

# COUNTY OF SCOTT, IOWA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

**Year Ended June 30, 2010**

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Prepared by

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Accounting and Tax Manager  
Office of County Auditor

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Financial Management Supervisor  
Office of County Treasurer

Sarah Kautz  
Budget Manager  
Office of County Administrator



# **INTRODUCTORY**



# County of Scott, Iowa

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County of Scott, Iowa

County Officials

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Official Title	Official	Term Expiration Date of Elected Officials
<b>Elected Officials</b>		
Supervisor, Chairperson	Chris Gallin	2011
Supervisor	James Hancock	2013
Supervisor	Larry Minard	2015
Supervisor	William P. Cusack	2015
Supervisor	Tom Sunderbruch	2013
Attorney	Mike Walton	2015
Auditor	Roxanna Moritz	2013
Recorder	Rita Vargas	2015
Sheriff	Dennis Conard	2013
Treasurer	Bill Fennelly	2015

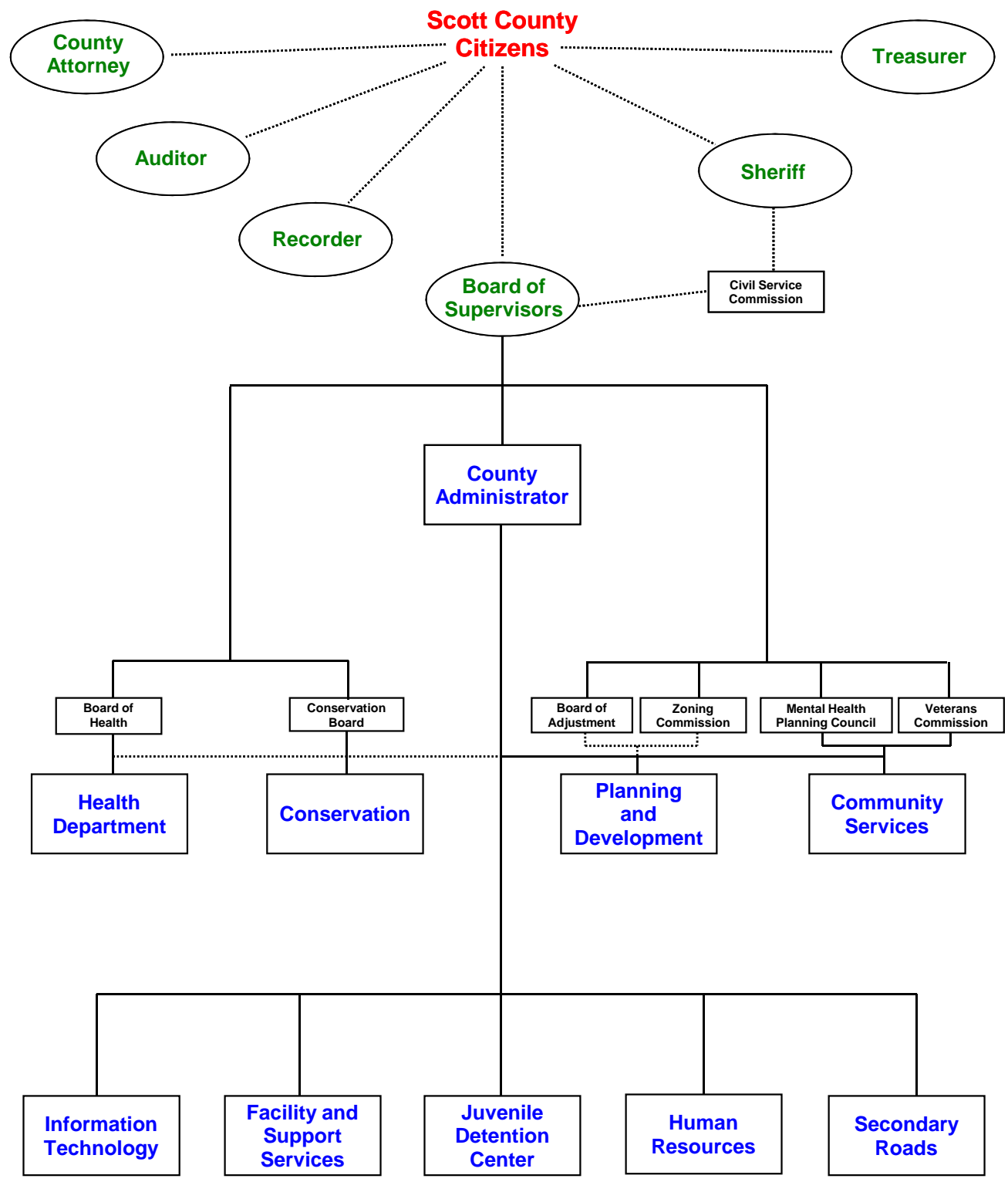
**Administration**

County Administrator	Dee F. Bruemmer
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**Department Heads**

Community Services	Lori Elam
Conservation	Roger Kean
Facility and Support Services	Dave Donovan
Health	Lawrence Baker
Human Resources	Mary Thee
Information Technology	Matt Hirst
Juvenile Detention Center	Jeremy Kaiser
Planning and Development	Tim Huey
Secondary Roads	John Burgstrum

# 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, 2009

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.

Executive Director



A stylized handwritten signature in black ink, appearing to read "JEFFREY R. EMER".

President

A handwritten signature in black ink, reading "Jeffrey R. Emer".



**OFFICE OF THE COUNTY ADMINISTRATOR**

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December 17, 2010

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, 2010.

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.

Baker Tilly Virchow Krause, LLP, Certified Public Accountants, have issued an unqualified (“clean”) opinion of Scott County’s financial statements for the year ended June 30, 2010. 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.

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, 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, the City of Davenport, and the City of LeClaire; 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 15<sup>th</sup> 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 359,077 which is a 2.3% increase over the 1990 census count of 350,861, the estimated population for the MSA for 2009 is 362,790. The U. S. Census Bureau's 2000 population of Scott County was 158,669, 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 estimate for 2009 for Scott County's population is 166,650. Recently the MSA was expanded to include the numbers for Mercer County (Illinois). The 2000 U.S. Census Bureau number for the four county MSA was 376,034 and its 2009 estimate for this expanded MSA is 379,066, which is an increase of only 0.8%.

The Quad-Cities has been historically known as an industrial, retail/service and transportation center. In the last thirty 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 Quad Cities and Scott County have not escaped the impacts of the current national recession. Some of the largest layoffs announced in 2008 and 2009 have been ALCOA 400 jobs, John Deere Davenport Works 305 jobs, Q-C Die Casting closing with the loss of 100 jobs, and Seaford Clothing shutdown with the loss of 330 jobs. Additionally as part of the Base Closure and Realignment Commission (BRAC) process the Rock Island Arsenal, the region's largest employer, will see a net loss of 1,100 civilian jobs by 2011. However in 2010 there has been indications of a turn around, in the second half of this year ALCOA recalled all its laid off workers and added 40 production jobs. Just recently ALCOA announced the creation of over 100 new production jobs to be filled in early 2011. In the Illinois Quad Cities, Mandus Group/Spirit Partners, a Defense Department contracting company, will create 60 jobs at its new location in Rock Island.

The annual average labor force in the Quad Cities MSA (four county) was 199,904 in 2000. The annual average labor force for Scott County was 86,140 in 2000, which was a 9.5% increase over the 1990 annual average labor force of 78,660 for the county. The annual average labor force for the MSA in 2009 was 226,354 and for Scott County was 89,140 which was a 13.2% and 3.5% increase, respectively from 2000. 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 recently risen to the current rates for 2008 of 5.2% and 4.2%, respectively. In 2009 they rose to 7.0% for the MSA and 5.6% for Scott County and in May 2010 they were at 7.9% for the MSA and 6.7% for Scott County, which actually compares favorably with the estimated national figure of 9.7%.

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 106% over the twenty-year period. The median household income in 2008 in Scott County increased another 22% over the 2000 figure to \$52,013, just a shade under the 2008 U.S. median household income of \$52,029. In 2010 the median household income for the MSA was \$48,091 and for Scott County it was \$52,218.

New residential construction has slowed significantly in the Quad-Cities MSA and Scott County after very strong years from 1999-2005. The total housing starts for the Quad Cities MSA were 892 in 2006, 722 in 2007, dropping to 458 in 2008, and 361 in 2009. 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 2495 new house permits have been issued in the MSA as a whole. 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 2006-2008, housing starts have started to slow with Scott County having 538 housing starts in 2006, 407 in 2007, 334 in 2008 and 239 in 2009. This is an average of 380 new house starts a year for Scott

County over that four year time period The Scott County figures represented 65% of the total Quad Cities MSA housing starts in 2006, 61% in 2007, 69% in 2008, and 66% in 2009.

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, \$162,300 in June, 2007 and \$164,300 in June, 2008. 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, \$112,200 in June, 2007 and \$159,400 in June, 2008. 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. From 2000 to 2008 median home values in Scott County jumped another 44% to \$133,200.

With the drastic decline in the national economic indicators slowing, the global credit crisis continuing and consumer confidence appearing to remain low it is encouraging that the 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 with BRAC the Arsenal will reduce positions 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 sector 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. The global, national and regional economic development marketing for the Quad Cities have been led by Quad Cities First, the regional marketing public-private partnership managed by the Chamber of Commerce. The recent consolidation of the two Chambers of Commerce into one Quad Cities wide organization has helped with these regional marketing efforts.. Scott County, as always, is part of those efforts.

### ***Long-Term Financial Planning***

Unreserved, undesignated fund balance in the general fund (17.8% of total general fund expenditures) falls within the policy guidelines set by the Board for budgetary and planning purposes (i.e., minimum of 15 percent of total general fund expenditures). Fiscal year 2010 ended with an increase in general fund balance of approximately \$2,432,000. During these challenging economic times, as the county faces cutbacks at the state level, retaining the current level of fund balance is important. At this time, it would be difficult to budget any projected increase. The County is continuing to find ways to reduce its costs for providing services through LEAN and other efficiency initiatives. This is very important as the County weathers this recession. We are committed to remain a county with a superior level of service at one of the lowest tax rates in the State of Iowa.

### ***Relevant Financial Policies***

It is Scott County's policy to use its share of riverboat gaming proceeds for capital projects. The County is currently using half of these funds toward pay as you go courthouse renovation projects, while the other half funds county- wide information technology initiatives.

## **Major Initiatives**

This year, the County completed the last phase of the GIS initiative which completes the 2003 Strategic Plan. . To guide the county through technology projects in the future, the board and staff completed a new 5 year IT Master Plan.

Two other goals of the Board include renovating courtrooms equipping them with current technology, and renovating the 3<sup>rd</sup> floor of the jail for Juvenile Court Services. This move will discontinue the leasing of downtown facilities and reduce the operating costs for the program.

## **Awards and Acknowledgements**

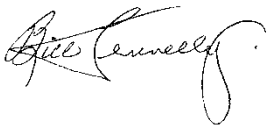
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Scott County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2009. This was the twenty-first consecutive year that Scott County has 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 15, 2010. 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. We appreciate the assistance of our independent auditors, especially through this first year transition period. 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



Roxanna Moritz  
County Auditor



Dee F. Bruemmer  
County Administrator





**FINANCIAL**





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## INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors  
of the 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, 2010, which collectively comprise the County of Scott's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Scott'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, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 18 to the financial statements, the County of Scott corrected the erroneous financial reporting of the County Assessor Conference Board, County Assessor Special Conference Board, City Assessor Conference Board and City Assessor Special Conference Board funds from discretely presented component units to agency funds effective June 30, 2009.

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

In accordance with *Government Auditing Standards*, we have issued our report dated December 17, 2010 on our consideration of the County of Scott's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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, the budgetary comparison information and the schedule of funding progress as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Scott's basic financial statements. The combining and individual fund financial statements and schedules, 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. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. As described in Note 18 to the financial statements, the County restated the June 30, 2009 balances of the combining statement of changes in assets and liabilities, all agency funds.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, "*Audits of States, Local Governments, and Non-Profit Organizations*" and is also 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 "Introductory Section" and "Statistical Section" 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 of the County of Scott, Iowa. The 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 such information.

*Baker Tilly Vinchow Krause, LLP*

Milwaukee, Wisconsin  
December 17, 2010

## County of Scott, Iowa

### Management's Discussion and Analysis (Unaudited) Year Ended June 30, 2010

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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, 2010. 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, 2010 and 2009 by \$83,774,736 and \$79,374,633 (net assets), respectively. Of this amount, \$3,013,147 and \$2,582,190, respectively, may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net assets increased by \$4,400,103 during the year ended June 30, 2010 and decreased by \$118,788 during the year ended June 30, 2009.

As of June 30, 2010, the County of Scott's governmental funds reported combined ending fund balances of \$25,840,547, an increase of \$6,221,529 in comparison with 2009. Approximately 70 percent of this total amount, \$18,026,122 is available for spending at the government's discretion (unreserved undesignated fund balance). As of June 30, 2009, the County of Scott's governmental funds reported combined ending fund balances of \$19,619,018, a decrease of \$561,678 in comparison with 2008. Approximately 62 percent of this total amount, \$12,254,301, is available for spending at the government's discretion (unreserved undesignated fund balance).

As of June 30, 2010, unreserved undesignated fund balance for the General Fund was \$7,618,061 or 17.8 percent of total General Fund expenditures and \$5,956,480 or 14 percent for 2009.

The County of Scott, Iowa's total long-term debt, excluding compensated absences, other postemployment benefits and claims payable, increase by \$8,025,576 during fiscal year June 30, 2010 and decreased by \$2,410,072 during fiscal year June 30, 2009. The increase in 2010 was attributable to the issuance of \$10,445,000 of new bonds offset by scheduled payments on bonds and the decrease in 2009 was attributed to scheduled payments on 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 (Unaudited) Year Ended June 30, 2010

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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, 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 16 through 19 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 20 through 25 of this report.

## County of Scott, Iowa

### Management's Discussion and Analysis (Unaudited) Year Ended June 30, 2010

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Proprietary funds: The County of Scott maintains two types of proprietary funds: enterprise and internal service. 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. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County of Scott's various functions. The County of Scott maintains one internal service 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.

The basic proprietary fund financial statements can be found on pages 26 through 28 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 \$226,183,991 and \$221,225,446 for the years ended June 30, 2010 and 2009, respectively.

The basic fiduciary fund financial statements can be found on page 29 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 and other postemployment benefit plan schedule of funding progress. This information can be found on pages 59 through 61 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.

## County of Scott, Iowa

### Management's Discussion and Analysis (Unaudited) Year Ended June 30, 2010

#### 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 increased from a year ago from \$79,374,633 to \$83,774,736.

Of the County of Scott's net assets, 89 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 \$74,845,001 for 2010 and \$71,029,091 for 2009. 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	
	2010	2009	2010	2009	2010	2009
Current and other assets	81,404,184	63,646,707	(2,972,083)	(2,681,577)	78,432,101	60,965,130
Capital assets	102,788,724	96,537,372	2,056,240	2,125,994	104,844,964	98,663,366
<b>Total assets</b>	<b>184,192,908</b>	<b>160,184,079</b>	<b>(915,843)</b>	<b>(555,583)</b>	<b>183,277,065</b>	<b>159,628,496</b>
Noncurrent liabilities outstanding	39,833,705	31,366,315	611,802	843,562	40,445,507	32,209,877
Other liabilities	58,188,485	47,155,979	868,337	888,007	59,056,822	48,043,986
<b>Total liabilities</b>	<b>98,022,190</b>	<b>78,522,294</b>	<b>1,480,139</b>	<b>1,731,569</b>	<b>99,502,329</b>	<b>80,253,863</b>
Net assets (deficit):						
Invested in capital assets, net of related debt	73,643,761	70,017,361	1,201,240	1,011,730	74,845,001	71,029,091
Restricted	5,592,181	5,438,952	324,407	324,400	5,916,588	5,763,352
Unrestricted (deficit)	6,934,776	6,205,472	(3,921,629)	(3,623,282)	3,013,147	2,582,190
<b>Total net assets (deficit)</b>	<b>86,170,718</b>	<b>81,661,785</b>	<b>(2,395,982)</b>	<b>(2,287,152)</b>	<b>83,774,736</b>	<b>79,374,633</b>

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 2010 and 2009 consist of \$2,849,754 and \$3,229,346 for debt service, \$1,499,167 and \$1,713,646 for mental health and \$370,604 and \$273,409 for secondary roads, \$663,173 and \$-0- for other statutory programs, respectively. An additional \$533,890 and \$546,951 is restricted by external third parties, respectively. The remaining balance of unrestricted net assets, \$3,013,147 for 2010 and \$2,582,190 for 2009, 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 for governmental activities. The same situation held true for the prior fiscal year.

The County's total net assets increased by \$4,400,103 during the current fiscal year as compared to a decrease of \$118,788 in 2009. The governmental-type activities' net assets increased by \$4,508,933 in 2010 and \$74,745 in 2009. The increase in 2010 was due to secondary roads contributed to the County by the state. The total business-type activities' net assets decreased by \$108,831 in 2010 and \$193,533 in 2009. The decreases in 2009 and 2010 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, 2010 and 2009. These two main components are subtracted to yield the change in net assets. This table utilizes the full accrual method of accounting.



County of Scott, Iowa

Management's Discussion and Analysis (Unaudited)  
Year Ended June 30, 2010

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	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	5,015,579	5,021,603	912,712	949,445	5,928,291	5,971,048
Operating grants and contributions	11,912,913	12,233,452	-	-	11,912,913	12,233,452
Capital grants and contributions	6,674,252	1,184,458	-	-	6,674,252	1,184,458
General revenues:						
Taxes:						
Property taxes	36,228,794	34,113,141	-	-	36,228,794	34,113,141
Local option sales tax	3,637,825	3,602,230	-	-	3,637,825	3,602,230
Gaming	676,255	748,920	-	-	676,255	748,920
Other taxes	63,470	66,852	-	-	63,470	66,852
Utility tax replacements	1,395,383	1,348,776	-	-	1,395,383	1,348,776
Penalties, interest and costs on taxes	790,006	847,456	-	-	790,006	847,456
State tax replacement credits	4,826,563	5,183,554	-	-	4,826,563	5,183,554
State shared revenues	3,101,887	2,743,735	-	-	3,101,887	2,743,735
Payments in lieu of taxes	6,828	9,046	-	-	6,828	9,046
Investment earnings	188,207	674,859	6	1,276	188,213	676,135
Miscellaneous	868,990	702,537	-	-	868,990	702,537
<b>Total revenues</b>	<b>75,386,952</b>	<b>68,480,619</b>	<b>912,718</b>	<b>950,721</b>	<b>76,299,670</b>	<b>69,431,340</b>
Expenses:						
Public safety and legal services	27,972,373	20,925,221	-	-	27,972,373	20,925,221
Physical health and social services	6,238,358	6,180,832	-	-	6,238,358	6,180,832
Mental health	14,484,152	14,605,242	-	-	14,484,152	14,605,242
County environment and education	4,044,619	4,882,023	-	-	4,044,619	4,882,023
Roads and transportation	6,219,535	7,461,585	-	-	6,219,535	7,461,585
Government services to residents	2,167,664	2,821,526	-	-	2,167,664	2,821,526
Administration	8,294,027	10,135,767	-	-	8,294,027	10,135,767
Debt service, interest	1,457,291	1,393,678	-	-	1,457,291	1,393,678
Golf course	-	-	1,021,548	1,144,254	1,021,548	1,144,254
<b>Total expenses</b>	<b>70,878,019</b>	<b>68,405,874</b>	<b>1,021,548</b>	<b>1,144,254</b>	<b>71,899,567</b>	<b>69,550,128</b>
<b>Increase in net assets</b>	<b>4,508,933</b>	<b>74,745</b>	<b>(108,830)</b>	<b>(193,533)</b>	<b>4,400,103</b>	<b>(118,788)</b>
Net assets (deficit), beginning	81,661,785	81,587,040	(2,287,152)	(2,093,619)	79,374,633	79,493,421
Net assets (deficit), ending	<b>\$ 86,170,718</b>	<b>\$ 81,661,785</b>	<b>\$ (2,395,982)</b>	<b>\$ (2,287,152)</b>	<b>\$ 83,774,736</b>	<b>\$ 79,374,633</b>

County of Scott, Iowa

Management's Discussion and Analysis (Unaudited)  
Year Ended June 30, 2010

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 2010	Total Cost of Services 2009	Net (Expense) of Services 2010	Net (Expense) of Services 2009
Public safety and legal services	27,972,373	20,925,221	(25,686,638)	(17,844,905)
Physical health and social services	6,238,358	6,180,832	(3,253,764)	(3,958,414)
Mental health	14,484,152	14,605,242	(7,514,662)	(6,441,660)
County environment and education	4,044,619	4,882,023	(2,629,295)	(3,580,961)
Roads and transportation	6,219,535	7,461,585	524,805	(7,307,004)
Government services to residents	2,167,664	2,821,526	536,486	242,192
Administration	8,294,027	10,135,767	(7,794,916)	(9,681,931)
Debt service, interest	1,457,291	1,393,678	(1,457,291)	(1,393,678)
<b>Total</b>	<b>\$ 70,878,019</b>	<b>\$ 68,405,874</b>	<b>\$ (47,275,275)</b>	<b>\$ (49,966,361)</b>

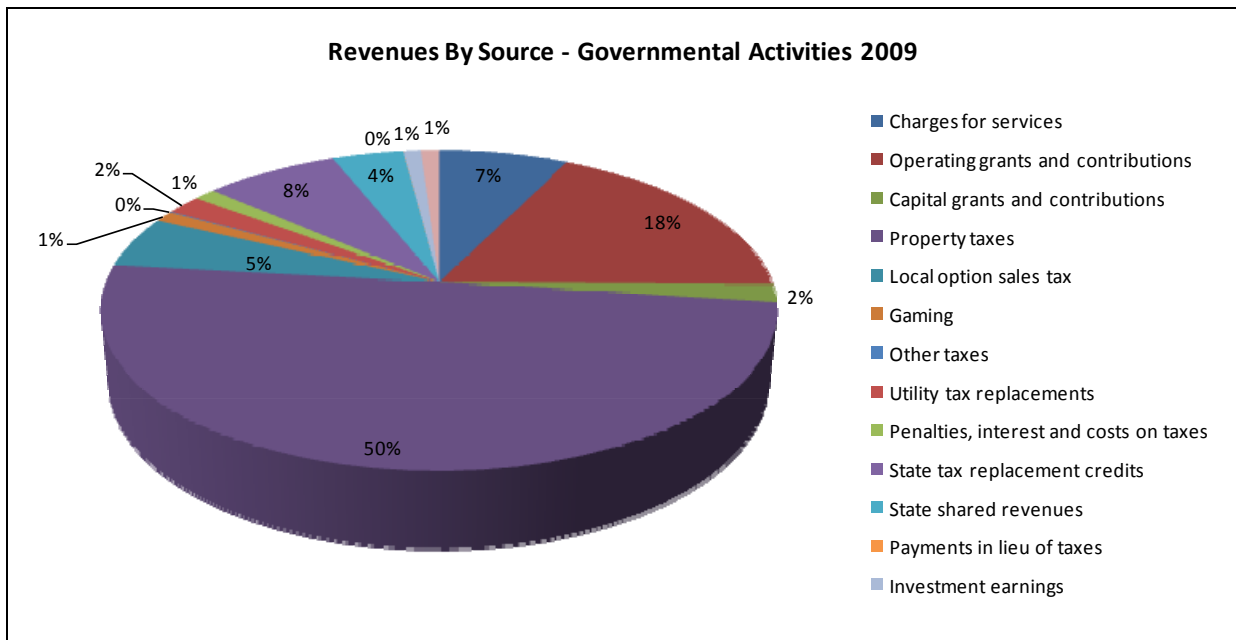
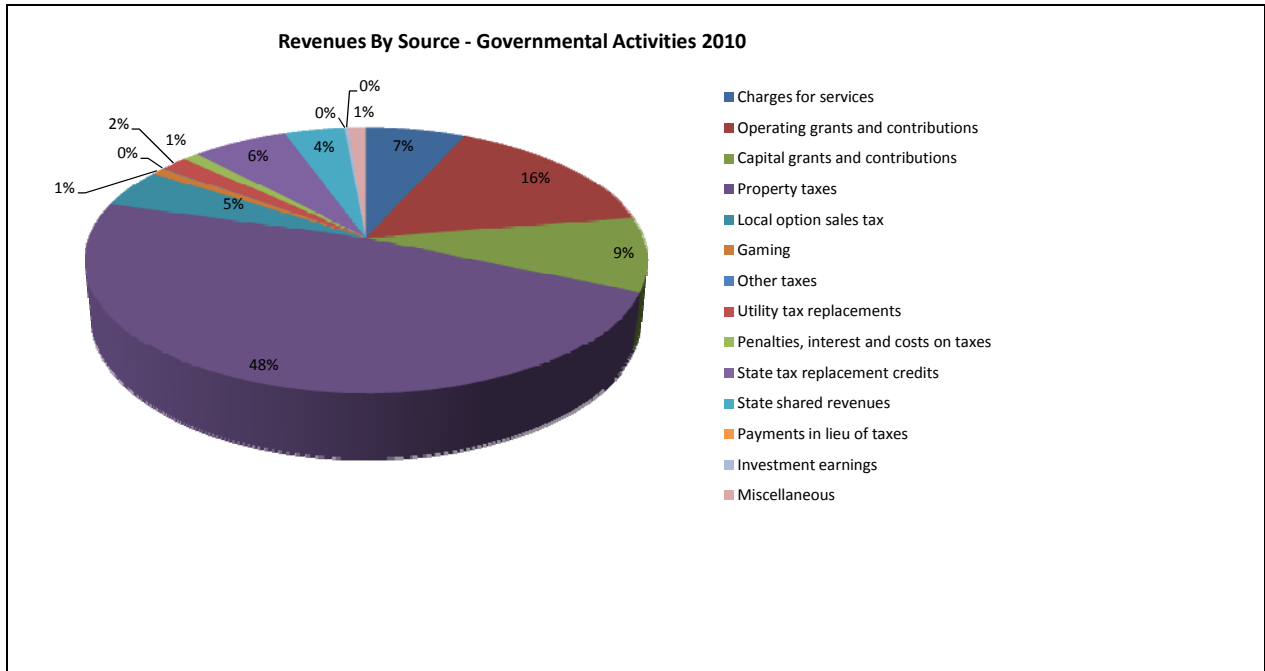
Net cost of services is 67 percent of total cost of services in 2010 and 73 percent in 2009. The County was able to maintain the net cost of services in the current year due to nontax revenues and fees being reviewed and adjusted on an ongoing basis.

County of Scott, Iowa

Management's Discussion and Analysis (Unaudited)  
 Year Ended June 30, 2010

Governmental Activities

The graphs below show the percentage of the total governmental activities revenues allocated by each revenue type for 2010 and 2009.

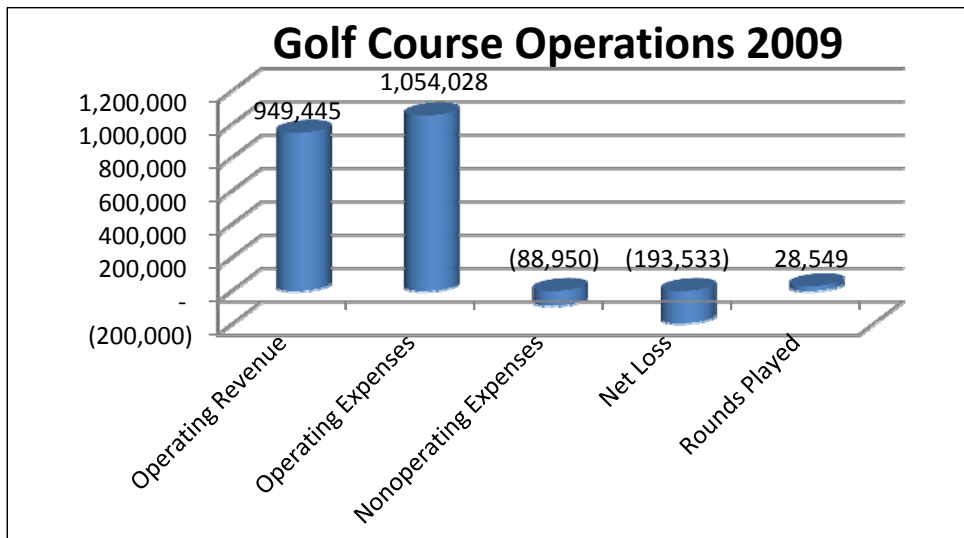
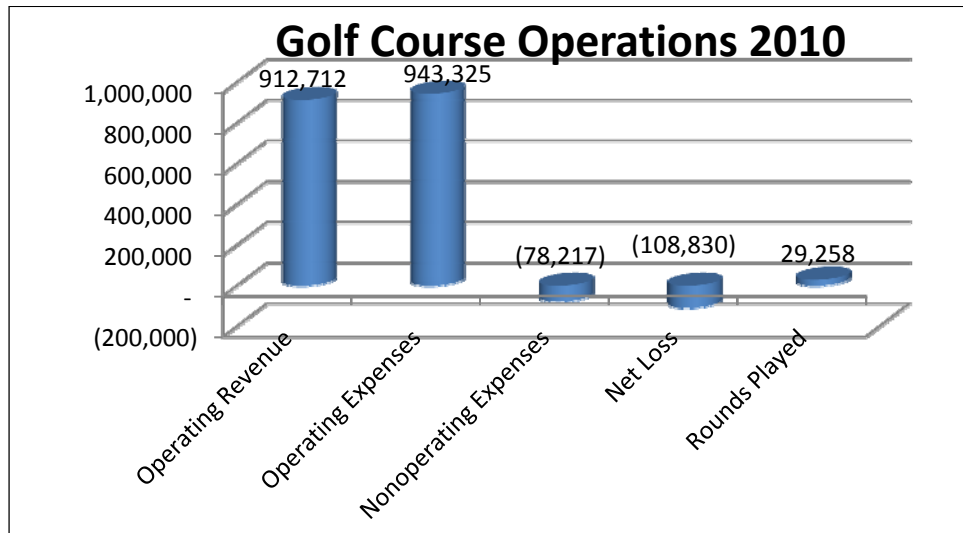


County of Scott, Iowa

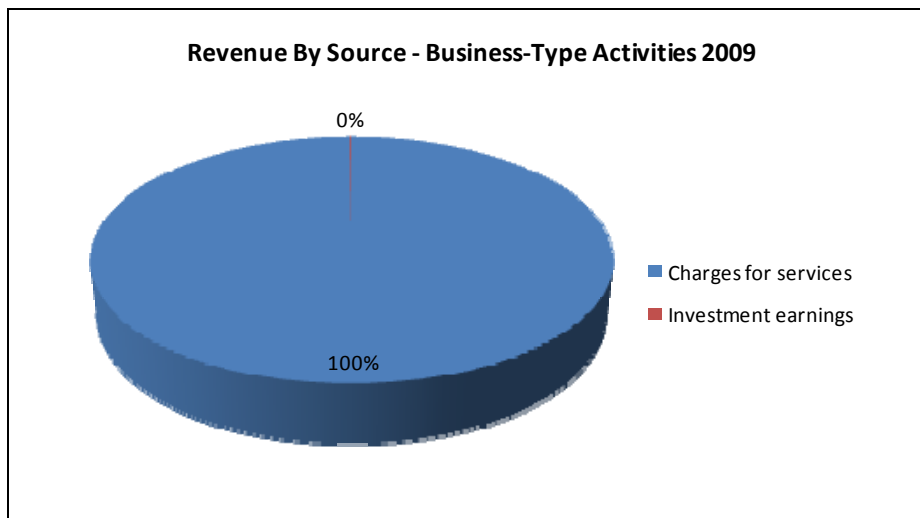
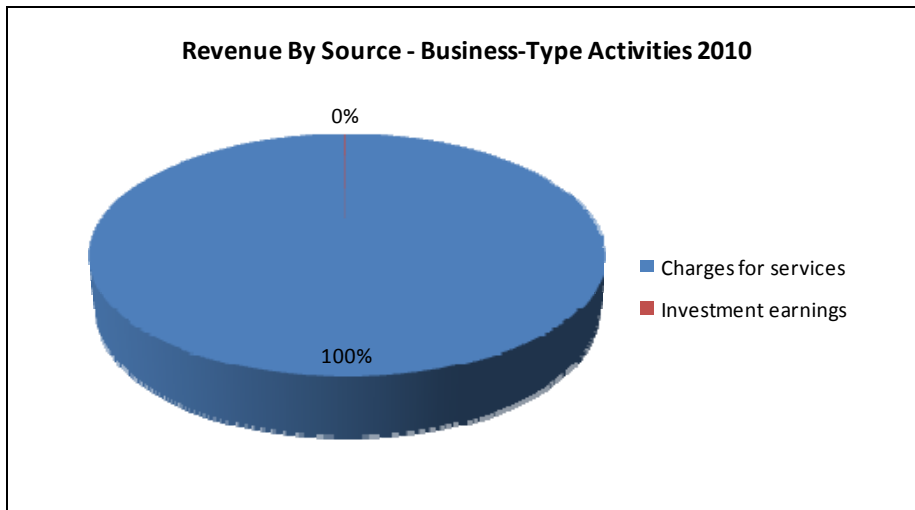
Management's Discussion and Analysis (Unaudited)  
Year Ended June 30, 2010

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Total business-type activities' revenue for the fiscal years ended June 30, 2010 and 2009 was \$912,718 and \$950,721, respectively. All but \$6 and \$1,276 of this revenue was generated for specific business-type activity expenditures. The graphs below show a comparison between the business-type activity expenditures and program revenues and operations for Glynn's Creek Golf Course in 2010 and 2009.



The graphs below show the breakdown of revenues by source for the business-type activities in 2010 and 2009.



**Business-type activities:** Business-type activities decreased the County of Scott's net assets by \$193,533 in the government's net assets in fiscal year ended June 30, 2009 compared to a decrease of \$108,830 in fiscal year ended June 30, 2010.

## County of Scott, Iowa

### Management's Discussion and Analysis (Unaudited) Year Ended June 30, 2010

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#### 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.

As of the end of the current fiscal year, the County of Scott, Iowa's governmental funds reported combined ending fund balances of \$25,840,547, an increase of \$6,221,529 in comparison with the prior year fund balance of \$19,619,018. Approximately 70 percent of the 2010 total amount, or \$18,026,122, and \$12,254,301, or 62 percent, for 2009 constitutes unreserved fund balance, which is available for spending at the government's discretion. However, approximately 58 percent of this unreserved amount, \$10,408,061 in 2010 and 51 percent or \$6,297,821 in 2009, 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 \$7,618,061 for 2010 and \$5,956,480 for 2009 while total fund balance reached \$12,523,796 for 2010 and \$10,091,851 for 2009. 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 18 and 14 percent of total General Fund expenditures for 2010 and 2009, respectively, while total fund balance also represents approximately 29 and 24 percent of that same amount for 2010 and 2009, respectively.

The fund balance of the County's General Fund increased by \$2,431,944 during the year ended June 30, 2010. The key factor in this increase was an increase in property tax revenues.

The fund balance of the County's General Fund increased by \$498,288 during the year ended June 30, 2009. The key factors in this increase are FEMA reimbursements and a decrease in expenditures as a result of various efficiency initiatives throughout the County.

The Secondary Roads Fund increased \$97,195 in 2010 from \$273,409 in 2009 from \$486,405 in 2008. The increase in fund balance relates to higher than anticipated revenues during the year.

The Capital Projects Fund increased \$4,256,930 in 2010 from \$4,053,819 in 2009. The increase in fund balance relates to debt issued for planned capital projects.

The Debt Service Fund decreased \$320,655 in 2010 from \$3,229,346 in 2009. The decrease in fund balance relates to the normal principal and interest payments on debt outstanding.

**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.

## County of Scott, Iowa

### Management's Discussion and Analysis (Unaudited) Year Ended June 30, 2010

#### 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 \$69,678,408 was decreased to \$69,198,716 (a decrease of \$479,692) mainly due to an expected decrease in investment earnings. Actual revenues received were \$68,675,605.
- The total original expenditure budget of \$72,628,952 was increased to \$82,618,072 (an increase of \$9,989,120) mainly for capital projects financed by a new bond issue. Specifically, the additional expenditures relate to emergency equipment. Actual expenditures were \$73,002,145.
- The total original budget for transfers in and out of \$8,310,159 was decreased \$188,565.

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, 2010 and 2009, amounts to \$104,844,964 and \$98,663,366 (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 2010 was 6 percent (a 6 percent increase for governmental activities and a 3 percent decrease for business-type activities). The total decrease in capital assets for 2009 was 2 percent (a 4 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, 2010 included Park Terrace Campground renovations at West Lake Park, St. Anne's Church improvements, emergency equipment purchases for SECC, phone system replacement, and courtroom renovations for technology.

Table 4 - County of Scott's Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	4,365,740	4,365,740	1,556,336	1,556,336	5,922,076	5,922,076
Construction-in-progress	10,341,643	4,369,853	-	-	10,341,643	4,369,853
Buildings	66,669,947	65,344,202	506,490	506,490	67,176,437	65,850,692
Improvements other than buildings	4,819,798	2,949,321	663,428	663,428	5,483,226	3,612,749
Infrastructure	80,969,658	80,068,048	62,374	62,374	81,032,032	80,130,422
Machinery and equipment	16,503,803	15,143,757	1,008,800	990,800	17,512,603	16,134,557
Accumulated depreciation	(80,881,865)	(75,703,549)	(1,741,188)	(1,653,434)	(82,623,053)	(77,356,983)
<b>Total</b>	<b>\$ 102,788,724</b>	<b>\$ 96,537,372</b>	<b>\$ 2,056,240</b>	<b>\$ 2,125,994</b>	<b>\$ 104,844,964</b>	<b>\$ 98,663,366</b>

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

County of Scott, Iowa

Management's Discussion and Analysis (Unaudited)  
Year Ended June 30, 2010

Debt: As of June 30, 2010, the County of Scott, Iowa had general obligation bonds outstanding totaling \$17,190,000, a lease agreement for the jail facility for \$23,560,000 and a purchase contract (business-type activities) outstanding for \$855,000. In the current year, the County governmental activities issued \$13,200,000 of new bonds and paid \$4,885,000 in principal and \$1,562,013 in interest on outstanding debt. Business-type activities paid \$289,424 in principal and \$73,597 in interest on outstanding debt in the current year.

As of June 30, 2009, the County of Scott, Iowa had general obligation bonds outstanding totaling \$7,765,000, a lease agreement for the jail facility for \$24,670,000 and a purchase contract and capital lease (business-type activities) outstanding totaling \$1,114,264. In the current year, the County governmental activities paid \$2,065,000 in principal and \$1,398,136 in interest on outstanding debt. Business-type activities paid \$351,177 in principal and \$92,873 in interest on outstanding debt in the current year.

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

	2010	2009	Maturity
<b>Governmental activities:</b>			
General obligation bonds	\$ 17,190,000	\$ 7,765,000	2029
Lease agreement	23,560,000	24,670,000	2025
Total governmental activities	<u>\$ 40,750,000</u>	<u>\$ 32,435,000</u>	
Business-type activities, purchase contract and capital lease	<u>\$ 855,000</u>	<u>\$ 1,114,264</u>	2013

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



## County of Scott, Iowa

### Management's Discussion and Analysis (Unaudited) Year Ended June 30, 2010

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#### Economic Factors and Next Year's Budgets and Rates

- The County of Scott increased the urban levy rate by 19.8% due to the new Scott Emergency Communication Center (SECC). The rural county levy rate increased by 13.8 percent for the budget year ending June 30, 2011 also for SECC. The increase in the levy rate will cover the debt service and operational costs for the new Emergency Communications Center. Even though the levy rate increased for SECC, the County actually lowered its general fund expenses related to the dispatch center. The tax base for the County of Scott increased 2.2 percent over the previous year.
- 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. The County's bargaining units that were up for negotiation were settled for under 2% for FY11 and will be renegotiated for FY12.
- The County's revenues are stable but flat and continue to remain at all-time low levels. ARRA funds in Medicaid will allow County MHDD programs to continue through one more fiscal year. Scott County has adjusted expenditures to meet flat revenue projections. This has been done through efficiencies such as LEAN programs, as well as the "Wall of Savings." The County will face funding challenges in the upcoming years as it undertakes a 5 year IT Master Plan with significant information technology projects and costs.

All of these factors were considered in preparing the County of Scott, Iowa's budget for the June 30, 2011 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 Dee F. Bruemmer, County Administrator, Scott County Administrative Center, 600 West 4<sup>th</sup> Street, Davenport, Iowa 52801-1003.

County of Scott, Iowa

Statement of Net Assets  
June 30, 2010

Assets	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Cash and investments	\$ 25,641,149	\$ 21,605	\$ 25,662,754	\$ 7,175,647
Cash and investments in escrow	-	324,407	324,407	-
Restricted cash and investments	209,483	-	209,483	-
Receivables:				
Property taxes	45,977,309	-	45,977,309	-
Accrued interest	517,853	-	517,853	-
Accounts	291,437	52,110	343,547	12,684
Loans	495,000	-	495,000	-
Due from other governmental agencies	2,639,085	-	2,639,085	904,615
Capital lease receivable from primary government	-	-	-	1,150,000
Inventories	-	6,528	6,528	-
<b>Total current assets</b>	<b>75,771,316</b>	<b>404,650</b>	<b>76,175,966</b>	<b>9,242,946</b>
Noncurrent assets:				
Receivables:				
Notes	113,358	-	113,358	-
Loans	1,885,000	-	1,885,000	-
Capital lease receivable from primary government	-	-	-	22,410,000
Internal balances	3,397,314	(3,397,314)	-	-
Unamortized bond issuance costs	237,196	20,581	257,777	139,501
Capital assets:				
Not depreciated:				
Land	4,365,740	1,556,336	5,922,076	16,600
Construction-in-progress	10,341,643	-	10,341,643	5,181,278
Depreciated:				
Buildings	66,669,947	506,490	67,176,437	1,297,266
Improvements other than buildings	4,819,798	663,428	5,483,226	-
Infrastructure	80,969,658	62,374	81,032,032	-
Machinery and equipment	16,503,803	1,008,800	17,512,603	1,635,474
Less accumulated depreciation	(80,881,865)	(1,741,188)	(82,623,053)	(549,601)
<b>Total capital assets</b>	<b>102,788,724</b>	<b>2,056,240</b>	<b>104,844,964</b>	<b>7,581,017</b>
<b>Total noncurrent assets</b>	<b>108,421,592</b>	<b>(1,320,493)</b>	<b>107,101,099</b>	<b>30,130,518</b>
<b>Total assets</b>	<b>\$ 184,192,908</b>	<b>\$ (915,843)</b>	<b>\$ 183,277,065</b>	<b>\$ 39,373,464</b>

See Notes to Basic Financial Statements

Liabilities and Net Assets	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Liabilities:				
Accounts payable	\$ 5,336,526	\$ 30,693	\$ 5,367,219	\$ 1,251,838
Current portion of claims payable	458,081	-	458,081	-
Accrued liabilities	1,166,526	26,347	1,192,873	94,778
Interest payable	58,936	502,988	561,924	119,743
Unearned revenue	47,167,200	23,569	47,190,769	103,178
Compensated absences	1,321,216	14,740	1,335,956	38,709
Current portion of general obligation bonds	1,530,000	-	1,530,000	-
Current portion of capital lease payable to component unit	1,150,000	-	1,150,000	-
Current portion of purchase contract	-	270,000	270,000	-
Current portion of notes payable	-	-	-	436,240
Current portion of revenue bonds	-	-	-	1,150,000
<b>Total current liabilities</b>	<b>58,188,485</b>	<b>868,337</b>	<b>59,056,822</b>	<b>3,194,486</b>
Noncurrent liabilities:				
Claims payable	381,357	-	381,357	-
Compensated absences	1,116,864	26,802	1,143,666	25,963
Other post employment benefits obligation	199,764	-	199,764	(2,638)
General obligation bonds payable, net bond premium	15,725,720	-	15,725,720	-
Capital lease payable to component unit	22,410,000	-	22,410,000	-
Purchase contract	-	585,000	585,000	-
Note payable, net discount	-	-	-	10,464,613
Revenue bonds payable, net bond discount	-	-	-	22,208,013
<b>Total noncurrent liabilities</b>	<b>39,833,705</b>	<b>611,802</b>	<b>40,445,507</b>	<b>32,695,951</b>
<b>Total liabilities</b>	<b>98,022,190</b>	<b>1,480,139</b>	<b>99,502,329</b>	<b>35,890,437</b>
Net assets (deficit):				
Invested in capital assets, net of related debt	73,643,761	1,201,240	74,845,001	3,312,908
Restricted for:				
Debt service	2,849,754	-	2,849,754	-
County conservation sewage treatment	209,483	-	209,483	-
Lease purchase contract	-	324,407	324,407	-
Other statutory programs	663,173	-	663,173	-
Mental health	1,499,167	-	1,499,167	-
Secondary roads	370,604	-	370,604	-
Capital project, jail expansion	-	-	-	213,775
Unrestricted	6,934,776	(3,921,629)	3,013,147	(43,656)
<b>Total net assets (deficit)</b>	<b>86,170,718</b>	<b>(2,395,982)</b>	<b>83,774,736</b>	<b>3,483,027</b>
<b>Total liabilities and net assets</b>	<b>\$ 184,192,908</b>	<b>\$ (915,843)</b>	<b>\$ 183,277,065</b>	<b>\$ 39,373,464</b>

County of Scott, Iowa

Statement of Activities  
Year Ended June 30, 2010

Functions / Programs	Program Revenues			
	Expenses	Charges for Sales and Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities:				
Public safety and legal services	\$ 27,972,373	\$ 992,171	\$ 1,293,564	\$ -
Physical health and social services	6,238,358	355,941	2,628,653	-
Mental health	14,484,152	31,902	6,937,588	-
County environment and education	4,044,619	988,522	426,802	-
Roads and transportation	6,219,535	32,893	37,195	6,674,252
Government services to residents	2,167,664	2,343,094	361,056	-
Administration	8,294,027	271,056	228,055	-
Interest on long-term debt	1,457,291	-	-	-
<b>Total governmental activities</b>	<b>70,878,019</b>	<b>5,015,579</b>	<b>11,912,913</b>	<b>6,674,252</b>
Business-type activities, golf	1,021,548	912,712	-	-
<b>Total primary government</b>	<b>\$ 71,899,567</b>	<b>\$ 5,928,291</b>	<b>\$ 11,912,913</b>	<b>\$ 6,674,252</b>
<b>Component Units</b>				
Emergency Management Agency	\$ 169,691	\$ 79,932	\$ -	\$ -
County Library	1,019,885	1,005,515	-	-
Public Safety Authority	1,040,388	-	-	-
Scott Emergency Communication Center	1,601,133	-	300,000	2,483,514
<b>Total component units</b>	<b>\$ 3,831,097</b>	<b>\$ 1,085,447</b>	<b>\$ 300,000</b>	<b>\$ 2,483,514</b>
<b>General Revenues</b>				
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				
<b>Total general revenues</b>				
Changes in net assets				
Net assets (deficit), beginning of year (restated)				
Net assets (deficit), 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
\$ (25,686,638)	\$ -	\$ (25,686,638)	\$ -
(3,253,764)	-	(3,253,764)	-
(7,514,662)	-	(7,514,662)	-
(2,629,295)	-	(2,629,295)	-
524,805	-	524,805	-
536,486	-	536,486	-
(7,794,916)	-	(7,794,916)	-
(1,457,291)	-	(1,457,291)	-
(47,275,275)	-	(47,275,275)	-
-	(108,836)	(108,836)	-
(47,275,275)	(108,836)	(47,384,111)	-
			(89,759)
			(14,370)
			(1,040,388)
			1,182,381
			37,864
36,228,794	-	36,228,794	-
3,637,825	-	3,637,825	-
676,255	-	676,255	-
63,470	-	63,470	-
1,395,383	-	1,395,383	-
790,006	-	790,006	-
4,826,563	-	4,826,563	-
3,101,887	-	3,101,887	-
6,828	-	6,828	-
188,207	6	188,213	1,028,468
868,990	-	868,990	61,100
51,784,208	6	51,784,214	1,089,568
4,508,933	(108,830)	4,400,103	1,127,432
81,661,785	(2,287,152)	79,374,633	2,355,595
\$ 86,170,718	\$ (2,395,982)	\$ 83,774,736	\$ 3,483,027

County of Scott, Iowa

Balance Sheet  
 Governmental Funds  
 June 30, 2010

	General	Mental Health/ Development Disabilities
<b>Assets</b>		
Cash and investments	\$ 10,660,334	\$ 3,685,874
Restricted cash	209,483	-
Receivables, net of allowance for uncollectibles:		
Property taxes, net of allowance for collection losses	38,808,061	3,257,543
Accrued interest	517,853	-
Accounts	289,325	-
Loans	-	-
Notes	113,358	-
Advance to other funds	3,397,314	-
Due from other governmental agencies	1,980,478	120,594
<b>Total assets</b>	<b>\$ 55,976,206</b>	<b>\$ 7,064,011</b>
<b>Liabilities and Fund Balances</b>		
Liabilities:		
Accounts payable	\$ 1,519,732	\$ 2,289,001
Claims payable	8,370	-
Accrued liabilities	1,061,687	21,033
Compensated absences	10,057	-
Deferred revenue	40,852,564	3,254,810
<b>Total liabilities</b>	<b>43,452,410</b>	<b>5,564,844</b>
Fund balances;		
Reserved for:		
Notes receivable	113,358	-
Advances	3,397,314	-
Debt Service	-	-
County conservation sewage treatment	209,483	-
Other statutory programs	663,173	-
Unreserved, designated, claim liabilities	522,407	-
Unreserved, undesignated, reported in:		
General Fund	7,618,061	-
Special Revenue Funds	-	1,499,167
Capital Projects Fund	-	-
<b>Total fund balances</b>	<b>12,523,796</b>	<b>1,499,167</b>
<b>Total liabilities and fund balances</b>	<b>\$ 55,976,206</b>	<b>\$ 7,064,011</b>

See Notes to Basic Financial Statements

Secondary Roads	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
\$ 111,619	\$ 9,641,576	\$ 527,463	\$ 226,280	\$ 24,853,146
-	-	-	-	209,483
-	-	1,490,350	2,421,355	45,977,309
-	-	-	-	517,853
-	1,744	-	368	291,437
-	-	2,380,000	-	2,380,000
-	-	-	-	113,358
-	-	-	-	3,397,314
532,904	5,109	-	-	2,639,085
<u>\$ 644,523</u>	<u>\$ 9,648,429</u>	<u>\$ 4,397,813</u>	<u>\$ 2,648,003</u>	<u>\$ 80,378,985</u>

\$ 190,113	\$ 1,337,680	\$ -	\$ -	\$ 5,336,526
-	-	-	-	8,370
83,806	-	-	-	1,166,526
-	-	-	-	10,057
-	-	1,489,123	2,420,462	48,016,959
<u>273,919</u>	<u>1,337,680</u>	<u>1,489,123</u>	<u>2,420,462</u>	<u>54,538,438</u>

-	-	-	-	113,358
-	-	-	-	3,397,314
-	-	2,908,690	-	2,908,690
-	-	-	-	209,483
-	-	-	-	663,173
-	-	-	-	522,407
-	-	-	-	7,618,061
370,604	-	-	227,541	2,097,312
-	8,310,749	-	-	8,310,749
<u>370,604</u>	<u>8,310,749</u>	<u>2,908,690</u>	<u>227,541</u>	<u>25,840,547</u>
<u>\$ 644,523</u>	<u>\$ 9,648,429</u>	<u>\$ 4,397,813</u>	<u>\$ 2,648,003</u>	<u>\$ 80,378,985</u>





County of Scott, Iowa

Reconciliation of Total Governmental Fund Balances  
to Net Assets of Governmental Activities  
June 30, 2010

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Total governmental fund balances \$ 25,840,547

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

Land	\$ 4,365,740	
Construction-in-progress	10,341,643	
Buildings	66,669,947	
Improvements other than buildings	4,819,798	
Infrastructure	80,969,658	
Machinery and equipment	16,503,803	
Accumulated depreciation	<u>(80,881,865)</u>	102,788,724

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

Deferred revenues 849,759

Internal service funds are used by management to charge costs associated with self-insured health insurance. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. Internal service fund net assets are:

470,962

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	(514,027)	
Compensated absences	(2,428,023)	
Other post employment benefits obligation	(199,764)	
Accrued interest payable	(58,936)	
Capital lease payable to component unit	(23,560,000)	
Bond issuance costs	237,196	
Bond premium	(65,720)	
General obligation bonds payable	<u>(17,190,000)</u>	(43,779,274)
<b>Net assets of governmental activities</b>		<u>\$ 86,170,718</u>

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, 2010

	General	Mental Health/ Development Disabilities
Revenues:		
Property taxes	\$ 30,274,138	\$ 3,039,736
Local option sales tax	3,637,825	-
Other taxes	1,236,691	122,981
Interest and penalties on taxes	790,006	-
Intergovernmental	5,379,035	10,882,065
Charges for services	4,420,481	31,902
Investment earnings	165,526	-
Licenses and permits	497,467	-
Rentals and fees	186,492	-
Other	372,585	201,535
<b>Total revenues</b>	<b>46,960,246</b>	<b>14,278,219</b>
Expenditures:		
Current:		
Public safety and legal services	19,942,386	-
Physical health and social services	6,595,222	-
Mental health	-	14,492,698
County environment and education	3,690,141	-
Roads and transportation	-	-
Government services to residents	2,052,707	-
Administration	8,342,657	-
Capital outlay	-	-
Debt service		
Principal	1,110,000	-
Interest and fees	1,010,055	-
<b>Total Expenditures</b>	<b>42,743,168</b>	<b>14,492,698</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>4,217,078</b>	<b>(214,479)</b>
Other financing sources (uses):		
Transfers in	3,500,000	-
Transfers out	(5,285,134)	-
Debt issued (including refunding debt of \$2.8M)	-	-
Discount on debt issued	-	-
Premium on debt issued	-	-
Payment to refunded bond escrow agent	-	-
Proceeds from sale of capital assets	-	-
<b>Total other financing sources (uses)</b>	<b>(1,785,134)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>2,431,944</b>	<b>(214,479)</b>
Fund balances, beginning of year	10,091,852	1,713,646
Fund balances, end of year	<b>\$ 12,523,796</b>	<b>\$ 1,499,167</b>

See Notes to Basic Financial Statements.

Secondary Roads		Nonmajor			
Fund	Capital Projects	Debt Service	Governmental Funds	Total	
\$ -	\$ -	\$ 716,645	\$ 2,202,381	\$ 36,232,900	
-	-	-	-	3,637,825	
-	676,255	27,366	71,815	2,135,108	
-	-	-	-	790,006	
3,139,082	25,109	341,049	81,852	19,848,192	
4,933	-	-	32,839	4,490,155	
-	19,291	1,516	375	186,708	
27,960	-	-	-	525,427	
-	-	-	-	186,492	
36,610	32,062	-	-	642,792	
<u>3,208,585</u>	<u>752,717</u>	<u>1,086,576</u>	<u>2,389,262</u>	<u>68,675,605</u>	
-	-	-	-	19,942,386	
-	-	-	-	6,595,222	
-	-	-	-	14,492,698	
-	-	-	507,725	4,197,866	
4,604,129	-	-	-	4,604,129	
-	-	-	-	2,052,707	
-	-	-	-	8,342,657	
991,280	8,081,187	-	-	9,072,467	
-	-	1,030,000	-	2,140,000	
-	-	551,958	-	1,562,013	
<u>5,595,409</u>	<u>8,081,187</u>	<u>1,581,958</u>	<u>507,725</u>	<u>73,002,145</u>	
<u>(2,386,824)</u>	<u>(7,328,470)</u>	<u>(495,382)</u>	<u>1,881,537</u>	<u>(4,326,540)</u>	
2,484,019	2,023,444	-	-	8,007,463	
-	(811,386)	-	(1,910,943)	(8,007,463)	
-	10,333,637	2,866,363	-	13,200,000	
-	-	(17,392)	-	(17,392)	
-	-	70,756	-	70,756	
-	-	(2,745,000)	-	(2,745,000)	
-	39,705	-	-	39,705	
<u>2,484,019</u>	<u>11,585,400</u>	<u>174,727</u>	<u>(1,910,943)</u>	<u>10,548,069</u>	
97,195	4,256,930	(320,655)	(29,406)	6,221,529	
273,409	4,053,819	3,229,345	256,947	19,619,018	
<u>\$ 370,604</u>	<u>\$ 8,310,749</u>	<u>\$ 2,908,690</u>	<u>\$ 227,541</u>	<u>\$ 25,840,547</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  
Year Ended June 30, 2010

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Net change in fund balances - governmental funds \$ 6,221,529

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 capitalized		6,214,283
Depreciation		
Public safety and legal services	\$ (1,318,378)	
Physical health and social services	(15,671)	
Mental health	(48,924)	
County environment and education	(534,150)	
Roads and transportation	(2,873,710)	
Governmental services to residents	(94,394)	
Administration	<u>(1,237,081)</u>	(6,122,308)

Net book value of capital assets retired (514,875)

Capital contribution 6,674,252

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (4,106)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities 470,962

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:

Debt issued	(13,200,000)
Premium on debt issued	(70,756)
Discount on debt issued	128,257
Bond issuance costs on debt issued	79,480
Repayment of bond principal and capital lease	4,885,000
Interest expense	(33,048)
Amortization of bond premium and bond issuance costs	(10,088)

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	67,634
Change in compensated absences	(177,401)
Change in other post employment benefits obligation	(99,882)
<b>Change in net assets of governmental activities</b>	<u><u>\$ 4,508,933</u></u>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Net Assets (Deficit)  
 Proprietary Funds  
 June 30, 2010

	Business Type Activities	Governmental Activities
	Enterprise Fund - Golf Course	Internal Service Fund - Health Insurance
<b>Assets</b>		
Current assets:		
Cash and investments	\$ 21,605	\$ 788,003
Cash and investments in escrow	324,407	-
Receivables, accounts	52,110	-
Inventories	6,528	-
<b>Total current assets</b>	<b>404,650</b>	<b>788,003</b>
Noncurrent assets:		
Unamortized bond issuance costs	20,581	-
Capital assets:		
Land	1,556,336	-
Buildings	506,490	-
Improvements other than buildings	663,428	-
Infrastructure	62,374	-
Machinery and equipment	1,008,800	-
Less accumulated depreciation	(1,741,188)	-
<b>Total capital assets</b>	<b>2,056,240</b>	<b>-</b>
<b>Total noncurrent assets</b>	<b>2,076,821</b>	<b>-</b>
<b>Total assets</b>	<b>\$ 2,481,471</b>	<b>\$ 788,003</b>
<b>Liabilities and Net Assets (Deficit)</b>		
Current liabilities:		
Accounts payable	\$ 30,693	\$ -
Claims payable	-	317,041
Accrued liabilities	26,347	-
Interest payable	502,988	-
Unearned revenue	23,569	-
Compensated absences	14,740	-
Current portion of purchase contract	270,000	-
<b>Current total liabilities</b>	<b>868,337</b>	<b>317,041</b>
Noncurrent liabilities		
Compensated absences	26,802	-
Advance from other funds	3,397,314	-
Purchase contract, noncurrent portion	585,000	-
<b>Total noncurrent liabilities</b>	<b>4,009,116</b>	<b>-</b>
<b>Total liabilities</b>	<b>4,877,453</b>	<b>317,041</b>
Net assets (deficit):		
Invested in capital assets, net of related debt	1,201,240	-
Restricted for lease purchase contract	324,407	-
Unrestricted (deficit)	(3,921,629)	470,962
<b>Total net assets (deficit)</b>	<b>(2,395,982)</b>	<b>470,962</b>
<b>Total liabilities and net assets (deficit)</b>	<b>\$ 2,481,471</b>	<b>\$ 788,003</b>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Revenues, Expenses and Changes in Net Assets (Deficit)  
 Proprietary Funds  
 Year Ended June 30, 2010

	Business Type Activities	Governmental Activities
	Enterprise Fund - Golf Course	Internal Service Fund - Health Insurance
Operating revenues:		
Charges for services	\$ 788,732	\$ 2,428,919
Sales, net of cost of goods sold of \$90,302	123,037	-
Other	943	-
<b>Total operating revenues</b>	<u>912,712</u>	<u>2,428,919</u>
Operating expenses:		
Personnel	574,737	-
Depreciation	87,754	-
Claims and administrative charges	-	1,959,456
Other	280,834	-
<b>Total operating expenses</b>	<u>943,325</u>	<u>1,959,456</u>
<b>Operating income (loss)</b>	<u>(30,613)</u>	<u>469,463</u>
Nonoperating revenues (expenses):		
Investment earnings	6	1,499
Interest expense	(78,223)	-
<b>Total nonoperating revenues (expenses)</b>	<u>(78,217)</u>	<u>1,499</u>
<b>Change in net assets</b>	(108,830)	470,962
Total net assets (deficit), beginning of year	(2,287,152)	-
Total net assets (deficit), end of year	<u>\$ (2,395,982)</u>	<u>\$ 470,962</u>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Cash Flows  
 Proprietary Funds  
 Year Ended June 30, 2010

	Business Type Activities	Governmental Activities
	Enterprise Fund - Golf Course	Internal Service Fund - Health Insurance
Cash flows from operating activities:		
Cash received from customers	\$ 1,120,526	\$ 2,428,919
Customer deposits received	3,091	-
Cash payments to suppliers for goods and services	(314,705)	(1,642,415)
Cash payments to employees for services	(602,123)	-
<b>Net cash from operating activities</b>	<b>206,789</b>	<b>786,504</b>
Cash flows from capital and related financing activities:		
Payments of purchase contract	(250,000)	-
Payments on capital lease	(39,424)	-
Payments of capital assets	(18,000)	-
Interest paid on purchase contract and capital lease	(73,597)	-
<b>Net cash from capital and related financing activities</b>	<b>(381,021)</b>	<b>-</b>
Cash flows from noncapital financing activities, advance from other funds	190,000	-
Cash flows from investing activities, interest received	6	1,499
<b>Net increase in cash and cash equivalents</b>	<b>15,774</b>	<b>788,003</b>
Cash and cash equivalents:		
Beginning	330,238	-
Ending	<u>\$ 346,012</u>	<u>\$ 788,003</u>
Reconciliation of operating loss to net cash from operating activities:		
Operating income (loss)	\$ (30,613)	\$ 469,463
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation	87,754	-
Changes in assets and liabilities:		
Receivables	84,774	-
Inventories	52,087	-
Accounts payable	4,476	-
Claims payable	-	317,041
Accrued compensation	437	-
Compensated absences	4,783	-
Customer deposits	3,091	-
<b>Net cash from operating activities</b>	<b>\$ 206,789</b>	<b>\$ 786,504</b>
Noncash capital and related financing activities, amortization of bond issuance costs and discount on purchase contract	<u>\$ 6,105</u>	<u>\$ -</u>

See Notes to Basic Financial Statements.



County of Scott, Iowa

Statement of Assets and Liabilities

Agency Funds

June 30, 2010

---

**Assets**

Cash and investments	\$	9,519,283
Receivables:		
Property taxes		216,639,187
Accounts		25,521
<b>Total assets</b>	<b>\$</b>	<b>226,183,991</b>

**Liabilities**

Accounts payable	\$	327,408
Due to other governmental agencies		225,377,122
Due to private individuals		479,461
<b>Total liabilities</b>	<b>\$</b>	<b>226,183,991</b>

See Notes to Basic Financial Statements.



County of Scott, Iowa

Statement of Net Assets  
Discretely Presented Component Units  
June 30, 2010

	Emergency Management Agency	County Library	Public Safety Authority	Scott Emergency Communication Center	Total
<b>Assets</b>					
Current assets:					
Cash and investments	\$ 221,250	\$ 167,140	\$ 134,877	\$ 6,652,380	\$ 7,175,647
Receivables:					
Accounts	12,684	-	-	-	12,684
Due from other governmental agencies	-	-	-	904,615	904,615
Capital lease receivable from primary government	-	-	1,150,000	-	1,150,000
<b>Total current assets</b>	<b>233,934</b>	<b>167,140</b>	<b>1,284,877</b>	<b>7,556,995</b>	<b>9,242,946</b>
Noncurrent assets:					
Capital lease receivable from primary government	-	-	22,410,000	-	22,410,000
Bond issuance costs	-	-	88,241	51,260	139,501
Capital assets:					
Land	-	16,600	-	-	16,600
Construction in progress	-	-	-	5,181,278	5,181,278
Buildings	-	1,297,266	-	-	1,297,266
Machinery and Equipment	593,066	180,005	-	862,403	1,635,474
Accumulated depreciation	(139,511)	(410,090)	-	-	(549,601)
<b>Total capital assets, net</b>	<b>453,555</b>	<b>1,083,781</b>	<b>-</b>	<b>6,043,681</b>	<b>7,581,017</b>
<b>Total noncurrent assets</b>	<b>453,555</b>	<b>1,083,781</b>	<b>22,498,241</b>	<b>6,094,941</b>	<b>30,130,518</b>
<b>Total assets</b>	<b>\$ 687,489</b>	<b>\$ 1,250,921</b>	<b>\$ 23,783,118</b>	<b>\$ 13,651,936</b>	<b>\$ 39,373,464</b>
<b>Liabilities and Net Assets</b>					
Current liabilities:					
Accounts payable	\$ 1,103	\$ 9,238	\$ 130,627	\$ 1,110,870	\$ 1,251,838
Accrued liabilities	3,145	26,897	-	64,736	94,778
Interest payable	-	-	80,703	39,040	119,743
Unearned revenue	-	-	-	103,178	103,178
Compensated absences	5,669	24,735	-	8,305	38,709
Current portion revenue bonds payable	-	-	1,150,000	-	1,150,000
Current portion notes payable	-	-	-	436,240	436,240
<b>Total current liabilities</b>	<b>9,917</b>	<b>60,870</b>	<b>1,361,330</b>	<b>1,762,369</b>	<b>3,194,486</b>
Noncurrent liabilities:					
Compensated absences	11,632	9,477	-	4,854	25,963
Other post employment benefits obligation	1,622	(4,766)	-	506	(2,638)
Revenue bonds payable, net bond discount	-	-	22,208,013	-	22,208,013
Notes payable, net discount	-	-	-	10,464,613	10,464,613
<b>Total noncurrent liabilities</b>	<b>13,254</b>	<b>4,711</b>	<b>22,208,013</b>	<b>10,469,973</b>	<b>32,695,951</b>
<b>Total liabilities</b>	<b>23,171</b>	<b>65,581</b>	<b>23,569,343</b>	<b>12,232,342</b>	<b>35,890,437</b>
<b>Net Assets:</b>					
Invested in capital assets, net of related debt	453,555	1,083,781	-	1,775,572	3,312,908
Restricted for capital project, jail expansion	-	-	213,775	-	213,775
Unrestricted	210,763	101,559	-	(355,978)	(43,656)
<b>Total net assets</b>	<b>664,318</b>	<b>1,185,340</b>	<b>213,775</b>	<b>1,419,594</b>	<b>3,483,027</b>
<b>Total liabilities and net assets</b>	<b>\$ 687,489</b>	<b>\$ 1,250,921</b>	<b>\$ 23,783,118</b>	<b>\$ 13,651,936</b>	<b>\$ 39,373,464</b>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Combining Statement of Activities  
 Discretely Presented Component Units  
 Year Ended June 30, 2010

	Expenses	Program Revenues		
		Charges for Sales and Services	Operating Grants and Contributions	Capital Grants and Contributions
Emergency Management Agency				
Public safety and legal services	\$ 169,691	\$ 79,932	\$ -	\$ -
County Library				
County environment and education	1,019,885	1,005,515	-	-
Public Safety Authority				
Public safety and legal services	1,040,388	-	-	-
Scott Emergency Communication Center				
Government services to residents	1,601,133	-	300,000	2,483,514
<b>Total component units</b>	<b>\$ 3,831,097</b>	<b>\$ 1,085,447</b>	<b>\$ 300,000</b>	<b>\$ 2,483,514</b>

**General Revenues**

Interest earnings

Miscellaneous

**Total general revenues**

Changes in net assets

Net assets, beginning of year (as restated)

Net assets, end of year

See Notes to Basic Financial Statements

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Net (Expense) Revenue and Changes in Net Assets

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Emergency Management Agency	County Library	Public Safety Authority	Scott Emergency Communication Center	Total
\$ (89,759)	\$ -	\$ -	\$ -	\$ (89,759)
-	(14,370)	-	-	(14,370)
-	-	(1,040,388)	-	(1,040,388)
-	-	-	1,182,381	1,182,381
(89,759)	(14,370)	(1,040,388)	1,182,381	37,864

-	-	1,010,055	18,413	1,028,468
50,912	2,113	-	8,075	61,100
50,912	2,113	1,010,055	26,488	1,089,568
(38,847)	(12,257)	(30,333)	1,208,869	1,127,432
703,165	1,197,597	244,108	210,725	2,355,595
\$ 664,318	\$ 1,185,340	\$ 213,775	\$ 1,419,594	\$ 3,483,027

## County of Scott, Iowa

### Notes To Basic Financial Statements

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#### **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. The Code of Iowa provides for circumstances whereby the Commission can create a potential financial burden or benefit on the County.

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, the City of LaClaire 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. The Board of Trustees is appointed by the Board of Supervisors and the Code of Iowa provides for circumstances whereby the Library can create a potential financial burden or benefit on the County.

## County of Scott, Iowa

### Notes To Basic Financial Statements

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

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 and the City of Davenport, it is considered a component unit of the County because it would be misleading to exclude due to the PSA being fiscally dependent on the lease payments from the County, making the County financially accountable for the PSA.

Scott Emergency Communication Center: The Scott Emergency Communication Center (SECC) provides public safety dispatch and communication services for all participating public safety answering points to improve services to the citizens of the County. Although the SECC has a jointly appointed Board by the members, it is considered a component unit of the County due to the Code of Iowa providing for circumstances whereby the SECC can create a potential financial burden or benefit on the County.

None of the individual component units issue separate financial statements.

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.

#### **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.

## County of Scott, Iowa

### Notes To Basic Financial Statements

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

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. The County does not allocate indirect expenses to functions in the statement of activities. 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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program 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.

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

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:



County of Scott, Iowa

Notes To Basic Financial Statements

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

**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:** 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.

The following is the County's major Enterprise Fund:

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

*Internal Service fund types:* are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the County, or to other governmental entities, on a cost-reimbursement basis. The County's internal service fund consists of the following:

*Health Insurance Fund:* To account for health insurance provided to the County departments.

**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), follow the accrual basis of accounting 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 of Scott, Iowa

### Notes To Basic Financial Statements

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

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.

County Assessor Fund: To account for funds held on behalf of the County Conference Board.

County Assessor Special Fund: To account for funds held on behalf of the County Conference Board.

City Assessor Fund: To account for funds held on behalf of the City Conference Board.

City Assessor Special Fund: To account for funds held on behalf of the City Conference Board.

#### 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 and the discretely presented component unit 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.

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.

## County of Scott, Iowa

### Notes To Basic Financial Statements

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

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 2009, based on the 2008 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.

The business-type activities and enterprise funds follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989.

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:**

The significant accounting policies of the County and its discretely presented component units are as follows:

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.

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.

County of Scott, Iowa

Notes To Basic Financial Statements

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

Inventories: Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund 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

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.

Deferred/unearned revenue: Deferred revenues arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before the County has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized. Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

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.

## County of Scott, Iowa

### Notes To Basic Financial Statements

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

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 available to be appropriated or are legally segregated for a specific purpose. Unreserved fund balance included designations of fund balance which represent funds set aside by management for specific uses that are subject to change. The balance of unreserved fund balance is labeled "undesignated", which indicates it is available for appropriation.

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. Unrestricted net assets are all other net assets that do not meet the definitions of "restricted" or "invested in capital assets, net of related debt".

Notes To Basic Financial Statements

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

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.

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 February 2010.

## County of Scott, Iowa

### Notes To Basic Financial Statements

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

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 financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

#### **Note 2. Deficit Net Assets**

The Glynn's Creek Golf Course Enterprise Fund had a net asset deficit of \$2,395,982 as of June 30, 2010. The deficit is expected to be eliminated through future earnings of the golf course.

#### **Note 3. Deposits and Investments**

As of June 30, 2010, the County's cash and investments were as follows:

Cash on hand and deposits with financial institutions	\$ 25,872,237
Investments	324,407
Cash on hand and deposits with financial institutions, discretely presented component units	7,175,647
Cash on hand and deposits with financial institutions, agency funds	9,519,283
	<u>\$ 42,891,574</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.

As of June 30, 2010, the County did not have any investments subject to interest rate risk.

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, 2010, the County did not have any investments subject to credit risk.

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, 2010, the County had \$324,407 investments exposed to custodial credit risk. There were no deposits exposed to custodial credit risk.

**County of Scott, Iowa**

**Notes To Basic Financial Statements**

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**Note 4. Interfund Account Balances**

Advances from and to other funds as of June 30, 2010 were as follows:

	Advances To Other Funds	Advances From Other Funds
General Fund	\$ 3,397,314	\$ -
Glynns Creek Golf Course Enterprise Fund	-	3,397,314
	<u>\$ 3,397,314</u>	<u>\$ 3,397,314</u>

Advances include interfund loans for annual operating costs. Any excess funds generated by the golf course are used to repay this advance.

**Note 5. Interfund Transfers**

The following is a schedule of interfund transfers:

	Transfers In	Transfers Out
Governmental activities:		
Major governmental funds:		
General	\$ 3,500,000	\$ 5,285,134
Secondary roads	2,484,019	-
Capital projects	2,023,444	811,386
Nonmajor governmental funds:		
Rural services	-	1,828,503
Recorders management fees	-	82,440
<b>Total governmental activities</b>	<u>\$ 8,007,463</u>	<u>\$ 8,007,463</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. During 2008, the County modified the agreement, which increased the principal amount to \$116,175 and decreased the interest rate to 0 percent. The note is due upon the sale or conveyance by GDRC of any lot or parcel at a rate of \$688.75 per acre sold. As of June 30, 2010, the outstanding balance was \$113,358 and there are approximately 165 acres to be sold.

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 \$113,358 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, 2010:

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 4,365,740	\$ -	\$ -	\$ 4,365,740
Construction in progress	4,369,853	17,416,972	(11,445,182)	10,341,643
<b>Total Capital Assets Not Being Depreciated</b>	<u>8,735,593</u>	<u>17,416,972</u>	<u>(11,445,182)</u>	<u>14,707,383</u>
Capital assets being depreciated				
Buildings	65,344,202	2,059,648	(733,903)	66,669,947
Improvements other than buildings	2,949,321	1,870,477	-	4,819,798
Infrastructure	80,068,048	901,610	-	80,969,658
Machinery and equipment	15,143,757	2,085,010	(724,964)	16,503,803
<b>Total Capital Assets Being Depreciated</b>	<u>163,505,328</u>	<u>6,916,745</u>	<u>(1,458,867)</u>	<u>168,963,206</u>
Less: accumulated depreciation for				
Buildings	18,977,431	2,340,239	(294,567)	21,023,103
Improvements other than buildings	1,011,029	187,645	-	1,198,674
Infrastructure	45,618,215	2,403,363	-	48,021,578
Machinery and equipment	10,096,874	1,191,061	(649,425)	10,638,510
<b>Total Accumulated Depreciation</b>	<u>75,703,549</u>	<u>6,122,308</u>	<u>(943,992)</u>	<u>80,881,865</u>
<b>Total Capital Assets Being Depreciation</b>	<u>87,801,779</u>	<u>794,437</u>	<u>(514,875)</u>	<u>88,081,341</u>
<b>Total Governmental Activities         Capital Assets, Net of Depreciation</b>	<u>\$ 96,537,372</u>	<u>\$ 18,211,409</u>	<u>\$ (11,960,057)</u>	<u>\$ 102,788,724</u>
<b>Business-Type Activities</b>				
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	990,800	18,000	-	1,008,800
<b>Total Capital Assets Being Depreciated</b>	<u>2,223,092</u>	<u>18,000</u>	<u>-</u>	<u>2,241,092</u>
Less: accumulated depreciation for				
Buildings	164,960	10,130	-	175,090
Improvements other than buildings	567,277	12,376	-	579,653
Infrastructure	62,374	-	-	62,374
Machinery and equipment	858,823	65,248	-	924,071
<b>Total Accumulated Depreciation</b>	<u>1,653,434</u>	<u>87,754</u>	<u>-</u>	<u>1,741,188</u>
<b>Total Capital Assets Being Depreciation</b>	<u>569,658</u>	<u>(69,754)</u>	<u>-</u>	<u>499,904</u>
<b>Business-Type Activities         Capital Assets, Net of Depreciation</b>	<u>\$ 2,125,994</u>	<u>\$ (69,754)</u>	<u>\$ -</u>	<u>\$ 2,056,240</u>

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	Balance (restated) June 30, 2009	Additions	Deletions	Balance June 30, 2010
Capital assets not being depreciated				
Land	\$ 16,600	\$ -	\$ -	\$ 16,600
Construction in progress	-	5,181,278	-	5,181,278
<b>Total Capital Assets Not Being Depreciated</b>	<u>16,600</u>	<u>5,181,278</u>	<u>-</u>	<u>5,197,878</u>
Capital assets being depreciated				
Buildings	1,297,266	-	-	1,297,266
Machinery and equipment	773,586	885,012	(23,124)	1,635,474
<b>Total Capital Assets Being Depreciated</b>	<u>2,070,852</u>	<u>885,012</u>	<u>(23,124)</u>	<u>2,932,740</u>
Less: accumulated depreciation for				
Buildings	213,302	33,519	-	246,821
Machinery and equipment	255,450	70,454	(23,124)	302,780
<b>Total Accumulated Depreciation</b>	<u>468,752</u>	<u>103,973</u>	<u>(23,124)</u>	<u>549,601</u>
<b>Total Capital Assets Being Depreciation</b>	<u>1,602,100</u>	<u>781,039</u>	<u>-</u>	<u>2,383,139</u>
<b>Total Governmental Activities</b>				
<b>Capital Assets, Net of Depreciation</b>	<u>\$ 1,618,700</u>	<u>\$ 5,962,317</u>	<u>\$ -</u>	<u>\$ 7,581,017</u>

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

Governmental Activities:	
Public safety and legal services	\$ 1,318,378
Physical health and social services	15,671
Mental health	48,924
County environment and education	534,150
Roads and transportation	2,873,710
Governmental services to residents	94,394
Administration	1,237,081
<b>Total Governmental Activities Depreciation Expense</b>	<u>\$ 6,122,308</u>
Business-type activities, golf course	<u>\$ 87,754</u>

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, 2010:

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010	Due Within One Year
<b>Governmental Activities:</b>					
General obligation bonds	\$ 7,765,000	\$ 13,200,000	\$ 3,775,000	\$ 17,190,000	\$ 1,530,000
Compensated absences	2,256,956	1,508,354	1,327,230	2,438,080	1,321,216
Capital lease	24,670,000	-	1,110,000	23,560,000	1,150,000
Claims payable	589,331	2,291,577	2,041,470	839,438	458,081
Unamortized debt discount	5,011	70,756	10,047	65,720	-
	<u>\$ 35,286,298</u>	<u>\$ 17,070,687</u>	<u>\$ 8,263,747</u>	<u>\$ 44,093,238</u>	<u>\$ 4,459,297</u>
<b>Business-Type Activities:</b>					
	Balance June 30, 2009	Additions	Retirements	Balance June 30, 2010	Due Within One Year
Capital lease	\$ 39,424	\$ -	\$ 39,424	\$ -	\$ -
Purchase contract	1,105,000	-	250,000	855,000	270,000
Compensated absences	36,759	22,821	18,037	41,543	14,740
	<u>\$ 1,181,183</u>	<u>\$ 22,821</u>	<u>\$ 307,461</u>	<u>\$ 896,543</u>	<u>\$ 284,740</u>
<b>Discretely Presented Component</b>					
<b>Units Activities</b>					
Revenue bonds	\$ 24,670,000	\$ -	\$ 1,110,000	\$ 23,560,000	\$ 1,150,000
Notes payable	-	10,987,403	-	10,987,403	436,240
Compensated absences	57,035	45,109	37,472	64,672	38,709
Unamortized debt discount	(225,510)	(90,514)	(27,488)	(288,536)	-
	<u>\$ 24,501,525</u>	<u>\$ 10,941,998</u>	<u>\$ 1,119,984</u>	<u>\$ 34,323,539</u>	<u>\$ 1,624,949</u>

General obligation bonds outstanding as of June 30, 2010 consist of \$2,380,000 of solid waste refunding bonds with interest rates ranging from 3.6 percent to 3.8 percent, \$1,610,000 of general obligation geographic information systems bonds with interest at rates ranging from 4.0 percent to 4.1 percent, \$10,445,000 of general obligation emergency equipment bonds with interest at rates ranging from 1.5 percent to 5.8 percent, and \$2,755,000 of urban renewal refunding bonds with interest at rates ranging from 2.5 percent to 3.0%

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 bonds are due in annual installments of \$280,000 to \$555,000 through 2015 at interest rates from 3.6 percent to 3.8 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 interest rates from 4.0 percent to 4.1 percent.

County of Scott, Iowa

Notes To Basic Financial Statements

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**Note 8. Long-Term Debt (Continued)**

On November 1, 2009, the County issued \$10,445,000 in General Obligation Emergency Equipment Bonds, Series 2009A. The bonds were issued to finance the acquisition of emergency equipment and related costs. The bonds are due in annual installments of \$440,000 to \$720,000 through 2029 at interest rates from 1.5 percent to 5.8 percent.

On December 17, 2009, Scott County issued \$2,755,000 in General Obligation Urban Renewal Refunding Bonds, Series 2009B with interest rates ranging from 2.5 percent to 3.0 percent to refund \$2,745,000 of outstanding General Obligation Urban Renewal Bond, Series 2002A, with interest rates ranging from 2.3 percent to 4.6 percent. The net proceeds were used to prepay the outstanding debt service requirements of the old bonds. Cash flow requirements on the refunded bonds prior to the refunding was \$3,309,869 from 2010 through 2017. The cash flow requirements on the refunding bonds are \$3,120,996 from 2010 through 2017. The refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$172,000.

The debt service requirements on the bonds outstanding as of June 30, 2010 are as follows:

<u>Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 2,237,230	\$ 1,530,000	\$ 707,230
2012	2,243,765	1,580,000	663,765
2013	2,241,560	1,625,000	616,560
2014	2,250,348	1,685,000	565,348
2015	1,946,965	1,440,000	506,965
2016-2020	5,607,025	3,670,000	1,937,025
2021-2025	4,175,250	2,930,000	1,245,250
2026-2029	3,126,400	2,730,000	396,400
<b>Total</b>	<u><u>\$ 23,828,543</u></u>	<u><u>\$ 17,190,000</u></u>	<u><u>\$ 6,638,543</u></u>

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.

County of Scott, Iowa

Notes To Basic Financial Statements

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**Note 8. Long-Term Debt (Continued)**

The debt service requirements on the bonds outstanding as of June 30, 2010 are as follows:

<u>Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
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
2016-2020	10,713,525	7,695,000	3,018,525
2021-2025	10,900,464	9,620,000	1,280,464
<b>Total</b>	<u>\$ 32,233,039</u>	<u>\$ 23,560,000</u>	<u>\$ 8,673,039</u>

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 \$36,541,618 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 \$2,120,055 each.

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.

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, 2010, the County recognized a liability of \$23,560,000.

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>
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
<b>Total</b>	<u>\$ 32,233,039</u>	<u>\$ 23,560,000</u>	<u>\$ 8,673,039</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, 2010 is as follows:

2008 assessed valuation	\$ 11,455,763,069
Less military exemption	(18,525,768)
<b>Total assessed value</b>	<u>\$ 11,437,237,301</u>
Debt limit, 5% of assessed valuation (Iowa statutory limitation)	\$ 571,861,865
Total amount of debt applicable to debt margin	(40,750,000)
<b>Legal debt margin</b>	<u>\$ 531,111,865</u>

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.

County of Scott, Iowa

Notes To Basic Financial Statements

**Note 8. Long-Term Debt (Continued)**

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:

Year Ending June 30	Total	Principal	Interest	Prepayment Price
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	-
<b>Total</b>	<u>\$ 962,881</u>	<u>\$ 855,000</u>	<u>\$ 107,881</u>	

On November 2, 2009, the City of Davenport issued \$10,125,000 General Obligation Communication Building Bonds, Series 2009C on behalf of the SECC. The bonds were issued for the purpose of building a new communications and emergency operations center. The bonds were issued with interest rates ranging from 2.0 percent to 5.8 percent. The SECC has issued a note payable to the City of Davenport with terms for repayment identical to the bonds.

During 2010, the SECC acquired equipment from the City of Davenport by issuing a note payable with no interest to the City in the amount of \$862,403 payable in equal annual installments from 2011 through 2020.

The debt service requirements on the notes payable outstanding as of June 30, 2010 are as follows:

Year Ending June 30	Business-Type Activities			Discretel Presented Component Unit		
	Total	Principal	Interest	Total	Principal	Interest
2011	\$ 86,240	\$ 86,240	\$ -	\$ 818,480	\$ 350,000	\$ 468,480
2012	86,240	86,240	-	826,480	365,000	461,480
2013	86,240	86,240	-	828,268	375,000	453,268
2014	86,240	86,240	-	833,892	390,000	443,892
2015	86,240	86,240	-	837,192	405,000	432,192
2016-2020	431,203	431,203	-	4,222,218	2,305,000	1,917,218
2021-2025	-	-	-	4,278,875	2,955,000	1,323,875
2026-2029	-	-	-	3,414,965	2,980,000	434,965
<b>Total</b>	<u>\$ 862,403</u>	<u>\$ 862,403</u>	<u>\$ -</u>	<u>\$ 16,060,370</u>	<u>\$ 10,125,000</u>	<u>\$ 5,935,370</u>

**County of Scott, Iowa**

**Notes To Basic Financial Statements**

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**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 4.30 percent of their annual covered salary and the County is required to contribute 6.65 percent of annual covered payroll, except for sheriff deputies, in which case the percentages are 7.62 percent and 7.62 percent, respectively and conservation peace officers, in which case the percentages are 6.14 percent and 9.20 percent, respectively. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2010, 2009 and 2008 were \$1,696,095, \$1,562,197 and \$1,360,924, respectively, equal to the required contributions for each year.



**County of Scott, Iowa**

**Notes To Basic Financial Statements**

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**Note 10. Other Postemployment Benefits**

Plan description: The County sponsors a single-employer health care plan that provides medical, prescription drugs, dental and vision benefits to all active and retired employees and their eligible dependents. Sheriff's deputies must be a minimum of age 50 with 22 or more years of service to be eligible for retiree benefits. All other employees must be a minimum of age 55 with 20 or more years of service to be eligible for retiree benefits. Eligibility requirements under IPERS is summarized as follows: Normal Retirement -a) General Employees -age 65, any age when age plus years of service equal or exceed 88 with a minimum age of 55, or age 62 with 20 years of service, b) Sheriffs and Deputies -age 55 or age 50 with 22 years of service. The plan does not issue a stand-alone financial report.

Funding policy: The health insurance plan contributions on behalf of employees are negotiated by management and the union and governed by the County's union contracts. Employees pay the full premium. The current funding policy of the County is to pay health claims as they occur.

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2010, the County contributed \$80,543. Retiree and active members receiving benefits have required monthly contributions of:

	Single	Family
Heritage Choice	\$ 472	\$ 1,297
Heritage Select	448	1,229
Dental	28	83
Vision	8	17

Annual OPEB cost and net OPEB obligation: The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance to the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for the year, the amount actuarially contributed to the plan and changes in the County's annual OPEB obligation:

Annual required contribution	\$ 181,191
Interest on net OPEB obligation	6,039
Adjustment to annual required contribution	(5,669)
Annual OPEB cost	181,561
Contributions and payments made	(80,543)
Increase in net OPEB obligation	101,018
Adjustment related to component units	(4,540)
Net OPEB obligation - beginning of year	100,648
Net OPEB obligation - end of year	<u>\$ 197,126</u>

County of Scott, Iowa

Notes To Basic Financial Statements

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**Note 10. Other Postemployment Benefits (Continued)**

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for the current year and the preceding year were as follows:

<u>Year Ending June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2009	\$ 181,191	44.5%	\$ 100,648
2010	181,561	44.4%	197,126

Funded status and funding progress: As of January 1, 2009, the most recent valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$1,770,912 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UML) of \$1,770,912. The covered payroll (annual payroll of active employees covered by the plan) was \$20,080,910 and the ratio of the UML to the covered payroll was 8.8 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents only the initial year trend information.

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

In the January 1, 2009 actuarial valuation, projected unit credit method was used. The actuarial assumptions included a 3.63 percent investment rate of return, salary increases of 3 percent, health care cost trend rates of: 8 percent for year 1, 7 percent for year 2, 6 percent for year 3 and 5 percent for year 4 and beyond; mortality rates using the 2001 CSO Mortality Table, retiree participation rate of 90 percent, an initial spouse participation rate of 50 percent and turnover rates based on Scale T-8 of the Actuary's Pension Handbook. The UML is being amortized as a level dollar amount on an open basis. The amortization of UML is done over a period of 30 years.

## County of Scott, Iowa

### Notes To Basic Financial Statements

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#### **Note 11. 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 12. 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.

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, \$96,196,270 maximum coverage on property and \$2,000,000 maximum coverage on workers' compensation. Settled claims have not exceeded the commercial coverage in any of the past three years. All claims handling procedures are performed by the County.

The County also became self-insured for the health care of its employees effective January 1, 2010. This activity is accounted for within the County's Internal Service Fund. Charges were made to the operating funds based upon estimated premium equivalency amounts.

Self-insurance is in effect up to a stop loss amount of approximately \$125,000 per claim for health care. Coverage from a private insurance company is maintained for losses in excess of the aggregate stop loss amount of 125% of total claims. Settled claims have not exceeded the commercial coverage in any of the past three years.

As of June 30, 2010, the amount of liabilities recorded for estimated claim settlements for general, automobile, property and workers' compensation liability claims was \$522,407 of which \$8,370 was recorded in the General Fund and \$514,037 was recorded on the government wide statement of net assets. The County has designated \$522,407 of General Fund balance for payment of future claims liability.

County of Scott, Iowa

Notes To Basic Financial Statements

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**Note 12. Risk Management and Insurance (Continued)**

The changes in the aggregate liabilities for general, automobile, property and workers' compensation liability claims for the years ended June 30, 2010 and 2009 are as follows:

	<u>2010</u>	<u>2009</u>
Claims payable, beginning of year	\$ 589,331	\$ 718,847
Claims expense and change in reserve	971,377	495,158
Claims payments	<u>(1,038,311)</u>	<u>(624,674)</u>
Claims payable, end of year	<u>\$ 522,397</u>	<u>\$ 589,331</u>

The changes in the aggregate liabilities for health care claims for the year ended June 30, 2010 is as follows:

	<u>2010</u>
Claims payable, beginning of year	\$ -
Claims expense and change in reserve	1,320,200
Claims payments	<u>(1,003,159)</u>
Claims payable, end of year	<u>\$ 317,041</u>

The Emergency Management Agency, County Library, and Public Safety Authority and Scott Emergency Communication Center 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 13. 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, 2010, there were three series of revenue bonds outstanding. The aggregate principal balance of the revenue bonds outstanding is \$17,385,000.

## County of Scott, Iowa

### Notes To Basic Financial Statements

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#### **Note 14. 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, 2010 is \$2,380,000.

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 \$2,380,000 remains outstanding as of June 30, 2010.

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 15. 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.

## County of Scott, Iowa

### Notes To Basic Financial Statements

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#### **Note 16. Commitments and Contingency**

The County has financial commitments relating to renovation projects that are estimated to be approximately \$15,617,000.

The County has received federal and state grants for specific programs that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

#### **Note 17. Governmental Accounting Standards Board (GASB) Statements**

The County adopted the following statements during the year ended June 30, 2010:

- GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. 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. 53, *Accounting and Financial Reporting for Derivative Instruments*. 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 adoption of these statements had no significant effect on the County's financial statements.

The Governmental Accounting Standards Board (GASB) has issued the following statement not yet implemented by the County. The Statement which might impact the County is as follows:

- GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, issued March 2009, will be effective for the County beginning with its year ending June 30, 2011. This Statement is intended to improve the usefulness of information provided to financial report users about fund balances by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance information is among the most widely and frequently used information in state and local government financial reports. The GASB developed this standard to address the diversity of practice and the resulting lack of consistency that had evolved in fund balance reporting. To reduce confusion, the new standard establishes a hierarchy of fund balance classification based primarily on the extent to which a government is bound to observe spending constraints.

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

County of Scott, Iowa

Notes To Basic Financial Statements

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**Note 18. Restatement of Financial Statements**

In prior years, the County has reported four legally separate entities as component units. These entities are the County Assessor Conference Board, County Assessor Special Conference Board, City Assessor Conference Board and City Assessor Special Conference Board. Upon review of the County's relationship with these entities, it was determined that the criteria for including them as component units were not met and a correction was required. To address this error, the County has reclassified the funds held on behalf of these entities to agency funds. Amounts reported have been restated as follows:

	Component Units		Agency Funds
	Net Assets	Changes in Net Assets	Assets/ Liabilities
As previously reported, June 30, 2009	\$ 3,669,049	\$ (523,913)	\$ 217,766,499
Amounts reclassified			
County Assessor Conference Board	(195,677)	(12,861)	1,025,612
County Assessor Special Conference Board	(600,438)	(67,355)	840,335
City Assessor Conference Board	(406,595)	(163,405)	1,271,102
City Assessor Special Conference Board	(110,744)	68,938	321,898
	<u>\$ 2,355,595</u>	<u>\$ (698,596)</u>	<u>\$ 221,225,446</u>
As restated, June 30, 2009			

County of Scott, Iowa

Required Supplementary Information  
Other Postemployment Benefit Plan

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Net Assets ( a )	Actuarial Accrued Liability (AAL) ( b )	Unfunded AAL ( b-a )	Funded Ratio ( a/b )	Covered Payroll ( c )	UAAL as a Percentage of Covered Payroll [ (b-a) / c ]
1/1/09	-	1,770,912	1,770,912	0.00%	\$ 20,080,910	8.82%

The information presented in the required supplementary schedules was determined as part of the actuarial valuation date as of January 1, 2009. Additional information follows:

- a. The cost method used to determine the ARC is the Projected Unit Credit Actuarial Cost method.
- b. There are no plan assets.
- c. The actuarial assumptions included: 1) 3.63 percent investment rate of return, 2) salary increases of 3 percent, 3) health care cost trend rates of: 8 percent for year 1, 7 percent for year 2, 6 percent for year 3 and 5 percent for year 4 and beyond, 4) mortality rates using the 2001 CSO Mortality Table, 5) retiree participation rate of 90 percent, 6) an initial spouse participation rate of 50 percent and 7) turnover rates based on Scale T-8 of the Actuary's Pension Handbook.
- d. The amortization method is level dollar amount on an open basis.

See Auditors' Report and Note to Required Supplementary Information.



County of Scott, Iowa

Required Supplementary Information  
 Budgetary Comparison Schedule  
 All Governmental Funds  
 Year Ended June 30, 2010

	Budget		Governmental Fund Types Actual	Variance with
	Original	Final		Final Budget Favorable (Unfavorable)
<b>Revenues:</b>				
Property taxes	\$ 36,421,400	\$ 36,421,400	\$ 36,232,900	\$ (188,500)
Local option sales tax	3,896,863	3,656,863	3,637,825	(19,038)
Other taxes	2,243,095	2,133,096	2,135,108	2,012
Interest and penalties on taxes	725,000	745,000	790,006	45,006
Intergovernmental	20,056,693	20,579,739	19,848,192	(731,547)
Charges for services	4,599,593	4,585,236	4,490,155	(95,081)
Investment earnings	684,091	113,500	186,708	73,208
Licenses and permits	504,120	495,220	525,427	30,207
Rentals and fees	180,641	185,318	186,492	1,174
Other	366,912	283,344	642,792	359,448
<b>Total revenues</b>	<b>69,678,408</b>	<b>69,198,716</b>	<b>68,675,605</b>	<b>(523,111)</b>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety and legal services	21,096,860	22,022,248	19,942,386	2,079,862
Physical health and social services	6,450,593	6,778,848	6,595,222	183,626
Mental health	15,717,029	15,005,557	14,492,698	512,859
County environment and education	4,478,290	4,768,988	4,197,866	571,122
Roads and transportation	4,646,000	4,535,177	4,604,129	(68,952)
Government services to residents	2,160,977	2,114,388	2,052,707	61,681
Administration	9,179,333	8,776,964	8,342,657	434,307
Capital outlay	5,439,165	15,155,197	9,072,467	6,082,730
Debt service	3,460,705	3,460,705	3,702,013	(241,308)
<b>Total expenditures</b>	<b>72,628,952</b>	<b>82,618,072</b>	<b>73,002,145</b>	<b>9,615,927</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(2,950,544)</b>	<b>(13,419,356)</b>	<b>(4,326,540)</b>	<b>9,092,816</b>
<b>Other financing sources (uses):</b>				
Transfers in	8,310,159	8,121,594	8,007,463	(114,131)
Transfers out	(8,310,159)	(8,121,594)	(8,007,463)	114,131
Debt issued	-	10,334,136	13,200,000	2,865,864
Debt discount on debt issued	-	-	(17,392)	(17,392)
Premium on debt issued	-	-	70,756	70,756
Payments to escrow agents	-	-	(2,745,000)	(2,745,000)
Proceeds from sale of capital assets	51,777	28,355	39,705	11,350
<b>Total other financing sources (uses)</b>	<b>51,777</b>	<b>10,362,491</b>	<b>10,548,069</b>	<b>185,578</b>
<b>Net change in fund balances</b>	<b>\$ (2,898,767)</b>	<b>\$ (3,056,865)</b>	<b>\$ 6,221,529</b>	<b>\$ 9,278,394</b>

See Auditors' Report and Note to Required Supplementary Information.

**County of Scott, Iowa**

**Note to Required Supplementary Information**

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**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 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 \$9,800,555. The budget amendment was primarily due to the issuance of debt and the appropriation of those funds for the related capital projects financed by that debt.

See Auditors' Report.

County of Scott, Iowa

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2010

	Special Revenue		Total
	Rural Services Fund	Recorders Management Fees Fund	
<b>Assets</b>			
Cash and investments	\$ 136,378	\$ 89,902	\$ 226,280
Receivables:			
Property taxes	2,421,355	-	2,421,355
Accounts	-	368	368
<b>Total assets</b>	<b>\$ 2,557,733</b>	<b>\$ 90,270</b>	<b>\$ 2,648,003</b>
<b>Liabilities and Fund Balances</b>			
Liabilities, deferred revenue	\$ 2,420,462	\$ -	\$ 2,420,462
Fund balances, unreserved, undesignated, reported in special revenue funds	137,271	90,270	227,541
<b>Total liabilities and fund balances</b>	<b>\$ 2,557,733</b>	<b>\$ 90,270</b>	<b>\$ 2,648,003</b>

County of Scott, Iowa

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 Year Ended June 30, 2010

	Special Revenue		Total
	Rural Services Fund	Recorders Management Fees Fund	
Revenues:			
Property taxes	\$ 2,202,381	\$ -	\$ 2,202,381
Other taxes	71,815	-	71,815
Intergovernmental	81,852	-	81,852
Charges for services	-	32,839	32,839
Investment earnings		375	375
<b>Total revenues</b>	<b>2,356,048</b>	<b>33,214</b>	<b>2,389,262</b>
Expenditures, current, County environment and education	507,725	-	507,725
<b>Excess of revenue over expenditures</b>	<b>1,848,323</b>	<b>33,214</b>	<b>1,881,537</b>
Other financing (uses), transfers out	(1,828,503)	(82,440)	(1,910,943)
<b>Net change in fund balances</b>	<b>19,820</b>	<b>(49,226)</b>	<b>(29,406)</b>
Fund balances, beginning of year	117,451	139,496	256,947
Fund balances, end of year	\$ 137,271	\$ 90,270	\$ 227,541

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities  
 All Agency Funds  
 Year Ended June 30, 2010

	Balance (restated) June 30, 2009	Additions	Deletions	Balance June 30, 2010
<b>Agricultural Extension Service Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 6,695	\$ 494,918	\$ 495,798	\$ 5,815
Receivables, property taxes	436,538	451,005	436,726	450,817
<b>Total assets</b>	<b>\$ 443,233</b>	<b>\$ 945,923</b>	<b>\$ 932,524</b>	<b>\$ 456,632</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 443,233</b>	<b>\$ 946,163</b>	<b>\$ 932,764</b>	<b>\$ 456,632</b>
<b>Bangs Eradication Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 10,722	\$ 22,682	\$ 23,809	\$ 9,595
Receivables, property taxes	19,251	22,407	19,251	22,407
<b>Total assets</b>	<b>\$ 29,973</b>	<b>\$ 45,089</b>	<b>\$ 43,060</b>	<b>\$ 32,002</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 29,973</b>	<b>\$ 45,097</b>	<b>\$ 43,069</b>	<b>\$ 32,001</b>
<b>City Taxing Districts Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 1,651,765	\$ 109,221,075	\$ 109,508,854	\$ 1,363,986
Receivables, property taxes	95,782,923	97,400,493	95,812,010	97,371,406
<b>Total assets</b>	<b>\$ 97,434,688</b>	<b>\$ 206,621,568</b>	<b>\$ 205,320,864</b>	<b>\$ 98,735,392</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 97,434,688</b>	<b>\$ 206,908,484</b>	<b>\$ 205,607,780</b>	<b>\$ 98,735,392</b>
<b>Community College Taxing District Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 62,061	\$ 6,710,110	\$ 6,693,061	\$ 79,110
Receivables, property taxes	5,920,519	6,396,280	5,922,175	6,394,624
<b>Total assets</b>	<b>\$ 5,982,580</b>	<b>\$ 13,106,390</b>	<b>\$ 12,615,236</b>	<b>\$ 6,473,734</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 5,982,580</b>	<b>\$ 13,110,439</b>	<b>\$ 12,619,285</b>	<b>\$ 6,473,734</b>
<b>Fire Taxing District Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 4,082	\$ 355,281	\$ 355,059	\$ 4,304
Receivables, property taxes	317,878	316,593	318,195	316,276
<b>Total assets</b>	<b>\$ 321,960</b>	<b>\$ 671,874</b>	<b>\$ 673,254</b>	<b>\$ 320,580</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 321,960</b>	<b>\$ 671,874</b>	<b>\$ 673,254</b>	<b>\$ 320,580</b>

(continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities  
 All Agency Funds (Continued)  
 Year Ended June 30, 2010

	Balance (restated) June 30, 2009	Additions	Deletions	Balance June 30, 2010
<b>School Taxing District Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 1,666,404	\$ 120,908,881	\$ 121,137,628	\$ 1,437,657
Receivables, property taxes	106,559,778	110,129,296	106,600,708	110,088,366
<b>Total assets</b>	<b>\$ 108,226,182</b>	<b>\$ 231,038,177</b>	<b>\$ 227,738,336</b>	<b>\$ 111,526,023</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 108,226,182</b>	<b>\$ 231,114,620</b>	<b>\$ 227,814,779</b>	<b>\$ 111,526,023</b>
<b>Township Taxing District Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 1,999	\$ 185,887	\$ 185,895	\$ 1,991
Receivables, property taxes	165,283	185,538	165,356	185,465
<b>Total assets</b>	<b>\$ 167,282</b>	<b>\$ 371,425</b>	<b>\$ 351,251</b>	<b>\$ 187,456</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 167,282</b>	<b>\$ 371,425</b>	<b>\$ 351,251</b>	<b>\$ 187,456</b>
<b>Other Taxing Districts Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 94,928	\$ 9,350,547	\$ 9,364,541	\$ 80,934
Receivables, property taxes	35,229	96,226	94,545	36,910
<b>Total assets</b>	<b>\$ 130,157</b>	<b>\$ 9,446,773</b>	<b>\$ 9,459,086</b>	<b>\$ 117,844</b>
<b>Liabilities</b>				
Accounts payable	\$ 11,369	\$ 11,675	\$ 12,975	\$ 10,069
Due to other governmental agencies	118,788	9,375,782	9,386,795	107,775
<b>Total liabilities</b>	<b>\$ 130,157</b>	<b>\$ 9,387,457</b>	<b>\$ 9,399,770</b>	<b>\$ 117,844</b>
<b>City Special Assessments Fund</b>				
<b>Assets, cash and investments</b>	<b>\$ 418,271</b>	<b>\$ 2,818,549</b>	<b>\$ 2,706,293</b>	<b>\$ 530,527</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 418,271</b>	<b>\$ 2,818,549</b>	<b>\$ 2,706,293</b>	<b>\$ 530,527</b>

(continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities  
 All Agency Funds (Continued)  
 Year Ended June 30, 2010

	Balance (restated) June 30, 2009	Additions	Deletions	Balance June 30, 2010
<b>County Recorder Agency Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 123,215	\$ 1,675,513	\$ 1,642,438	\$ 156,290
Receivables, accounts	19,991	1,745,621	1,740,091	25,521
<b>Total assets</b>	<b>\$ 143,206</b>	<b>\$ 3,421,134</b>	<b>\$ 3,382,529</b>	<b>\$ 181,811</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 143,206</b>	<b>\$ 1,680,854</b>	<b>\$ 1,642,249</b>	<b>\$ 181,811</b>
<b>County Sheriff Agency Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 222,847	\$ 4,376,712	\$ 4,334,126	\$ 265,433
Receivables, accounts	5	889	894	-
<b>Total assets</b>	<b>\$ 222,852</b>	<b>\$ 4,377,601</b>	<b>\$ 4,335,020</b>	<b>\$ 265,433</b>
<b>Liabilities, accounts payable</b>	<b>\$ 222,852</b>	<b>\$ 4,377,622</b>	<b>\$ 4,335,041</b>	<b>\$ 265,433</b>
<b>Motor Vehicle Tax Fund</b>				
<b>Assets, cash and investments</b>	<b>\$ 1,824,887</b>	<b>\$ 23,124,906</b>	<b>\$ 23,250,402</b>	<b>\$ 1,699,391</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 1,824,887</b>	<b>\$ 23,124,906</b>	<b>\$ 23,250,402</b>	<b>\$ 1,699,391</b>
<b>Original Bond Issue Escrow Fund</b>				
<b>Assets, cash and investments</b>	<b>\$ 1,800</b>	<b>\$ -</b>	<b>\$ 1,800</b>	<b>\$ -</b>
<b>Liabilities, accounts payable</b>	<b>\$ 1,800</b>	<b>\$ -</b>	<b>\$ 1,800</b>	<b>\$ -</b>
<b>Tax Sale Redemption Fund</b>				
<b>Assets, cash and investments</b>	<b>\$ 489,036</b>	<b>\$ 389,425</b>	<b>\$ 753,193</b>	<b>\$ 125,268</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 489,036</b>	<b>\$ 389,425</b>	<b>\$ 753,193</b>	<b>\$ 125,268</b>

(continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities  
 All Agency Funds (Continued)  
 Year Ended June 30, 2010

	Balance (restated) June 30, 2009	Additions	Deletions	Balance June 30, 2010
<b>Use Tax Fund</b>				
<b>Assets, cash and investments</b>	\$ 1,389,727	\$ 13,061,184	\$ 12,776,003	\$ 1,674,908
<b>Liabilities, due to other governmental agencies</b>	\$ 1,389,727	\$ 13,061,184	\$ 12,776,003	\$ 1,674,908
<b>Community Services Fund</b>				
<b>Assets, cash and investments</b>	\$ 509,082	\$ -	\$ 79,847	\$ 429,235
<b>Liabilities, due to private individuals</b>	\$ 509,082	\$ -	\$ 79,847	\$ 429,235
<b>County Assessor Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 312,322	\$ 902,335	\$ 730,181	\$ 484,476
Receivables, property taxes	713,290	633,122	715,403	631,009
<b>Total assets</b>	<b>\$ 1,025,612</b>	<b>\$ 1,535,457</b>	<b>\$ 1,445,584</b>	<b>\$ 1,115,485</b>
<b>Liabilities</b>				
Accounts payable	\$ 4,576	\$ 178,013	\$ 177,873	\$ 4,716
Due to other governmental agencies	1,021,036	1,988,436	1,898,703	1,110,769
<b>Total liabilities</b>	<b>\$ 1,025,612</b>	<b>\$ 2,166,449</b>	<b>\$ 2,076,576</b>	<b>\$ 1,115,485</b>
<b>County Assessor Special Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 600,388	\$ 223,790	\$ 292,108	\$ 532,070
Receivables, property taxes	239,947	266,296	239,947	266,296
<b>Total assets</b>	<b>\$ 840,335</b>	<b>\$ 490,086</b>	<b>\$ 532,055</b>	<b>\$ 798,366</b>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 267,103	\$ 267,103	\$ -
Due to other governmental agencies	840,335	485,497	527,466	798,366
<b>Total liabilities</b>	<b>\$ 840,335</b>	<b>\$ 752,600</b>	<b>\$ 794,569</b>	<b>\$ 798,366</b>
<b>City Assessor Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 467,822	\$ 819,536	\$ 875,663	\$ 411,695
Receivables, property taxes	803,280	575,339	804,295	574,324
<b>Total assets</b>	<b>\$ 1,271,102</b>	<b>\$ 1,394,875</b>	<b>\$ 1,679,958</b>	<b>\$ 986,019</b>
<b>Liabilities</b>				
Accounts payable	\$ 46,330	\$ 754,019	\$ 764,467	\$ 35,882
Due to other governmental agencies	1,224,772	1,318,164	1,592,798	950,138
<b>Total liabilities</b>	<b>\$ 1,271,102</b>	<b>\$ 2,072,183</b>	<b>\$ 2,357,265</b>	<b>\$ 986,020</b>

(continued)



County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities  
 All Agency Funds (Continued)  
 Year Ended June 30, 2010

	Balance (restated) June 30, 2009	Additions	Deletions	Balance June 30, 2010
<b>City Assessor Special Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 120,962	\$ 275,655	\$ 220,245	\$ 176,372
Receivables, property taxes	200,936	301,288	200,937	301,287
<b>Total assets</b>	<b>\$ 321,898</b>	<b>\$ 576,943</b>	<b>\$ 421,182</b>	<b>\$ 477,659</b>
<b>Liabilities</b>				
Accounts payable	\$ 10,275	\$ 183,831	\$ 182,798	\$ 11,308
Due to other governmental agencies	311,623	560,601	405,873	466,351
<b>Total liabilities</b>	<b>\$ 321,898</b>	<b>\$ 744,432</b>	<b>\$ 588,671</b>	<b>\$ 477,659</b>
<b>Jail Inmate Fund</b>				
<b>Assets, cash and investments</b>				
	\$ 31,583	\$ 18,643	\$ -	\$ 50,226
<b>Liabilities, due to private individuals</b>				
	\$ 31,583	\$ 18,643	\$ -	\$ 50,226
<b>Total Combined Funds</b>				
<b>Assets</b>				
Cash and investments	\$ 10,010,598	\$ 294,935,629	\$ 295,426,944	\$ 9,519,283
Receivables:				
Property taxes	211,194,852	216,773,883	211,329,548	216,639,187
Accounts	19,996	1,746,510	1,740,985	25,521
<b>Total Assets</b>	<b>\$ 221,225,446</b>	<b>\$ 513,456,022</b>	<b>\$ 508,497,477</b>	<b>\$ 226,183,991</b>
<b>Liabilities</b>				
Accounts payable	\$ 297,202	\$ 5,772,263	\$ 5,742,057	\$ 327,408
Due to other governmental agencies	220,387,579	507,971,500	502,981,957	225,377,122
Due to private individuals	540,665	18,643	79,847	479,461
<b>Total Liabilities</b>	<b>\$ 221,225,446</b>	<b>\$ 513,762,406</b>	<b>\$ 508,803,861</b>	<b>\$ 226,183,991</b>

County of Scott, Iowa

Combining Statement of Cash Flows  
Discretely Presented Component Units  
Year Ended June 30, 2010

	Emergency Management Agency	County Library	Public Safety Authority	Scott Emergency Communication Center	Total
<b>Cash flows from operating activities:</b>					
Cash received from customers	\$ 150,052	\$ 1,007,628	\$ -	\$ 111,253	\$ 1,268,933
Customer deposits received					-
Cash payments to suppliers for goods and services	(115,551)	(975,202)	-	(1,352,153)	(2,442,906)
Cash payments to employees for services	-	-	-	-	-
<b>Net cash from operating activities</b>	<b>34,501</b>	<b>32,426</b>	<b>-</b>	<b>(1,240,900)</b>	<b>(1,173,973)</b>
<b>Cash flows from capital and related financing activities:</b>					
Purchase of capital assets	(22,573)	-	-	(4,072,727)	(4,095,300)
Principal paid	-	-	(1,110,000)	-	(1,110,000)
Interest paid	-	-	(1,010,055)	(230,394)	(1,240,449)
Capital grants received	-	-	-	1,578,899	1,578,899
Lease payments received	-	-	2,120,055	-	2,120,055
Proceeds of long-term debt, net of discount and issue costs	-	-	-	9,983,226	9,983,226
<b>Net cash from capital and related financing activities</b>	<b>(22,573)</b>	<b>-</b>	<b>-</b>	<b>7,259,004</b>	<b>7,236,431</b>
<b>Cash flows from noncapital financing activities:</b>					
Operating grants received	-	-	-	300,000	300,000
<b>Cash flows from investing activities:</b>					
Interest received	-	-	-	18,413	18,413
<b>Net increase in cash and cash equivalents</b>	<b>11,928</b>	<b>32,426</b>	<b>-</b>	<b>6,336,517</b>	<b>6,380,871</b>
<b>Cash and cash equivalents:</b>					
Beginning	209,322	134,714	134,877	315,863	794,776
Ending	\$ 221,250	\$ 167,140	\$ 134,877	\$ 6,652,380	\$ 7,175,647
<b>Reconciliation of operating income (loss) to net cash from operating activities:</b>					
Operating income (loss)	\$ (38,847)	\$ (12,257)	\$ -	\$ (1,319,659)	\$ (1,370,763)
<b>Adjustments to reconcile operating income (loss) to net cash from operating activities:</b>					
Depreciation	64,751	39,187	-	-	103,938
<b>Changes in assets and liabilities:</b>					
Receivables	10,692	-	-	-	10,692
Due from other governmental agencies	8,516	-	-	-	8,516
Accounts payable	119	(1,961)	-	(94,547)	(96,389)
Accrued liabilities	329	3,745	-	56,463	60,537
Unearned revenue	-	-	-	103,178	103,178
Compensated absences	(11,617)	6,095	-	13,159	7,637
Other post employment benefits obligation	558	(2,383)	-	506	(1,319)
<b>Net cash from operating activities</b>	<b>\$ 34,501</b>	<b>\$ 32,426</b>	<b>\$ -</b>	<b>\$ (1,240,900)</b>	<b>\$ (1,173,973)</b>
<b>Noncash capital and related financing activities:</b>					
Equipment acquired by issuance of note payable	\$ -	\$ -	\$ -	\$ 862,403	
Amortization of bond issuance costs and discount on long-term debt	\$ -	\$ -	\$ 33,800	\$ -	
Capital assets acquired through accounts payable	\$ -	\$ -	\$ -	\$ 1,108,551	

**STATISTICAL**



# County of Scott, Iowa

## Statistical Section Contents

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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
<b>Financial Trends</b>	71
These schedules contain trend information to help the reader understand how the County's financial performance and well being have changed over time.	
<b>Revenue Capacity</b>	83
These schedules contain information to help the reader assess the County's most significant local revenue sources, the property tax (or sales tax).	
<b>Debt Capacity</b>	91
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.	
<b>Demographic and Economic Information</b>	97
These schedule offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
<b>Operating Information</b>	99
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.	

**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 Eight Fiscal Years\***  
*(accrual basis of accounting)*  
**(Unaudited)**

	Fiscal Year	
	2003	2004
Governmental activities:		
Invested in capital assets, net of related debt	\$ 51,390,670	\$ 53,196,584
Restricted for:		
Debt Service	5,142,886	4,828,092
County Conservation Sewage Treatment	151,021	160,678
Mental health	-	-
Federal/State	-	-
Secondary roads	-	-
Unrestricted	11,771,985	11,848,957
<b>Total governmental activities net assets</b>	<b>\$ 68,456,562</b>	<b>\$ 70,034,311</b>
Business-type activities		
Invested in capital assets, net of related debt	\$ (50,362)	\$ 198,958
Restricted for lease purchase contract	-	324,627
Unrestricted	(1,383,608)	(1,843,166)
<b>Total business-type activities net assets</b>	<b>\$ (1,433,970)</b>	<b>\$ (1,319,581)</b>
Primary government:		
Invested in capital assets, net of related debt	\$ 51,340,308	\$ 53,395,542
Restricted for:		
Debt Service	5,142,886	4,828,092
County Conservation Sewage Treatment	151,021	160,678
Lease purchase contract	-	324,627
Mental health	-	-
Other statutory programs	-	-
Secondary roads	-	-
Unrestricted	10,388,377	10,005,791
<b>Total primary government net assets</b>	<b>\$ 67,022,592</b>	<b>\$ 68,714,730</b>

\*GASB Statement No. 34 implemented in fiscal year 2003.

**Source:** County records.

Fiscal Year						
2005	2006	2007	2008	2009	2010	
\$ 58,403,448	\$ 62,017,939	\$ 65,298,164	\$ 70,527,812	\$ 70,017,361	\$ 73,643,761	
4,486,204	4,460,937	4,152,198	3,728,760	3,229,346	2,849,754	
170,507	182,850	196,692	206,674	222,551	209,483	
-	855,147	396,372	572,242	1,713,646	1,499,167	
-	-	-	-	-	663,173	
-	1,459,411	936,185	486,405	273,409	370,604	
11,456,380	11,004,368	10,576,072	6,065,147	6,205,472	6,934,776	
<u>\$ 74,516,539</u>	<u>\$ 79,980,652</u>	<u>\$ 81,555,683</u>	<u>\$ 81,587,040</u>	<u>\$ 81,661,785</u>	<u>\$ 86,170,718</u>	
\$ 342,758	\$ 475,691	\$ 633,574	\$ 807,121	\$ 1,011,730	\$ 1,201,240	
326,105	326,596	326,831	325,166	324,400	324,407	
(2,051,330)	(2,341,036)	(2,832,971)	(3,225,906)	(3,623,282)	(3,921,629)	
<u>\$ (1,382,467)</u>	<u>\$ (1,538,749)</u>	<u>\$ (1,872,566)</u>	<u>\$ (2,093,619)</u>	<u>\$ (2,287,152)</u>	<u>\$ (2,395,982)</u>	
\$ 58,746,206	\$ 62,493,630	\$ 65,931,738	\$ 71,334,933	\$ 71,029,091	\$ 74,845,001	
4,486,204	4,460,937	4,152,198	3,728,760	3,229,346	2,849,754	
170,507	182,850	196,692	206,674	222,551	209,483	
326,105	326,596	326,831	325,166	324,400	324,407	
-	855,147	396,372	572,242	1,713,646	1,499,167	
-	-	-	-	-	663,173	
-	1,459,411	936,185	486,405	273,409	370,604	
9,405,050	8,663,332	7,743,101	2,839,241	2,582,190	3,013,147	
<u>\$ 73,134,072</u>	<u>\$ 78,441,903</u>	<u>\$ 79,683,117</u>	<u>\$ 79,493,421</u>	<u>\$ 79,374,633</u>	<u>\$ 83,774,736</u>	

County of Scott, Iowa

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

	Fiscal Year	
	2003	2004
Expenses:		
Governmental activities:		
Public safety and legal services	\$ 14,416,219	\$ 15,359,610
Physical health and social services	5,354,508	5,599,865
Mental health	12,560,244	12,464,838
County environment and education	4,077,028	4,179,381
Roads and transportation	5,319,941	5,322,321
Governmental services to residents	1,728,824	1,834,390
Administration	6,864,076	8,182,576
Interest on long-term debt	498,341	457,073
<b>Total governmental activities expenses</b>	<b>50,819,181</b>	<b>53,400,054</b>
Business-type activities, golf course	964,728	988,195
<b>Total government expenses</b>	<b>\$ 51,783,909</b>	<b>\$ 54,388,249</b>
Program revenues:		
Governmental activities		
Public safety and legal services	\$ 966,549	\$ 899,053
Physical health and social services	264,329	356,232
Mental health	46,259	18,432
County environment and education	695,885	693,246
Roads and transportation	2,841	32,875
Governmental services to residents	2,930,055	2,693,220
Administration	222,833	150,904
Operating grants and contributions	5,448,938	8,544,625
Capital grants and contributions	1,329,326	706,004
<b>Total governmental activities program revenues</b>	<b>11,907,015</b>	<b>14,094,591</b>
Business-type activities, golf course	1,033,286	1,101,788
<b>Total government program revenues</b>	<b>\$ 12,940,301</b>	<b>\$ 15,196,379</b>
Net (expense)/revenue:		
Governmental activities	\$ (38,912,166)	\$ (39,305,463)
Business-type activities	68,558	113,593
<b>Total government net expense</b>	<b>\$ (38,843,608)</b>	<b>\$ (39,191,870)</b>

(Continued)



Fiscal Year						
2005	2006	2007	2008	2009	2010	
\$ 17,378,230	\$ 19,231,650	\$ 20,051,534	\$ 20,289,680	\$ 20,925,221	\$ 27,972,373	
5,433,189	5,543,800	5,682,835	5,956,132	6,180,832	6,238,358	
12,689,373	13,430,170	14,308,820	15,211,596	14,605,242	14,484,152	
3,978,818	4,142,926	4,371,103	4,410,086	4,882,023	4,044,619	
6,514,158	5,983,682	6,711,217	6,712,511	7,461,585	6,219,535	
1,853,466	1,945,223	2,074,972	2,151,064	2,821,526	2,167,664	
9,848,118	9,376,193	9,943,559	10,980,111	10,135,767	8,294,027	
434,854	662,882	1,606,659	1,471,972	1,393,678	1,457,291	
58,130,206	60,316,526	64,750,699	67,183,152	68,405,874	70,878,019	
1,074,754	1,186,450	1,223,696	1,178,367	1,144,254	1,021,548	
\$ 59,204,960	\$ 61,502,976	\$ 65,974,395	\$ 68,361,519	\$ 69,550,128	\$ 71,899,567	
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\$ 878,359	\$ 1,101,152	\$ 1,053,355	\$ 939,874	\$ 1,182,577	\$ 992,171	
291,344	290,280	285,637	330,296	358,704	355,941	
40,441	57,465	41,070	42,261	31,633	31,902	
880,593	943,194	889,915	920,315	891,352	988,522	
9,241	27,646	9,943	11,268	21,109	32,893	
2,501,165	2,616,909	2,506,821	2,382,447	2,307,783	2,343,094	
264,264	191,548	251,682	251,070	228,445	271,056	
8,857,256	9,135,717	9,896,826	11,847,705	12,233,452	11,912,913	
6,519,732	2,846,478	1,417,942	153,469	1,184,458	6,674,252	
20,242,395	17,210,389	16,353,191	16,878,705	18,439,513	23,602,744	
1,008,046	1,019,793	875,270	947,487	949,445	912,712	
\$ 21,250,441	\$ 18,230,182	\$ 17,228,461	\$ 17,826,192	\$ 19,388,958	\$ 24,515,456	
<hr/>						
\$ (37,887,811)	\$ (43,106,137)	\$ (48,397,508)	\$ (50,304,447)	\$ (49,966,361)	\$ (47,275,275)	
(66,708)	(166,657)	(348,426)	(230,880)	(194,809)	(108,836)	
\$ (37,954,519)	\$ (43,272,794)	\$ (48,745,934)	\$ (50,535,327)	\$ (50,161,170)	\$ (47,384,111)	

County of Scott, Iowa

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

	Fiscal Year	
	2003	2004
General revenues and other changes in net assets:		
Governmental activities:		
Taxes:		
Property taxes	\$ 22,780,080	\$ 24,998,507
Local option sales tax	3,199,382	3,393,432
Gaming	805,667	919,864
Other taxes	172,113	117,731
Utility tax replacements	1,061,401	1,133,932
Penalties, interest and costs on taxes	667,318	652,959
State tax replacement credits	8,313,347	5,435,819
Payments in lieu of taxes	3,659	-
State shared revenues	2,804,003	2,851,114
Grants and contributions not restricted to specific purpose	289,800	274,703
Investment earnings	518,804	367,089
Miscellaneous	692,184	738,062
(Loss) on the sales of capital assets	(35,371)	-
<b>Total governmental activities</b>	<b>41,272,387</b>	<b>40,883,212</b>
Business-type activities, investment earnings	2,461	796
<b>Total government</b>	<b>\$ 41,274,848</b>	<b>\$ 40,884,008</b>
Change in net assets:		
Governmental activities	\$ 2,360,221	\$ 1,577,749
Business-type activities	71,019	114,389
<b>Total primary government</b>	<b>\$ 2,431,240</b>	<b>\$ 1,692,138</b>

\*GASB Statement No. 34 implemented in fiscal year 2003.

**Source:** County records.

							Fiscal Year					
2005		2006		2007		2008		2009		2010		
\$	25,923,952	\$	31,335,227	\$	31,995,844	\$	33,138,131	\$	34,113,141	\$	36,228,794	
	3,488,462		3,470,318		3,700,844		3,867,941		3,602,230		3,637,825	
	904,897		887,690		789,210		815,524		748,920		676,255	
	59,143		63,287		61,766		65,253		66,852		63,470	
	1,228,633		1,377,835		1,382,625		1,341,669		1,348,776		1,395,383	
	837,554		791,859		782,123		731,456		847,456		790,006	
	5,152,761		5,246,050		5,243,536		5,194,016		5,183,554		4,826,563	
	-		-		165		8,226		9,046		6,828	
	2,909,524		2,970,800		2,906,371		2,866,918		2,743,735		3,101,887	
	258,703		241,277		188,557		-		-		-	
	782,291		1,381,353		2,140,787		1,447,577		674,859		188,207	
	824,119		804,554		780,711		859,093		702,537		868,990	
	-		-		-		-		-		-	
	42,370,039		48,570,250		49,972,539		50,335,804		50,041,106		51,784,208	
	3,822		10,375		14,609		9,827		1,276		6	
\$	42,373,861	\$	48,580,625	\$	49,987,148	\$	50,345,631	\$	50,042,382	\$	51,784,214	
\$	4,482,228	\$	5,464,113	\$	1,575,031	\$	31,357	\$	74,745	\$	4,508,933	
	(62,886)		(156,282)		(333,817)		(221,053)		(193,533)		(108,830)	
\$	4,419,342	\$	5,307,831	\$	1,241,214	\$	(189,696)	\$	(118,788)	\$	4,400,103	

County of Scott, Iowa

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

	Fiscal Year		
	2001	2002	2003
General Fund:			
Reserved:			
Notes receivable	\$ 120,507	\$ 60,254	\$ 100,000
Advances	1,423,314	1,423,314	1,423,314
County conservation sewage treatment	-	-	151,021
Other statutory programs	-	-	-
Unreserved, designated claim liabilities	-	1,051,977	1,116,806
Unreserved, undesignated	5,373,104	6,012,505	6,372,309
<b>Total general fund</b>	<b>\$ 6,916,925</b>	<b>\$ 8,548,050</b>	<b>\$ 9,163,450</b>
All other governmental funds:			
Reserved for:			
Debt service	\$ 5,688,836	\$ 5,426,805	\$ 5,142,886
Unreserved, undesignated reported in:			
Special revenue funds:			
Mental health/development disabilities	2,166,738	1,218,233	1,021,020
Secondary Roads	875,848	561,446	2,189,357
Rural services	132,012	83,889	2,148,185
Recorders management fees	154,882	192,259	259,036
Capital projects funds, capital projects	9,007,745	5,916,295	1,788,279
<b>Total all other governmental funds</b>	<b>\$ 18,026,061</b>	<b>\$ 13,398,927</b>	<b>\$ 12,548,763</b>

Source: County records.

Fiscal Year						
2004	2005	2006	2007	2008	2009	2010
\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 116,175	\$ 116,175	\$ 113,358
1,508,314	1,673,314	1,863,314	2,262,314	2,702,314	3,207,314	3,397,314
160,678	170,507	182,850	196,692	206,674	222,551	213,843
-	-	-	-	-	-	663,173
805,257	886,689	886,689	1,004,488	718,847	589,331	522,407
5,488,379	4,637,761	5,479,818	5,301,970	5,849,553	5,956,480	7,613,701
<u>\$ 8,062,628</u>	<u>\$ 7,468,271</u>	<u>\$ 8,512,671</u>	<u>\$ 8,865,464</u>	<u>\$ 9,593,563</u>	<u>\$ 10,091,851</u>	<u>\$ 12,523,796</u>
\$ 724,111	\$ 5,269,337	\$ 4,460,937	\$ 4,152,198	\$ 3,728,760	\$ 3,229,346	\$ 2,908,690
1,000,512	1,251,251	855,147	396,372	572,242	1,713,646	1,499,167
2,943,900	1,552,667	1,459,411	936,185	486,405	273,409	370,604
1,997,741	2,191,392	111,064	123,384	118,672	117,451	137,271
93,315	117,636	129,231	138,081	139,847	139,496	90,270
1,275,218	3,426,597	4,223,180	6,945,117	5,541,207	4,053,819	8,310,749
<u>\$ 8,034,797</u>	<u>\$ 13,808,880</u>	<u>\$ 11,238,970</u>	<u>\$ 12,691,337</u>	<u>\$ 10,587,133</u>	<u>\$ 9,527,167</u>	<u>\$ 13,316,751</u>

County of Scott, Iowa

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

	Fiscal Year			
	2001	2002	2003	2004
<b>Revenues:</b>				
Property taxes	\$ 19,852,285	\$ 20,644,047	\$ 22,769,823	\$ 24,996,346
Local option sales tax	3,196,756	3,195,497	3,289,382	3,403,432
Other taxes	1,876,688	1,980,614	2,039,181	2,171,528
Interest and penalty on taxes	522,155	579,951	667,318	652,959
Intergovernmental	15,491,941	15,895,641	17,130,707	17,181,934
Charges for services	3,576,260	4,181,051	4,698,212	4,389,232
Investment earnings	2,286,576	956,679	518,804	348,442
Licenses and permits	386,316	418,998	430,540	454,731
Rentals and fees	163,735	142,050	127,387	113,952
Other	392,014	784,724	564,798	604,805
<b>Total revenues</b>	<b>47,744,726</b>	<b>48,779,252</b>	<b>52,236,152</b>	<b>54,317,361</b>
<b>Expenditures:</b>				
Public safety and legal services	12,247,225	12,490,629	13,584,142	14,593,427
Physical health and social services	5,305,350	5,675,225	5,279,964	5,563,018
Mental health	11,615,292	12,507,653	12,540,895	12,454,452
County environment and education	2,601,159	2,974,726	3,331,750	3,809,045
Roads and transportation	3,240,775	3,380,066	3,025,694	3,716,998
Governmental services to residents	1,658,522	1,748,504	1,638,400	1,746,145
Administration	5,824,175	5,907,458	6,214,537	6,622,680
Capital outlay	4,128,588	13,388,707	9,256,988	5,320,722
<b>Debt service:</b>				
Principal	275,000	290,000	610,000	580,000
Bond issuance costs	-	-	-	-
Interest	317,485	317,818	502,750	458,905
<b>Total expenditures</b>	<b>47,213,571</b>	<b>58,680,786</b>	<b>55,985,120</b>	<b>54,865,392</b>
<b>Excess of revenues over (under) expenditures</b>	<b>531,155</b>	<b>(9,901,534)</b>	<b>(3,748,968)</b>	<b>(548,031)</b>
<b>Other financing sources (uses):</b>				
Transfers in	6,761,451	5,919,049	5,949,549	6,468,235
Transfers out	(6,761,451)	(5,919,049)	(5,949,549)	(6,468,235)
Proceeds from sale of capital assets	-	-	-	-
Proceeds from issuance of long-term debt	-	5,041,777	-	-
Bond discount	-	-	-	-
Bond premium	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>5,041,777</b>	<b>-</b>	<b>-</b>
<b>Net Change in fund balances</b>	<b>531,155</b>	<b>(4,859,757)</b>	<b>(3,748,968)</b>	<b>(548,031)</b>
Fund balances, beginning of year	24,411,832	24,942,986	23,183,554	19,434,586
Residual equity transfer in	-	1,863,748	-	-
<b>Fund balances, end of year</b>	<b>\$ 24,942,987</b>	<b>\$ 21,946,977</b>	<b>\$ 19,434,586</b>	<b>\$ 18,886,555</b>
<b>Debt service as a percentage of noncapital expenditures</b>				
	1.39%	1.36%	2.44%	2.14%

**Source:** County records.

		Fiscal Year					
		2005	2006	2007	2008	2009	2010
\$	25,895,065	\$ 31,364,663	\$ 32,017,310	\$ 33,120,748	\$ 34,082,776	\$ 36,232,900	
	3,418,462	3,382,318	3,727,522	3,860,101	3,691,392	3,637,825	
	2,192,673	2,328,812	2,233,601	2,222,446	2,164,548	2,135,108	
	837,554	791,859	782,123	731,456	847,456	790,006	
	17,899,516	18,596,027	18,714,770	19,873,049	20,369,088	19,848,192	
	4,336,407	4,656,145	4,521,226	4,337,361	4,516,303	4,490,155	
	738,160	1,381,353	2,008,067	1,447,577	674,859	186,708	
	529,000	572,049	517,197	540,170	505,300	525,427	
	124,758	141,568	144,693	157,323	165,676	186,492	
	695,374	569,001	636,018	701,770	536,861	642,792	
	56,666,969	63,783,795	65,302,527	66,992,001	67,554,259	68,675,605	
	16,507,338	18,225,493	19,330,101	19,214,446	19,768,037	19,942,386	
	5,398,110	5,489,011	5,638,002	5,915,796	6,075,938	6,595,222	
	12,673,353	13,416,089	14,288,703	15,182,707	14,560,838	14,492,698	
	3,554,450	3,558,603	3,845,185	4,099,548	4,378,787	4,197,866	
	3,915,398	3,937,871	4,360,061	4,493,009	4,680,676	4,604,129	
	1,765,623	1,866,796	1,933,065	2,012,787	2,134,299	2,052,707	
	6,815,170	7,306,402	7,555,798	8,238,360	8,711,784	8,342,657	
	5,583,383	5,290,532	5,580,379	5,832,465	4,369,892	9,072,467	
	610,000	2,570,000	1,880,000	1,925,000	2,065,000	2,140,000	
	-	-	99,453	-	-	-	
	436,926	665,130	1,569,359	1,503,745	1,398,136	1,562,013	
	57,259,751	62,325,927	66,080,106	68,417,863	68,143,387	73,002,145	
	(592,782)	1,457,868	(777,579)	(1,425,862)	(589,128)	(4,326,540)	
	5,835,149	6,665,376	5,107,655	8,516,222	8,616,899	8,007,463	
	(5,835,149)	(6,665,376)	(5,107,655)	(8,516,222)	(8,616,899)	(8,007,463)	
	-	-	33,394	49,757	27,450	39,705	
	-	-	6,185,000	-	-	13,200,000	
	-	-	-	-	-	(17,392)	
	-	-	9,345	-	-	70,756	
	-	-	(3,645,000)	-	-	(2,745,000)	
	-	-	2,582,739	49,757	27,450	10,548,069	
	(592,782)	1,457,868	1,805,160	(1,376,105)	(561,678)	6,221,529	
	18,886,555	18,293,773	19,751,641	21,556,801	20,180,696	19,619,018	
	-	-	-	-	-	-	
\$	18,293,773	\$ 19,751,641	\$ 21,556,801	\$ 20,180,696	\$ 19,619,018	\$ 25,840,547	
	2.07%	6.01%	5.84%	5.39%	5.39%	5.54%	

County of Scott, Iowa

Program Revenues by Function/Program

Last Eight Fiscal Years\*

(accrual basis of accounting)

(Unaudited)

Function / Program	Fiscal Year	
	2003	2004
Governmental activities:		
Public safety and legal services	\$ 1,510,542	\$ 1,440,430
Physical health and social services	1,995,547	2,278,296
Mental health	2,681,440	5,019,401
County environment and education	1,064,191	1,253,269
Roads and transportation	1,180,590	725,079
Governmental services and residents	3,048,029	3,041,924
Administration	426,676	336,192
<b>Total governmental activities</b>	<b>11,907,015</b>	<b>14,094,591</b>
Business-type activities, Glynn's Creek Golf Course	1,033,286	1,101,788
<b>Total government</b>	<b>\$ 12,940,301</b>	<b>\$ 15,196,379</b>

\*GASB Statement No. 34 implemented in fiscal year 2003

Source: County records.



Fiscal Year					
2005	2006	2007	2008	2009	2010
\$ 2,076,189	\$ 2,396,794	\$ 2,624,858	\$ 2,087,424	\$ 3,080,316	\$ 2,285,735
2,393,807	2,126,736	2,114,672	2,179,694	2,222,418	5,413,513
5,435,434	5,507,832	6,324,361	7,891,347	8,163,582	6,969,490
1,143,866	1,197,394	1,074,486	1,306,680	1,301,062	1,415,324
5,980,515	1,943,220	979,629	54,786	154,581	6,744,340
2,705,131	3,670,976	2,824,963	2,926,459	3,063,718	2,704,150
507,453	367,437	410,222	432,315	453,836	499,111
20,242,395	17,210,389	16,353,191	16,878,705	18,439,513	26,031,663
1,008,046	1,019,793	875,270	947,487	949,445	912,712
\$ 21,250,441	\$ 18,230,182	\$ 17,228,461	\$ 17,826,192	\$ 19,388,958	\$ 26,944,375

County of Scott, Iowa

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
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
2009	34,082,776	3,691,392	2,164,548	847,456	20,369,088
2010	36,232,900	3,637,825	2,135,108	790,006	19,848,192
Change 2001-2010	82.51%	13.80%	13.77%	51.30%	28.12%

Source: County records.

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Charges for Services	Investment Earnings	Licenses & Permits	Rentals & Fees	Other	Total
\$ 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
4,516,303	674,859	505,300	165,676	536,861	67,554,259
4,490,155	186,708	525,427	186,492	642,792	68,675,605
25.55%	-91.83%	36.01%	13.90%	63.97%	43.84%

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		Util
	Taxable Value	Assessed Value	Taxable Value	Assessed Value	Taxable Value
2001	\$ 4,283,599,697	\$ 6,382,142,701	\$ 190,103,913	\$ 190,103,913	\$ 367,488,907
2002	4,494,546,377	6,542,552,088	128,389,476	128,389,476	373,127,833
2003	4,697,380,131	7,262,052,360	55,912,460	55,912,460	376,912,988
2004	4,812,295,795	7,645,182,637	5,356,152	5,356,152	402,785,799
2005	5,087,898,264	8,391,908,858	-	-	416,619,162
2006	5,299,824,281	8,858,213,729	-	-	405,323,627
2007	5,636,684,084	9,304,359,638	-	-	242,007,768
2008	5,782,600,890	9,629,908,628	-	-	236,556,404
2009	6,175,708,574	10,870,184,903	-	-	244,749,886
2010	6,239,157,174	10,946,041,950	-	-	407,227,695

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.

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ities	Total		Ratio Taxable to Assessed Value	Tax Increment Financing District Values	County Urban Rate
	Assessed Value	Taxable Value			
\$ 367,528,097	\$ 4,841,192,517	\$ 6,939,774,711	69.8%	\$ 207,991,891	\$ 4.06
373,127,833	4,996,063,686	7,044,069,397	70.9%	218,666,744	4.16
376,928,465	5,130,205,579	7,694,893,285	66.7%	226,164,092	4.18
403,680,208	5,220,437,746	8,054,218,997	64.8%	232,697,034	4.48
416,632,167	5,504,517,426	8,808,541,025	62.5%	213,970,420	4.81
405,323,627	5,705,147,908	9,263,537,356	61.6%	235,146,048	4.75
287,536,004	5,878,691,852	9,591,895,642	61.3%	235,149,590	5.57
311,762,064	6,019,157,294	9,941,670,692	60.5%	301,116,369	5.51
300,708,935	6,420,458,460	11,170,893,838	57.5%	330,175,178	5.34
491,195,351	6,646,384,869	11,437,237,301	58.1%	369,081,487	5.48

County of Scott, Iowa

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

Taxpayer	2001		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
MidAmerican Energy	\$ 230,673,978	1	4.74%
Aluminum Company of America	150,509,123	2	3.10%
SDG Macerich Properties	64,779,217	3	1.33%
Davenport Water Company	49,255,916	4	1.01%
Isle of Capri	39,304,028	5	0.81%
Genventures	31,197,207	6	0.64%
US West Communications	29,469,785	7	0.61%
Lafarge Corp	25,618,228	8	0.53%
Peterson Property	20,891,635	9	0.43%
Northern Border Pipeline Co	20,021,581	10	0.41%
<b>Total</b>	<b>\$ 661,720,698</b>		<b>13.61%</b>

Taxpayer	2010		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
MidAmerican Energy	\$ 222,110,345	1	3.34%
Isle of Capri	85,002,320	2	1.28%
SDG Macerich Properties	63,972,785	3	0.96%
Iowa American Water Company	55,894,471	4	0.84%
ALCOA	40,760,398	5	0.61%
Qwest Corp	29,780,024	6	0.45%
Northern Border Pipeline	25,364,152	7	0.38%
Gulf Investments	24,522,800	8	0.37%
Deere & Company	22,330,004	9	0.34%
Davenport-Durler Family Trust	20,554,200	10	0.31%
<b>Total</b>	<b>\$ 590,291,499</b>		<b>8.88%</b>

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
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	99.47	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
2009	223,092,062	221,671,064	99.36	205,504	221,876,568	99.46
2010	234,648,806	233,278,412	99.42	93,197	233,371,609	99.46

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			
	2001	2002	2003	2004
<b>County direct rates:</b>				
Scott County Urban Rate	\$ 4.15929	\$ 4.18290	\$ 4.48067	\$ 4.80887
Scott County Rural Rate	7.13428	7.23474	7.49188	7.71192
Total direct rates	11.29357	11.41764	11.97255	12.52079
<b>City and town rates:</b>				
Bettendorf	11.46317	11.45555	11.85000	11.85000
Blue Grass	11.14846	11.56925	12.43356	12.48463
Buffalo	7.00003	6.99999	7.00203	7.65547
Davenport	14.63429	14.60301	14.63000	14.96445
Dixon	7.92961	8.09975	8.09986	8.09977
Donahue	5.14553	5.20471	5.15138	7.96293
Durant	12.58764	12.19810	12.17088	12.17088
Eldridge	6.37566	6.37553	6.37555	6.64799
LeClaire	14.69772	14.69771	14.69660	14.69660
Long Grove	7.50571	7.87004	7.89977	8.10000
Maysville	4.31483	4.76008	4.85690	5.16066
McCausland	7.64701	7.64697	7.91705	7.91704
New Liberty	1.44891	1.52958	1.52478	2.22375
Panorama Park	5.64725	6.13308	6.27994	6.29016
Princeton	7.15950	9.30742	9.30739	9.22504
Riverdale	2.29856	2.29648	2.29649	2.30970
Walcott	10.50225	10.00001	9.50001	9.50000
<b>School District Rates:</b>				
Bennett Schools	12.01282	11.62167	11.85225	12.43900
Bettendorf Schools	14.57951	14.56220	15.78768	15.77779
Davenport Schools	15.50967	15.46758	16.96204	17.07873
Durant Schools	12.11375	12.18444	12.24493	12.04676
North Scott Schools	15.70745	15.66165	15.32122	14.99307
Pleasant Valley Schools	13.45589	13.45953	13.45042	13.45835
Area IX CC	0.60302	0.60382	0.62633	0.61738
<b>Other:</b>				
Scott County Assessor	0.31843	0.31830	0.33124	0.33119
Davenport City Assessor	0.31303	0.33488	0.37656	0.31521
Ag. Extension - BANGS	0.06700	0.06790	0.06248	0.06721

Source: County records - Auditor's Office.



Year Taxes are Payable					
2005	2006	2007	2008	2009	2010
\$ 4.75497	\$ 5.56513	\$ 5.51106	\$ 5.54040	\$ 5.33791	\$ 5.47607
7.84647	8.60445	8.52602	8.62666	8.35745	8.49561
12.60144	14.16958	14.03708	14.16706	13.69536	13.97168
12.34932	12.34952	12.60000	12.95000	12.85000	12.85000
11.51524	11.43975	11.58668	11.65760	11.07291	10.98600
8.09999	8.09998	8.10000	8.10000	8.09999	8.17628
15.24000	15.24000	15.56702	15.57515	15.57584	15.58000
8.10000	8.10000	8.10000	8.10000	8.10000	8.10000
7.36868	5.42517	5.43321	5.43025	5.96370	5.96079
14.20315	15.56204	15.56204	15.56203	15.56203	14.95411
6.64795	6.64795	6.64800	6.64797	6.64880	6.64916
14.69639	14.69637	14.69636	14.69188	14.69998	16.08173
8.10000	8.10000	8.39529	8.10000	9.76863	11.15854
5.16083	5.16097	5.16094	5.16095	5.16100	5.16094
8.10000	8.10000	8.10000	8.10000	8.10000	8.10000
2.99975	2.90011	3.57028	3.349.15	2.93849	2.92797
6.25158	6.50590	6.76329	6.74595	5.64940	5.55117
8.81288	9.02314	8.97804	8.93821	8.94763	9.58243
2.30949	2.93819	2.50485	2.50485	2.70103	2.70103
9.75001	9.75001	9.75000	10.00000	10.00000	10.00000
12.85967	11.78130	11.62880	10.72766	11.01374	11.25066
15.46630	14.69042	15.00216	15.00025	14.84626	14.85367
17.09591	17.09734	17.10760	17.10610	17.08731	17.09334
12.21711	12.62186	11.96178	12.37027	12.60365	13.34659
15.03382	15.12320	15.17814	15.11048	14.76476	14.51584
13.46470	13.66430	13.86154	13.99385	13.98720	13.99319
0.59216	0.59269	0.61277	0.60785	0.60635	0.87714
0.27124	0.27404	0.29563	0.28899	0.28870	0.33733
0.27648	0.26045	0.29672	0.30964	0.27680	0.25789
0.06939	0.06973	0.07034	0.07079	0.06892	0.06845

**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		Business-Type Activities	
	General Obligation Bonds	Capital Lease	Capital Lease	Purchase Contract
2001	\$ 5,640	\$ -	\$ -	\$ -
2002	10,435	-	-	-
2003	9,825	-	-	2,361
2004	9,245	-	218	2,101
2005	8,635	-	476	1,918
2006	8,000	27,765	370	1,725
2007	9,655	26,770	266	1,523
2008	8,760	25,740	156	1,304
2009	7,765	24,670	39	1,075
2010	17,190	23,560	-	-

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

Source: County records.

N/A - Not Available

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	Total Government	Percentage of Personal Income*	Per Capita*
\$	6,426	0.14%	\$ 4.05
	11,711	0.24	7.38
	43,117	0.87	26.85
	38,851	0.73	24.15
	39,860	N/A	24.89
	71,809	N/A	44.60
	41,399	N/A	25.27
	39,099	N/A	23.75
	33,549	N/A	20.28
	40,750	N/A	24.45

County of Scott, Iowa

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

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Fiscal Year	General Bonded Debt Outstanding		Percent of Debt to Assessed Value	Per Capita*
	General Obligation Bonds			
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
2009		7,765,000	0.07	46.93
2010		17,190,000	0.15%	103.15

\*Calculated using population figure from Demographics and Economics Statistics Table.

Source: County records.

County of Scott, Iowa

**Direct and Overlapping Governmental Activities Debt  
As of June 30, 2010  
(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Scott County	\$ 17,190,000	100.00%	\$ 17,190,000
School Districts:			
Bettendorf Community	-	100.00%	-
Durant Community	2,065,145	26.00%	536,938
North Scott Community	-	100.00%	-
Wheatland Community	1,240,000	8.43%	104,532
Eastern Iowa Community College	74,885,000	59.59%	44,623,972
<b>Subtotal, School Districts</b>			<b>45,265,441</b>
Cities:			
Bettendorf	90,005,000	100.00%	90,005,000
Blue Grass	2,465,290	100.00%	2,465,290
Buffalo	285,000	100.00%	285,000
Davenport	163,115,000	100.00%	163,115,000
Durant	2,470,000	4.35%	107,445
Eldridge	4,790,000	100.00%	4,790,000
LeClaire	15,872,859	100.00%	15,872,859
Long Grove	1,005,000	100.00%	1,005,000
Maysville	236,000	100.00%	236,000
McCausland	32,030	100.00%	32,030
New Liberty	277,175	100.00%	277,175
Princeton	778,851	100.00%	778,851
Walcott	2,785,000	100.00%	2,785,000
<b>Subtotal, Cities</b>			<b>281,754,650</b>
<b>Total direct and overlapping debt:</b>			<b>\$ 344,210,091</b>

Source: County records

County of Scott, Iowa

Legal Debt Margin Information  
As of June 30, 2010  
(Unaudited)

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	2001	2002	2003	2004
Debt limit	\$ 347,055,848	\$ 352,203,470	\$ 363,102,618	\$ 392,500,605
Total net debt applicable to limit	5,640,000	10,435,000	9,825,000	9,245,000
Legal debt margin	\$ 341,415,848	\$ 341,768,470	\$ 353,277,618	\$ 383,255,605
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	1.65%	3.05%	2.78%	2.41%

Source: County records.

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed value	<u>\$ 11,437,237,301</u>
Debt limit (5% of assessed value)	<u>\$ 571,861,865</u>
Debt applicable to limit:	
General obligation bonds	17,190,000
Capital lease	<u>23,560,000</u>
Total net applicable to limit	<u>40,750,000</u>
Legal debt margin	<u>\$ 531,111,865</u>

	2005	2006	2007	2008	2009	2010
\$	428,112,694	\$ 451,734,795	\$ 479,594,782	\$ 497,083,535	\$ 558,544,692	\$ 571,861,865
	8,635,000	35,765,000	36,425,000	34,500,000	32,435,000	40,750,000
\$	419,477,694	\$ 415,969,795	\$ 443,169,782	\$ 462,583,535	\$ 526,109,692	\$ 531,111,865
	2.06%	8.60%	8.22%	7.46%	6.17%	7.67%

**County of Scott, Iowa**

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

Year	Population <sup>1</sup>	Personal Income (000's) <sup>2</sup>	Per Capita Personal Income <sup>2</sup>	Farm Proprietors <sup>3</sup>	School Enrollment <sup>4</sup>	Unemployment Rate <sup>5</sup>
2001	158,668	\$ 4,667,783	\$ 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
2009	165,453	N/A	N/A	N/A	N/A	5.9
2010	166,650	N/A	N/A	N/A	N/A	7.5

<sup>1</sup>Source: U.S Census Bureau

<sup>2</sup>Source: U.S. Department of Commerce, Bureau of Economic Analysis

<sup>3</sup>Source: Iowa Department of Agriculture website "nass.usda.gov"

<sup>4</sup>Source: Iowa Department of Education

<sup>5</sup>Source: Iowa Workforce Development, 2010 Data Average Through September.

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

N/A - Not Available



**County of Scott, Iowa**

**Principal Employers  
Current Year and Ten Years Ago  
(Unaudited)**

Employer	2000		
	Employees	Rank	Percentage of Total County Employment
Genesis Medical Center	3,000	1	3.6%
ALCOA	2,703	2	3.2%
Davenport Community School District	1000+	3	N/A
Scott Community College	1000+	4	N/A
Kraft Foods (Oscar Mayer)	1,635	5	2.0%
Deere & Company (Davenport Works)	N/A	6	N/A
Mid American Energy	N/A	7	N/A
City of Davenport	N/A	8	N/A
APAC Customer Service	800	9	1.0%
Von Maur	500	10	0.7%

Employer	2010		
	Employees	Rank	Percentage of Total County Employment
Genesis Medical Center	3,850	1	4.5%
Davenport Community School District	1,950	2	2.3%
ALCOA	1,900	3	2.2%
Kraft Foods (Oscar Mayer)	1,500	4	1.8%
City of Davenport	980	5	1.2%
Isle of Capri	925	6	1.1%
APAC Customer Service	900	7	1.1%
John Deere Davenport Works	825	8	1.0%
Mid American Energy	780	9	0.9%
Rythym City Casino	750	10	0.9%

Sources: Dunn and Bradstreet Marketplace 2nd Qtr 2009, 3rd Qtr 2010 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			
	2001	2002	2003	2004
Public safety and legal services:				
Attorney	37.00	31.00	30.63	30.63
Health	2.90	2.90	2.30	4.90
Juvenile Court Services	12.40	12.40	15.20	15.20
Sheriff	137.70	140.70	141.70	154.15
Physical health and social services:				
Community Services	9.20	9.70	9.20	9.20
Health	30.00	30.75	31.85	31.25
Mental Health, Mental Retardation & Developmental Disabilities:				
Community Services	3.55	3.55	3.80	3.80
County Environment and Education				
Conservation	40.60	40.60	40.60	40.60
Planning & Development	4.33	4.33	4.33	4.08
Roads and Transportation				
Secondary Roads	33.40	33.40	33.40	35.15
Governmental services to residents:				
Auditor	6.00	6.00	6.00	6.00
Recorder	14.00	13.00	13.00	13.00
Treasurer	15.00	14.70	14.20	14.20
Administration:				
Administration	2.70	3.70	3.70	3.70
Auditor	9.40	9.40	9.40	9.40
Facility & Support Services	19.24	23.74	23.74	23.74
Human Resources	7.50	7.50	7.50	7.50
Information Technology	15.50	10.00	10.00	10.00
Non-Departmental	-	-	-	-
Supervisors, Board of	5.00	5.00	5.00	5.00
Treasurer	13.60	13.90	14.40	14.40
<b>Total</b>	<b>419.02</b>	<b>416.27</b>	<b>419.95</b>	<b>435.90</b>

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

Fiscal Year					
2005	2006	2007	2008	2009	2010
30.63	30.75	30.75	31.00	30.00	31.00
4.90	7.30	8.30	8.30	11.15	11.15
14.20	14.20	14.20	14.20	14.20	14.20
159.65	166.10	164.10	166.10	166.35	167.35
8.70	8.70	8.70	8.70	8.70	7.70
32.25	31.85	29.85	30.85	31.85	31.85
3.80	3.80	3.80	3.80	3.80	3.80
41.60	41.60	41.60	41.60	41.60	41.60
4.08	4.08	4.08	4.08	4.08	4.08
35.15	35.15	35.15	35.15	35.15	35.15
6.00	6.00	6.00	6.00	6.00	5.00
12.00	12.00	11.50	11.50	11.50	11.50
14.20	14.20	14.20	14.20	12.20	12.20
3.10	3.10	3.10	3.10	3.50	3.50
9.40	9.40	9.90	9.90	9.40	9.40
24.19	24.19	28.69	28.69	29.04	30.04
4.50	4.50	4.50	4.50	4.50	4.50
10.00	11.00	11.00	11.00	12.00	12.00
-	-	-	-	-	-
5.00	5.00	5.00	5.00	5.00	5.00
14.40	14.40	14.40	14.40	15.40	15.40
437.75	447.32	448.82	452.07	455.42	456.42

**County of Scott, Iowa**

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

<u>Function / Program</u>	<u>Fiscal Year</u>		
	<u>2001</u>	<u>2002</u>	<u>2003</u>
Public Safety and Legal Services			
Attorney:			
# of felonies/aggravated field cases filed	4,302	4,322	4,152
Sheriff:			
# of civil papers served	13,571	14,311	14,973
# of jail bookings	6,789	7,780	8,257
# of traffic citations written	3,315	2,714	1,882
# of 9-1-1 calls	18,717	10,867	11,830
Physical Health and Social Services			
Community Services:			
# of applications for general assistance	5,353	6,506	7,354
# of applications approved for general assist	2,395	2,750	3,025
# of requests for veteran services	516	682	911
# of invol commit filed for substance abuse	141	184	244
Health Department:			
# of health related inmate contacts within jail	2,334	2,583	2,762
# of comm disease requiring investigation	182	157	153
# of environmental health inspections conducted	3,801	3,986	3,806
Mental Health, HR & DD			
Community Services:			
# of invol commit filed for mental health	216	237	263
# of persons with MH/CMI served	-	3,221	3,667
# of persons with MR/DD served	-	493	502
# of protective payee cases	433	426	441
County Environment and Education			
Conservation:			
# of camp sites available	738	738	738
# of rounds of golf course	36,717	34,004	33,316
Planning & Development:			
# of building permits issued	724	664	550
Roads and Transportation:			
Secondary Roads:			
# of miles of road paved	168	168	168
# of bridges/culverts repaired/replaced	103	99	100

(Continued)

Source: County records - Year-end Indicator Report

Fiscal Year						
2004	2005	2006	2007	2008	2009	2010
4,641	4,832	5,077	4,845	4,814	4,752	4,782
15,069	15,620	14,764	14,479	14,879	14,002	13,491
9,343	9,876	10,859	11,658	9,747	9,011	8,245
4,003	3,114	3,502	2,068	2,233	2,802	2,678
12,088	11,767	11,088	11,580	13,002	12,442	10,672
7,822	6,575	6,446	6,524	7,544	8,105	8,907
4,133	3,490	3,354	3,569	3,797	3,829	4,660
1,026	1,055	1,613	814	982	880	1,204
213	241	289	340	260	210	214
2,520	4,509	3,795	3,979	5,434	10,617	10,817
234	122	302	369	285	360	338
3,124	3,955	3,987	4,363	4,464	4,198	4,389
218	322	304	338	335	361	312
3,777	4,115	4,015	4,136	4,078	1,537	1,505
529	518	560	572	570	384	380
430	434	398	401	390	367	339
788	788	788	788	788	788	788
33,012	30,803	30,898	27,196	27,765	28,549	29,258
653	613	691	622	603	643	583
175	176	176	176	176	183	183
98	102	104	140	213	79	94

County of Scott, Iowa

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

Function / Program	Fiscal Year			
	2001	2002	2003	2004
<b>Governmental Services to Residents</b>				
Auditor:				
# of elections	14	26	6	24
# of registered voters	107,073	110,557	97,139	104,462
Recorder:				
# of real estate transactions recorded	43,103	57,177	68,404	59,384
# of vital statistics registered/issued	21,593	22,393	22,302	21,770
# of passport applications accepted	280	389	427	641
# of conservation privileges issued	4,255	2,524	2,379	1,282
# of conservation licenses - ATV/Snow boat reg, titles and liens and privileges issued	13,264	5,212	13,946	5,587
Treasurer:				
# of titles issued	58,500	67,330	67,729	72,522
<b>Administration</b>				
Auditor:				
# of real estate transactions processed	7,659	8,108	8,791	9,357
Facility & Support Service:				
# of service calls	2,655	3,273	4,524	5,010
# of purchase requisitions received	1,841	1,890	1,014	739
# of pieces of outgoing mail	568,504	548,028	562,476	524,775
# of files imaged	53,343	59,063	80,120	109,450
Information Technology:				
# of network users	424	415	424	566
# of 3rd party applications maintained	62	90	62	108
Treasurer:				
# of prop tax/spec assessment statutes issued	166,091	166,932	162,190	183,741
# of tax certifications issued	2,027	1,613	2,003	23

Fiscal Year					
2005	2006	2007	2008	2009	2010
6	26	11	27	5	26
111,806	114,507	115,457	116,570	118,641	120,962
49,447	48,297	43,976	40,493	40,010	37,856
20,315	20,207	21,830	20,726	20,196	20,450
531	788	1,564	1,430	1,134	1,280
1,235	808	797	N/A	N/A	N/A
13,642	6,098	13,498	6,505	4,291	14,612
75,405	76,517	64,468	60,342	66,597	67,777
8,829	8,859	8,414	7,728	6,689	7,303
5,810	4,608	4,586	4,408	4,579	3,045
733	849	864	1,113	1,011	N/A
550,631	524,752	547,591	491,571	534,148	479,814
273,526	327,979	887,629	746,690	899,403	792,379
652	686	805	851	899	929
47	52	54	54	55	61
184,685	180,196	186,423	176,450	181,657	191,493
3,284	1,834	1,974	2,116	2,592	2,151

**County of Scott, Iowa**

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

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<u>Function / Program</u>	<u>Fiscal Year</u>		
	<u>2001</u>	<u>2002</u>	<u>2003</u>
Public safety and legal services:			
Sheriff:			
# of patrol cars	46	48	53
Physical health and social services:			
Health Department			
# of vehicles	14	15	15
County environment and education:			
Conservation			
# of acres managed	2,795	2,795	2,795
Planning and Development			
# of vehicles	2	2	2
Roads and transportation:			
Secondary Roads			
# of vehicles	61	61	61
# of buildings	9	10	10
Administration:			
Facility and Support Services			
# of vehicles	4	4	5
# of buildings maintained	11	11	11
Non-Departmental (Risk Management)			
# of vehicles	-	1	1

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

**Liabilities**, due to other governmental agencies



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Fiscal Year						
2004	2005	2006	2007	2008	2009	2010
48	62	54	54	55	42	45
16	18	13	13	13	13	13
2,795	2,795	2,795	2,795	2,795	2,795	2,795
2	2	2	2	2	2	2
61	61	61	61	61	61	61
10	10	10	10	10	10	10
5	4	6	6	5	5	5
12	12	12	12	12	12	12
1	1	6	6	1	1	1



# COMPLIANCE



County of Scott, Iowa

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2010

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Identifying Number	Federal Expenditures
<b>U.S. Department of Agriculture</b>			
<b>Child Nutrition Cluster</b>			
<i>(Passed through the Iowa Department of Human Services)</i>			
National School Lunch Program	10.555	N/A	\$ 11,665
<i>(Passed through Iowa Department of Public Health)</i>			
Summer Food Health Inspection Grant	10.559	111009	1,000
<b>Total Child Nutrition Cluster</b>			<u>12,665</u>
<i>(Passed through Iowa Department of Public Health)</i>			
Breastfeeding Peer Counseling	10.557	5889AO99	8,675
Breastfeeding Peer Counseling	10.557	5880AO94	23,611
Special Supplemental Nutrition Programs for Woman, Infants, and Children (WIC)	10.557	5889AO36	300,558
Special Supplemental Nutrition Programs for Woman, Infants, and Children (WIC)	10.557	5880AO36	768,755
			<u>1,101,599</u>
<i>(Passed through Iowa Department of Human Services)</i>			
Food Stamps	10.561	N/A	<u>81,647</u>
<i>(Passed through Iowa Department of Agriculture and Land Stewardship)</i>			
Iowa Farmers' Market Nutrition Program	10.572	N/A	<u>2,094</u>
<b>Total U.S. Department of Agriculture</b>			<u>1,198,005</u>
<b>U.S. Department of Commerce</b>			
<i>(Passed through Iowa Homeland Security and Emergency Management Division)</i>			
2007 Public Safety Interoperability Communications Grant	11.555	2007-GS-H7-0042-05B	<u>610,215</u>
<b>U.S. Department of Housing and Urban Development</b>			
<i>(Passed through the City of Davenport)</i>			
Davenport MILES Program	14.900	IALHB0349-07	<u>25,330</u>
<b>U.S. Department of Justice</b>			
<i>(Direct Program)</i>			
Bulletproof Vest Program	16.607	OMB1121-0235	563
Justice Assistance Grant	16.738	2009-DJ-BX-0943	5,432
			<u>5,995</u>
<i>(Passed through the Governor's Alliance on Substance Abuse)</i>			
ARRA - Justice Assistance Grant	16.803	09JAG/ARRA-265	87,018
Justice Assistance Grant	16.738	2008-DJ-BX-0448	80,757
Justice Assistance Grant	16.606	2008-AP-BX-0714	31,053
			<u>198,828</u>
<i>(Passed through State of Iowa Department of Justice, Crime Victim Assistance Division)</i>			
Stop Violence Against Women	16.588	VW-09-15	<u>21,510</u>
<i>(Passed through American Bar Association)</i>			
CCTV/Recording Tech Grant Program	16.580	03-32-13490	<u>58</u>
<i>(Passed through the Office of Community Oriented Policing Services)</i>			
Public Safety Partnership and Community Policing Grants			
COPS 2007 Technology Program Grant	16.710	2007-CK-WX-00	1,892,063
COPS in School	16.710	2008-CK-WX-00	34,882
			<u>1,926,945</u>
<b>Total U.S. Department of Justice</b>			<u>2,153,336</u>

(Continued)

County of Scott, Iowa

**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended June 30, 2010**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Identifying Number	Federal Expenditures
<b>U.S. Department of Transportation</b>			
National Highway Traffic Safety Administration (Passed through Iowa Department of Public Safety-Governor's Traffic Safety Division)			
Police Traffic Services	20.600	PAP 10-410, Task 69	\$ 25,986
Police Traffic Services	20.600	PAP 09-02, Task 05	<u>2,523</u>
			<u>28,509</u>
<b>Federal Highway Administration</b> (Passed through Iowa Department of Transportation)			
ARRA - IJOBS	20.205	n/a	<u>29,987</u>
<b>Total U.S. Department of Transportation</b>			<u>58,496</u>
<b>U.S. Department of Energy</b> (Direct Program)			
ARRA - Energy Efficiency and Conservation Block Grant	81.128	DOE-SC0003387	<u>186,309</u>
<b>U.S. Department of Education</b> (Passed through the Iowa Department of Health)			
ARRA - Accreditation Preparation - Self Assessment	84.397	5880PM08	<u>36,660</u>
<b>U.S. Department of Health and Human Services</b> (Passed through the Iowa Department of Health)			
Childhood Lead Poisoning Prevention	93.197	5880LP04	<u>21,400</u>
<b>Immunization cluster</b>			
I-4 Project	93.268	5880I468	32,073
ARRA - I-4 Project	93.712	5880I468	17,755
I-4 Project	93.268	5889I468	<u>20,115</u>
<b>Total Immunization Cluster</b>			<u>69,943</u>
Child Health Grant	93.994	5889MH21	11,478
Maternal Health Grant	93.994	5889MH21	4,419
Dental Health Grant	93.994	5889MH21	8,705
Child Health Grant	93.994	5880MH21	53,041
Maternal Health Grant	93.994	5880MH21	28,647
Dental Health Grant	93.994	5880MH21	<u>1,137</u>
			<u>107,427</u>
Public Health Emergency Preparedness Grant	93.069	8200	<u>453,657</u>
Local Bioterrorism Grant	93.283	8209	471
WISEWOMEN Cardiovascular Program	93.283	5889WW30	112,980
Regional Bioterrorism	93.283	5880BT206	930
Regional Bioterrorism	93.283	5889BT12	6,624
Mosquito Surveillance Project	93.283	MOU-2010-ELC09	900
Mosquito Surveillance Project	93.283	MOU-2011-ELC09	<u>280</u>
			<u>122,185</u>
ARRA - Local Public Health Services	93.667	5880CO82	<u>12,141</u>
HRSA EMS Disaster Preparedness	93.003	5889EM182	<u>7,500</u>
<b>Total passed through Iowa Department of Health</b>			<u>794,253</u>

(Continued)

County of Scott, Iowa

**Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2010**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Identifying Number	Federal Expenditures
<b>U.S. Department of Health and Human Services (continued)</b>			
<i>(Passed through Iowa Department of Human Services)</i>			
Refugee and Entrant Assistance	93.566	N/A	\$ 229
Temp Assist for Needy Families	93.558	N/A	41,539
Child Care Development Fund	93.596	N/A	21,377
Foster Care	93.658	N/A	43,607
Adoption	93.659	N/A	10,908
Expansion Title XXI	93.767	N/A	490
SSBG -Indirect	93.667	N/A	43,198
SSBG -Direct	93.667	N/A	732,591
Scott County Empowerment Agreement (DECAT)	93.575	N/A	65,925
Medical Assistance (Title XIX)	93.778	N/A	92,119
<b>Total passed through Iowa Department of Human Services</b>			<u>1,051,983</u>
<b>Total U.S. Dept of Health and Human Services</b>			<u>1,846,236</u>
<b>Corporation for National and Community Service</b>			
<i>(Passed through Linn County Conservation)</i>			
Eastern Iowa Conservation Alliance Americorps Program	94.006	06ACHIA0010006	<u>14,059</u>
<b>U.S. Department of Homeland Security</b>			
<b>Homeland Security Cluster</b>			
<i>(Passed through Iowa Homeland Security &amp; Emergency Mgt Division)</i>			
FY 2007 Law Enforcement Terrorism Prevention Program	97.074	FY2007-LETPP-LEIN7-07	123,941
FY 2008 Law Enforcement Terrorism Prevention Program	97.067	FY2008-GE-T8-2008-016	<u>134,211</u>
<b>Total Homeland Security Cluster</b>			<u>258,152</u>
<i>(Passed through the Iowa Disaster Services Division)</i>			
EMA - State and Local Assistance Grant	97.042	N/A	38,891
Hazard Mitigation Grant Program	97.039	DR 1763	19,946
FEMA Reimbursements - Disaster Assistance	97.036	N/A	9,344
<b>Total US Department of Homeland Security</b>			<u>326,333</u>
<b>Total expenditures of federal awards</b>			<u>\$ 6,454,979</u>

See Notes to Schedule of Expenditures of Federal Awards.

**County of Scott, Iowa**

**Notes to Schedule of Expenditures of Federal Awards**

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**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 government 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
Health Resources and Services Administration		
EMS Disaster Preparedness	97.036	\$ 9,344
Childhood Lead Poisoning Prevention	93.197	1,896
I-4 Project	93.268	12,561
I-4 Project - ARRA	93.712	17,755
Iowa Farmers' Market Nutrition Program	10.572	2,094
Maternal and Child Health Grant	93.994	49,440
Special Supplemental Nutrition Programs for		
Woman, Infants and Children (WIC)	10.557	1,062,975
Social Services Block Grant - Direct	93.667	416,689
Breastfeeding Peer Counseling	10.557	32,286
WISEWOMEN Cardiovascular Program	93.283	112,980
COPS in School	16.710	34,882
Hazard Mitigation Grant Program	97.039	19,946
2007 Law Enforcement Terrorism Prevention Program	97.074	33,537
2008 Law Enforcement Terrorism Prevention Program	97.067	48,284
		\$ 1,854,669



**County of Scott, Iowa**

**Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2010**

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Finding	Status
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No findings of noncompliance were reported in the County's single audit report for the year ended June 30, 2009.



INDEPENDENT AUDITORS' 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, 2010, and have issued our report thereon dated December 17, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

***Internal Control Over Financial Reporting***

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses; and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be a material weakness. This material weakness is item 2010-01.

To the Board of Supervisors  
County of Scott, Iowa

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the County of Scott'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*.

We noted certain matters that we reported to management of the County of Scott in a separate letter dated December 17, 2010.

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

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

*Baker Tilly Vinchow Krause, LLP*

Milwaukee, Wisconsin  
December 17, 2010



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND  
MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON 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 County of Scott, Iowa's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County of Scott's major federal programs for the year ended June 30, 2010. The County of Scott's major federal programs are identified in the summary of auditors' 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's management. Our responsibility is to express an opinion on the County of Scott's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether 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'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 of the County of Scott's compliance with those requirements.

In our opinion, the County of Scott, Iowa complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

To the Board of Supervisors  
County of Scott, Iowa

***Internal Control Over Compliance***

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 the Board of Supervisors, management, others within the entity, federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

*Baker Tilly Vinchow Krause, LLP*

Milwaukee, Wisconsin  
December 17, 2010

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2010**

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**Section I: Summary of Auditors' Results**

*Financial Statements*

Type of auditor's report issued	Unqualified	
Internal control over financial reporting		
Material weakness(es) identified?	<u>    X    </u> yes	<u>          </u> no
Significant deficiency(s) identified?	<u>          </u> yes	<u>    X    </u> none reported
Noncompliance material to financial statements noted?	<u>          </u> yes	<u>    X    </u> no

*Federal Awards*

Internal control over major programs		
Material weakness(es) identified?	<u>          </u> yes	<u>    X    </u> no
Significant deficiency(s) identified?	<u>          </u> yes	<u>    X    </u> none reported
Type of auditor's report issued on compliance for major programs	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	<u>          </u> yes	<u>    X    </u> no
Auditee qualified as low-risk auditee?	<u>    X    </u> yes	<u>          </u> no

Identification of major federal programs

**CFDA NUMBER(S)**

16.710  
81.128  
93.069

**Name of Federal Program or Cluster**

Public Safety Partnership and Community Policing Grants  
Energy Efficiency and Conservation Block Grant (ARRA)  
Public Health Emergency Preparedness Grant

Dollar threshold used to distinguish between Type A and Type B programs

\$ 300,000

(Continued)

**Schedule of Findings and Questioned Costs(Continued)  
For the Year Ended June 30, 2010**

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**Section II: Financial Statement Findings**

**Finding No. 2010-01 Internal Control over Financial Reporting**

Criteria	Statement on Auditing Standards No. 115 requires communication of significant deficiencies and material weaknesses in the year end reporting process.
Condition	Unrecorded payables of approximately \$199,000 were identified. A restatement of the prior year financial statements was necessary for the proper reporting of certain agency funds. Management prepared certain sections of the financial statements; however the remainder of the financial statements were prepared by the auditors.
Questioned Cost	None
Effect	Financial information provided by management at yearend may not be presented in accordance with generally accepted accounting principles.
Recommendation	Management should determine if sufficient resources are available to allow the complete and accurate preparation of the financial statements by management and the identification and proper reporting of all material liabilities at year end.
Management's Response	Management is committed to review and evaluate the facts and circumstances related to the preparation of the County's financial statements and will determine appropriate actions to mitigate the present control weakness.

**Section III: Federal Awards Findings and Questioned Costs**

There were no findings or questioned costs in 2010.

(Continued)





**County of Scott, Iowa**

**Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2010**

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

10-IV-A Certified Budget

Disbursements during the year ended June 30, 2010 did not exceed the amounts budgeted except for road and transportation which exceeded the budget by \$68,952 and debt service which exceeded the budget by \$241,308.

10-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.

10-IV-C Travel Expense

No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

10-IV-D Business Transactions

No business transactions between the County and County officials or employees were noted.

10-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.

10-IV-F Board Minutes

No transactions were found that we believe should have been approved in the Board minutes but were not.

10-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 County's investment policy were noted.

10-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).

10-IV-I Capital Lease Purchase Agreements

No lease purchase agreements were entered into the current year by the County.

10-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, 2010 for the County Extension Office did not exceed the amount budgeted.