the debt is \$36,473,274 with annual requirements ranging from \$995,000 to \$2,105,000. Property taxes, from which the appropriations will be made, have been equal to the principal and interest amount owed per year. For the current year, principal and interest paid by the Public Safety Authority and the total property taxes recognized by the County were \$2,118,805 each.

County of Scott, Iowa

Notes to Basic Financial Statements

Note 8. Long-Term Debt (Continued)

On March 14, 2006, the County entered into a Capital Lease Agreement (the "Agreement") with the Public Safety Authority ("PSA"), to lease the above mentioned jail facility. When the revenue bonds were issued by PSA, the monies were deposited with the Trustee into the Construction Fund and the Bond Fund as required by the Indenture. All disbursements made for the project are made by the Trustee based on executed disbursement requests. The monies on deposit as of June 30, 2008 totaled \$861,296 and have been shown as restricted cash in the balance sheet and statement of net assets of the PSA. The Agreement requires the County to pay any deficiency in funds required to complete the construction of the project.

The Agreement commenced on March 23, 2006 and terminates on May 26, 2025 (the date at which all rental payments have been made). The rental payments as outlined in the agreement are set at a level to meet the revenue bond principal and interest payments of the PSA. The Agreement further requires the County to pay all trustee fees, maintenance costs, taxes and utility charges of the facility. The County plans to fund its payments with a property tax levy. As of June 30, 2008, the County recognized a liability of \$25,740,000. The PSA has transferred \$4,275,098 of construction-in-progress as of year-end.

A schedule of annual principal and interest payments under this agreement at the end of each year is as follows:

| <u>Year Ending June 30:</u> | <u>Total Payment</u> | <u>Principal</u> | <u>Interest</u> |
|-----------------------------|----------------------|----------------------|----------------------|
| 2009 | \$ 2,120,180 | \$ 1,070,000 | \$ 1,050,180 |
| 2010 | 2,120,055 | 1,110,000 | 1,010,055 |
| 2011 | 2,118,430 | 1,150,000 | 968,430 |
| 2012 | 2,125,305 | 1,200,000 | 925,305 |
| 2013 | 2,122,305 | 1,245,000 | 877,305 |
| 2014 | 2,127,505 | 1,300,000 | 827,505 |
| 2015 | 2,125,505 | 1,350,000 | 775,505 |
| 2016 | 2,131,505 | 1,410,000 | 721,505 |
| 2017 | 2,135,105 | 1,470,000 | 665,105 |
| 2018 | 2,141,305 | 1,535,000 | 606,305 |
| 2019 | 2,149,905 | 1,605,000 | 544,905 |
| 2020 | 2,155,705 | 1,675,000 | 480,705 |
| 2021 | 2,161,611 | 1,750,000 | 411,611 |
| 2022 | 2,173,111 | 1,835,000 | 338,111 |
| 2023 | 2,180,124 | 1,920,000 | 260,124 |
| 2024 | 2,188,524 | 2,010,000 | 178,524 |
| 2025 | 2,197,094 | 2,105,000 | 92,094 |
| | <u>\$ 36,473,274</u> | <u>\$ 25,740,000</u> | <u>\$ 10,733,274</u> |

Compensated absences and claims payable attributable to governmental activities are generally liquidated by the General Fund.

The computation of the County's legal margin as of June 30, 2008 is as follows:

| | |
|--|--------------------------------|
| January 2006 assessed valuation | \$ 9,960,422,742 |
| Less military exemption | 18,752,050 |
| Total assessed value | <u><u>\$ 9,941,670,692</u></u> |
| Debt limit, 5% of assessed valuation (Iowa statutory limitation) | \$ 497,083,535 |
| Total amount of debt applicable to debt margin | 34,500,000 |
| Legal debt margin | <u><u>\$ 462,583,535</u></u> |

County of Scott, Iowa

Notes to Basic Financial Statements

Note 8. Long-Term Debt (Continued)

In May 1990, the County entered into an agreement to lease certain land of the County to a golf course developer. The agreement, which expires April 30, 2030, required the developer to make a one-time payment to the County of \$10 and to make deposits into various escrow accounts to pay for the construction of the golf course on the leased ground.

Simultaneously, the County entered into a lease purchase contract with the developer for the acquisition of the golf course. This agreement was to provide the financing for the project. The final agreement (as refinanced in 1993) between the County and Boatmen's Trust Company requires the County to make varying semiannual rental payments through May 1, 2013. The terms of the lease purchase contract provide that should the County fail to make an annual appropriation for any year before the beginning of that year in an amount sufficient, together with amounts budgeted to be available for such purpose in the Enterprise Fund, for the scheduled payments coming due during that year, the agreement shall terminate as of the beginning of that year.

The County may at any time during this agreement pay the total prepayment price at which time the land lease is canceled.

A schedule of annual principal and interest payments under this agreement and the prepayment price at the end of each year is as follows:

| <u>Year Ending June 30:</u> | Total Payment | Principal | Interest | Prepayment Price |
|---|---------------------|---------------------|-------------------|------------------|
| 2009 | \$ 318,080 | \$ 235,000 | \$ 83,080 | \$ 1,105,000 |
| 2010 | 318,510 | 250,000 | 68,510 | 855,000 |
| 2011 | 323,010 | 270,000 | 53,010 | 585,000 |
| 2012 | 321,271 | 285,000 | 36,271 | 300,000 |
| 2013 | 318,600 | 300,000 | 18,600 | - |
| Scheduled cash payments | 1,599,471 | 1,340,000 | 259,471 | |
| Unamortized discount and bond issue costs | - | (36,265) | 36,265 | |
| | <u>\$ 1,599,471</u> | <u>\$ 1,303,735</u> | <u>\$ 295,736</u> | |

The original contract included a purchase contract for certain equipment. This contract was refinanced in 2001 and again in 2004. The current agreement requires annual payments of \$48,460, including interest of 4.99 percent through July 2008. A schedule of annual principal and interest payments under this agreement as of the end of the year is as follows:

| <u>Year Ending June 30:</u> | Total Payment | Principal | Interest |
|-----------------------------|---------------|-----------|----------|
| 2009 | \$ 48,460 | \$ 46,153 | \$ 2,307 |

The County also entered into two separate agreements to lease certain equipment to be used in the operation of the golf course. One agreement requires annual payments of \$24,511, including interest of 3.85 percent through August 2009. The other agreement requires annual payments of \$53,000 including interest of 8.63 percent through July 2009.

County of Scott, Iowa

Notes to Basic Financial Statements

Note 8. Long-Term Debt (Continued)

A schedule of annual principal and interest payments under this agreement at the end of each year is as follows:

| <u>Year Ending June 30:</u> | <u>Total Payment</u> | <u>Principal</u> | <u>Interest</u> |
|-----------------------------|----------------------|-------------------|------------------|
| 2009 | \$ 77,511 | \$ 70,025 | \$ 7,486 |
| 2010 | 41,937 | 39,423 | 2,514 |
| | <u>\$ 119,448</u> | <u>\$ 109,448</u> | <u>\$ 10,000</u> |

Note 9. Retirement System

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

Plan members are required to contribute 3.90 percent of their annual covered salary and the County is required to contribute 6.05 percent of annual covered payroll, except for sheriff deputies, in which case the percentages are 7.7 percent and 7.7 percent, respectively and conservation peace officers, in which case the percentages are 5.64 percent and 8.47 percent, respectively. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2008, 2007 and 2006 were \$1,360,924, \$1,260,066 and \$1,240,380, respectively, equal to the required contributions for each year.

Note 10. Deferred Compensation Plan

The County (and its component units) offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County (and component unit) employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Effective January 1, 1997, the plan was amended to comply with IRC Section 457(b) which provides for the assets to be placed in trust for the exclusive benefit of participants and their beneficiaries. Under these new requirements, the County is no longer fiduciarily accountable for the amount deferred by employees and, therefore, the liability and corresponding investment are not reflected in the financial statements.

Note 11. Risk Management and Insurance

The County is self-insured for general and automobile liability, property and workers' compensation claims. This activity is accounted for within the County's General Fund. Charges were made to the operating funds based upon actual claims, historical claim experience and estimated claims incurred and not yet reported for general and automobile liability, property and worker's compensation. Unemployment claims were charged quarterly to the applicable funds based upon actual claims as assessed by the state. Claim settlement and loss expenses are accrued in the General Fund for the estimated settlement value of general, automobile liability, property and workers' compensation claims reported and unreported arising from incidents during the year except for the long-term portion of such estimated claim settlements which are recorded in the government-wide statements until amounts are due and spendable resources become available to liquidate such liabilities.

County of Scott, Iowa

Notes to Basic Financial Statements

Note 11. Risk Management and Insurance (Continued)

Self-insurance is in effect up to a stop loss amount of approximately \$300,000 per claim for general and automobile liability, \$100,000 per claim for property and \$400,000 per claim for workers' compensation. Coverage from a private insurance company is maintained for losses in excess of the aggregate stop loss amount with \$9,700,000 maximum coverage on general and automobile liability, \$79,838,358 maximum coverage on property and \$2,000,000 maximum coverage on workers' compensation. All claims handling procedures are performed by the County.

The County is commercially insured for health benefits. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

As of June 30, 2008, the amount of liabilities recorded for estimated claim settlements for general, automobile, property and workers' compensation liability claims was \$718,847 of which \$31,512 was recorded in the General Fund and \$687,335 was recorded on the government wide statement of net assets. The County has designated \$718,847 of General Fund balance for payment of future claims liability.

The changes in the aggregate liabilities for claims for the years ended June 30, 2008 and 2007 are as follows:

| | Self-Insurance | |
|--------------------------------------|-------------------|---------------------|
| | 2008 | 2007 |
| Claims payable, beginning of year | \$ 1,004,488 | \$ 724,295 |
| Claims expense and change in reserve | 495,784 | 528,467 |
| Claims payments | (781,425) | (248,274) |
| Claims payable, end of year | <u>\$ 718,847</u> | <u>\$ 1,004,488</u> |

The Emergency Management Agency, County Library, County Assessor, County Assessor Special, City Assessor, City Assessor Special and City Assessor FICA component units of the County have transferred risk by purchasing commercial insurance. Settled claims have not exceeded this coverage in any of the past three fiscal years.

Note 12. Conduit Debt Obligations

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

As of June 30, 2008, there were four series of revenue bonds outstanding. The aggregate principal balance of the revenue bonds outstanding is \$19,350,000.

County of Scott, Iowa

Notes to Basic Financial Statements

Note 13. Scott Area Solid Waste Management Commission Agreement

In June 1995, the County issued \$7,100,000 in General Obligation County Solid Waste Disposal Bonds for which the County pledged its full faith and credit and power to levy direct general ad valorem taxes without limit as to rate or amount. On March 1, 2007, Scott County issued \$3,685,000 in General Obligation County Solid Waste Disposal Refunding Bonds, Series 2007A to refund \$3,645,000 of outstanding Scott Area Solid Waste Management Commission Solid Waste Disposal Revenue Bond, Series 1995. The net proceeds were used to call the Series 1995 Bonds. The total amount of the bonds outstanding as of June 30, 2008 is \$3,305,000.

The County loaned the proceeds from the sale of the bonds to the Scott Area Solid Waste Management Commission ("the Commission") for the acquisition, construction and equipping of a material recovery system, recovery facility and a new landfill ("the Project") pursuant to the Financing Agreement by and between the County and the Commission. To obligate itself under the Financing Agreement, the Commission issued a \$7,100,000 Solid Waste Disposal Revenue Bond to the County pursuant to a resolution dated April 11, 1995. The repayment of the Revenue Bond corresponds to the payment of the Bonds by the County and \$3,305,000 remains outstanding as of June 30, 2008.

Under the terms of the Financing Agreement, dated April 11, 1995, the Commission is obligated to establish rates, charges and fees sufficient to pay the cost of operations and maintenance of the Project and to leave net revenues sufficient to pay the semiannual debt service requirements of the bonds. In the event that net revenues are insufficient to pay 100 percent of the debt service on the bonds, the Commission is obligated to pay the County from other funds it has legally available, including the Reserve Fund, which is equal to the maximum annual debt service requirement on the bonds due in any remaining fiscal year. If the Commission does not have sufficient funds to pay 100 percent of the debt service on the bonds when due, the County is obligated to pay such deficiency from and of its funds legally available. Any amounts which are paid by the County for debt service payments on the bonds must be reimbursed by the Commission out of future net revenues of the Project or other Commission funds which become available.

In the event future net revenues or other Commission funds are insufficient to repay the County, each of the Members of the Commission have obligated itself to repay the County its pro rata share of the deficiency from rates imposed on each property within its jurisdiction. The Financing Agreement may not be terminated so long as the bonds are outstanding.

Financial statements of the Commission may be obtained by contacting Scott Area Solid Waste Commission, 11555 110th Avenue, Davenport, Iowa 52804.

Note 14. Litigation

The County is a defendant in several claims and lawsuits. In the opinion of the County Attorney and management, the resolution of these matters will not have a material adverse effect on the future financial statements of the County.

Note 15. Commitments and Contingency

The Public Safety Authority, a discretely presented component unit, has financial commitments relating to the jail expansion construction that are estimated to be approximately \$363,039.

County of Scott, Iowa

Notes to Basic Financial Statements

Note 16. Operating Lease Commitments

The County leases office space for juvenile court services under a noncancelable operating lease agreement which expires March 31, 2011. Rents are based on a price per square foot for the basic shell including common areas, which increases annually, plus a price per square foot for property taxes, insurance, and normal maintenance of the property. The total rentals paid under this agreement amounted to \$88,228 for the year ended June 30, 2008.

The total minimum lease commitment as of June 30, 2008, is as follows:

Year ending June 30:

| | | |
|------|----|----------------|
| 2009 | \$ | 88,657 |
| 2010 | | 91,688 |
| 2011 | | 70,471 |
| | \$ | <u>250,816</u> |

Note 17. Governmental Accounting Standards Board (GASB) Statements

The County adopted the following statements during the year ended June 30, 2008:

- GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement establishes uniform financial reporting standards for other postemployment benefit plans (OPEB plans) and supersedes existing guidance. The adoption of this Statement had no effect on the County in the current year.
- GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. This Statement establishes accounting and financial reporting standards for transactions in which a government receives, or is entitled to, resources in exchange for future cash flows generated by collecting specific receivables or specific future revenues. It also provides disclosure requirements for a government that pledges or commits future cash flows from a specific revenue source. In addition, this Statement establishes accounting and financial reporting standards for intra-entity transfers of assets and future revenues. The effect of the adoption of this Statement to the County was the addition of note disclosures regarding pledged revenue for long-term obligations.
- GASB Statement No. 50, *Pension Disclosures*, an amendment of GASB Statement Nos. 25 and 27. This Statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in notes to the financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. The adoption of this Statement had no effect on the County in the current year.

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

- GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, issued June 2004, will be effective for the County beginning with its year ending June 30, 2009. This Statement establishes standards for the measurement, recognition and display of other postemployment benefits expenses and related liabilities or assets, note disclosures and, if applicable, required supplementary information in the financial reports.

Note 17. Governmental Accounting Standards Board (GASB) Statements (Continued)

- GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, issued November 2006, will be effective for the County beginning with its year ending June 30, 2009. This Statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities, such as site assessments and cleanups. This standard requires the government to estimate the components of expected pollution remediation outlays and determine whether the outlays for those components should be accrued as a liability or, if appropriate, capitalized when goods and services are acquired.
- GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, issued July 2007, will be effective for the County beginning with its year ending June 30, 2010. This Statement provides guidance regarding how to identify, account for and report intangible assets. The new standard characterizes an intangible asset as an asset that lacks physical substance, is nonfinancial in nature and has an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, computer software, water rights, timber rights, patents and trademarks. This standard provides that intangible assets be classified as capital assets (except for those explicitly excluded from the scope of the new standard, such as capital leases). Relevant authoritative guidance for capital assets should be applied to these intangible assets.
- GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, issued November 2007, will be effective for the County beginning with its year ending June 30, 2009. This Statement establishes consistent standards for the reporting of land and other real estate held as investments. Endowments were previously required to report their land and other real estate held for investment purposes at historical cost. However, such investments are reported at fair value by similar entities, such as pension plans. The Statement requires endowments to report land and other real estate investments at fair value. The changes in the fair value are to be reported as investment income.
- GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, issued June 2008, will be effective for the County beginning with its year ending June 30, 2010. This Statement will improve how state and local governments report information about derivative instruments in their financial statements. The Statement specifically requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. The guidance in this Statement also addresses hedge accounting requirements.

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

County of Scott, Iowa

Required Supplementary Information
 Budgetary Comparison Schedule
 All Governmental Funds
 Year Ended June 30, 2008

| | Budget | | Governmental Fund Types Actual | Variance with Final Budget Favorable (Unfavorable) |
|--|-----------------------|-----------------------|-----------------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property taxes | \$ 33,150,475 | \$ 33,150,475 | \$ 33,120,748 | \$ (29,727) |
| Local option sales tax | 3,777,798 | 3,777,798 | 3,860,101 | 82,303 |
| Other taxes | 2,342,452 | 2,342,452 | 2,222,446 | (120,006) |
| Interest and penalties on taxes | 785,000 | 785,000 | 731,456 | (53,544) |
| Intergovernmental | 17,788,241 | 19,025,241 | 19,873,049 | 847,808 |
| Charges for services | 4,640,744 | 4,640,744 | 4,337,361 | (303,383) |
| Investment earnings | 1,446,442 | 1,446,442 | 1,447,577 | 1,135 |
| Licenses and permits | 514,700 | 514,700 | 540,170 | 25,470 |
| Rentals and fees | 158,872 | 158,872 | 157,323 | (1,549) |
| Other | 287,159 | 287,159 | 701,770 | 414,611 |
| Total revenues | 64,891,883 | 66,128,883 | 66,992,001 | 863,118 |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety and legal services | 19,265,811 | 21,235,811 | 19,214,446 | 2,021,365 |
| Physical health and social services | 6,051,691 | 6,076,691 | 5,915,796 | 160,895 |
| Mental health | 15,508,495 | 15,508,495 | 15,182,707 | 325,788 |
| County environment and education | 4,045,978 | 4,281,478 | 4,099,548 | 181,930 |
| Roads and transportation | 4,286,000 | 4,511,000 | 4,493,009 | 17,991 |
| Government services to residents | 2,036,390 | 2,112,390 | 2,012,787 | 99,603 |
| Administration | 8,731,728 | 8,913,228 | 8,238,360 | 674,868 |
| Capital outlay | 7,409,196 | 8,294,196 | 5,832,465 | 2,461,731 |
| Debt service | 3,481,276 | 3,481,276 | 3,428,745 | 52,531 |
| Total expenditures | 70,816,565 | 74,414,565 | 68,417,863 | 5,996,702 |
| Excess (deficiency) of revenues over expenditures | (5,924,682) | (8,285,682) | (1,425,862) | 6,859,820 |
| Other financing sources (uses): | | | | |
| Transfers in | 9,395,486 | 9,395,486 | 8,516,222 | (879,264) |
| Transfers out | (9,395,486) | (9,395,486) | (8,516,222) | 879,264 |
| Proceeds from sale of capital assets | 56,000 | 56,000 | 49,757 | (6,243) |
| Total other financing sources (uses) | 56,000 | 56,000 | 49,757 | (6,243) |
| Net change in fund balances | \$ (5,868,682) | \$ (8,229,682) | \$ (1,376,105) | \$ 6,853,577 |

See Note to Required Supplementary Information.

County of Scott, Iowa

Note to Required Supplementary Information

Note 1. Budgetary Comparison Schedule

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget following required public notice and hearing for all governmental funds. The budget basis of accounting is in accordance with accounting principles generally accepted in the United States of America. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon nine major classes of disbursements known as functions, not by fund or fund type. These nine functions are: public safety and legal services, physical health and social services, mental health, County environment and education, roads and transportation, government services to residents, administration, capital outlay and debt service. Function expenditures required to be budgeted do not include expenses for the enterprise fund. The General Fund budgeted for its debt service payments within the public safety and legal services function. The legal level of control is at the aggregated function level, not at the fund or fund type level. During the year, one budget amendment increased budgeted expenditures by \$3,598,000. The budget amendment was primarily due to various State/Federal regional pass-through grant funds in the Sheriff's and County Attorney's offices, out of County jail inmate costs related to the renovation/expansion jail project, State LUST funds pass-through, increased Conservation Department costs for fuel, utilities and equipment, increased election costs for the schools SILO tax election, property tax refund directed by Courts, rollover capital projects from 2007 and road projects additions.

County of Scott, Iowa

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2008

| | Special Revenue | | Total |
|--|---------------------|--------------------------------|---------------------|
| | Rural Services Fund | Recorders Management Fees Fund | |
| Assets | | | |
| Cash and investments | \$ 118,267 | \$ 139,535 | \$ 257,802 |
| Receivables: | | | |
| Property taxes | 2,252,597 | - | 2,252,597 |
| Accounts | - | 312 | 312 |
| Total assets | \$ 2,370,864 | \$ 139,847 | \$ 2,510,711 |
| Liabilities and Fund Balances | | | |
| Liabilities, deferred revenue | \$ 2,252,192 | \$ - | \$ 2,252,192 |
| Fund balances, unreserved, undesignated, reported in special revenue funds | 118,672 | 139,847 | 258,519 |
| Total liabilities and fund balances | \$ 2,370,864 | \$ 139,847 | \$ 2,510,711 |

County of Scott, Iowa

Combining Statement of Revenues, Expenditures and Changes In Fund Balances
 Nonmajor Governmental Funds
 Year Ended June 30, 2008

| | Special Revenue | | Total |
|---|---------------------|--------------------------------|------------------|
| | Rural Services Fund | Recorders Management Fees Fund | |
| Revenues: | | | |
| Property taxes | \$ 2,028,566 | \$ - | \$ 2,028,566 |
| Other taxes | 72,418 | - | 72,418 |
| Intergovernmental | 89,926 | - | 89,926 |
| Charges for services | - | 34,968 | 34,968 |
| Investment earnings | - | 5,156 | 5,156 |
| Total revenues | 2,190,910 | 40,124 | 2,231,034 |
| Expenditures, current, County environment and education | 472,082 | - | 472,082 |
| Excess of revenue over expenditures | 1,718,828 | 40,124 | 1,758,952 |
| Other financing (uses), transfers out | (1,723,540) | (38,358) | (1,761,898) |
| Net change in fund balances | (4,712) | 1,766 | (2,946) |
| Fund balances, beginning of year | 123,384 | 138,081 | 261,465 |
| Fund balances, end of year | \$ 118,672 | \$ 139,847 | \$ 258,519 |

County of Scott, Iowa

**Combining Statement of Changes in Assets and Liabilities
All Agency Funds
Year Ended June 30, 2008**

| | Balance June 30, 2007 | Additions | Deletions | Balance June 30, 2008 |
|--|-----------------------------|-----------------------|-----------------------|-----------------------------|
| Agricultural Extension Service Fund | | | | |
| Assets | | | | |
| Cash and investments | \$ 5,885 | \$ 404,401 | \$ 404,587 | \$ 5,699 |
| Receivables, property taxes | 406,434 | 421,480 | 406,434 | 421,480 |
| Total assets | \$ 412,319 | \$ 825,881 | \$ 811,021 | \$ 427,179 |
| Liabilities, due to other governmental agencies | \$ 412,319 | \$ 825,881 | \$ 811,021 | \$ 427,179 |
| Bangs Eradication Fund | | | | |
| Assets | | | | |
| Cash and investments | \$ 23,794 | \$ 21,037 | \$ 34,542 | \$ 10,289 |
| Receivables, property taxes | 20,301 | 21,690 | 20,301 | 21,690 |
| Total assets | \$ 44,095 | \$ 42,727 | \$ 54,843 | \$ 31,979 |
| Liabilities, due to other governmental agencies | \$ 44,095 | \$ 42,727 | \$ 54,843 | \$ 31,979 |
| City Taxing Districts Fund | | | | |
| Assets | | | | |
| Cash and investments | \$ 1,207,166 | \$ 85,479,136 | \$ 85,411,103 | \$ 1,275,199 |
| Receivables, property taxes | 86,096,493 | 91,728,542 | 86,096,493 | 91,728,542 |
| Total assets | \$ 87,303,659 | \$ 177,207,678 | \$ 171,507,596 | \$ 93,003,741 |
| Liabilities, due to other governmental agencies | \$ 87,303,659 | \$ 177,207,678 | \$ 171,507,596 | \$ 93,003,741 |
| Community College Taxing District Fund | | | | |
| Assets | | | | |
| Cash and investments | \$ 54,355 | \$ 3,653,145 | \$ 3,656,012 | \$ 51,488 |
| Receivables, property taxes | 3,668,908 | 3,906,038 | 3,668,908 | 3,906,038 |
| Total assets | \$ 3,723,263 | \$ 7,559,183 | \$ 7,324,920 | \$ 3,957,526 |
| Liabilities, due to other governmental agencies | \$ 3,723,263 | \$ 7,559,183 | \$ 7,324,920 | \$ 3,957,526 |
| Fire Taxing District Fund | | | | |
| Assets | | | | |
| Cash and investments | \$ 4,383 | \$ 287,653 | \$ 288,205 | \$ 3,831 |
| Receivables, property taxes | 288,953 | 303,484 | 288,953 | 303,484 |
| Total assets | \$ 293,336 | \$ 591,137 | \$ 577,158 | \$ 307,315 |
| Liabilities, due to other governmental agencies | \$ 293,336 | \$ 591,137 | \$ 577,158 | \$ 307,315 |

(Continued)

County of Scott, Iowa

**Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
Year Ended June 30, 2008**

| | Balance June 30, 2007 | Additions | Deletions | Balance June 30, 2008 |
|--|-----------------------------|-----------------------|-----------------------|-----------------------------|
| School Taxing District Fund | | | | |
| Assets | | | | |
| Cash and investments | \$ 1,441,241 | \$ 96,760,611 | \$ 96,814,583 | \$ 1,387,269 |
| Receivables, property taxes | 97,188,362 | 103,058,636 | 97,188,362 | 103,058,636 |
| Total assets | \$ 98,629,603 | \$ 199,819,247 | \$ 194,002,945 | \$ 104,445,905 |
| Liabilities, due to other governmental agencies | \$ 98,629,603 | \$ 199,819,247 | \$ 194,002,945 | \$ 104,445,905 |
| Township Taxing District Fund | | | | |
| Assets | | | | |
| Cash and investments | \$ 2,435 | \$ 159,986 | \$ 160,425 | \$ 1,996 |
| Receivables, property taxes | 159,862 | 153,745 | 159,862 | 153,745 |
| Total assets | \$ 162,297 | \$ 313,731 | \$ 320,287 | \$ 155,741 |
| Liabilities, due to other governmental agencies | \$ 162,297 | \$ 313,731 | \$ 320,287 | \$ 155,741 |
| Other Taxing Districts Fund | | | | |
| Assets | | | | |
| Cash and investments | \$ 64,335 | \$ 37,733,512 | \$ 37,659,295 | \$ 138,552 |
| Receivables, property taxes | 389,884 | 102,782 | 459,346 | 33,320 |
| Total assets | \$ 454,219 | \$ 37,836,294 | \$ 38,118,641 | \$ 171,872 |
| Liabilities | | | | |
| Accounts payable | \$ 7,289 | \$ 20,680 | \$ 17,127 | \$ 10,842 |
| Due to other governmental agencies | 446,930 | 37,712,833 | 37,998,733 | 161,030 |
| Total liabilities | \$ 454,219 | \$ 37,733,513 | \$ 38,015,860 | \$ 171,872 |
| City Special Assessments Fund | | | | |
| Assets, cash and investments | \$ 307,201 | \$ 2,205,527 | \$ 2,104,991 | \$ 407,737 |
| Liabilities, due to other governmental agencies | \$ 307,201 | \$ 2,205,527 | \$ 2,104,991 | \$ 407,737 |

(Continued)

County of Scott, Iowa

**Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
Year Ended June 30, 2008**

| | Balance June 30, 2007 | Additions | Deletions | Balance June 30, 2008 |
|--|-----------------------------|----------------------|----------------------|-----------------------------|
| County Recorder Agency Fund | | | | |
| Assets | | | | |
| Cash and investments | \$ 173,871 | \$ 1,543,519 | \$ 1,597,993 | \$ 119,397 |
| Receivables, accounts | - | 1,601,699 | 1,581,724 | 19,975 |
| Total assets | \$ 173,871 | \$ 3,145,218 | \$ 3,179,717 | \$ 139,372 |
| Liabilities, due to other governmental agencies | \$ 173,871 | \$ 1,563,793 | \$ 1,598,292 | \$ 139,372 |
| County Sheriff Agency Fund | | | | |
| Assets | | | | |
| Cash and investments | \$ 214,481 | \$ 5,237,709 | \$ 5,237,094 | \$ 215,096 |
| Receivables, accounts | - | 459 | 459 | - |
| Total assets | \$ 214,481 | \$ 5,238,168 | \$ 5,237,553 | \$ 215,096 |
| Liabilities, accounts payable | \$ 214,481 | \$ 5,218,892 | \$ 5,218,277 | \$ 215,096 |
| Motor Vehicle Tax Fund | | | | |
| Assets, cash and investments | \$ 1,583,337 | \$ 18,882,274 | \$ 18,972,087 | \$ 1,493,524 |
| Liabilities, due to other governmental agencies | \$ 1,583,337 | \$ 18,882,274 | \$ 18,972,087 | \$ 1,493,524 |
| Original Bond Issue Escrow Fund | | | | |
| Assets, cash and investments | \$ 1,800 | \$ - | \$ - | \$ 1,800 |
| Liabilities, accounts payable | \$ 1,800 | \$ - | \$ - | \$ 1,800 |
| Tax Sale Redemption Fund | | | | |
| Assets, cash and investments | \$ 104,387 | \$ 319,289 | \$ 268,347 | \$ 155,329 |
| Liabilities, due to other governmental agencies | \$ 104,387 | \$ 319,289 | \$ 268,347 | \$ 155,329 |

(Continued)

County of Scott, Iowa

**Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
Year Ended June 30, 2008**

| | Balance June 30, 2007 | Additions | Deletions | Balance June 30, 2008 |
|--|-----------------------------|-----------------------|-----------------------|-----------------------------|
| Use Tax Fund | | | | |
| Assets, cash and investments | \$ 1,326,824 | \$ 15,001,333 | \$ 15,051,959 | \$ 1,276,198 |
| Liabilities, due to other governmental agencies | \$ 1,326,824 | \$ 15,001,333 | \$ 15,051,959 | \$ 1,276,198 |
| Community Services Fund | | | | |
| Assets, cash and investments | \$ 657,442 | \$ - | \$ 58,572 | \$ 598,870 |
| Liabilities, due to private individuals | \$ 657,442 | \$ - | \$ 58,572 | \$ 598,870 |
| Jail Inmate Fund | | | | |
| Assets, cash and investments | \$ 50,557 | \$ - | \$ 1,335 | \$ 49,222 |
| Liabilities, due to private individuals | \$ 50,557 | \$ - | \$ 1,335 | \$ 49,222 |
| Total Combined Funds | | | | |
| Assets | | | | |
| Cash and investments | \$ 7,223,494 | \$ 267,689,132 | \$ 267,721,130 | \$ 7,191,496 |
| Receivables: | | | | |
| Property taxes | 188,219,197 | 199,696,397 | 188,288,659 | 199,626,935 |
| Accounts | - | 1,602,158 | 1,582,183 | 19,975 |
| Total assets | \$ 195,442,691 | \$ 468,987,687 | \$ 457,591,972 | \$ 206,838,406 |
| Liabilities | | | | |
| Accounts payable | \$ 223,570 | \$ 5,239,572 | \$ 5,235,404 | \$ 227,738 |
| Due to other governmental agencies | 194,511,122 | 462,044,633 | 450,593,179 | 205,962,576 |
| Due to private individuals | 707,999 | - | 59,907 | 648,092 |
| Total liabilities | \$ 195,442,691 | \$ 467,284,205 | \$ 455,888,490 | \$ 206,838,406 |



Scott County

Iowa

County of Scott, Iowa

Combining Balance Sheet and Reconciliation to Statement of Net Assets
Discretely Presented Component Units
June 30, 2008

| Assets | Emergency Management Agency | County Library | County Assessor |
|--|-----------------------------------|---------------------|--------------------|
| Cash and investments | \$ 190,970 | \$ 164,664 | \$ 287,407 |
| Restricted cash and investments | - | - | - |
| Receivables: | | | |
| Property taxes | - | - | 654,141 |
| Accrued interest | - | - | - |
| Total assets | \$ 190,970 | \$ 164,664 | \$ 941,548 |
| Liabilities and Fund Balance | | | |
| Liabilities: | | | |
| Accounts payable | \$ 2,948 | \$ 10,689 | \$ 4,015 |
| Accrued liabilities | 2,410 | 19,990 | 16,577 |
| Deferred revenue | - | - | 653,947 |
| Total liabilities | 5,358 | 30,679 | 674,539 |
| Fund balances: | | | |
| Reserved for, capital project, jail expansion | - | - | - |
| Unreserved, undesignated | 185,612 | 133,985 | 267,009 |
| Total fund balances | 185,612 | 133,985 | 267,009 |
| Total liabilities and fund balances | \$ 190,970 | \$ 164,664 | \$ 941,548 |
| Reconciliation to statement of net assets: | | | |
| Total component unit fund balances | \$ 185,612 | \$ 133,985 | \$ 267,009 |
| 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 in the funds: | | | |
| Capital assets: | | | |
| Land | - | 16,600 | - |
| Buildings | - | 1,297,266 | - |
| Machinery and equipment | 214,727 | 230,109 | - |
| Accumulated depreciation | (52,324) | (365,385) | - |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds, | | | |
| deferred revenue | - | - | 2,174 |
| Capital lease receivable from primary government | - | - | - |
| Accounts receivable from primary government | - | - | - |
| Liabilities not due and payable in the current period are not reported in the funds: | | | |
| Compensated absences | (16,385) | (22,210) | (86,367) |
| Revenue bonds payable | - | - | - |
| Bond discounts | - | - | - |
| Accrued interest payable | - | - | - |
| Bond issuance costs | - | - | - |
| Total net assets | \$ 331,630 | \$ 1,290,365 | \$ 182,816 |

| County Assessor Special | City Assessor | City Assessor Special | Public Safety Authority | Scott Emergency Communication Center | Total |
|-------------------------|---------------------|-----------------------|-------------------------|--------------------------------------|---------------------|
| \$ 533,034 | \$ 294,280 | \$ 187,647 | \$ 782,540 | \$ 369,073 | \$ 2,809,615 |
| - | - | - | 861,296 | - | 861,296 |
| 164,621 | 852,167 | 146,309 | - | - | 1,817,238 |
| - | - | - | 1,250 | - | 1,250 |
| <u>\$ 697,655</u> | <u>\$ 1,146,447</u> | <u>\$ 333,956</u> | <u>\$ 1,645,086</u> | <u>\$ 369,073</u> | <u>\$ 5,489,399</u> |
| \$ - | \$ 26,264 | \$ 8,058 | \$ 1,387,124 | \$ 1,036 | \$ 1,440,134 |
| - | - | - | - | 3,065 | 42,042 |
| 164,572 | 851,623 | 146,216 | - | - | 1,816,358 |
| <u>164,572</u> | <u>877,887</u> | <u>154,274</u> | <u>1,387,124</u> | <u>4,101</u> | <u>3,298,534</u> |
| - | - | - | 257,962 | - | 257,962 |
| 533,083 | 268,560 | 179,682 | - | 364,972 | 1,932,903 |
| <u>533,083</u> | <u>268,560</u> | <u>179,682</u> | <u>257,962</u> | <u>364,972</u> | <u>2,190,865</u> |
| <u>\$ 697,655</u> | <u>\$ 1,146,447</u> | <u>\$ 333,956</u> | <u>\$ 1,645,086</u> | <u>\$ 369,073</u> | <u>\$ 5,489,399</u> |
| \$ 533,083 | \$ 268,560 | \$ 179,682 | \$ 257,962 | \$ 364,972 | \$ 2,190,865 |
| - | - | - | - | - | 16,600 |
| - | - | - | - | - | 1,297,266 |
| - | 110,461 | - | - | - | 555,297 |
| - | (100,664) | - | - | - | (518,373) |
| - | 3,475 | - | - | - | 5,649 |
| - | - | - | 25,740,000 | - | 25,740,000 |
| - | - | - | 537,606 | - | 537,606 |
| - | (38,642) | - | - | - | (163,604) |
| - | - | - | (25,740,000) | - | (25,740,000) |
| - | - | - | 249,968 | - | 249,968 |
| - | - | - | (87,515) | - | (87,515) |
| - | - | - | 109,203 | - | 109,203 |
| <u>\$ 533,083</u> | <u>\$ 243,190</u> | <u>\$ 179,682</u> | <u>\$ 1,067,224</u> | <u>\$ 364,972</u> | <u>\$ 4,192,962</u> |

County of Scott, Iowa

Combining Statement of Revenues, Expenditures and Changes in Fund Balances and Reconciliation to
Statement of Activities - Discretely Presented Component Units
Year Ended June 30, 2008

| | Emergency Management Agency | County Library | County Assessor |
|------------------------------------|-----------------------------------|-------------------|--------------------|
| Revenues: | | | |
| Property taxes | \$ - | \$ - | \$ 471,933 |
| Other taxes | - | - | 17,874 |
| Intergovernmental | 239,973 | 916,240 | 15,862 |
| Charges for services | - | 11,531 | 1,219 |
| Investment earnings | - | - | - |
| Rentals and fees | - | - | - |
| Other | 49,176 | 5,695 | 425 |
| Total revenues | 289,149 | 933,466 | 507,313 |
| Expenditures: | | | |
| Current: | | | |
| Public safety and legal services | 299,835 | - | - |
| County environment and education | - | 960,708 | - |
| Government services to residents | - | - | 596,565 |
| Debt service: | - | - | - |
| Principal | - | - | - |
| Interest | - | - | - |
| Total expenditures | 299,835 | 960,708 | 596,565 |
| Net change in fund balances | (10,686) | (27,242) | (89,252) |
| Fund balances, beginning of year | 196,298 | 161,227 | 356,261 |
| Fund balances, end of year | \$ 185,612 | \$ 133,985 | \$ 267,009 |

(Continued)

| County Assessor Special | City Assessor | City Assessor Special | Public Safety Authority | Scott Emergency Communication Center | Total |
|-------------------------|---------------|-----------------------|-------------------------|--------------------------------------|--------------|
| \$ 227,499 | \$ 802,886 | \$ 183,457 | \$ - | \$ - | \$ 1,685,775 |
| 8,618 | 37,037 | 8,464 | - | - | 71,993 |
| 7,648 | 21,428 | 4,897 | - | 400,427 | 1,606,475 |
| - | - | - | - | - | 12,750 |
| - | - | - | 1,220,776 | - | 1,220,776 |
| - | - | - | 1,030,000 | - | 1,030,000 |
| - | 1,767 | - | - | 1,033 | 58,096 |
| 243,765 | 863,118 | 196,818 | 2,250,776 | 401,460 | 5,685,865 |
| - | - | - | 4,775,010 | 36,488 | 5,111,333 |
| - | - | - | - | - | 960,708 |
| 28,550 | 746,656 | 160,353 | - | - | 1,532,124 |
| - | - | - | - | - | - |
| - | - | - | 1,030,000 | - | 1,030,000 |
| - | - | - | 1,088,805 | - | 1,088,805 |
| 28,550 | 746,656 | 160,353 | 6,893,815 | 36,488 | 9,722,970 |
| 215,215 | 116,462 | 36,465 | (4,643,039) | 364,972 | (4,037,105) |
| 317,868 | 152,098 | 143,217 | 4,901,001 | - | 6,227,970 |
| \$ 533,083 | \$ 268,560 | \$ 179,682 | \$ 257,962 | \$ 364,972 | \$ 2,190,865 |

County of Scott, Iowa

Combining Statement of Revenues, Expenditures and Changes in Fund Balances and Reconciliation to Statement of Activities - Discretely Presented Component Units (Continued)
Year Ended June 30, 2008

| | Emergency Management Agency | County Library | County Assessor |
|---|-----------------------------------|--------------------|--------------------|
| Reconciliation to statement of activities, | | | |
| net change in fund balances | \$ (10,686) | \$ (27,242) | \$ (89,252) |
| Amounts reported for governmental activities in the statement of activities are different because: | | | |
| Governmental funds report capital outlays as expenditures. | | | |
| However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the detail of the amount by which capital outlays exceeded depreciation in the current year: | | | |
| Capital outlay | 172,681 | - | - |
| Depreciation | (10,278) | (45,831) | - |
| Rentals and fees | - | - | - |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the component unit, change in compensated absences | (3,971) | (5,848) | (7,849) |
| The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following is a detail of the net effect of these differences in the treatment of long-term debt and related items: | | | |
| Repayment of bond principal | - | - | - |
| Interest expense | - | - | - |
| Amortization of bond issuance costs and discounts | - | - | - |
| Changes in net assets of component units | \$ 147,746 | \$ (78,921) | \$ (97,101) |

| County Assessor Special | City Assessor | City Assessor Special | Public Safety Authority | Scott Emergency Communication Center | Total |
|-------------------------|---------------|-----------------------|-------------------------|--------------------------------------|----------------|
| \$ 215,215 | \$ 116,462 | \$ 36,465 | \$ (4,643,039) | \$ 364,972 | \$ (4,037,105) |
| - | - | - | 4,812,704 | - | 4,985,385 |
| - | (7,919) | - | - | - | (64,028) |
| - | - | - | (1,030,000) | - | (1,030,000) |
| - | 6,993 | - | - | - | (10,675) |
| - | - | - | 1,030,000 | - | 1,030,000 |
| - | - | - | 3,219 | - | 3,219 |
| - | - | - | (36,435) | - | (36,435) |
| \$ 215,215 | \$ 115,536 | \$ 36,465 | \$ 136,449 | \$ 364,972 | \$ 840,361 |



Scott County

Iowa

STATISTICAL

County of Scott, Iowa

Statistical Section
Contents

The statistical section of the County's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the County's overall financial health.

| Contents | Page |
|--|------|
| Financial Trends | |
| These schedules contain trend information to help the reader understand how the County's financial performance and well being have changed over time. | 72 |
| Revenue Capacity | |
| These schedules contain information to help the reader assess the County's most significant local revenue sources, the property tax (or sales tax). | 84 |
| Debt Capacity | |
| These schedules present information to help the reader assess the affordability of the County's current level of outstanding debt and the County's ability to issue additional debt in the future. | 92 |
| Demographic and Economic Information | |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place. | 98 |
| Operating Information | |
| These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs. | 100 |

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual report for the relevant year. The County implemented GASB Statement No. 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

County of Scott, Iowa

Net Assets by Component
Last Six Fiscal Years*
(accrual basis of accounting)
(Unaudited)

| | Fiscal Year | | |
|--|-----------------------|-----------------------|-----------------------|
| | 2003 | 2004 | 2005 |
| Governmental activities: | | | |
| Invested in capital assets, net of related debt | \$ 51,390,670 | \$ 53,196,584 | \$ 58,403,448 |
| Restricted for: | | | |
| Debt Service | 5,142,886 | 4,828,092 | 4,486,204 |
| County Conservation Sewage Treatment | 151,021 | 160,678 | 170,507 |
| Mental health | - | - | - |
| Secondary roads | - | - | - |
| Unrestricted | 11,771,985 | 11,848,957 | 11,456,380 |
| Total governmental activities net assets | \$ 68,456,562 | \$ 70,034,311 | \$ 74,516,539 |
| Business-type activities: | | | |
| Invested in capital assets, net of related debt | \$ (50,362) | \$ 198,958 | \$ 342,758 |
| Restricted for lease purchase contract | - | 324,627 | 326,105 |
| Unrestricted | (1,383,608) | (1,843,166) | (2,051,330) |
| Total business-type activities net assets | \$ (1,433,970) | \$ (1,319,581) | \$ (1,382,467) |
| Primary government: | | | |
| Invested in capital assets, net of related debt | \$ 51,340,308 | \$ 53,395,542 | \$ 58,746,206 |
| Restricted for: | | | |
| Debt Service | 5,142,886 | 4,828,092 | 4,486,204 |
| County Conservation Sewage Treatment | 151,021 | 160,678 | 170,507 |
| Lease purchase contract | - | 324,627 | 326,105 |
| Mental health | - | - | - |
| Secondary roads | - | - | - |
| Unrestricted | 10,388,377 | 10,005,791 | 9,405,050 |
| Total primary government net assets | \$ 67,022,592 | \$ 68,714,730 | \$ 73,134,072 |

GASB Statement No. 34 implemented in fiscal year 2003.

Source: County records.

| | | | Fiscal Year | | |
|------|-------------|------|-------------|------|-------------|
| 2006 | | 2007 | | 2008 | |
| \$ | 62,017,939 | \$ | 65,298,164 | \$ | 70,527,812 |
| | 4,460,937 | | 4,152,198 | | 3,728,760 |
| | 182,850 | | 196,692 | | 211,034 |
| | 855,147 | | 396,372 | | 572,242 |
| | 1,459,411 | | 936,185 | | 486,405 |
| | 11,004,368 | | 10,576,072 | | 6,060,787 |
| \$ | 79,980,652 | \$ | 81,555,683 | \$ | 81,587,040 |
| | | | | | |
| \$ | 475,691 | \$ | 633,574 | \$ | 807,121 |
| | 326,596 | | 326,831 | | 325,166 |
| | (2,341,036) | | (2,832,971) | | (3,225,906) |
| \$ | (1,538,749) | \$ | (1,872,566) | \$ | (2,093,619) |
| | | | | | |
| \$ | 62,493,630 | \$ | 65,931,738 | \$ | 71,334,933 |
| | 4,460,937 | | 4,152,198 | | 3,728,760 |
| | 182,850 | | 196,692 | | 206,674 |
| | 326,596 | | 326,831 | | 325,166 |
| | 855,147 | | 396,372 | | 572,242 |
| | 1,459,411 | | 936,185 | | 486,405 |
| | 8,663,332 | | 7,743,101 | | 2,839,241 |
| \$ | 78,441,903 | \$ | 79,683,117 | \$ | 79,493,421 |

County of Scott, Iowa

Changes in Net Assets
Last Six Fiscal Years*
(accrual basis of accounting)
(Unaudited)

| | Fiscal Year | | |
|---|------------------------|------------------------|------------------------|
| | 2003 | 2004 | 2005 |
| Expenses: | | | |
| Governmental activities: | | | |
| Public safety and legal services | \$ 14,416,219 | \$ 15,359,610 | \$ 17,378,230 |
| Physical health and social services | 5,354,508 | 5,599,865 | 5,433,189 |
| Mental health | 12,560,244 | 12,464,838 | 12,689,373 |
| County environment and education | 4,077,028 | 4,179,381 | 3,978,818 |
| Roads and transportation | 5,319,941 | 5,322,321 | 6,514,158 |
| Governmental services to residents | 1,728,824 | 1,834,390 | 1,853,466 |
| Administration | 6,864,076 | 8,182,576 | 9,848,118 |
| Interest on long-term debt | 498,341 | 457,073 | 434,854 |
| Total governmental activities expenses | 50,819,181 | 53,400,054 | 58,130,206 |
| Business-type activities, golf course | 964,728 | 988,195 | 1,074,754 |
| Total government expenses | \$ 51,783,909 | \$ 54,388,249 | \$ 59,204,960 |
| Program revenues: | | | |
| Governmental activities: | | | |
| Public safety and legal services | \$ 966,549 | \$ 899,053 | \$ 878,359 |
| Physical health and social services | 264,329 | 356,232 | 291,344 |
| Mental health | 46,259 | 18,432 | 40,441 |
| County environment and education | 695,885 | 693,246 | 880,593 |
| Roads and transportation | 2,841 | 32,875 | 9,241 |
| Governmental services to residents | 2,930,055 | 2,693,220 | 2,501,165 |
| Administration | 222,833 | 150,904 | 264,264 |
| Operating grants and contributions | 5,448,938 | 8,544,625 | 8,857,256 |
| Capital grants and contributions | 1,329,326 | 706,004 | 6,519,732 |
| Total governmental activities program revenues | 11,907,015 | 14,094,591 | 20,242,395 |
| Business-type activities, golf course | 1,033,286 | 1,101,788 | 1,008,046 |
| Total government program revenues | \$ 12,940,301 | \$ 15,196,379 | \$ 21,250,441 |
| Net (expense)/revenue: | | | |
| Governmental activities | \$ (38,912,166) | \$ (39,305,463) | \$ (37,887,811) |
| Business-type activities | 68,558 | 113,593 | (66,708) |
| Total government net expense | \$ (38,843,608) | \$ (39,191,870) | \$ (37,954,519) |

(Continued)

| | | | Fiscal Year | | |
|------|--------------|------|--------------|------|--------------|
| 2006 | | 2007 | | 2008 | |
| \$ | 19,231,650 | \$ | 20,051,534 | \$ | 20,289,680 |
| | 5,543,800 | | 5,682,835 | | 5,956,132 |
| | 13,430,170 | | 14,308,820 | | 15,211,596 |
| | 4,142,926 | | 4,371,103 | | 4,410,086 |
| | 5,983,682 | | 6,711,217 | | 6,712,511 |
| | 1,945,223 | | 2,074,972 | | 2,151,064 |
| | 9,376,193 | | 9,943,559 | | 10,980,111 |
| | 662,882 | | 1,606,659 | | 1,471,972 |
| | 60,316,526 | | 64,750,699 | | 67,183,152 |
| | 1,186,450 | | 1,223,696 | | 1,178,367 |
| \$ | 61,502,976 | \$ | 65,974,395 | \$ | 68,361,519 |
| \$ | 1,101,152 | \$ | 1,053,355 | \$ | 939,874 |
| | 290,280 | | 285,637 | | 330,296 |
| | 57,465 | | 41,070 | | 42,261 |
| | 943,194 | | 889,915 | | 920,315 |
| | 27,646 | | 9,943 | | 11,268 |
| | 2,616,909 | | 2,506,821 | | 2,382,447 |
| | 191,548 | | 251,682 | | 251,070 |
| | 9,135,717 | | 9,896,826 | | 11,847,705 |
| | 2,846,478 | | 1,417,942 | | 153,469 |
| | 17,210,389 | | 16,353,191 | | 16,878,705 |
| | 1,019,793 | | 875,270 | | 947,487 |
| \$ | 18,230,182 | \$ | 17,228,461 | \$ | 17,826,192 |
| \$ | (43,106,137) | \$ | (48,397,508) | \$ | (50,304,447) |
| | (166,657) | | (348,426) | | (230,880) |
| \$ | (43,272,794) | \$ | (48,745,934) | \$ | (50,535,327) |

County of Scott, Iowa

Changes in Net Assets (Continued)
Last Six Fiscal Years*
(accrual basis of accounting)
(Unaudited)

| | Fiscal Year | | |
|---|----------------------|----------------------|----------------------|
| | 2003 | 2004 | 2005 |
| General revenues and other changes in net assets: | | | |
| Governmental activities: | | | |
| Taxes: | | | |
| Property taxes | \$ 22,780,080 | \$ 24,998,507 | \$ 25,923,952 |
| Local option sales tax | 3,199,382 | 3,393,432 | 3,488,462 |
| Gaming | 805,667 | 919,864 | 904,897 |
| Other taxes | 172,113 | 117,731 | 59,143 |
| Utility tax replacements | 1,061,401 | 1,133,932 | 1,228,633 |
| Penalties, interest and costs on taxes | 667,318 | 652,959 | 837,554 |
| State tax replacement credits | 8,313,347 | 5,435,819 | 5,152,761 |
| Payments in lieu of taxes | 3,659 | - | - |
| State shared revenues | 2,804,003 | 2,851,114 | 2,909,524 |
| Grants and contributions not restricted to specific purpose | 289,800 | 274,703 | 258,703 |
| Investment earnings | 518,804 | 367,089 | 782,291 |
| Miscellaneous | 692,184 | 738,062 | 824,119 |
| (Loss) on the sales of capital assets | (35,371) | - | - |
| Total governmental activities | 41,272,387 | 40,883,212 | 42,370,039 |
| Business-type activities, investment earnings | 2,461 | 796 | 3,822 |
| Total government | \$ 41,274,848 | \$ 40,884,008 | \$ 42,373,861 |
| Change in net assets: | | | |
| Governmental activities | \$ 2,360,221 | \$ 1,577,749 | \$ 4,482,228 |
| Business-type activities | 71,019 | 114,389 | (62,886) |
| Total primary government | \$ 2,431,240 | \$ 1,692,138 | \$ 4,419,342 |

GASB Statement No. 34 implemented in fiscal year 2003.

Source: County records.

| | | | Fiscal Year | | |
|----|------------|----|-------------|------|------------|
| | | | 2006 | 2007 | 2008 |
| \$ | 31,335,227 | \$ | 31,995,844 | \$ | 33,138,131 |
| | 3,470,318 | | 3,700,844 | | 3,867,941 |
| | 887,690 | | 789,210 | | 815,524 |
| | 63,287 | | 61,766 | | 65,253 |
| | 1,377,835 | | 1,382,625 | | 1,341,669 |
| | 791,859 | | 782,123 | | 731,456 |
| | 5,246,050 | | 5,243,536 | | 5,194,016 |
| | - | | 165 | | 8,226 |
| | 2,970,800 | | 2,906,371 | | 2,866,918 |
| | 241,277 | | 188,557 | | - |
| | 1,381,353 | | 2,140,787 | | 1,447,577 |
| | 804,554 | | 780,711 | | 859,093 |
| | - | | - | | - |
| | 48,570,250 | | 49,972,539 | | 50,335,804 |
| | 10,375 | | 14,609 | | 9,827 |
| \$ | 48,580,625 | \$ | 49,987,148 | \$ | 50,345,631 |
| \$ | 5,464,113 | \$ | 1,575,031 | \$ | 31,357 |
| | (156,282) | | (333,817) | | (221,053) |
| \$ | 5,307,831 | \$ | 1,241,214 | \$ | (189,696) |

County of Scott, Iowa

**Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)**

| | Fiscal Year | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 1999* | 2000 | 2001 | 2002 |
| General Fund: | | | | |
| Reserved: | | | | |
| Notes receivable | \$ - | \$ 205,761 | \$ 120,507 | \$ 60,254 |
| Advances | 1,423,314 | 1,423,314 | 1,423,314 | 1,423,314 |
| County conservation sewage treatment | - | - | - | - |
| Unreserved, designated claim liabilities | - | - | - | 1,051,977 |
| Unreserved, undesignated | 8,401,174 | 5,755,165 | 5,373,104 | 6,012,505 |
| Total general fund | \$ 9,824,488 | \$ 7,384,240 | \$ 6,916,925 | \$ 8,548,050 |
| All other governmental funds: | | | | |
| Reserved for: | | | | |
| Debt service | \$ 6,223,688 | \$ 5,963,836 | \$ 5,688,836 | \$ 5,426,805 |
| Unreserved, undesignated reported in: | | | | |
| Special revenue funds: | | | | |
| Mental health/development disabilities | 1,714,861 | 2,042,319 | 2,166,738 | 1,218,233 |
| Secondary Roads | 666,640 | 690,460 | 875,848 | 561,446 |
| Rural services | 157,643 | 155,078 | 132,012 | 83,889 |
| Recorders management fees | 78,772 | 111,718 | 154,882 | 192,259 |
| Capital projects funds, capital projects | 4,068,251 | 7,743,389 | 9,007,745 | 5,916,295 |
| Total all other governmental funds | \$ 12,909,855 | \$ 16,706,800 | \$ 18,026,061 | \$ 13,398,927 |

Source: County records.

| | | | | | | | Fiscal Year | | | | | |
|-------|------------|------|-----------|------|------------|------|-------------|------|------------|------|------------|--|
| 2003 | | 2004 | | 2005 | | 2006 | | 2007 | | 2008 | | |
| \$ | 100,000 | \$ | 100,000 | \$ | 100,000 | \$ | 100,000 | \$ | 100,000 | \$ | 116,175 | |
| | 1,423,314 | | 1,508,314 | | 1,673,314 | | 1,863,314 | | 2,262,314 | | 2,702,314 | |
| | 151,021 | | 160,678 | | 170,507 | | 182,850 | | 196,692 | | 206,674 | |
| | 1,116,806 | | 805,257 | | 886,689 | | 886,689 | | 1,004,488 | | 718,847 | |
| | 6,372,309 | | 5,488,379 | | 4,637,761 | | 5,479,818 | | 5,301,970 | | 5,849,553 | |
| \$ | 9,163,450 | \$ | 8,062,628 | \$ | 7,468,271 | \$ | 8,512,671 | \$ | 8,865,464 | \$ | 9,593,563 | |
| <hr/> | | | | | | | | | | | | |
| \$ | 5,142,886 | \$ | 724,111 | \$ | 5,269,337 | \$ | 4,460,937 | \$ | 4,152,198 | \$ | 3,728,760 | |
| | 1,021,020 | | 1,000,512 | | 1,251,251 | | 855,147 | | 396,372 | | 572,242 | |
| | 2,189,357 | | 2,943,900 | | 1,552,667 | | 1,459,411 | | 936,185 | | 486,405 | |
| | 2,148,185 | | 1,997,741 | | 2,191,392 | | 111,064 | | 123,384 | | 118,672 | |
| | 259,036 | | 93,315 | | 117,636 | | 129,231 | | 138,081 | | 139,847 | |
| | 1,788,279 | | 1,275,218 | | 3,426,597 | | 4,223,180 | | 6,945,117 | | 5,541,207 | |
| \$ | 12,548,763 | \$ | 8,034,797 | \$ | 13,808,880 | \$ | 11,238,970 | \$ | 12,691,337 | \$ | 10,587,133 | |

County of Scott, Iowa

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

| | Fiscal Year | | | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 1999* | 2000 | 2001 | 2002 |
| Revenues: | | | | |
| Property taxes | \$ 18,177,319 | \$ 19,283,597 | \$ 19,852,285 | \$ 20,644,047 |
| Local option sales tax | 3,317,574 | 3,341,526 | 3,196,756 | 3,195,497 |
| Other taxes | 894,402 | 902,381 | 1,876,688 | 1,980,614 |
| Interest and penalty on taxes | 420,615 | 489,444 | 522,155 | 579,951 |
| Intergovernmental | 13,586,119 | 13,670,627 | 15,491,941 | 15,895,641 |
| Charges for services | 3,336,418 | 3,172,085 | 3,576,260 | 4,181,051 |
| Investment earnings | 1,751,709 | 2,097,176 | 2,286,576 | 956,679 |
| Licenses and permits | 362,164 | 428,267 | 386,316 | 418,998 |
| Rentals and fees | 156,948 | 139,890 | 163,735 | 142,050 |
| Other | 466,149 | 509,131 | 392,014 | 784,724 |
| Total revenues | 42,469,417 | 44,034,124 | 47,744,726 | 48,779,252 |
| Expenditures: | | | | |
| Public safety and legal services | 10,277,713 | 10,625,223 | 12,247,225 | 12,490,629 |
| Physical health and social services | 4,212,753 | 4,493,516 | 5,305,350 | 5,675,225 |
| Mental health | 9,903,740 | 10,574,774 | 11,615,292 | 12,507,653 |
| County environment and education | 2,233,586 | 2,336,675 | 2,601,159 | 2,974,726 |
| Roads and transportation | 3,047,814 | 3,215,371 | 3,240,775 | 3,380,066 |
| Governmental services to residents | 1,449,209 | 1,509,901 | 1,658,522 | 1,748,504 |
| Administration | - | - | 5,824,175 | 5,907,458 |
| Interprogram services | 4,478,582 | 5,439,162 | - | - |
| Capital outlay | 3,155,483 | 3,408,430 | 4,128,588 | 13,388,707 |
| Debt service: | | | | |
| Principal | 670,000 | 720,000 | 275,000 | 290,000 |
| Bond issuance costs | - | - | - | - |
| Interest | 388,675 | 354,375 | 317,485 | 317,818 |
| Total expenditures | 39,817,555 | 42,677,427 | 47,213,571 | 58,680,786 |
| Excess of revenues over (under) expenditures | 2,651,862 | 1,356,697 | 531,155 | (9,901,534) |
| Other financing sources (uses): | | | | |
| Transfers in | 4,129,217 | 7,467,088 | 6,761,451 | 5,919,049 |
| Transfers out | (4,129,217) | (7,467,088) | (6,761,451) | (5,919,049) |
| Proceeds from sale of capital assets | - | - | - | - |
| Proceeds from issuance of long-term debt | - | - | - | 5,041,777 |
| Bond premium | - | - | - | - |
| Payment to bond escrow agent | - | - | - | - |
| Total other financing sources (uses) | - | - | - | 5,041,777 |
| Net change in fund balances | 2,651,862 | 1,356,697 | 531,155 | (4,859,757) |
| Fund balances, beginning of year | 20,082,481 | 22,734,343 | 24,411,832 | 24,942,986 |
| Residual equity transfer in | - | - | - | 1,863,748 |
| Fund balances, end of year | \$ 22,734,343 | \$ 24,091,040 | \$ 24,942,987 | \$ 21,946,977 |
| Debt service as a percentage of noncapital expenditures | 2.97% | 2.81% | 1.39% | 1.36% |

Source: County records.

| | | | | | | | Fiscal Year | | | | | |
|------|-------------|------|-------------|------|-------------|------|-------------|------|-------------|------|-------------|--|
| 2003 | | 2004 | | 2005 | | 2006 | | 2007 | | 2008 | | |
| \$ | 22,769,823 | \$ | 24,996,346 | \$ | 25,895,065 | \$ | 31,364,663 | \$ | 32,017,310 | \$ | 33,120,748 | |
| | 3,289,382 | | 3,403,432 | | 3,418,462 | | 3,382,318 | | 3,727,522 | | 3,860,101 | |
| | 2,039,181 | | 2,171,528 | | 2,192,673 | | 2,328,812 | | 2,233,601 | | 2,222,446 | |
| | 667,318 | | 652,959 | | 837,554 | | 791,859 | | 782,123 | | 731,456 | |
| | 17,130,707 | | 17,181,934 | | 17,899,516 | | 18,596,027 | | 18,714,770 | | 19,873,049 | |
| | 4,698,212 | | 4,389,232 | | 4,336,407 | | 4,656,145 | | 4,521,226 | | 4,337,361 | |
| | 518,804 | | 348,442 | | 738,160 | | 1,381,353 | | 2,008,067 | | 1,447,577 | |
| | 430,540 | | 454,731 | | 529,000 | | 572,049 | | 517,197 | | 540,170 | |
| | 127,387 | | 113,952 | | 124,758 | | 141,568 | | 144,693 | | 157,323 | |
| | 564,798 | | 604,805 | | 695,374 | | 569,001 | | 636,018 | | 701,770 | |
| | 52,236,152 | | 54,317,361 | | 56,666,969 | | 63,783,795 | | 65,302,527 | | 66,992,001 | |
| | 13,584,142 | | 14,593,427 | | 16,507,338 | | 18,225,493 | | 19,330,101 | | 19,214,446 | |
| | 5,279,964 | | 5,563,018 | | 5,398,110 | | 5,489,011 | | 5,638,002 | | 5,915,796 | |
| | 12,540,895 | | 12,454,452 | | 12,673,353 | | 13,416,089 | | 14,288,703 | | 15,182,707 | |
| | 3,331,750 | | 3,809,045 | | 3,554,450 | | 3,558,603 | | 3,845,185 | | 4,099,548 | |
| | 3,025,694 | | 3,716,998 | | 3,915,398 | | 3,937,871 | | 4,360,061 | | 4,493,009 | |
| | 1,638,400 | | 1,746,145 | | 1,765,623 | | 1,866,796 | | 1,933,065 | | 2,012,787 | |
| | 6,214,537 | | 6,622,680 | | 6,815,170 | | 7,306,402 | | 7,555,798 | | 8,238,360 | |
| | - | | - | | - | | - | | - | | - | |
| | 9,256,988 | | 5,320,722 | | 5,583,383 | | 5,290,532 | | 5,580,379 | | 5,832,465 | |
| | 610,000 | | 580,000 | | 610,000 | | 2,570,000 | | 1,880,000 | | 1,925,000 | |
| | - | | - | | - | | - | | 99,453 | | - | |
| | 502,750 | | 458,905 | | 436,926 | | 665,130 | | 1,569,359 | | 1,503,745 | |
| | 55,985,120 | | 54,865,392 | | 57,259,751 | | 62,325,927 | | 66,080,106 | | 68,417,863 | |
| | (3,748,968) | | (548,031) | | (592,782) | | 1,457,868 | | (777,579) | | (1,425,862) | |
| | 5,949,549 | | 6,468,235 | | 5,835,149 | | 6,665,376 | | 5,107,655 | | 8,516,222 | |
| | (5,949,549) | | (6,468,235) | | (5,835,149) | | (6,665,376) | | (5,107,655) | | (8,516,222) | |
| | - | | - | | - | | - | | 33,394 | | 49,757 | |
| | - | | - | | - | | - | | 6,185,000 | | - | |
| | - | | - | | - | | - | | 9,345 | | - | |
| | - | | - | | - | | - | | (3,645,000) | | - | |
| | - | | - | | - | | - | | 2,582,739 | | 49,757 | |
| | (3,748,968) | | (548,031) | | (592,782) | | 1,457,868 | | 1,805,160 | | (1,376,105) | |
| | 23,183,554 | | 19,434,586 | | 18,886,555 | | 18,293,773 | | 19,751,641 | | 21,556,801 | |
| | - | | - | | - | | - | | - | | - | |
| \$ | 19,434,586 | \$ | 18,886,555 | \$ | 18,293,773 | \$ | 19,751,641 | \$ | 21,556,801 | \$ | 20,180,696 | |
| | 2.44% | | 2.14% | | 2.07% | | 6.01% | | 6.03% | | 5.80% | |

County of Scott, Iowa

Program Revenues by Function/Program
Last Six Fiscal Years*
(accrual basis of accounting)
(Unaudited)

| Function / Program | Fiscal Year | | |
|---|----------------------|----------------------|----------------------|
| | 2003 | 2004 | 2005 |
| Governmental activities: | | | |
| Public safety and legal services | \$ 1,510,542 | \$ 1,440,430 | \$ 2,076,189 |
| Physical health and social services | 1,995,547 | 2,278,296 | 2,393,807 |
| Mental health | 2,681,440 | 5,019,401 | 5,435,434 |
| County environment and education | 1,064,191 | 1,253,269 | 1,143,866 |
| Roads and transportation | 1,180,590 | 725,079 | 5,980,515 |
| Governmental services to residents | 3,048,029 | 3,041,924 | 2,705,131 |
| Administration | 426,676 | 336,192 | 507,453 |
| Total governmental activities | 11,907,015 | 14,094,591 | 20,242,395 |
| Business-type activities, Glynn's Creek Golf Course | 1,033,286 | 1,101,788 | 1,008,046 |
| Total government | \$ 12,940,301 | \$ 15,196,379 | \$ 21,250,441 |

GASB Statement No. 34 implemented in fiscal year 2003.

Source: County records.

| | | | Fiscal Year | | |
|----|------------|----|-------------|------|------------|
| | | | 2006 | 2007 | 2008 |
| \$ | 2,396,794 | \$ | 2,624,858 | \$ | 2,087,424 |
| | 2,126,736 | | 2,114,672 | | 2,179,694 |
| | 5,507,832 | | 6,324,361 | | 7,891,347 |
| | 1,197,394 | | 1,074,486 | | 1,306,680 |
| | 1,943,220 | | 979,629 | | 54,786 |
| | 3,670,976 | | 2,824,963 | | 2,926,459 |
| | 367,437 | | 410,222 | | 432,315 |
| | 17,210,389 | | 16,353,191 | | 16,878,705 |
| | 1,019,793 | | 875,270 | | 947,487 |
| \$ | 18,230,182 | \$ | 17,228,461 | \$ | 17,826,192 |

County of Scott, Iowa

Tax Revenues by Source, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

| Fiscal Year | Property | Local Option Sales Tax | Other Tax | Interest & Penalties on Taxes | Intergovernmental |
|---------------------|-------------------|------------------------|------------------|-------------------------------|-------------------|
| 1999 | \$ 18,177,319 | \$ 3,317,574 | \$ 894,402 | \$ 420,615 | \$ 13,586,119 |
| 2000 | 19,283,597 | 3,341,526 | 902,381 | 489,444 | 13,670,627 |
| 2001 | 19,852,285 | 3,196,756 | 1,876,688 | 522,155 | 15,491,941 |
| 2002 | 20,644,047 | 3,195,497 | 1,980,614 | 579,951 | 15,895,641 |
| 2003 | 25,895,065 | 3,418,462 | 2,192,673 | 837,554 | 17,899,516 |
| 2004 | 24,996,346 | 3,403,432 | 2,171,528 | 652,959 | 17,181,934 |
| 2005 | 25,895,065 | 3,418,462 | 2,192,673 | 837,554 | 17,899,516 |
| 2006 | 31,364,663 | 3,382,318 | 2,328,812 | 791,859 | 18,596,027 |
| 2007 | 32,017,310 | 3,727,522 | 2,233,601 | 782,123 | 18,714,770 |
| 2008 | 33,120,748 | 3,860,101 | 2,222,446 | 731,456 | 19,873,049 |
| Change 1998-2008 | 82.21% | 16.35% | 148.48% | 73.90% | 46.27% |

Source: County records.

| Charges for Services | Investment Earnings | Licenses & Permits | Rentals & Fees | Other | Total |
|-------------------------|------------------------|-----------------------|-------------------|----------------|-------------------|
| \$ 3,336,418 | \$ 1,751,709 | \$ 362,164 | \$ 156,948 | \$ 466,149 | \$ 42,469,417 |
| 3,172,085 | 2,097,176 | 428,267 | 139,890 | 509,131 | 44,034,124 |
| 3,576,260 | 2,286,576 | 386,316 | 163,735 | 392,014 | 47,744,726 |
| 4,181,051 | 956,679 | 418,998 | 142,050 | 784,724 | 48,779,252 |
| 4,336,407 | 738,160 | 529,000 | 124,758 | 695,374 | 56,666,969 |
| 4,389,232 | 348,442 | 454,731 | 113,952 | 604,805 | 54,317,361 |
| 4,336,407 | 738,160 | 529,000 | 124,758 | 695,374 | 56,666,969 |
| 4,656,145 | 1,381,353 | 572,049 | 141,568 | 569,001 | 63,783,795 |
| 4,521,226 | 2,008,067 | 517,197 | 144,693 | 636,018 | 65,302,527 |
| 4,337,361 | 1,447,577 | 540,170 | 157,323 | 701,770 | 66,992,001 |
| 30.00% | (17.36)% | 49.15% | 0.24% | 50.55% | 57.74% |

County of Scott, Iowa

**Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)**

| Fiscal Year Ended June 30 | Real Property | | Personal Property | | Utilities | |
|------------------------------------|----------------------|----------------------|-------------------|-------------------|--------------------|--------------------|
| | Taxable Value | Assessed Value | Taxable Value | Assessed Value | Taxable Value | Assessed Value |
| 1999 | \$ 3,807,731,607 | \$ 5,668,739,100 | \$ 255,956,108 | \$ 255,956,108 | \$ 390,444,779 | \$ 390,533,049 |
| 2000 | 3,972,859,733 | 5,777,153,288 | 244,123,480 | 244,123,480 | 360,261,226 | 360,261,226 |
| 2001 | 4,283,599,697 | 6,382,142,701 | 190,103,913 | 190,103,913 | 367,488,907 | 367,528,097 |
| 2002 | 4,494,546,377 | 6,542,552,088 | 128,389,476 | 128,389,476 | 373,127,833 | 373,127,833 |
| 2003 | 4,697,380,131 | 7,262,052,360 | 55,912,460 | 55,912,460 | 376,912,988 | 376,928,465 |
| 2004 | 4,812,295,795 | 7,645,182,637 | 5,356,152 | 5,356,152 | 402,785,799 | 403,680,208 |
| 2005 | 5,087,898,264 | 8,391,908,858 | - | - | 416,619,162 | 416,632,167 |
| 2006 | 5,299,824,281 | 8,858,213,729 | - | - | 405,323,627 | 405,323,627 |
| 2007 | 5,636,684,084 | 9,304,359,638 | - | - | 242,007,768 | 287,536,004 |
| 2008 | 5,782,600,890 | 9,629,908,628 | - | - | 236,556,404 | 311,762,064 |

Source: Auditor's Office

Note 1: Property is assessed at actual value; therefore, the assessed values are equal to the actual value.

Note 2: Tax rates are per \$1,000 of assessed value.

| Total | | Ratio Taxable to Assessed Value | Tax Increment Financing District Values | Total Direct Tax Rate |
|----------------------|----------------------|---|---|--------------------------|
| Taxable Value | Assessed Value | | | |
| \$ 4,454,132,494 | \$ 6,315,228,257 | 70.5% | \$ 115,708,030 | \$ 2.01 |
| 4,577,244,439 | 6,381,537,994 | 71.7 | 175,894,540 | 2.06 |
| 4,841,192,517 | 6,939,774,711 | 69.8 | 207,991,891 | 2.09 |
| 4,996,063,686 | 7,044,069,397 | 70.9 | 218,666,744 | 2.10 |
| 5,129,605,579 | 7,694,893,285 | 66.7 | 226,164,092 | 2.25 |
| 5,220,437,746 | 8,054,218,997 | 64.8 | 232,697,034 | 2.39 |
| 5,504,517,426 | 8,808,541,125 | 62.5 | 213,970,420 | 2.38 |
| 5,705,147,908 | 9,263,537,356 | 61.6 | 235,146,048 | 2.74 |
| 5,878,691,852 | 9,591,895,642 | 61.3 | 235,149,590 | 2.72 |
| 6,019,157,294 | 9,941,670,692 | 59.1 | 330,175,178 | 3.24 |

County of Scott, Iowa

Principal Property Taxpayers
 Current Year and Nine Years Ago
(in thousands of dollars)
 (Unaudited)

| | 1999 | | |
|----------------------------------|------------------------|------|---|
| | Taxable Assessed Value | Rank | Percentage of Total County Taxable Assessed Value |
| MidAmerican Energy | \$ 232,230,100 | 1 | 5.54% |
| Aluminum Company of America | 192,154,039 | 2 | 4.58% |
| Equitable Life Assurance Society | 79,251,932 | 3 | 1.89% |
| Davenport Water Company | 43,489,511 | 4 | 1.04% |
| U.S. West Communications | 28,866,057 | 5 | 0.69% |
| Davenport Cement Company | 28,522,951 | 6 | 0.68% |
| Oscar Mayer Foods Corporation | 26,127,905 | 7 | 0.62% |
| Deere & Company | 25,829,336 | 8 | 0.62% |
| Quanex Corporation | 24,916,092 | 9 | 0.59% |
| Ralston Purina Company | 24,272,101 | 10 | 0.58% |
| | <u>\$ 705,660,024</u> | | <u>16.83%</u> |

| Taxpayer | 2008 | | |
|---------------------------------|------------------------|------|---|
| | Taxable Assessed Value | Rank | Percentage of Total County Taxable Assessed Value |
| Isle of Capri Bettendorf | \$ 85,283,690 | 1 | 1.42% |
| SDG Macerich Properties | 68,877,000 | 2 | 1.14% |
| Aluminum Company of America | 40,852,700 | 3 | 0.68% |
| Gulf Investments LLC | 24,522,800 | 4 | 0.41% |
| Quanex Corporation | 22,322,600 | 5 | 0.37% |
| Deere & Company | 22,375,800 | 6 | 0.37% |
| The Davenport North Development | 17,364,800 | 7 | 0.29% |
| Davenport-Durler Family Trust | 20,554,200 | 8 | 0.34% |
| GenVentures Inc | 21,067,347 | 9 | 0.35% |
| National Amusement Inc | 19,015,000 | 10 | 0.32% |
| Total | <u>\$ 342,235,937</u> | | <u>5.69%</u> |

Source: County records

County of Scott, Iowa

Property Tax Levies and Collections
 Last Ten Fiscal Years
 (Unaudited)

| Fiscal Year Ended June 30 | Property Taxes Levied for the Fiscal Year | Property Taxes Collected Within the Fiscal Year of the Levy | | Property Tax Collections In Subsequent Years | Property Tax Total Collections to Date | |
|------------------------------------|--|---|-----------------------|---|---|-----------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 1999 | \$ 138,308,158 | \$ 137,499,635 | 99.42.00% | \$ 50,202 | \$ 137,549,837 | 88.45% |
| 2000 | 141,568,042 | 140,229,377 | 99.05 | 117,589 | 140,346,966 | 99.14 |
| 2001 | 146,117,608 | 145,193,712 | 99.37 | 119,615 | 145,313,327 | 99.45 |
| 2002 | 152,133,150 | 151,191,798 | 99.38 | 75,947 | 151,267,745 | 99.43 |
| 2003 | 164,344,090 | 163,141,398 | 99.27 | 38,060 | 163,179,458 | 99.29 |
| 2004 | 170,396,572 | 168,156,252 | 98.69 | 618,183 | 168,774,435 | 99.05 |
| 2005 | 181,497,890 | 179,753,240 | 99.04 | 1,664,237 | 181,417,477 | 99.96 |
| 2006 | 194,032,266 | 193,001,228 | 99.46 | 195,545 | 193,196,773 | 99.57 |
| 2007 | 202,141,914 | 200,878,707 | 99.38 | (20,856) | 200,857,851 | 99.36 |
| 2008 | 210,294,826 | 209,445,543 | 99.60 | 131,295 | 209,576,838 | 99.66 |

Source: County records.

County of Scott, Iowa

Direct and Overlapping Property Tax Rates

Last Ten Years

(rate per \$1,000 of assessed value)

(Unaudited)

| | Year Taxes are Payable | | | |
|-------------------------|------------------------|----------|----------|----------|
| | 1999 | 2000 | 2001 | 2002 |
| County direct rates: | | | | |
| Scott County Urban Rate | 3.91472 | 4.05869 | 4.15929 | 4.18290 |
| Scott County Rural Rate | 7.23492 | 7.29139 | 7.13428 | 7.23474 |
| City and town rates: | | | | |
| Bettendorf | 11.45555 | 11.49320 | 11.46317 | 11.45555 |
| Blue Grass | 10.57459 | 10.38054 | 11.14846 | 11.56925 |
| Buffalo | 6.65000 | 6.65000 | 7.00003 | 6.99999 |
| Davenport | 13.96012 | 13.95123 | 14.63429 | 14.60301 |
| Dixon | 8.09974 | 8.09981 | 7.92961 | 8.09975 |
| Donahue | 5.25586 | 5.31451 | 5.14553 | 5.20471 |
| Durant | 12.88643 | 12.84869 | 12.58764 | 12.19810 |
| Eldridge | 7.16197 | 6.46747 | 6.37566 | 6.37553 |
| LeClaire | 14.94376 | 14.44722 | 14.69772 | 14.69771 |
| Long Grove | 5.78412 | 6.99376 | 7.50571 | 7.87004 |
| Maysville | 3.99799 | 4.60923 | 4.31483 | 4.76008 |
| McCausland | 6.52507 | 7.91701 | 7.64701 | 7.64697 |
| New Liberty | 1.47129 | 1.49144 | 1.44891 | 1.52958 |
| Panorama Park | 6.30832 | 6.16271 | 5.64725 | 6.13308 |
| Princeton | 6.69140 | 6.69112 | 7.15950 | 9.30742 |
| Riverdale | 1.51305 | 1.76835 | 2.29856 | 2.29648 |
| Walcott | 8.14002 | 10.09000 | 10.50225 | 10.00001 |
| School District Rates: | | | | |
| Bennett Schools | 13.17830 | 13.38001 | 12.01282 | 11.62167 |
| Bettendorf Schools | 15.57107 | 14.81448 | 14.57951 | 14.56220 |
| Davenport Schools | 15.26607 | 14.92898 | 15.50967 | 15.46758 |
| Durant Schools | 11.14827 | 10.95551 | 12.11375 | 12.18444 |
| North Scott Schools | 17.73248 | 15.76085 | 15.70745 | 15.66165 |
| Pleasant Valley Schools | 14.68808 | 14.44722 | 13.45589 | 13.45953 |
| Area IX CC | 0.57182 | 0.54709 | 0.60302 | 0.60382 |
| Other: | | | | |
| Scott County Assessor | 0.25072 | 0.22997 | 0.31843 | 0.31830 |
| Davenport City Assessor | 0.29389 | 0.29311 | 0.31303 | 0.33488 |
| Ag. Extension - BANGS | 0.03868 | 0.06732 | 0.06700 | 0.06790 |

Source: County records - Auditor's Office.

Year Taxes are Payable

| 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|----------|----------|----------|----------|----------|----------|
| 4.48067 | 4.80887 | 4.75497 | 5.56513 | 5.51106 | 5.33791 |
| 7.49188 | 7.71192 | 7.84647 | 8.60445 | 8.52602 | 8.35745 |
| 11.85000 | 11.85000 | 12.34932 | 12.34952 | 12.60000 | 12.85000 |
| 12.43356 | 12.48463 | 11.51524 | 11.43975 | 11.58668 | 11.07291 |
| 7.00203 | 7.65547 | 8.09999 | 8.09998 | 8.10000 | 8.09999 |
| 14.63000 | 14.96445 | 15.24000 | 15.24000 | 15.56702 | 15.57584 |
| 8.09986 | 8.09977 | 8.10000 | 8.10000 | 8.10000 | 8.10000 |
| 5.15138 | 7.96293 | 7.36868 | 5.42517 | 5.43321 | 5.96370 |
| 12.17088 | 12.17088 | 14.20315 | 15.56204 | 15.56204 | 15.56203 |
| 6.37555 | 6.64799 | 6.64795 | 6.64795 | 6.64800 | 6.64880 |
| 14.69660 | 14.69660 | 14.69639 | 14.69637 | 14.69636 | 14.69998 |
| 7.89977 | 8.10000 | 8.10000 | 8.10000 | 8.39529 | 9.76863 |
| 4.85690 | 5.16066 | 5.16083 | 5.16097 | 5.16094 | 5.16100 |
| 7.91705 | 7.91704 | 8.10000 | 8.10000 | 8.10000 | 8.10000 |
| 1.52478 | 2.22375 | 2.99975 | 2.90011 | 3.57028 | 2.93849 |
| 6.27994 | 6.29016 | 6.25158 | 6.50590 | 6.76329 | 5.64940 |
| 9.30739 | 9.22504 | 8.81288 | 9.02314 | 8.97804 | 8.94763 |
| 2.29649 | 2.30970 | 2.30949 | 2.93819 | 2.50485 | 2.70103 |
| 9.50001 | 9.50000 | 9.75001 | 9.75001 | 9.75000 | 10.00000 |
| 11.85225 | 12.43900 | 12.85967 | 11.78130 | 11.62880 | 11.01374 |
| 15.78768 | 15.77779 | 15.46630 | 14.69042 | 15.00216 | 14.84626 |
| 16.96204 | 17.07873 | 17.09591 | 17.09734 | 17.10760 | 17.08731 |
| 12.24493 | 12.04676 | 12.21711 | 12.62186 | 11.96178 | 12.60365 |
| 15.32122 | 14.99307 | 15.03382 | 15.12320 | 15.17814 | 14.76476 |
| 13.45042 | 13.45835 | 13.46470 | 13.66430 | 13.86154 | 13.98720 |
| 0.62633 | 0.61738 | 0.59216 | 0.59269 | 0.61277 | 0.60635 |
| 0.33124 | 0.33119 | 0.27124 | 0.27404 | 0.29563 | 0.28870 |
| 0.37656 | 0.31521 | 0.27648 | 0.26045 | 0.29672 | 0.27680 |
| 0.06248 | 0.06721 | 0.06939 | 0.06973 | 0.07034 | 0.06892 |

County of Scott, Iowa

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)
(Unaudited)

| Fiscal Year | Governmental Activities | | | |
|-------------|--------------------------|---------------|----------------------|----------------|
| | General Obligation Bonds | Capital Lease | Compensated Absences | Claims Payable |
| 1999 | \$ 6,635 | \$ - | \$ 88 | \$ - |
| 2000 | 5,915 | - | 113 | - |
| 2001 | 5,640 | - | 786 | - |
| 2002 | 10,435 | - | 224 | 1,052 |
| 2003 | 9,825 | - | 1,649 | 1,132 |
| 2004 | 9,245 | - | 1,713 | 819 |
| 2005 | 8,635 | - | 1,838 | 891 |
| 2006 | 8,000 | 27,765 | 1,916 | 724 |
| 2007 | 9,655 | 26,770 | 2,142 | 1,004 |
| 2008 | 8,760 | 25,740 | 2,375 | 719 |

* Calculation made using population and personal income figures from Demographics and Economic Statistics Table.

Source: County records.

Business-Type Activities

| Capital Lease | Purchase Contract | Compensated Absences | Total Government | Percentage of Personal Income* | Per Capita* |
|---------------|-------------------|----------------------|------------------|--------------------------------|---------------|
| \$ - | \$ - | \$ - | \$ 6,723 | 15.80% | \$ 42.39 |
| - | - | - | 6,028 | 0.13 | 37.80 |
| - | - | - | 6,426 | 0.14 | 40.50 |
| - | - | - | 11,711 | 0.24 | 73.81 |
| - | 2,361 | 28,150 | 43,117 | 0.87 | 268.50 |
| 218 | 2,101 | 24,755 | 38,851 | 0.73 | 241.48 |
| 476 | 1,918 | 26,102 | 39,860 | N/A | 248.91 |
| 370 | 1,725 | 31,309 | 71,809 | N/A | 446.02 |
| 266 | 1,523 | 39 | 41,399 | N/A | 252.69 |
| 156 | 1,304 | 45 | 39,099 | N/A | 237.47 |

County of Scott, Iowa

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

| Fiscal Year | General Bonded Debt Outstanding General Obligation Bonds | Percent of Debt to Assessed Value | Per Capita* |
|----------------|--|--|----------------|
| 1999 | \$ 6,635,000 | 11.00% | \$ 41.84 |
| 2000 | 5,915,000 | 0.09 | 37.09 |
| 2001 | 5,640,000 | 0.08 | 35.55 |
| 2002 | 10,435,000 | 0.15 | 65.77 |
| 2003 | 9,825,000 | 0.13 | 61.18 |
| 2004 | 9,245,000 | 0.12 | 57.46 |
| 2005 | 8,635,000 | 0.10 | 53.92 |
| 2006 | 8,000,000 | 0.09 | 49.69 |
| 2007 | 9,655,000 | 0.10 | 58.93 |
| 2008 | 8,760,000 | 0.09 | 53.20 |

* Calculated using population figure from Demographics and Economic Statistics Table.

Source: County records.

County of Scott, Iowa

Direct and Overlapping Governmental Activities Debt
 As of June 30, 2008
 (Unaudited)

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable | Estimated Share of Overlapping Debt |
|---|---------------------|---------------------------------------|--|
| Scott County | \$ 8,760,000 | 100.00% | \$ 8,760,000 |
| School Districts: | | | |
| Bettendorf Community | 10,380,000 | 100.00 | 10,380,000 |
| Durant Community | 2,452,554 | 26.04 | 638,544 |
| North Scott Community | 715,000 | 100.00 | 715,000 |
| Wheatland Community | 1,780,000 | 7.70 | 136,999 |
| Eastern Iowa Community College | 49,585,000 | 58.75 | 29,130,780 |
| Subtotal, School Districts | | | 41,001,323 |
| Cities: | | | |
| Bettendorf | 62,360,000 | 100.00 | 62,360,000 |
| Blue Grass | 593,912 | 100.00 | 593,912 |
| Buffalo | 365,000 | 100.00 | 365,000 |
| Davenport | 135,675,000 | 100.00 | 135,675,000 |
| Durant | 2,240,000 | 4.56 | 102,222 |
| Eldridge | 5,260,000 | 100.00 | 5,260,000 |
| LeClaire | 11,380,080 | 100.00 | 11,380,080 |
| Long Grove | 1,088,000 | 100.00 | 1,088,000 |
| Princeton | 1,000,000 | 100.00 | 1,000,000 |
| Walcott | 3,610,000 | 100.00 | 3,610,000 |
| Subtotal, Cities | | | 221,434,214 |
| Total direct and overlapping debt: | | | \$ 271,195,537 |

Source: County records

County of Scott, Iowa

Legal Debt Margin Information

As of June 30, 2007

(Unaudited)

| | 1999* | 2000 | 2001 | 2002 |
|---|----------------|----------------|----------------|----------------|
| Debt limit | \$ 315,761,413 | \$ 319,076,900 | \$ 347,055,848 | \$ 352,203,470 |
| Total net debt applicable to limit | 6,635,000 | 5,915,000 | 5,640,000 | 10,435,000 |
| Legal debt margin | \$ 309,126,413 | \$ 313,161,900 | \$ 341,415,848 | \$ 341,768,470 |
| Total net debt applicable to the limit as a percentage of debt limit | 2.15% | 1.89% | 1.65% | 3.05% |

Source: County records.

Legal Debt Margin Calculation for Fiscal Year 2007

| | |
|-----------------------------------|-------------------------|
| Assessed value | <u>\$ 9,941,670,692</u> |
| Debt limit (5% of assessed value) | <u>\$ 497,083,535</u> |
| Debt applicable to limit: | |
| General obligation bonds | 8,760,000 |
| Capital lease | <u>25,740,000</u> |
| Total net applicable to limit | <u>34,500,000</u> |
| Legal debt margin | <u>\$ 462,583,535</u> |

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | \$ 363,102,618 | \$ 392,500,605 | \$ 428,112,694 | \$ 451,734,795 | \$ 479,594,782 | \$ 497,083,535 |
| | 9,825,000 | 9,245,000 | 8,635,000 | 35,765,000 | 36,425,000 | 34,500,000 |
| | <u>\$ 353,277,618</u> | <u>\$ 383,255,605</u> | <u>\$ 419,477,694</u> | <u>\$ 415,969,795</u> | <u>\$ 443,169,782</u> | <u>\$ 462,583,535</u> |
| | 2.78% | 2.41% | 2.06% | 8.60% | 8.22% | 7.46% |

County of Scott, Iowa

**Demographic and Economic Statistics
Last Ten Calendar Years
(Unaudited)**

| Year | Population ¹ | Personal Income (000's) ² | Per Capita Personal Income ² | Farm Proprietors ³ | School Enrollment ⁴ | Unemployment Rate ⁵ |
|------|-------------------------|--|---|----------------------------------|-----------------------------------|-----------------------------------|
| 1999 | 158,591 | \$ 4,256,086 | \$ 26,807 | 830 | N/A | 3.0 |
| 2000 | 159,458 | 4,469,469 | 28,169 | 830 | 27,793 | 3.4 |
| 2001 | 158,668 | 4,677,783 | 29,507 | 780 | 27,500 | 3.9 |
| 2002 | 158,668 | 4,855,622 | 30,599 | 750 | 27,436 | 4.6 |
| 2003 | 160,582 | 4,945,087 | 31,131 | 740 | 27,328 | 4.7 |
| 2004 | 160,889 | 5,360,743 | 33,628 | 740 | 27,264 | 5.0 |
| 2005 | 160,141 | 5,613,427 | 35,036 | 730 | 27,216 | 4.5 |
| 2006 | 160,998 | 5,974,647 | 36,950 | 730 | 27,126 | 3.8 |
| 2007 | 163,835 | N/A | N/A | 730 | 27,316 | 3.8 |
| 2008 | 164,650 | N/A | N/A | N/A | N/A | 3.9 |

¹ Source: Woods and Pool Economics, Inc.

² Source: U.S. Department of Commerce, Bureau of Economic Analysis

³ Source: Iowa Department of Agriculture website "nass.usda.gov"

⁴ Source: Iowa Department of Education

⁵ Source: Iowa Workforce Development, 2008 Data Average Through June.

Note: Historical figures may be adjusted from prior publications due to re-benchmarking according to the various methodologies used by the individual sources.

County of Scott, Iowa

Principal Employers
Current Year and Nine Years Ago
(Unaudited)

| Employer | 1998 | | |
|--|-----------|------|---------------------------------------|
| | Employees | Rank | Percentage of Total County Employment |
| Genesis Medical Center | 2,900 | 1 | 3.3% |
| Davenport Community Schools | 2,537 | 2 | 2.9% |
| Alcoa | 2,500 | 3 | 2.9% |
| Oscar Mayer | 1,660 | 4 | 1.9% |
| City of Davenport | 1,234 | 5 | 1.4% |
| President Riverboat Casino & Blackhawk Hotel | 1,000 | 7 | 1.2% |
| Eastern Iowa Community College District | 902 | 8 | 1.0% |
| MidAmerican | 900 | 6 | 1.0% |
| Deere & Company (Davenport Works) | N/A | 9 | N/A |
| APAC Customer Service Inc. | 550 | 10 | 0.6% |

| Employer | 2008 | | |
|-----------------------------------|-----------|------|---------------------------------------|
| | Employees | Rank | Percentage of Total County Employment |
| Genesis Health System | 3,000+ | 1 | 3.4% |
| Alcoa | 2,200 | 2 | 2.5% |
| Kraft Foods | 1,600 | 3 | 1.8% |
| MidAmerican | 1,200 | 4 | 1.4% |
| Deere & Company (Davenport Works) | 1,200 | 5 | 1.4% |
| Farradays (Isle of Capri) | 1,000 | 6 | 1.1% |
| APAC Customer Services Inc | 900 | 7 | 1.0% |
| Rhythm City Casino | 700 | 8 | 0.8% |
| Sears Manufacturing | 600 | 9 | 0.7% |
| AT&T | 500 | 10 | 0.6% |

Sources: Dunn and Bradstreet Marketplace 2nd Qtr 2008 and responses from individual organizations, compiled by Bi-State Regional Commission

Note: Data provided is derived from multiple sources with varying levels of accuracy.

County of Scott, Iowa

Full-Time Equivalent County Government Employees by Function /Program
Last Ten Fiscal Years
(Unaudited)

| Function / Program | Fiscal Year | | | |
|--|---------------|---------------|---------------|---------------|
| | 1999 | 2000 | 2001 | 2002 |
| Public safety and legal services: | | | | |
| Attorney | 37.00 | 37.00 | 37.00 | 31.00 |
| Health | 2.76 | 2.76 | 2.90 | 2.90 |
| Juvenile Court Services | 11.00 | 11.80 | 12.40 | 12.40 |
| Sheriff | 135.70 | 136.70 | 137.70 | 140.70 |
| Physical health and social services: | | | | |
| Community Services | 8.75 | 9.70 | 9.20 | 9.70 |
| Health | 29.63 | 29.14 | 30.00 | 30.75 |
| Mental Health, Mental Retardation & Developmental Disabilities: | | | | |
| Community Services | 4.50 | 3.55 | 3.55 | 3.55 |
| County Environment and Education | | | | |
| Conservation | 39.60 | 40.60 | 40.60 | 40.60 |
| Planning & Development | 4.33 | 4.33 | 4.33 | 4.33 |
| Roads and Transportation | | | | |
| Secondary Roads | 33.10 | 33.40 | 33.40 | 33.40 |
| Governmental services to residents: | | | | |
| Auditor | 6.00 | 6.00 | 6.00 | 6.00 |
| Recorder | 14.00 | 14.00 | 14.00 | 13.00 |
| Treasurer | 15.00 | 15.00 | 15.00 | 14.70 |
| Administration: | | | | |
| Administration | 2.70 | 2.70 | 2.70 | 3.70 |
| Auditor | 9.40 | 9.40 | 9.40 | 9.40 |
| Facility & Support Services | 17.79 | 17.79 | 19.24 | 23.74 |
| Human Resources | 7.50 | 7.50 | 7.50 | 7.50 |
| Information Technology | 14.50 | 15.50 | 15.50 | 10.00 |
| Non-Departmental | - | - | - | - |
| Supervisors, Board of | 5.00 | 5.00 | 5.00 | 5.00 |
| Treasurer | 13.60 | 13.60 | 13.60 | 13.90 |
| Total | 411.86 | 415.47 | 419.02 | 416.27 |

Source: Scott County Year-End Actual Revenue and Expenditure Reports

| Fiscal Year | | | | | |
|-------------|--------|--------|--------|--------|--------|
| 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| 30.63 | 30.63 | 30.63 | 30.75 | 30.75 | 31.00 |
| 2.30 | 4.90 | 4.90 | 7.30 | 8.30 | 8.30 |
| 15.20 | 15.20 | 14.20 | 14.20 | 14.20 | 14.20 |
| 141.70 | 154.15 | 159.65 | 166.10 | 164.10 | 166.10 |
| 9.20 | 9.20 | 8.70 | 8.70 | 8.70 | 8.70 |
| 31.85 | 31.25 | 32.25 | 31.85 | 29.85 | 30.85 |
| 3.80 | 3.80 | 3.80 | 3.80 | 3.80 | 3.80 |
| 40.60 | 40.60 | 41.60 | 41.60 | 41.60 | 41.60 |
| 4.33 | 4.08 | 4.08 | 4.08 | 4.08 | 4.08 |
| 33.40 | 35.15 | 35.15 | 35.15 | 35.15 | 35.15 |
| 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| 13.00 | 13.00 | 12.00 | 12.00 | 11.50 | 11.50 |
| 14.20 | 14.20 | 14.20 | 14.20 | 14.20 | 14.20 |
| 3.70 | 3.70 | 3.10 | 3.10 | 3.10 | 3.10 |
| 9.40 | 9.40 | 9.40 | 9.40 | 9.90 | 9.90 |
| 23.74 | 23.74 | 24.19 | 24.19 | 28.69 | 28.69 |
| 7.50 | 7.50 | 4.50 | 4.50 | 4.50 | 4.50 |
| 10.00 | 10.00 | 10.00 | 11.00 | 11.00 | 11.00 |
| - | - | - | - | - | - |
| 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| 14.40 | 14.40 | 14.40 | 14.40 | 14.40 | 14.40 |
| 419.95 | 435.90 | 437.75 | 447.32 | 448.82 | 452.07 |

County of Scott, Iowa

Operating Indicators by Function/Program
Last Ten Fiscal Years
(Unaudited)

| Function / Program | Fiscal Year | | | |
|---|-------------|--------|--------|--------|
| | 1999 | 2000 | 2001 | 2002 |
| Public Safety and Legal Services | | | | |
| Attorney: | | | | |
| # of felonies/aggravated field cases filed | 5,445 | 4,296 | 4,302 | 4,322 |
| Sheriff: | | | | |
| # of civil papers served | 13,379 | 12,383 | 13,571 | 14,311 |
| # of jail bookings | 5,061 | 5,254 | 6,789 | 7,780 |
| # of traffic citations written | - | - | 3,315 | 2,714 |
| # of 9-1-1 calls | 15,276 | 17,973 | 18,717 | 10,867 |
| Physical Health and Social Services | | | | |
| Community Services: | | | | |
| # of applications for general assistance | 4,918 | 4,612 | 5,353 | 6,506 |
| # of applications approved for general assist | 2,037 | 1,974 | 2,395 | 2,750 |
| # of requests for veteran services | 460 | 407 | 516 | 682 |
| # of invol commit filed for substance abuse | 172 | 152 | 141 | 184 |
| Health Department: | | | | |
| # of health related inmate contacts within jail | 3,417 | 2,386 | 2,334 | 2,583 |
| # of comm disease requiring investigation | 95 | 204 | 182 | 157 |
| # of environmental health inspections conducted | 3,719 | 4,443 | 3,801 | 3,986 |
| Mental Health, HR & DD | | | | |
| Community Services: | | | | |
| # of invol commit filed for mental health | 199 | 224 | 216 | 237 |
| # of persons with MH/CMI served | 2,936 | - | - | 3,221 |
| # of persons with MR/DD served | 450 | - | - | 493 |
| # of protective payee cases | 381 | 417 | 433 | 426 |
| County Environment and Education | | | | |
| Conservation: | | | | |
| # of camp sites available | 738 | 738 | 738 | 738 |
| # of rounds for golf course | 37,162 | 39,880 | 36,717 | 34,004 |
| Planning & Development: | | | | |
| # of building permits issued | 638 | 745 | 724 | 664 |
| Roads and Transportation: | | | | |
| Secondary Roads: | | | | |
| # of miles of road paved | 167 | 167 | 168 | 168 |
| # of bridges/culverts repaired/replaced | 104 | 102 | 103 | 99 |

(Continued)

Source: County records - Year-end Indicator Report

| Fiscal Year | | | | | |
|-------------|--------|--------|--------|--------|--------|
| 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| 4,152 | 4,641 | 4,832 | 5,077 | 4,845 | 4,814 |
| 14,973 | 15,069 | 15,620 | 14,764 | 14,479 | 14,879 |
| 8,257 | 9,343 | 9,876 | 10,859 | 11,658 | 9,747 |
| 1,882 | 4,003 | 3,114 | 3,502 | 2,068 | 2,233 |
| 11,830 | 12,088 | 11,767 | 11,088 | 11,580 | 13,002 |
| 7,354 | 7,822 | 6,575 | 6,446 | 6,524 | 7,544 |
| 3,025 | 4,133 | 3,490 | 3,354 | 3,569 | 3,797 |
| 911 | 1,026 | 1,055 | 1,613 | 814 | 982 |
| 244 | 213 | 241 | 289 | 340 | 260 |
| 2,762 | 2,520 | 4,509 | 3,795 | 3,979 | 5,434 |
| 153 | 234 | 122 | 302 | 369 | 285 |
| 3,806 | 3,124 | 3,955 | 3,987 | 4,363 | 4,464 |
| 263 | 218 | 322 | 304 | 338 | 335 |
| 3,667 | 3,777 | 4,115 | 4,015 | 4,136 | 4,078 |
| 502 | 529 | 518 | 560 | 572 | 570 |
| 441 | 430 | 434 | 398 | 401 | 390 |
| 738 | 788 | 788 | 788 | 788 | 788 |
| 33,316 | 33,012 | 30,803 | 30,898 | 27,196 | 27,765 |
| 550 | 653 | 613 | 691 | 622 | 603 |
| 168 | 175 | 176 | 176 | 176 | 176 |
| 100 | 98 | 102 | 104 | 140 | 213 |

County of Scott, Iowa

Operating Indicators by Function/Program (Continued)
 Last Ten Fiscal Years
 (Unaudited)

| Function / Program | Fiscal Year | | | |
|--|-------------|---------|---------|---------|
| | 1999 | 2000 | 2001 | 2002 |
| Governmental Services to Residents | | | | |
| Auditor: | | | | |
| # of elections | 16 | 25 | 14 | 26 |
| # of registered voters | 107,489 | 109,227 | 107,073 | 110,557 |
| Recorder: | | | | |
| # of real estate transactions recorded | 52,815 | 45,312 | 43,103 | 57,177 |
| # of vital statistics registered/issued | 21,748 | 21,657 | 21,593 | 22,393 |
| # of passport applications accepted | 124 | 223 | 280 | 389 |
| # of conservation privileges Issued | 25,010 | 4,044 | 4,255 | 2,524 |
| # of conservation licenses - ATV/Snow boat reg, titles and liens and privileges issued | 11,107 | 2,843 | 13,264 | 5,212 |
| Treasurer: | | | | |
| # of titles issued | 53,751 | 57,753 | 58,500 | 67,330 |
| Administration | | | | |
| Auditor: | | | | |
| # of real estate transactions processed | 8,726 | 8,384 | 7,659 | 8,108 |
| Facility & Support Service: | | | | |
| # of service calls | 1,462 | 1,414 | 2,655 | 3,273 |
| # of purchase requisitions received | 2,130 | 1,983 | 1,841 | 1,890 |
| # of pieces of outgoing mail | 596,146 | 548,658 | 568,504 | 548,028 |
| # of files imaged | 75,390 | 95,234 | 53,343 | 59,063 |
| Information Technology: | | | | |
| # of network users | - | 409 | 424 | 415 |
| # of 3rd party applications maintained | - | 41 | 62 | 90 |
| Treasurer: | | | | |
| # of prop tax/spec assessmt statutes issued | 150,559 | 157,538 | 166,091 | 166,932 |
| # of tax certificates issued | 1,799 | 2,056 | 2,027 | 1,613 |

| Fiscal Year | | | | | |
|-------------|---------|---------|---------|---------|---------|
| 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| 6 | 24 | 6 | 26 | 11 | 27 |
| 97,139 | 104,462 | 111,806 | 114,507 | 115,457 | 116,570 |
| 68,404 | 59,384 | 49,447 | 48,297 | 43,976 | 40,493 |
| 22,302 | 21,770 | 20,315 | 20,207 | 21,830 | 20,726 |
| 427 | 641 | 531 | 788 | 1,564 | 1,430 |
| 2,379 | 1,282 | 1,235 | 808 | 797 | N/A |
| 13,946 | 5,587 | 13,642 | 6,098 | 13,498 | 6,505 |
| 67,729 | 72,522 | 75,405 | 76,517 | 64,468 | 60,342 |
| 8,791 | 9,357 | 8,829 | 8,859 | 8,414 | 7,728 |
| 4,524 | 5,010 | 5,810 | 4,608 | 4,586 | 4,408 |
| 1,014 | 739 | 733 | 849 | 864 | 1,113 |
| 562,476 | 524,775 | 550,631 | 524,752 | 547,591 | 491,571 |
| 80,120 | 109,450 | 273,526 | 327,979 | 887,629 | 746,690 |
| 424 | 566 | 652 | 686 | 805 | 851 |
| 62 | 108 | 47 | 52 | 54 | 54 |
| 162,190 | 183,741 | 184,685 | 180,196 | 186,423 | 176,450 |
| 2,003 | 23 | 3,284 | 1,834 | 1,974 | 2,116 |

County of Scott, Iowa

**Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
(Unaudited)**

| Function / Program | Fiscal Year | | | |
|--------------------------------------|-------------|-------|-------|-------|
| | 1999 | 2000 | 2001 | 2002 |
| Public safety and legal services: | | | | |
| Sheriff | | | | |
| # of patrol cars | 45 | 45 | 46 | 48 |
| Physical health and social services: | | | | |
| Health Department | | | | |
| # of vehicles | 14 | 14 | 14 | 15 |
| County environment and education: | | | | |
| Conservation | | | | |
| # of acres managed | 1,795 | 2,795 | 2,795 | 2,795 |
| Planning and Development | | | | |
| # of vehicles | 2 | 2 | 2 | 2 |
| Roads and transportation: | | | | |
| Secondary Roads | | | | |
| # of vehicles | 61 | 61 | 61 | 61 |
| # of buildings | 9 | 9 | 9 | 10 |
| Administration: | | | | |
| Facility and Support Services | | | | |
| # of vehicles | 4 | 4 | 4 | 4 |
| # of buildings maintained | 8 | 7 | 11 | 11 |
| Non-Departmental (Risk Management) | | | | |
| # of vehicles | - | - | - | 1 |

Source: County records - Vehicle Report & FSS and Conservation Offices.

| Fiscal Year | | | | | |
|-------------|-------|-------|-------|-------|-------|
| 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| 53 | 48 | 62 | 54 | 54 | 55 |
| 15 | 16 | 18 | 13 | 13 | 13 |
| 2,795 | 2,795 | 2,795 | 2,795 | 2,795 | 2,795 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 61 | 61 | 61 | 61 | 61 | 61 |
| 10 | 10 | 10 | 10 | 10 | 10 |
| 5 | 5 | 4 | 6 | 6 | 5 |
| 11 | 12 | 12 | 12 | 12 | 12 |
| 1 | 1 | 1 | 6 | 6 | 1 |



Scott County

Iowa

COMPLIANCE

County of Scott, Iowa

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2008

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Pass-Through Grantor's Identifying Number | Federal Expenditures |
|--|---------------------------|--|-------------------------|
| U.S. Department of Agricultural Food and Nutrition Services | | | |
| (Passed through Iowa Department of Human Services): | | | |
| National School Lunch Program | 10.555 | N/A | \$ 14,519 |
| Food Stamp Program | 10.561 | N/A | 92,198 |
| | | | <u>106,717</u> |
| (Passed through Iowa Department of Public Health): | | | |
| Special Supplemental Nutrition Program For Women, Infants and Children (WIC) | 10.557 | 5887AO36 | 179,070 |
| Special Supplemental Nutrition Program For Women, Infants and Children (WIC) | 10.557 | 5888AO36 | 503,831 |
| Summer Food Health Inspection Grant | 10.559 | 101307 | 2,300 |
| | | | <u>685,201</u> |
| (Passed through Iowa Department of Agriculture and Land Stewardship), | | | |
| Iowa Farmers' Market Nutrition Program | 10.572 | 1191-05-36 | 622 |
| Iowa Farmers' Market Nutrition Program | 10.572 | N/A | 1,446 |
| | | | <u>2,068</u> |
| Total U.S. Department of Agricultural Food and Nutrition Services | | | <u>793,986</u> |
| U.S. Department of Justice | | | |
| (Passed through the Governor's Alliance on Substance Abuse): | | | |
| Justice Assistance Grant | 16.738 | 2006-DJ-BX-0377 | 28,715 |
| Justice Assistance Grant | 16.738 | 2007-DJ-BX-0265 | 201,230 |
| | | | <u>229,945</u> |
| (Passed through State of Iowa Department of Justice, Crime Victim Assistance Division): | | | |
| Stop Violence Against Women | 16.588 | VW-08-15 | 20,710 |
| (Passed through the Governor's Office of Drug Control Policy), | | | |
| Eastern Iowa Clan Lab Task Force | 16.710 | 06JAG/HS-A26 | 47,719 |
| Midwest High Intensity Drug Trafficking Area | 16.738 | I7PMWP556 | 63,951 |
| | | | <u>111,670</u> |
| Total U.S. Department of Justice | | | <u>362,325</u> |
| U.S. Department of Transportation | | | |
| National Highway Traffic Safety Administration | | | |
| (Passed through Iowa Department of Public Safety-Governor's Traffic Safety Division): | | | |
| Police Traffic Services | 20.600 | PAP 08-02, Task 05 | 9,482 |
| Police Traffic Services | 20.600 | PAP 07-02, Task 05 | 7,708 |
| Total U.S. Department of Transportation | | | <u>17,190</u> |

(Continued)

County of Scott, Iowa

Schedule of Expenditures of Federal Awards (Continued)
 Year Ended June 30, 2008

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Pass-Through Grantor's Identifying Number | Federal Expenditures |
|--|---------------------------|--|-------------------------|
| U.S. Department of Homeland Security | | | |
| (Passed through Iowa Disaster Services Division): | | | |
| Emergency Management Agency- State and Local Assistance Grant | 97.042 | N/A | 39,000 |
| (Passed through Iowa Homeland Security & Emergency Management Division): | | | |
| FY 2005 Law Enforcement Terrorism Prevention Program | 97.067 | FY2005-LETPP-LEIN6-06 | 67,569 |
| FY 2006 Law Enforcement Terrorism Prevention Program | 97.067 | FY2006-LETPP-LEIN6-06 | 217,675 |
| 2004 State Homeland Security Grant Program | 97.067 | 2004-GE-T4-0046 | 156,879 |
| | | | <u>442,123</u> |
| Total U.S. Department of Homeland Security | | | <u>481,123</u> |
| U.S. Department of Health and Human Services | | | |
| (Passed through Iowa Department of Health): | | | |
| Childhood Lead Poisoning Prevention | 93.197 | 5888LP07 | 42,557 |
| I-4 Project | 93.268 | 58871417 | 32,991 |
| I-4 Project | 93.268 | 58881468 | 19,901 |
| | | | <u>52,892</u> |
| Child Health Grant | 93.994 | 5887MH21 | 14,239 |
| Maternal Health Grant | 93.994 | 5887MH21 | 947 |
| Child Health Grant | 93.994 | 5888MH21 | 69,168 |
| Dental Health Grant | 93.994 | 5888MH21 | 6,850 |
| Maternal Health Grant | 93.994 | 5888MH21 | 45,689 |
| | | | <u>136,893</u> |
| Health Breast/Cervical Cancer Early Detection | 93.283 | 5888NB21 | 91,035 |
| Local Bioterrorism Grant | 93.283 | 8207 | 1,006 |
| Local Bioterrorism Grant | 93.283 | 8208 | 32,583 |
| Mosquito Surveillance Project | 93.283 | MOU-2008-ELC09 | 1,040 |
| Regional Bioterrorism | 93.283 | 5887BT12 | 10,040 |
| Regional Bioterrorism | 93.283 | 5888BT12 | 4,498 |
| | | | <u>140,202</u> |
| Directly Observed Therapy | 93.116 | MOU-2006-TB08 | 100 |
| Directly Observed Therapy | 93.116 | MOU-2008-TB12 | 3,535 |
| | | | <u>3,635</u> |
| HRSA EMS Disaster Preparedness | 93.889 | 5887EM181 | 4,242 |
| Total passed through Iowa Department of Health | | | <u>380,421</u> |

(Continued)

County of Scott, Iowa

Schedule of Expenditures of Federal Awards (Continued)
 Year Ended June 30, 2008

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Pass-Through Grantor's Identifying Number | Federal Expenditures |
|---|---------------------------|--|-------------------------|
| (Passed through Iowa Department of Human Services): | | | |
| Temporary Assistance for Needy Families | 93.558 | N/A | 100,154 |
| Child Care Development Fund | 93.596 | N/A | 24,315 |
| Foster Care | 93.658 | N/A | 58,595 |
| Adoption | 93.659 | N/A | 13,936 |
| Expansion Title XXI | 93.767 | N/A | 833 |
| Social Services Block Grant | 93.667 | N/A | 850,181 |
| Scott County Empowerment Agreement (DECAT) | 93.575 | N/A | 76,886 |
| Medical Assistance | 93.778 | N/A | 127,429 |
| | | | <u>1,252,329</u> |
| Total U.S. Department of Health and Human Services | | | <u>1,632,750</u> |
| Total expenditures of federal awards | | | <u>\$ 3,287,374</u> |

See Notes to Schedule of Expenditures of Federal Awards.

County of Scott, Iowa

Notes to Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County of Scott, Iowa and its discretely presented component units and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States and Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in the schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Note 2. Significant Accounting Policies

Revenue from federal awards is recognized when the County has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal grants is recognized when they become both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

Note 3. Pass-Through Funding

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

| Program Title | Federal CFDA Number | Amount Provided to Subrecipient |
|---|---------------------|---------------------------------|
| Infants and Children (WIC) | 10.557 | \$ 675,901 |
| Iowa Farmers' Market Nutrition Program | 10.572 | 2,068 |
| Justice Assistance Grant | 16.738 | 163,138 |
| Midwest High Intensity Drug Trafficking Area | 16.738 | 59,827 |
| Childhood Lead Poisoning Prevention | 93.197 | 1,870 |
| Law Enforcement Terrorism Prevention Program | 97.067 | 108,797 |
| Health Breast/Cervical Cancer Early Detection | 93.283 | 91,035 |
| Directly Observed Therapy | 93.116 | 3,635 |
| I-4 Project | 93.268 | 33,951 |
| HRSA EMS Disaster Preparedness | 93.889 | 4,242 |
| Maternal, Child Health, Dental Health Grant | 93.994 | 121,339 |
| | | <u>\$ 1,265,803</u> |

County of Scott, Iowa

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2008

| | Finding | Status | Corrective Action Plan or Other Explanation |
|---|---|----------------|---|
| Significant Deficiencies | | | |
| 07-II-A | The County does not have an adequate segregation of duties over the revenue transaction cycle and the cash disbursement cycle in the Sheriff's department. | Not corrected. | See response and corrective action plan at 08-II-A. |
| 07-II-B | The County Library does not have an adequate segregation of duties over the cash receipt and revenue transaction cycle. | Corrected. | |
| Significant Deficiencies in Administering Federal Awards | | | |
| 07-III-A | The County does not have an adequate system in place for monitoring subrecipient eligibility activities. | Corrected. | |
| Other Findings Related to Required Statutory Reporting | | | |
| 07-IV-K | The County did not publish a report of receipts, disbursements and ending cash balances of each fund with the warrant/checks outstanding against each fund during the year. | Not corrected. | See response and corrective action plan at 08-IV-K. |



Scott County

Iowa

McGladrey & Pullen

Certified Public Accountants

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 Board of Supervisors
County of Scott, Iowa
Davenport, Iowa

We have audited the 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 County of Scott, Iowa as of and for the year ended June 30, 2008, which collectively comprise the County of Scott, Iowa's basic financial statements and have issued our report thereon dated November 13, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Scott, Iowa's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Scott Iowa's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Scott, Iowa's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described as 08-II-A in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe the significant deficiency described above is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Scott Iowa's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance or other matters that are described in Part IV of the accompanying schedule of findings and questioned costs.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2008 are based exclusively on knowledge obtained from procedures performed during our audit of the basic financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters in Section IV of the schedule of findings and questioned costs are not intended to constitute legal interpretation of those statutes.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

We noted certain matters that we reported to management of the County in a separate letter dated November 13, 2008.

This report is intended solely for the information and use of management, the Board of Supervisors, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

McGladrey & Pullen, LLP

Davenport, Iowa
November 13, 2008

McGladrey & Pullen

Certified Public Accountants

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

To the Board of Supervisors
County of Scott, Iowa
Davenport, Iowa

Compliance

We have audited the compliance of the County of Scott, Iowa with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The County of Scott, Iowa's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County of Scott Iowa's management. Our responsibility is to express an opinion on the County of Scott, Iowa's compliance based on our audit.

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

In our opinion, the County of Scott, 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, 2008.

Internal Control Over Compliance

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

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by any entity's internal control.

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

This report is intended solely for the information and use of management, the Board of Supervisors, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

McGladrey & Pullen, LLP

Davenport, Iowa
November 13, 2008

County of Scott, Iowa

Schedule of Findings and Questioned Costs
Year Ended June 30, 2008

I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported

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

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

Identification of major program:

| CFDA Number | Name of Federal Program or Cluster |
|-------------|--|
| 93.667 | Social Services Block Grant |
| 10.557 | Supplemental Nutrition Program for Women, Infants and Children (WIC) |

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

Auditee qualified as low-risk auditee? Yes No

(Continued)

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2008

II. Findings Related to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

A. Significant Deficiencies in Internal Control

08-II-A

Finding: A good internal control contemplates an adequate segregation of duties so that no one individual handles a transaction from its inception to its completion. The County of Scott, Iowa's Sheriff's Department has an improper segregation of duties over the cash receipt and cash disbursement cycles.

Condition: The office administrator reconciles the bank statement, has the ability to generate checks and has access to the electronic signature stamp.

Criteria: A system of internal control contemplates an adequate segregation of duties. An adequate segregation of duties requires that no one individual shall handle a transaction from inception to completion.

Context: Pervasive to Sheriff's Department cash receipts and disbursements.

Effect: Transaction errors occurred and were not detected in a timely manner.

Recommendation: We recommend removing access of the signature stamp from the individuals performing the check writing function. Also, we recommend an individual independent of the cash reconciliation process review the reconciliations and bank statements for completeness.

Response and Corrective Action Plan: The Sheriff's Department will review the system and will consider the above mentioned recommendations.

B. Compliance Findings

None

III. Findings and Questioned Costs for Federal Awards

A. Significant Deficiencies in Internal Control

None

B. Instance of Noncompliance

None

(Continued)

County of Scott, Iowa

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2008

IV. Other Findings Related to Required Statutory Reporting

08-IV-A Certified Budget: Disbursements during the year ended June 30, 2008 did not exceed the amounts budgeted.

08-IV-B Questionable Expenditures: No expenditures were noted that may not meet the requirements of public purpose as defined in the Attorney General's opinion dated April 25, 1979.

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

08-IV-D Business Transactions: No business transactions between the County and County officials or employees were noted.

08-IV-E Bond Coverage: Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.

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

08-IV-G Deposits and Investments: No instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the County's investment policy were noted.

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

08-IV-I Capital Lease Purchase Agreements: No lease purchase agreements were entered into in the current year by the County.

08-IV-J County Extension Office: The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the state of Iowa. This fund is administered by an extension council separate and distinct from County operations.

Disbursements during the year ended June 30, 2008 for the County Extension Office did not exceed the amount budgeted.

08-IV-K County Treasurer Report: According to Chapter 349.16(3) of the Code of Iowa, the County Treasurer shall publish a report of the receipts, disbursements and ending cash balances of each fund with the warrant/checks outstanding against each fund. During the year ended June 30, 2008, this report was not published.

Recommendation: The County should prepare and publish the report per the requirements of the code.

Response: We will obtain the necessary documentation and prepare the report as required by the code. The report will be published in the same media used for other publications of the County.

Conclusion: Response accepted.

County of Scott, Iowa

Corrective Action Plan
Year Ended June 30, 2008

| Current Number | Comment | Corrective Action Plan | Anticipated Date of Completion | Contact Person |
|---|---|---|--------------------------------|----------------|
| Significant Deficiencies | | | | |
| 08-II-A | The County does not have an adequate segregation of duties over the revenue transaction cycle and the cash disbursement cycle in the Sheriff's department. | See response and corrective action plan at 08-II-A. | June 2009 | Pam Bennett |
| Other Findings Related to Required Statutory Reporting | | | | |
| 08-IV-K | The County did not publish a report of receipts, disbursements and ending cash balances of each fund with the warrant/checks outstanding against each fund during the year. | See response and corrective action plan at 08-IV-K. | June 2009 | Craig Hufford |