

COUNTY OF SCOTT, IOWA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

As of and for the Year Ended June 30, 2015

Prepared by

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INTRODUCTORY

County of Scott, Iowa

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Financial Section

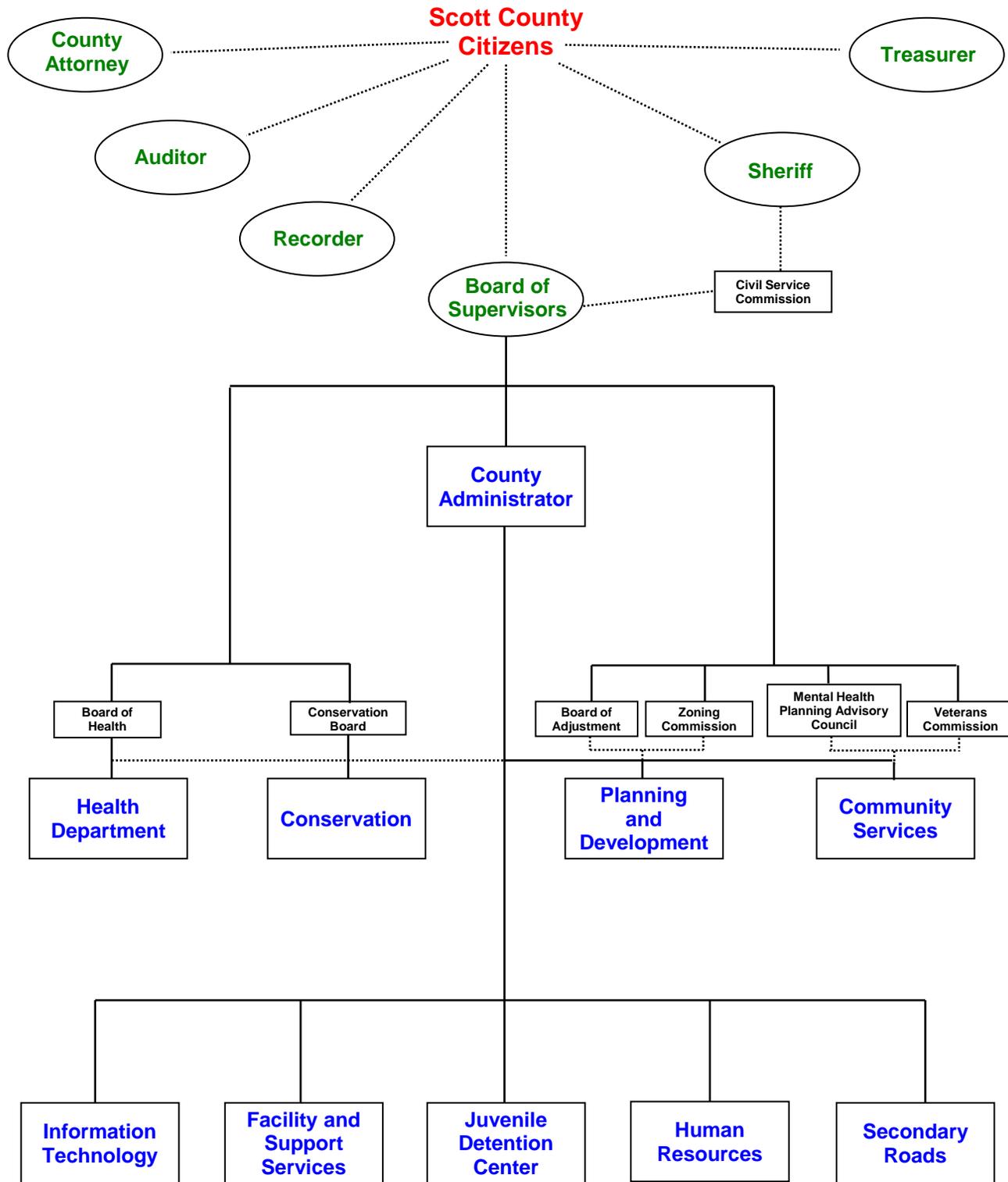
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County of Scott, Iowa

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Scott County Government Organizational Chart



————— Direct supervision
 Advisory relationship



Government Finance Officers Association

**Certificate of
Achievement
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in Financial
Reporting**

Presented to

**County of Scott
Iowa**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

OFFICE OF THE COUNTY ADMINISTRATOR

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December 15, 2015

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, 2015.

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 unmodified (“clean”) opinion of Scott County’s financial statements for the year ended June 30, 2015. 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 1841. 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 and education, planning and zoning, construction and maintenance of secondary roads, 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.

There are two blended presented component units: Emergency Management Agency-Scott Emergency Communication Center (SECC), which provides county-wide consolidated emergency 911 dispatch services; and the Scott County Public Safety Authority, which is the owner of the voter approved jail expansion project.

Also, there are two discretely presented component units: 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, and the 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.

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

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

The Scott Emergency Communication Center adopts an operating budget on an entity wide basis, and the level of budgetary control is at the entity basis, excluding capital improvements and certain expense reimbursements. The Public Safety Authority does not adopt a budget.

Local Economy

Scott County is part of a four county, bi-state, metropolitan area referred to as the Quad-Cities. The counties of Scott (Iowa), Rock Island, Henry and Mercer (Illinois), contain the Davenport-Rock Island-Moline Metropolitan Statistical Area (MSA), with a 2010 U.S. Census Bureau count of 379,690 which is a 1.0% increase over the 2000 census count of 376,019. The U. S. Census Bureau's 2010 population of Scott County was 165,224, which is a 4.1% increase over the 2000 census count of 158,689. The 2015 population estimate is 171,387.

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 2000 the split was 16% manufacturing and 46.5% classified as service sector; with 18% classified as trade and 5% mining and construction. In 2010 the split changed only slightly to 12% 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 even at 16% in 1980 and 1990, 14.5% in 2000 and back to 16% in 2010.

The annual average labor force in the Quad Cities MSA (four counties) was 204,440 in 2010. The annual average labor force for Scott County was 86,600 in July of 2015 which is a decline over the 2010 labor force of 89,950. In 2010 the unemployment rate for Scott County was 6.9% and for the MSA it was 8.4%. In September of 2015 the Scott County rate dropped to 4.3%, while the MSA was 5.6%. Decreasing unemployment is a consistent trend over the last four years and corresponds to the national average of 5.1%.

In 2010 the median household income for the MSA was \$48,091 and for Scott County it was \$52,218. The median household income in Scott County rose 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. The current estimate is \$52,735.

New residential construction slowed in the Quad Cities MSA and Scott County after very strong years from 2000-2007. The total housing starts for the Quad Cities MSA were 851 in 2006 and 688 in 2007, dropping to 421 in 2008, 371 in 2009 and 422 in 2010. The total housing starts for Scott County for those same years were 538 in 2006, 407 in 2007, dropping to 274 in 2008, 231 in 2009, 251 in 2010, 243 in 2011, 289 in 2012, 314 in 2013, and 302 in 2014. New construction continues to feed demand in 122 new starts through the first half of 2015.

The Quad Cities housing market remains one of the most affordable housing markets in the country. The average sales price for homes in the Iowa Quad Cities was \$191,600 in September of 2015 which is up from \$182,500 in June of 2014. On the Illinois side of the river the averages sales price was \$117,100 in June of 2015 up from \$106,000 in June of 2014. The median home value in north Scott County for 2015 was \$224,100. In the last five years home prices have risen 6.71% in the Quad Cities area.

Economic development efforts for the Quad Cities as a whole continues is on the path to diversify the economy, while taking advantage of its unique location on major transportation corridors and the tremendous asset of the Mississippi River. 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

Unassigned fund balance in the general fund (20.00% of total 2015 general fund expenditures including transferred expenditures to blended component units) 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 2015 ended with an increase in the unassigned general fund balance of approximately \$200,000. Additionally, the County assigned fund balance to establish a long term building improvement capital plan and added reserves to enhance the employee health and dental benefit expenses. During these challenging economic times, as the county faces cutbacks at the state level and reduced property tax funding, retaining the current level of fund balance is important. The County is continuing to find ways to reduce its costs for providing services through collaborating with other jurisdictions in delivering services. This consolidation or service sharing is very important as the County weathers the changes in property tax enacted by the State in 2013. 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 currently uses these funds toward pay as you go remodeling and renovation projects.

Major Initiatives

This year, the County continues to implement initiatives of the ERP software system, fleet service study and capital master plan. The capital master plan is major projects emerging from a space and needs utilization plan. The County is in the middle of a multi-year renovation of the courthouse, construction of a new sheriff patrol headquarters, secondary roads expansion and staffing relocation, and expansion of Juvenile Detention Services in the downtown campus.

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, 2014. This was the twenty-eighth 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.

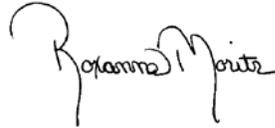
In addition, Scott County also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2015. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial 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 and guidance of our independent auditors. Credit also must be given to the Board of Supervisors for their unflinching 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

INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
County of Scott
Davenport, Iowa

Report on the Financial Statements

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, 2015, and the related notes to the financial statements, which collectively comprise the County of Scott's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to the County of Scott's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the County of Scott's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2015 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 16, the County of Scott adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective July 1, 2014. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of funding progress, schedule of County's proportionate share of net pension liability, and schedule of County contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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 the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States and Local Governments, and Non-Profit Organizations* 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States and Local Governments, and Non-Profit Organizations* are fairly stated in all material respects, in relation to the basic financial statements as a whole.

To the Board of Supervisors
County of Scott

Other Matters (continued)

Other Information

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 "Introductory Section" and "Statistical Section" listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2015 on our consideration of the County of Scott's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Scott's internal control over financial reporting and compliance.

Baker Tilly Vinshaw Kraus, LLP

Milwaukee, Wisconsin
December 15, 2015

County of Scott, Iowa

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2015

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, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

The County implemented *GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No., 27* and *GASB statement No. 71 Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68* as of July 1, 2014. The implementation of these standards requires the recognizing of deferred outflows of resources related to pensions, deferred inflows of resources related to pensions and net pension liability. As a result, the County restated its June 30, 2014 net position, however, comparative information for 2014 was not restated.

Financial Highlights

The assets and deferred outflows of the County of Scott exceeded its liabilities and deferred inflows of resources as of June 30, 2015 and 2014 by \$99,945,416 and \$103,923,283 (net position), respectively. Of this amount, \$12,218,895 and \$20,782,641, respectively, may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net position increased by \$11,891,825 during the year ended June 30, 2015 and increased by \$7,402,470 during the year ended June 30, 2014.

As of June 30, 2015, the County of Scott's governmental funds reported combined ending fund balances of \$40,465,612, a decrease of \$11,983,977 in comparison with 2014. Approximately 25 percent of this total amount, \$10,098,835 is available for spending at the government's discretion (unassigned). The decrease between 2015 and 2014 is due to the distribution for advance crossover refunding by the Public Safety Authority, a blended component unit. As of June 30, 2014, the County of Scott's governmental funds reported combined ending fund balances of \$52,449,589, an increase of \$7,540,239 in comparison with 2013, which increased due to the state providing mental health equalization to the County as well as increased telephone surcharge fee revenue for the debt service funds. Approximately 19 percent of this total amount, \$9,832,639, was available for spending at the government's discretion (unassigned fund balance).

As of June 30, 2015, unassigned fund balance for the General Fund was \$10,098,835 or 20.2 percent of total General Fund expenditures including transfers to blended component units and \$9,832,639 or 19.9 percent for 2014.

The County's total long-term debt, excluding compensated absences, net pension liability, other postemployment benefits and claims payable, decreased by \$21,027,443 during fiscal year June 30, 2015 and decreased by \$3,557,961 during fiscal year June 30, 2014. The decrease in 2015 from 2014 was attributable to payment of scheduled debt service and the distribution of escrowed funds for a cross over debt defeasance. The decrease in 2014 from 2013 was payment of scheduled debt service.

Subsequent to year end, Scott County issued General Obligation Waste Disposal Bonds in the amount of \$8,215,000. Moody's Investor Services upgraded the County rating from Aa2 to Aa1.

County of Scott, Iowa

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2015

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 position presents information on all of the County of Scott, Iowa's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the four reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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).

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 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 include an 18-hole golf course.

The government-wide financial statements include the following blended component units: Public Safety Authority and Scott Emergency Communication Center; and the following discretely presented component units: Emergency Management Agency and County Library. 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.

County of Scott, Iowa

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2015

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 nine 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, Debt Service Fund, Scott Emergency Communication Center and Capital Projects which are considered to be major funds. Data from the other three 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.

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 two internal service funds. 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 \$253,440,773 and \$250,447,853 for the years ended June 30, 2015 and 2014, 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 69 through 78 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) For the Year Ended June 30, 2015

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The County's total net position has decreased from a year ago from \$103,923,283 to \$99,945,416. This is due to the net effect of the increase in net position for the 2015 activity and the restatement of the June 30, 2014 net position.

Of the County of Scott's net position, 75 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 investment in capital assets, was \$75,409,558 for 2015 and \$71,816,242 for 2014. 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 Position

| | Governmental Activities | | Business-Type Activities | | Total County | |
|------------------------------------|-------------------------|-----------------------|--------------------------|---------------------|----------------------|-----------------------|
| | 2015 | 2014 * | 2015 | 2014 * | 2015 | 2014 * |
| Current and other assets | \$ 98,591,007 | \$ 111,704,556 | \$ 514,734 | \$ 325,074 | \$ 99,105,741 | \$ 112,029,630 |
| Noncurrent assets | 108,040,336 | 106,704,787 | 2,167,093 | 2,168,898 | 110,207,429 | 108,873,685 |
| Total assets | 206,631,343 | 218,409,343 | 2,681,827 | 2,493,972 | 209,313,170 | 220,903,315 |
| Deferred outflows of resources | 3,012,056 | - | 31,398 | - | 3,043,454 | - |
| Current liabilities | 11,279,414 | 29,256,557 | 139,345 | 122,195 | 11,418,759 | 29,378,752 |
| Noncurrent liabilities outstanding | 44,577,870 | 37,781,585 | 90,021 | 29,850 | 44,667,891 | 37,811,435 |
| Total liabilities | 55,857,284 | 67,038,142 | 229,366 | 152,045 | 56,086,650 | 67,190,187 |
| Deferred inflows of resources | 56,298,653 | 49,789,845 | 25,905 | - | 56,324,558 | 49,789,845 |
| Net position: | | | | | | |
| Net investment in capital assets | 73,242,465 | 69,647,344 | 2,167,093 | 2,168,898 | 75,409,558 | 71,816,242 |
| Restricted | 12,316,963 | 11,324,400 | - | - | 12,316,963 | 11,324,400 |
| Unrestricted | 11,928,034 | 20,609,612 | 290,861 | 173,029 | 12,218,895 | 20,782,641 |
| Total net position | \$ 97,487,462 | \$ 101,581,356 | \$ 2,457,954 | \$ 2,341,927 | \$ 99,945,416 | \$ 103,923,283 |

* The numbers presented for 2014 comparison were not restated.

Net position is 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 position restricted through enabling legislation for 2015 and 2014 consist of \$1,936,389 and \$1,802,355 for debt service, \$5,116,780 and \$1,966,913 for mental health, \$3,830,301 and \$3,149,287 for secondary roads, \$955,941 and \$998,873 for other statutory programs, \$120,370 and \$3,049,339 for Scott emergency communication center, and \$148,630 and \$150,016 for rural services, respectively. An additional \$208,552 and \$207,617 is restricted by external third parties, respectively. The remaining balance of unrestricted net position, \$12,218,895 for 2015 and \$20,782,641 for 2014, 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 position for governmental activities. The same situation held true for the prior fiscal year.

The County's total net position increased by \$11,891,825 during the current fiscal year as compared to an increase of \$7,402,470 in 2014. The governmental-type activities' net position increased by \$11,689,780 in 2015 and increased by \$7,368,948 in 2014. Capital grants increased by \$1.2 million related to road infrastructure donated to the County. State tax replacement credits increased by \$1.1 million due to the new property tax commercial and industrial property assessment back fill funding. The County also received a donation of \$650,000 for capital conservation. Mental health expenditures declined by \$1.0 million due to a state-wide mental health redesign, private insurance mix

County of Scott, Iowa

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2015

and reduction of block grant expenditures. The total business-type activities' net position increased by \$202,045 in 2015 and increased by \$33,522 in 2014. The increase in 2015 and 2014 was due to normal operating activities, supplemented with a transfer of \$223,361 and \$145,560, respectively.

Table 2 highlights the County's revenues and expenses for the fiscal year ended June 30, 2015 and 2014. These two main components are subtracted to yield the change in net position. This table utilizes the accrual method of accounting.

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

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

| | Governmental Activities | | Business-Type Activities | | Total County | |
|---|-------------------------|-----------------------|--------------------------|---------------------|----------------------|-----------------------|
| | 2015 | 2014 * | 2015 | 2014 * | 2015 | 2014 * |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 6,916,399 | \$ 6,491,668 | \$ 926,316 | \$ 901,872 | \$ 7,842,715 | \$ 7,393,540 |
| Operating grants and contributions | 9,490,079 | 10,336,825 | - | - | 9,490,079 | 10,336,825 |
| Capital grants and contributions | 3,343,518 | 1,124,208 | - | - | 3,343,518 | 1,124,208 |
| General revenues: | | | | | | |
| Taxes: | | | | | | |
| Property taxes | 46,038,682 | 46,924,802 | - | - | 46,038,682 | 46,924,802 |
| Local option sales tax | 4,413,667 | 4,285,414 | - | - | 4,413,667 | 4,285,414 |
| Gaming | 528,381 | 527,014 | - | - | 528,381 | 527,014 |
| Other taxes | 71,501 | 66,301 | - | - | 71,501 | 66,301 |
| Utility tax replacements | 1,891,293 | 1,558,330 | - | - | 1,891,293 | 1,558,330 |
| Penalties, interest and costs on taxes | 715,763 | 930,986 | - | - | 715,763 | 930,986 |
| State tax replacement credits | 2,598,044 | 1,450,873 | - | - | 2,598,044 | 1,450,873 |
| State shared revenues | 3,438,603 | 3,200,405 | - | - | 3,438,603 | 3,200,405 |
| Payments in lieu of taxes | 7,058 | 7,306 | - | - | 7,058 | 7,306 |
| Investment earnings | 150,728 | 147,401 | 363 | - | 151,091 | 147,401 |
| Miscellaneous | 1,860,536 | 1,263,537 | - | - | 1,860,536 | 1,263,537 |
| Total revenues | 81,464,252 | 78,315,070 | 926,679 | 901,872 | 82,390,931 | 79,216,942 |
| Expenses: | | | | | | |
| Public safety and legal services | 21,575,674 | 21,994,460 | - | - | 21,575,674 | 21,994,460 |
| Public safety and legal services - SECC | 8,263,625 | 7,755,245 | - | - | 8,263,625 | 7,755,245 |
| Physical health and social services | 5,632,413 | 5,387,800 | - | - | 5,632,413 | 5,387,800 |
| Mental health | 6,009,778 | 7,075,477 | - | - | 6,009,778 | 7,075,477 |
| County environment and education | 5,378,738 | 5,374,619 | - | - | 5,378,738 | 5,374,619 |
| Roads and transportation | 8,252,046 | 8,862,285 | - | - | 8,252,046 | 8,862,285 |
| Government services to residents | 2,060,111 | 2,204,779 | - | - | 2,060,111 | 2,204,779 |
| Administration | 10,483,274 | 10,071,070 | - | - | 10,483,274 | 10,071,070 |
| Interest on long-term debt | 1,895,452 | 2,074,927 | - | - | 1,895,452 | 2,074,927 |
| Golf course | - | - | 947,995 | 1,013,810 | 947,995 | 1,013,810 |
| Total expenses | 69,551,111 | 70,800,662 | 947,995 | 1,013,810 | 70,499,106 | 71,814,472 |
| Excess (deficiency) before transfers | 11,913,141 | 7,514,408 | (21,316) | (111,938) | 11,891,825 | 7,402,470 |
| Transfers | (223,361) | (145,460) | 223,361 | 145,460 | - | - |
| Increase (decrease) in net position | 11,689,780 | 7,368,948 | 202,045 | 33,522 | 11,891,825 | 7,402,470 |
| Net position, beginning, restated | 85,797,682 | 94,212,408 | 2,255,909 | 2,308,405 | 88,053,591 | 96,520,813 |
| Net position, ending | \$ 97,487,462 | \$ 101,581,356 | \$ 2,457,954 | \$ 2,341,927 | \$ 99,945,416 | \$ 103,923,283 |

* The numbers presented for 2014 comparison were not restated.

County of Scott, Iowa

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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 2015 | Total Cost of 2014 | Net (Expense) of Services 2015 | Net (Expense) of Services 2014 |
|---|-----------------------|-----------------------|-----------------------------------|-----------------------------------|
| Public safety and legal services | \$ 21,575,674 | \$ 21,994,460 | \$ (18,861,262) | \$ (19,304,004) |
| Public safety and legal services - SECC | 8,263,625 | 7,755,245 | (8,165,500) | (7,755,118) |
| Physical health and social services | 5,632,413 | 5,387,800 | (4,054,578) | (3,737,762) |
| Mental health | 6,009,778 | 7,075,477 | (313,635) | (1,165,442) |
| County environment and education | 5,378,738 | 5,374,619 | (3,770,302) | (3,844,060) |
| Roads and transportation | 8,252,046 | 8,862,285 | (4,834,646) | (7,679,980) |
| Government services to residents | 2,060,111 | 2,204,779 | 795,498 | 752,643 |
| Administration | 10,483,274 | 10,071,070 | (10,059,994) | (9,495,500) |
| Debt service, interest | 1,895,452 | 2,074,927 | (536,696) | (618,738) |
| Total | \$ 69,551,111 | \$ 70,800,662 | \$ (49,801,115) | \$ (52,847,961) |

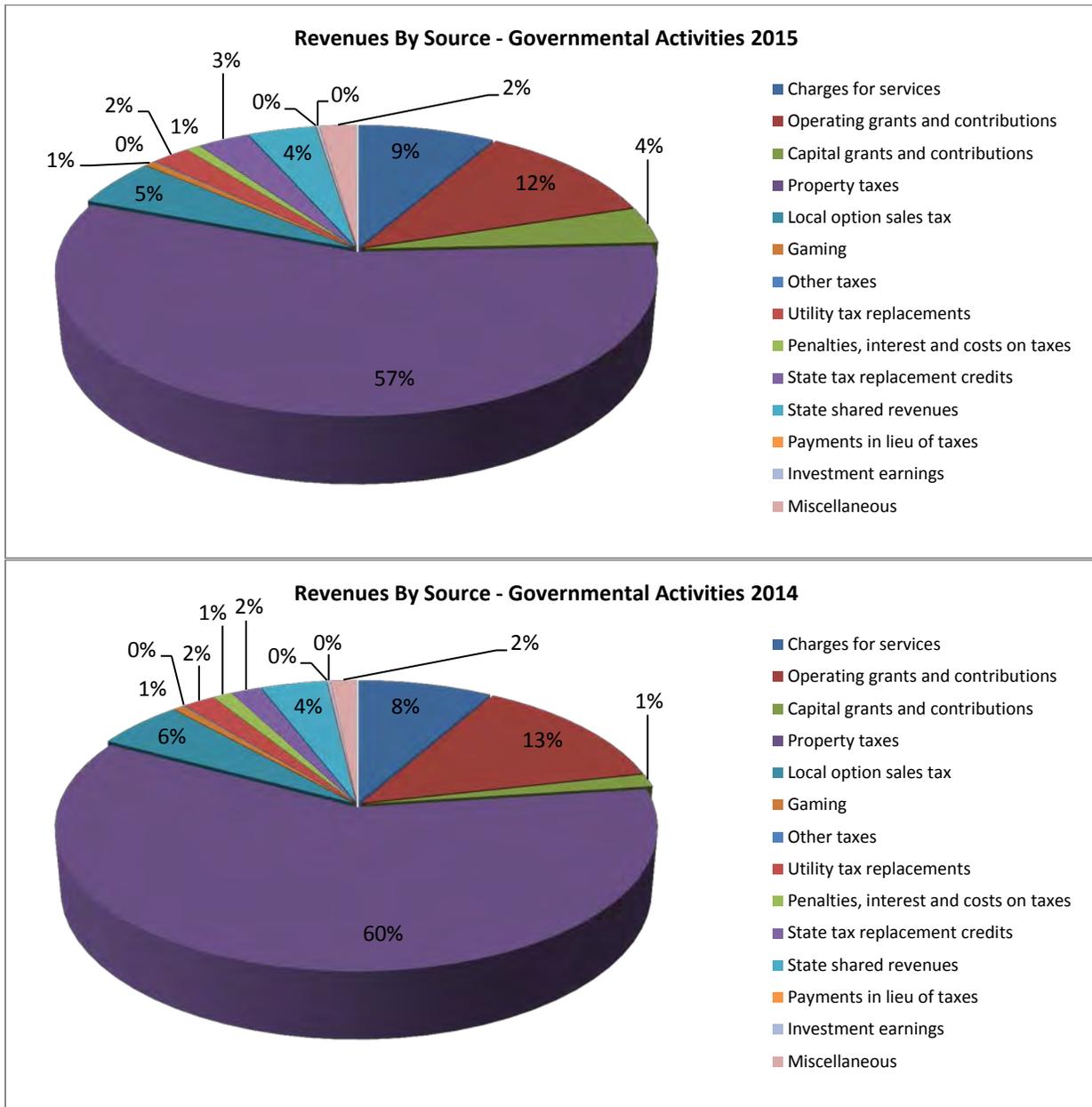
Net cost of services is 72 percent of total cost of services in 2015 and 75 percent in 2014. The change in net cost was significantly impacted by the change in state funding for MHDD eligible services through the mental health redesign of services and capital contributions for Road and Transportation. Mental health services decreased \$1.0 million, while the net cost of the county decreased by \$0.8 million. Capital contributions for Roads and Transportation increased by \$2.1 million from FY 2014 to FY 2015.

County of Scott, Iowa

Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2015

Governmental Activities

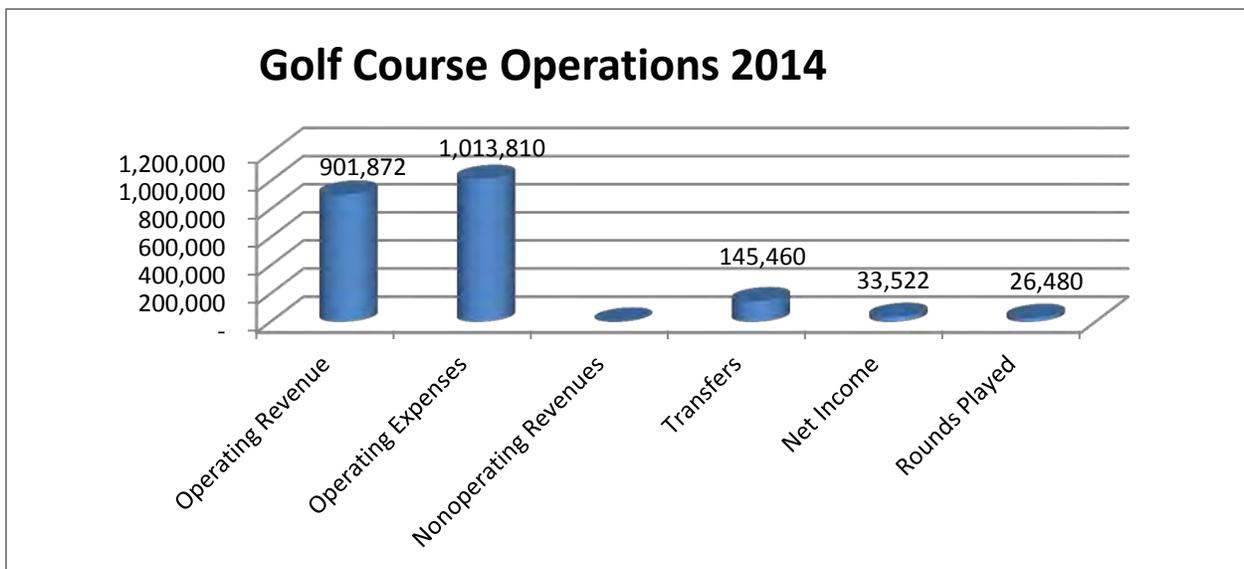
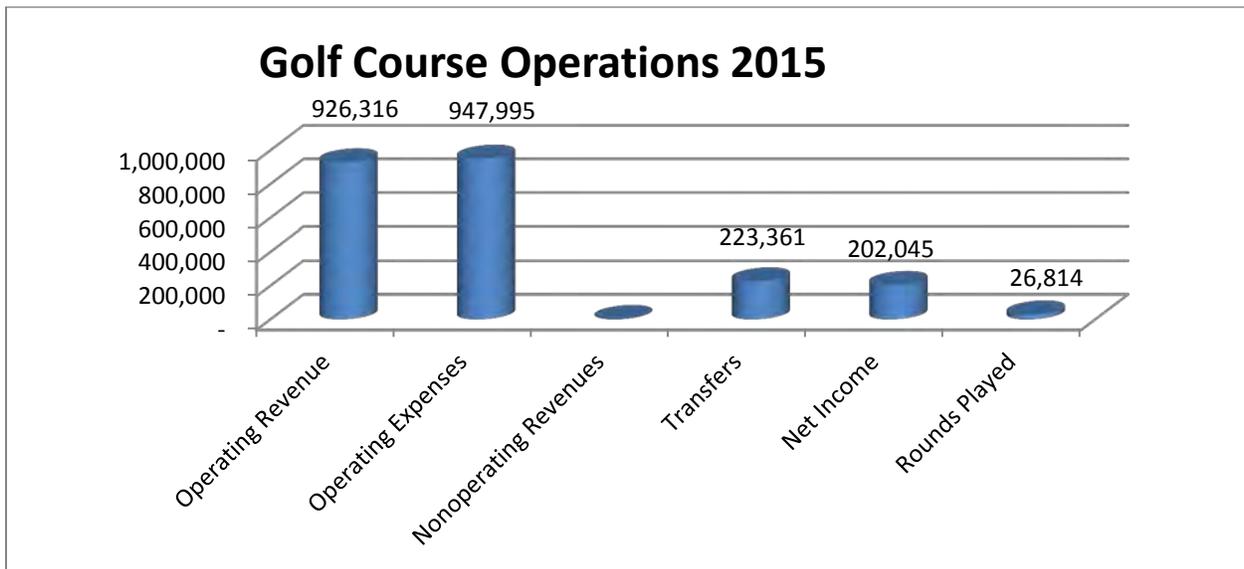
The graphs below show the percentage of the total governmental activities revenues allocated by each revenue type for 2015 and 2014.



County of Scott, Iowa

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Total business-type activities' revenue for the fiscal years ended June 30, 2015 and 2014 was \$926,316 and \$901,872, respectively. All of this revenue was generated for specific business-type activity expenses. The graphs below show a comparison between the business-type activity expenditures and program revenues and operations for Glynn's Creek Golf Course in 2015 and 2014. The golf course experienced a 1% increase in rounds played, while operating revenue increased to \$926,316 or 2.7%. The fund expended less on depreciation expense and non capital equipment seeding supplies in fiscal year 2015 and less net pension expense with the implementation of the pension standard.



County of Scott, Iowa

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Business-type activities: Business-type activities increased net position by \$202,045 in the government's net position in fiscal year ended June 30, 2015 compared to an increase of \$33,522 in fiscal year ended June 30, 2014.

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, spendable 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 \$40,465,612, a decrease of \$11,983,977 in comparison with the prior year fund balance of \$52,449,589. Approximately 25 percent of the 2015 total amount or \$10,098,835 constitutes unassigned fund balance. Approximately \$9,832,639, or 19 percent, for 2014 constitutes unassigned fund balance. Unassigned fund balance is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted or assigned to indicate that it is not available for new spending. Restricted fund balance decreased between years due to the release of other financing use of funds for the advance cross over refunding which took place in June, 2015. Additionally, the Capital Projects Fund assigned capital balance increased \$2.2 million to fund future capital improvements.

The General Fund is the chief operating fund of the County. At the end of the fiscal year, the unassigned fund balance of the General Fund was \$10,098,835 for 2015. The amount unassigned was \$9,832,639 for 2014 while total fund balance was \$14,436,737 for 2015 and \$15,506,666 for 2014. Fund balance decreased due to general revenues more closely meeting the operating needs of fund and \$1.2 million additional fund balance transferred to the capital project fund from prior year savings. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to fund expenditures including transfers to blended component units. Unassigned fund balance represents 20.2 percent of General Fund expenditures including transfers to blended component units for 2015, while the unassigned fund balance represented 19.9 percent of total General Fund expenditures including transfers to blended component units for 2014. Total fund balance also represents approximately 29 and 37 percent of expenditures including transfers to blended component units for 2015 and 2014, respectively.

The fund balance of the County's General Fund decreased by \$1,069,929 during the year ended June 30, 2015. Property tax revenues decreased approximately \$300,000 as property tax growth from property tax reassessments was replaced with \$730,000 commercial and industrial property tax rollback intergovernmental revenues and business tax credits of \$260,000 from the State of Iowa. Local Option Sales Taxes each increased by \$135,000. Net charges for services increased by \$570,000. The County's General Fund expenditures were \$43,290,008 in fiscal year 2015, compared to \$42,078,159 in fiscal year 2014 or an increase of approximately \$1.2 million. Salary and benefit expenditures across all departments increased \$1.1 million or 3.6% from the prior fiscal period.

The fund balance of the County's Mental Health / Development Disabilities Fund increased by \$3,149,867 in 2015 compared to an increase of \$2,355,089 in 2014. The key factor in the increase is decrease in mental health expenditures due to change in service levels through reduction of block grant expenditures and changing private insurance mix. The state is in process of redesigning mental health funding requiring counties to join regional governing bodies. The redesigned regional services in addition to changing health care laws have reduced the county's share of mental health services.

County of Scott, Iowa

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2015

The Secondary Roads Fund increased \$681,014 in 2015 compared to \$828,548 in 2014. The increase in fund balance relates to higher than anticipated revenues during the year of the road use tax. The state amended the road use tax in March of 2015. Additionally funds are restricted for future planned capital improvements with the secondary road system. This project is continuing into FY 2016.

The Debt Service Fund increased \$65,189 in 2015 compared to an increase of \$265,130 in 2014. The increase in fund balance relates to 911 surcharge fee revenue exceeding the amount necessary to pay for the 2009 Emergency Equipment Bonds offset by the normal principal and interest payments on debt outstanding.

The Scott Emergency Communication Center decreased fund balance by \$685,807 in 2015 compared to \$395,622 increase in 2014. Transferred contributions from the County tax levy decreased by \$300,000, while expenditures increased by \$807,000. The Center paid off an equipment note to the City of Davenport in the amount of \$517,000 and expended fund balance for capital improvements of \$448,485.

The Capital Projects Fund increased fund balance by \$3,469,850 compared to \$3,525,127 in the prior year. In FY 2015, the County's conservation department was a recipient of \$650,000 trust fund disbursement for the long term improvement of the County's conservation department. Additionally the transfers in from the County's general fund increased by \$1.2 million to \$6,723,219. This funding is a mix of budgeted yearly funding transfers and prior year general fund savings assigned to the capital fund based on prior year results. The County is in the midst of a multi-year building improvement plan including courthouse renovations, in four phases, sheriff patrol headquarters, secondary roads facility improvements and downtown facilities support building.

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

Budgetary Highlights

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

- The total original revenue budget of \$75,645,244 was increased to \$76,605,711 (an increase of \$960,467) mainly due to an increased donation revenue. Actual revenues received were \$78,122,182.
- The total original expenditure budget of \$79,668,071 was increased to \$80,472,637 (an increase of \$804,566) mainly for of capital outlay expenditures (\$572,000), decline in mental health expenditures (\$818,000), and salary and benefit estimates. Actual expenditures were \$71,676,912.
- The total original budget for transfers to governmental funds in and out of \$11,613,870 was increased to \$15,703,870 (an increase of \$4,090,000).

During the year, however, actual expenditures were less than budgeted 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.

County of Scott, Iowa

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2015

Capital Asset and Debt Administration

Capital assets: The County's investment in capital assets for its governmental and business-type activities as of June 30, 2015 and 2014, amounts to \$110,148,652 and \$108,873,685 (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 2015 was 1.2 percent (a 1.2 percent increase for governmental activities and a 0.001 percent decrease for business-type activities). The total decrease in capital assets for 2014 was 3.74 percent (a 3.8 percent decrease for governmental activities and a 2.1 percent decrease for business-type activities).

Major capital asset events during the current fiscal year ended June 30, 2015 included, ERP intangible software implementation, Sheriff Patrol vehicles, road resurfacing, and general building improvements.

Capital Assets

Table 4 - County of Scott's Capital Assets

| | Governmental Activities | | Business-Type Activities | | Total | |
|-----------------------------------|-------------------------|-----------------------|--------------------------|---------------------|-----------------------|-----------------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Land | \$ 4,424,944 | \$ 4,424,944 | \$ 1,556,336 | \$ 1,556,336 | \$ 5,981,280 | \$ 5,981,280 |
| Construction-in-progress | 7,145,806 | 1,078,564 | - | - | 7,145,806 | 1,078,564 |
| Buildings | 73,974,797 | 73,663,913 | 577,483 | 577,483 | 74,552,280 | 74,241,396 |
| Improvements other than buildings | 7,764,971 | 7,659,654 | 244,081 | 244,081 | 8,009,052 | 7,903,735 |
| Infrastructure | 92,553,824 | 91,615,815 | - | - | 92,553,824 | 91,615,815 |
| Intangible-software | 3,676,053 | 3,250,643 | - | - | 3,676,053 | 3,250,643 |
| Machinery and equipment | 36,376,095 | 35,605,055 | 1,558,547 | 1,505,142 | 37,934,642 | 37,110,197 |
| Accumulated depreciation | (117,934,931) | (110,593,801) | (1,769,354) | (1,714,144) | (119,704,285) | (112,307,945) |
| Total | \$ 107,981,559 | \$ 106,704,787 | \$ 2,167,093 | \$ 2,168,898 | \$ 110,148,652 | \$ 108,873,685 |

Additional information on the County of Scott's capital assets can be found in Note 5 of this report.

Debt: As of June 30, 2015, the County of Scott, Iowa had general obligation bonds outstanding totaling \$9,330,000, revenue bonds for the jail facility and cross over refunding for \$17,675,000, and notes payable of \$8,240,000. In the current year, all planned debt service payments were funded and paid. The cross over refunding occurred in June 2015 in the principal amount of \$17,315,000, plus current year principal payment of \$1,350,000. Additionally the County paid an equipment note payable in the amount of \$517,440 to the City of Davenport before the due date of 2024.

Subsequent to year end, the County issued \$8,215,000 in general obligation bonds, due 2035, for financing a loan agreement to the Scott County Waste Commission. Proceeds of the debt are to be used for single stream recycling equipment and building renovations. During the issuance process the county received an upgrade bond rating from Moody's Investor Service. The County's general obligation debt is now rated Aa1.

Debt: As of June 30, 2014, the County of Scott, Iowa had general obligation bonds outstanding totaling \$10,770,000, revenue bonds for the jail facility and cross over refunding for \$36,340,000, and notes payable of \$9,162,443. In the fiscal year 2014, all planned debt service payments were funded and paid. The cross over refunding occurred in June 2015 in the principal amount of \$18,665,000.

County of Scott, Iowa

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2015

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

| | 2015 | 2014 | Maturity |
|-------------------------------|----------------------|----------------------|----------|
| Governmental activities: | | | |
| General obligation bonds | \$ 9,330,000 | \$ 10,770,000 | 2029 |
| Revenue bonds | 17,675,000 | 36,340,000 | 2025 |
| Notes payable | 8,240,000 | 9,162,443 | 2029 |
| Total governmental activities | <u>\$ 35,245,000</u> | <u>\$ 56,272,443</u> | |

Additional information about the County's long-term debt can be found in Note 6 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

- Scott County's urban levy rate was reduced to \$6.00 for FY16 or 2.1% decline in property taxes rates. The rural county levy rate decreased by 1.7% for the budget year ending June 30, 2016 due to the legal requirement of Road Use Tax (RUT) local effort match. The tax base for the County of Scott increased 1.0 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 move to self-funded health insurance had resulted in 42 months of zero increase in County insurance premiums between 2010 and 2014. A rate increase for family insurance of \$9.20 or 5.2% was approved by the board in October 2015 for the calendar year 2016. The premium increase averages to 2% annually over the last six years since becoming self-funded. The county has four bargaining units up for negotiation in the fall of 2015.
- The County's revenues are stable but flat. Scott County has adjusted expenditures to meet flat revenue projections. The County is facing funding challenges. In the spring of 2013, the state legislature passed property tax reform that will be implemented over fiscal years 2014 – 2017. Beginning in 2015, taxable assessed valuations for commercial and industrial property was \$200,000 rolled back 5% each year for two years. Additionally multi-family residences will be reclassified to residential property from commercial property. The amount of approximately \$200,000 to be lost in FY 17 is budgeted in FY 16 capital plan as one time revenue. This approach has allowed needed capital projects to be done in accelerated manner and created a stable base of revenue for the FY 17 budget. Additionally the savings from the previous year's General Fund continue to be transferred to the Capital Projects Fund to fund the space utilization master plan.

All of these factors were considered in preparing the County of Scott, Iowa's budget for the June 30, 2016 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 4th Street, Davenport, Iowa 52801-1003.

County of Scott, Iowa

Statement of Net Position
As of June 30, 2015

| Assets | Primary Government | | | Component Units |
|--|----------------------------|-----------------------------|-----------------------|---------------------|
| | Governmental Activities | Business-Type Activities | Total | |
| Current assets: | | | | |
| Cash and investments | \$ 45,789,080 | \$ 431,122 | \$ 46,220,202 | \$ 592,139 |
| Restricted cash and investments | 214,686 | - | 214,686 | - |
| Receivables: | | | | |
| Property taxes | 49,454,917 | - | 49,454,917 | - |
| Accounts | 610,163 | 74,925 | 685,088 | - |
| Due from other governmental agencies | 2,240,256 | - | 2,240,256 | 8,813 |
| Prepays | 281,905 | - | 281,905 | 6,908 |
| Inventories | - | 8,687 | 8,687 | - |
| Total current assets | 98,591,007 | 514,734 | 99,105,741 | 607,860 |
| Noncurrent assets: | | | | |
| Receivables: | | | | |
| Notes | 58,777 | - | 58,777 | - |
| Other post employment benefits | - | - | - | 3,107 |
| Capital assets: | | | | |
| Not depreciated or amortized: | | | | |
| Land | 4,424,944 | 1,556,336 | 5,981,280 | 16,600 |
| Construction-in-progress | 7,145,806 | - | 7,145,806 | - |
| Depreciated or amortized: | | | | |
| Buildings | 73,974,797 | 577,483 | 74,552,280 | 1,131,866 |
| Improvements other than buildings | 7,764,971 | 244,081 | 8,009,052 | - |
| Infrastructure | 92,553,824 | - | 92,553,824 | - |
| Intangible - software | 3,676,053 | - | 3,676,053 | - |
| Machinery and equipment | 36,376,095 | 1,558,547 | 37,934,642 | 829,061 |
| Less accumulated depreciation | (117,934,931) | (1,769,354) | (119,704,285) | (1,004,606) |
| Total capital assets | 107,981,559 | 2,167,093 | 110,148,652 | 972,921 |
| Total noncurrent assets | 108,040,336 | 2,167,093 | 110,207,429 | 976,028 |
| Total assets | 206,631,343 | 2,681,827 | 209,313,170 | 1,583,888 |
| Deferred Outflows of Resources | | | | |
| Pension related deferred outflows | 3,012,056 | 31,398 | 3,043,454 | 73,273 |
| Total assets and deferred outflows of resources | \$ 209,643,399 | \$ 2,713,225 | \$ 212,356,624 | \$ 1,657,161 |

See Notes to Basic Financial Statements

| Liabilities, Deferred Inflows of Resources, and Net Position | Primary Government | | | Component Units |
|---|----------------------------|-----------------------------|-----------------------|---------------------|
| | Governmental Activities | Business-Type Activities | Total | |
| Liabilities: | | | | |
| Accounts payable | \$ 3,503,496 | \$ 42,353 | \$ 3,545,849 | \$ 15,156 |
| Current portion of claims payable | 762,179 | - | 762,179 | - |
| Accrued liabilities | 1,910,902 | 46,804 | 1,957,706 | 37,978 |
| Interest payable | 100,897 | - | 100,897 | - |
| Unearned revenue | 153,961 | 29,087 | 183,048 | - |
| Compensated absences | 1,617,979 | 21,101 | 1,639,080 | 31,370 |
| Current portion of general obligation bonds | 1,195,000 | - | 1,195,000 | - |
| Current portion of notes payable | 420,000 | - | 420,000 | - |
| Current portion of revenue bonds | 1,615,000 | - | 1,615,000 | - |
| Total current liabilities | 11,279,414 | 139,345 | 11,418,759 | 84,504 |
| Noncurrent liabilities: | | | | |
| Claims payable | 131,166 | - | 131,166 | - |
| Compensated absences | 1,452,735 | 20,962 | 1,473,697 | 18,491 |
| Other post employment benefits obligation | 441,722 | 1,133 | 442,855 | 3,549 |
| Net pension liability | 10,169,897 | 67,926 | 10,237,823 | 379,804 |
| General obligation bonds payable, net bond premium | 8,153,254 | - | 8,153,254 | - |
| Note payable | 7,820,000 | - | 7,820,000 | - |
| Revenue bonds payable, net bond premium | 16,409,096 | - | 16,409,096 | - |
| Total noncurrent liabilities | 44,577,870 | 90,021 | 44,667,891 | 401,844 |
| Total liabilities | 55,857,284 | 229,366 | 56,086,650 | 486,348 |
| Deferred inflows of resources: | | | | |
| Pension related deferred inflows | 6,984,250 | 25,905 | 7,010,155 | 144,847 |
| Unearned revenue | 49,314,403 | - | 49,314,403 | - |
| Total deferred inflows of resources | 56,298,653 | 25,905 | 56,324,558 | 144,847 |
| Net position: | | | | |
| Net investment in capital assets | 73,242,465 | 2,167,093 | 75,409,558 | 972,921 |
| Restricted for: | | | | |
| Debt service | 1,936,389 | - | 1,936,389 | - |
| County conservation sewage treatment | 208,552 | - | 208,552 | - |
| Other statutory programs | 955,941 | - | 955,941 | - |
| Scott emergency communication center | 120,370 | - | 120,370 | - |
| Mental health | 5,116,780 | - | 5,116,780 | - |
| Secondary roads | 3,830,301 | - | 3,830,301 | - |
| Rural services | 148,630 | - | 148,630 | - |
| Unrestricted | 11,928,034 | 290,861 | 12,218,895 | 53,045 |
| Total net position | 97,487,462 | 2,457,954 | 99,945,416 | 1,025,966 |
| Total liabilities, deferred inflows of resources, and net position | \$ 209,643,399 | \$ 2,713,225 | \$ 212,356,624 | \$ 1,657,161 |

County of Scott, Iowa

Statement of Activities
For the Year Ended June 30, 2015

| Functions / Programs | Program Revenues | | | |
|---|----------------------|--------------------------------|------------------------------------|----------------------------------|
| | Expenses | Charges for Sales and Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government | | | | |
| Governmental activities: | | | | |
| Public safety and legal services | \$ 21,575,674 | \$ 1,860,399 | \$ 854,013 | \$ - |
| Public safety and legal services - SECC | 8,263,625 | - | 98,125 | - |
| Physical health and social services | 5,632,413 | 404,322 | 1,173,513 | - |
| Mental health | 6,009,778 | 162,920 | 5,533,223 | - |
| County environment and education | 5,378,738 | 1,537,819 | 70,617 | - |
| Roads and transportation | 8,252,046 | 17,551 | 56,331 | 3,343,518 |
| Government services to residents | 2,060,111 | 2,616,710 | 238,899 | - |
| Administration | 10,483,274 | 316,678 | 106,602 | - |
| Interest on long-term debt | 1,895,452 | - | 1,358,756 | - |
| Total governmental activities | 69,551,111 | 6,916,399 | 9,490,079 | 3,343,518 |
| Business-Type activities, golf | 947,995 | 926,316 | - | - |
| Total primary government | \$ 70,499,106 | \$ 7,842,715 | \$ 9,490,079 | \$ 3,343,518 |
| Component Units | | | | |
| Emergency Management Agency | \$ 156,125 | \$ - | \$ 73,322 | \$ - |
| County Library | 1,127,663 | 14,010 | 1,150,413 | - |
| Total component units | \$ 1,283,788 | \$ 14,010 | \$ 1,223,735 | \$ - |
| General Revenues | | | | |
| Taxes: | | | | |
| Property taxes | | | | |
| Local option sales tax | | | | |
| Gaming | | | | |
| Other taxes | | | | |
| Utility tax replacements | | | | |
| Penalties, interest and costs on taxes | | | | |
| State tax replacement credits, unrestricted | | | | |
| State shared revenues, unrestricted | | | | |
| Payments in lieu of taxes | | | | |
| Investment earnings | | | | |
| Miscellaneous | | | | |
| Total general revenues | | | | |
| Transfers | | | | |
| Changes in net position | | | | |
| Net position, beginning of year, restated | | | | |
| Net position, end of year | | | | |

See Notes to Basic Financial Statements.

| Net (Expense) Revenue and Changes in Net Position | | | | |
|---|--------------------------|-----------------|-----------------|---|
| Primary Government | | | | |
| Governmental Activities | Business-Type Activities | Total | Component Units | |
| \$ (18,861,262) | \$ - | \$ (18,861,262) | \$ - | - |
| (8,165,500) | - | (8,165,500) | - | - |
| (4,054,578) | - | (4,054,578) | - | - |
| (313,635) | - | (313,635) | - | - |
| (3,770,302) | - | (3,770,302) | - | - |
| (4,834,646) | - | (4,834,646) | - | - |
| 795,498 | - | 795,498 | - | - |
| (10,059,994) | - | (10,059,994) | - | - |
| (536,696) | - | (536,696) | - | - |
| (49,801,115) | - | (49,801,115) | - | - |
| - | (21,679) | (21,679) | - | - |
| (49,801,115) | (21,679) | (49,822,794) | - | - |
| | | | (82,803) | |
| | | | 36,760 | |
| | | | (46,043) | |
| 46,038,682 | - | 46,038,682 | - | - |
| 4,413,667 | - | 4,413,667 | - | - |
| 528,381 | - | 528,381 | - | - |
| 71,501 | - | 71,501 | - | - |
| 1,891,293 | - | 1,891,293 | - | - |
| 715,763 | - | 715,763 | - | - |
| 2,598,044 | - | 2,598,044 | - | - |
| 3,438,603 | - | 3,438,603 | - | - |
| 7,058 | - | 7,058 | - | - |
| 150,728 | 363 | 151,091 | 932 | |
| 1,860,536 | - | 1,860,536 | 46,901 | |
| 61,714,256 | 363 | 61,714,619 | 47,833 | |
| (223,361) | 223,361 | - | - | |
| 11,689,780 | 202,045 | 11,891,825 | 1,790 | |
| 85,797,682 | 2,255,909 | 88,053,591 | 1,024,176 | |
| \$ 97,487,462 | \$ 2,457,954 | \$ 99,945,416 | \$ 1,025,966 | |

County of Scott, Iowa

Balance Sheet
 Governmental Funds
 As of June 30, 2015

| | General | Mental Health/ Development Disabilities |
|--|----------------------|---|
| Assets | | |
| Cash and investments | \$ 15,327,555 | \$ 5,646,418 |
| Restricted cash and investments | 208,552 | - |
| Receivables, net of allowance for uncollectibles: | | |
| Property taxes, net of allowance for collection losses | 40,564,746 | 3,318,074 |
| Accounts | 219,496 | - |
| Notes | 58,777 | - |
| Prepays | 140,244 | - |
| Due from other governmental agencies | 1,711,985 | 205,162 |
| Total assets | \$ 58,231,355 | \$ 9,169,654 |
| Liabilities, Deferred Inflows of Resources, and Fund Balances | | |
| Liabilities: | | |
| Accounts payable | \$ 1,178,575 | \$ 711,665 |
| Claims payable | 96,756 | - |
| Accrued liabilities | 1,577,081 | 23,516 |
| Compensated absences | 800 | - |
| Unearned revenue | 153,961 | - |
| Total liabilities | 3,007,173 | 735,181 |
| Deferred Inflows of Resources: | | |
| Unavailable revenue | 345,328 | 9,661 |
| Unearned revenue | 40,442,117 | 3,308,032 |
| Total deferred resources of inflows | 40,787,445 | 3,317,693 |
| Fund balances: | | |
| Nonspendable | 199,021 | - |
| Restricted | 1,111,166 | 5,116,780 |
| Assigned | 3,027,715 | - |
| Unassigned | 10,098,835 | - |
| Total fund balances | 14,436,737 | 5,116,780 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 58,231,355 | \$ 9,169,654 |

See Notes to Basic Financial Statements

| Secondary Roads | Scott Emergency Communication Center | Capital Projects | Debt Service | Nonmajor Governmental Funds | Total |
|---------------------|--|----------------------|---------------------|--------------------------------|----------------------|
| \$ 4,207,468 | \$ 2,791,785 | \$ 13,298,532 | \$ 1,759,236 | \$ 212,156 | \$ 43,243,150 |
| - | - | - | - | 6,134 | 214,686 |
| - | - | - | 2,709,240 | 2,862,857 | 49,454,917 |
| - | - | - | 215,303 | - | 434,799 |
| - | - | - | - | - | 58,777 |
| - | 5,861 | 13,118 | - | - | 159,223 |
| 313,881 | 16 | 9,212 | - | - | 2,240,256 |
| <u>\$ 4,521,349</u> | <u>\$ 2,797,662</u> | <u>\$ 13,320,862</u> | <u>\$ 4,683,779</u> | <u>\$ 3,081,147</u> | <u>\$ 95,805,808</u> |
| \$ 563,586 | \$ 213,760 | \$ 831,510 | \$ - | \$ - | \$ 3,499,096 |
| - | - | - | - | - | 96,756 |
| 125,951 | 184,354 | - | - | - | 1,910,902 |
| - | - | - | - | - | 800 |
| - | - | - | - | - | 153,961 |
| <u>689,537</u> | <u>398,114</u> | <u>831,510</u> | <u>-</u> | <u>-</u> | <u>5,661,515</u> |
| 1,511 | - | - | - | 7,778 | 364,278 |
| - | - | - | 2,709,363 | 2,854,891 | 49,314,403 |
| <u>1,511</u> | <u>-</u> | <u>-</u> | <u>2,709,363</u> | <u>2,862,669</u> | <u>49,678,681</u> |
| - | - | 13,118 | - | - | 212,139 |
| 3,830,301 | 2,399,548 | - | 1,974,416 | 218,478 | 14,650,689 |
| - | - | 12,476,234 | - | - | 15,503,949 |
| - | - | - | - | - | 10,098,835 |
| <u>3,830,301</u> | <u>2,399,548</u> | <u>12,489,352</u> | <u>1,974,416</u> | <u>218,478</u> | <u>40,465,612</u> |
| \$ 4,521,349 | \$ 2,797,662 | \$ 13,320,862 | \$ 4,683,779 | \$ 3,081,147 | \$ 95,805,808 |

County of Scott, Iowa

**Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
As of June 30, 2015**

| | | |
|--|----------------------|----------------------|
| Total governmental fund balances | | \$ 40,465,612 |
| Amounts reported for governmental activities are not financial resources and, therefore, are not reported in the funds: | | |
| Land | \$ 4,424,944 | |
| Construction-in-progress | 7,145,806 | |
| Buildings | 73,974,797 | |
| Improvements other than buildings | 7,764,971 | |
| Infrastructure | 92,553,824 | |
| Intangibles - software | 3,676,053 | |
| Machinery and equipment | 36,376,095 | |
| Accumulated depreciation and amortization | <u>(117,934,931)</u> | 107,981,559 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds: | | |
| Delinquent Tax | | 134,986 |
| Local Option Sales Tax | | 220,500 |
| Operating Grant | | 6,863 |
| Reimbursement | | 1,511 |
| Internal service funds are used by management to charge costs associated with self-insured health insurance. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position is: | | |
| | | 2,451,120 |
| Pension related deferred outflow of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the funds: | | |
| Deferred outflows of resources | | 3,012,056 |
| Deferred inflows of resources | | (6,984,250) |
| 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 | (407,715) | |
| Compensated absences | (3,069,914) | |
| Other post employment benefits obligation | (441,722) | |
| Accrued interest payable | (100,897) | |
| Notes payable | (8,240,000) | |
| Bond premium | (367,350) | |
| Net pension liability - cost sharing plan | (10,169,897) | |
| Revenue bonds payable | (17,675,000) | |
| General obligation bonds payable | <u>(9,330,000)</u> | (49,802,495) |
| Net position of governmental activities | | <u>\$ 97,487,462</u> |

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2015

| | General | Mental Health/ Development Disabilities |
|--|----------------------|---|
| Revenues: | | |
| Property taxes | \$ 37,673,162 | \$ 3,056,483 |
| Local option sales tax | 4,403,167 | - |
| Other taxes | 1,649,122 | 132,370 |
| Interest and penalties on taxes | 715,763 | - |
| Intergovernmental | 4,579,377 | 5,707,712 |
| Charges for services | 6,103,944 | 23,528 |
| Investment earnings | 69,430 | 8,005 |
| Licenses and permits | 741,084 | - |
| Rentals and fees | 85,462 | - |
| Other | 868,077 | 73,614 |
| Total revenues | 56,888,588 | 9,001,712 |
| Expenditures: | | |
| Current: | | |
| Public safety and legal services | 21,199,247 | - |
| Physical health and social services | 5,461,001 | - |
| Mental health | 185,300 | 5,851,845 |
| County environment and education | 3,905,584 | - |
| Roads and transportation | - | - |
| Government services to residents | 2,141,186 | - |
| Administration | 10,030,585 | - |
| Capital outlay | 367,105 | - |
| Debt service | | |
| Principal | - | - |
| Interest and fees | - | - |
| Total Expenditures | 43,290,008 | 5,851,845 |
| Excess (deficiency) of revenues over expenditures | 13,598,580 | 3,149,867 |
| Other financing sources (uses): | | |
| Transfers in | 78,667 | - |
| Transfers out | (14,747,176) | - |
| Distribution for advance crossover refunding | - | - |
| Proceeds from sale of capital assets | - | - |
| Total other financing sources (uses) | (14,668,509) | - |
| Net change in fund balances | (1,069,929) | 3,149,867 |
| Fund balances, beginning of year | 15,506,666 | 1,966,913 |
| Fund balances, end of year | \$ 14,436,737 | \$ 5,116,780 |

See Notes to Basic Financial Statements.

| Secondary Roads | Scott Emergency Communication Center | Capital Projects | Debt Service | Nonmajor Governmental Funds | Total |
|---------------------|--|----------------------|---------------------|--------------------------------|----------------------|
| \$ - | \$ - | \$ - | \$ 2,669,826 | \$ 2,624,541 | \$ 46,024,012 |
| - | - | - | - | - | 4,403,167 |
| - | - | 528,381 | 109,516 | 71,786 | 2,491,175 |
| - | - | - | - | - | 715,763 |
| 3,622,774 | 238,350 | 15,310 | 1,366,491 | 124,747 | 15,654,761 |
| 6,381 | - | - | - | 30,294 | 6,164,147 |
| - | 4,888 | 13,703 | 2,526 | 47,786 | 146,338 |
| 11,170 | - | - | - | - | 752,254 |
| - | - | - | - | - | 85,462 |
| 21,255 | 820 | 726,714 | - | - | 1,690,480 |
| <u>3,661,580</u> | <u>244,058</u> | <u>1,284,108</u> | <u>4,148,359</u> | <u>2,899,154</u> | <u>78,127,559</u> |
| - | 6,052,792 | - | - | - | 27,252,039 |
| - | - | - | - | - | 5,461,001 |
| - | - | - | - | - | 6,037,145 |
| - | - | - | - | 561,697 | 4,467,281 |
| 4,696,791 | - | - | - | - | 4,696,791 |
| - | - | - | - | - | 2,141,186 |
| - | - | - | - | - | 10,030,585 |
| 1,297,775 | 448,485 | 4,533,442 | - | - | 6,646,807 |
| - | 922,442 | - | 1,440,000 | 1,350,000 | 3,712,442 |
| - | 432,193 | - | 517,665 | 1,111,123 | 2,060,981 |
| <u>5,994,566</u> | <u>7,855,912</u> | <u>4,533,442</u> | <u>1,957,665</u> | <u>3,022,820</u> | <u>72,506,258</u> |
| <u>(2,332,986)</u> | <u>(7,611,854)</u> | <u>(3,249,334)</u> | <u>2,190,694</u> | <u>(123,666)</u> | <u>5,621,301</u> |
| 3,014,000 | 6,926,047 | 6,723,219 | - | 2,125,505 | 18,867,438 |
| - | - | (87,118) | (2,125,505) | (2,281,000) | (19,240,799) |
| - | - | - | - | (17,315,000) | (17,315,000) |
| - | - | 83,083 | - | - | 83,083 |
| <u>3,014,000</u> | <u>6,926,047</u> | <u>6,719,184</u> | <u>(2,125,505)</u> | <u>(17,470,495)</u> | <u>(17,605,278)</u> |
| 681,014 | (685,807) | 3,469,850 | 65,189 | (17,594,161) | (11,983,977) |
| 3,149,287 | 3,085,355 | 9,019,502 | 1,909,227 | 17,812,639 | 52,449,589 |
| <u>\$ 3,830,301</u> | <u>\$ 2,399,548</u> | <u>\$ 12,489,352</u> | <u>\$ 1,974,416</u> | <u>\$ 218,478</u> | <u>\$ 40,465,612</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
For the Year Ended June 30, 2015**

Net change in fund balances - governmental funds \$ (11,983,977)

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 | | 6,204,504 |
| Depreciation | | |
| Public safety and legal services | \$ (1,366,779) | |
| Public safety and legal services - SECC | (2,123,521) | |
| Physical health and social services | (26,773) | |
| Mental health | (48,034) | |
| County environment and education | (722,973) | |
| Roads and transportation | (3,293,251) | |
| Governmental services to residents | (36,186) | |
| Administration | <u>(477,819)</u> | (8,095,336) |

Book value of capital assets retired, net of \$77,387 proceeds (48,072)

Capital contribution 3,215,678

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 33,544

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 (164,662)

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 position. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following is a detail of the net effect of these differences in the treatment of long-term debt and related items:

| | | |
|--|--|------------|
| Repayment of bond principal | | 3,712,443 |
| Interest expense | | 69,960 |
| Pension expense | | 1,641,586 |
| Amortization of bond premium | | 96,682 |
| Distribution for advance crossover refunding | | 17,315,000 |

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 | | (76,240) |
| Change in compensated absences | | (162,909) |
| Change in other post employment benefits obligation | | (68,421) |
| Change in net position of governmental activities | \$ | <u>11,689,780</u> |

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Net Position
 Proprietary Funds
 As of June 30, 2015

| | Business-Type Activities <u>Enterprise Fund - Golf Course</u> | Governmental Activities <u>Internal Service Funds</u> |
|--|---|---|
| Assets | | |
| Current assets: | | |
| Cash and investments | \$ 431,122 | \$ 2,545,930 |
| Receivables, accounts | 74,925 | 175,782 |
| Prepays | - | 122,682 |
| Inventories | 8,687 | - |
| Total current assets | <u>514,734</u> | <u>2,844,394</u> |
| Noncurrent assets: | | |
| Capital assets: | | |
| Land | 1,556,336 | - |
| Buildings | 577,483 | - |
| Improvements other than buildings | 244,081 | - |
| Machinery and equipment | 1,558,547 | - |
| Less accumulated depreciation | (1,769,354) | - |
| Total capital assets | <u>2,167,093</u> | <u>-</u> |
| Total noncurrent assets | <u>2,167,093</u> | <u>-</u> |
| Total assets | <u>2,681,827</u> | <u>2,844,394</u> |
| Deferred Outflows of Resources | | |
| Pension related deferred outflows | 31,398 | - |
| Total assets and deferred outflows of resources | <u>\$ 2,713,225</u> | <u>\$ 2,844,394</u> |
| Liabilities and Net Position | | |
| Current liabilities: | | |
| Accounts payable | \$ 42,353 | \$ 4,400 |
| Claims payable | - | 388,874 |
| Accrued liabilities | 46,804 | - |
| Unearned revenue | 29,087 | - |
| Compensated absences | 21,101 | - |
| Total current liabilities | <u>139,345</u> | <u>393,274</u> |
| Noncurrent liabilities | | |
| Compensated absences | 20,962 | - |
| Other post employment benefits obligation | 1,133 | - |
| Net pension liability | 67,926 | - |
| Total noncurrent liabilities | <u>90,021</u> | <u>-</u> |
| Total liabilities | <u>229,366</u> | <u>393,274</u> |
| Deferred Inflows of Resources | | |
| Pension related deferred inflows | 25,905 | - |
| Net Position: | | |
| Investment in capital assets | 2,167,093 | - |
| Unrestricted | 290,861 | 2,451,120 |
| Total net position | <u>2,457,954</u> | <u>2,451,120</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 2,713,225</u> | <u>\$ 2,844,394</u> |

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Funds
 For the Year Ended June 30, 2015

| | Business-Type Activities <u>Enterprise Fund - Golf Course</u> | Governmental Activities <u>Internal Service Funds</u> |
|---|---|---|
| Operating revenues: | | |
| Charges for services | \$ 798,702 | \$ 6,030,661 |
| Sales, net of cost of goods sold of \$64,901 | 126,847 | - |
| Other | 767 | 209,054 |
| Total operating revenues | <u>926,316</u> | <u>6,239,715</u> |
| Operating expenses: | | |
| Personnel | 602,304 | - |
| Depreciation | 55,210 | - |
| Claims and administrative charges | - | 6,558,767 |
| Other | 290,481 | - |
| Total operating expenses | <u>947,995</u> | <u>6,558,767</u> |
| Operating income (loss) | <u>(21,679)</u> | <u>(319,052)</u> |
| Nonoperating revenues: | | |
| Investment earnings | 363 | 4,390 |
| Total nonoperating revenues | <u>363</u> | <u>4,390</u> |
| Income (loss) before transfers | (21,316) | (314,662) |
| Transfers in | <u>223,361</u> | <u>150,000</u> |
| Change in net position | 202,045 | (164,662) |
| Total net position, beginning of year, restated | 2,255,909 | 2,615,782 |
| Total net position, end of year | <u>\$ 2,457,954</u> | <u>\$ 2,451,120</u> |

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended June 30, 2015

| | Business-Type Activities Enterprise Fund - Golf Course | Governmental Activities Internal Service Funds |
|---|---|---|
| Cash flows from operating activities: | | |
| Cash received from customers | \$ 944,314 | \$ 6,030,661 |
| Customer deposits paid | 1,465 | - |
| Refunds from outside sources | - | 33,271 |
| Cash payments to suppliers for goods and services | (338,905) | (6,639,934) |
| Cash payments to employees for services | (602,304) | - |
| Net cash from operating activities | <u>4,570</u> | <u>(576,002)</u> |
| Cash flows from capital and related financing activities: | | |
| Purchase of capital assets | (53,405) | - |
| Net cash from capital and related financing activities | <u>(53,405)</u> | <u>-</u> |
| Cash flows from noncapital financing activities | | |
| Transfers | 223,361 | 150,000 |
| Net cash from noncapital financing activities | <u>223,361</u> | <u>150,000</u> |
| Cash flows from investing activities, interest received | 363 | 4,390 |
| Net increase (decrease) in cash and cash equivalents | 174,889 | (421,612) |
| Cash and cash equivalents: | | |
| Beginning | 256,233 | 2,967,542 |
| Ending | <u>\$ 431,122</u> | <u>\$ 2,545,930</u> |
| Reconciliation of operating income (loss) to net cash from operating activities: | | |
| Operating income (loss) | \$ (21,679) | \$ (319,052) |
| Adjustments to reconcile operating income (loss) to net cash from operating activities: | | |
| Depreciation | 55,210 | - |
| Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources: | | |
| Receivables | (8,722) | (203,865) |
| Inventories | (6,049) | - |
| Accounts payable | 9,559 | (5,614) |
| Claims payable | - | (47,471) |
| Accrued compensation | (6,517) | - |
| Compensated absences | 6,021 | - |
| Other post employment benefits obligation | (1,133) | - |
| Pension related deferred inflows | 26,720 | - |
| Pension related deferred outflows | (22,205) | - |
| Net pension liability | (28,100) | - |
| Customer deposits | 1,465 | - |
| Net cash from operating activities | <u>\$ 4,570</u> | <u>\$ (576,002)</u> |

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Assets and Liabilities

Agency Funds

As of June 30, 2015

Assets

| | | |
|----------------------|-----------|----------------------------------|
| Cash and investments | \$ | 11,400,809 |
| Receivables: | | |
| Property taxes | | <u>242,039,964</u> |
| Total assets | \$ | <u><u>253,440,773</u></u> |

Liabilities

| | | |
|------------------------------------|-----------|----------------------------------|
| Accounts payable | \$ | 714,824 |
| Due to other governmental agencies | | 252,059,569 |
| Due to private individuals | | <u>666,380</u> |
| Total liabilities | \$ | <u><u>253,440,773</u></u> |

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Net Position
Discretely Presented Component Units
As of June 30, 2015

| | Emergency Management Agency | County Library | Total |
|---|-----------------------------------|---------------------|---------------------|
| Assets | | | |
| Current assets: | | | |
| Cash and investments | \$ 247,373 | \$ 344,766 | \$ 592,139 |
| Due from other governmental agencies | 4,228 | 4,585 | 8,813 |
| Prepaid Items | - | 6,908 | 6,908 |
| Total current assets | 251,601 | 356,259 | 607,860 |
| Noncurrent assets: | | | |
| Other post employment benefits asset | - | 3,107 | 3,107 |
| Capital assets: | | | |
| Land | - | 16,600 | 16,600 |
| Buildings | - | 1,131,866 | 1,131,866 |
| Machinery and equipment | 623,066 | 205,995 | 829,061 |
| Accumulated depreciation | (478,172) | (526,434) | (1,004,606) |
| Total capital assets, net | 144,894 | 828,027 | 972,921 |
| Total noncurrent assets | 144,894 | 831,134 | 976,028 |
| Total assets | 396,495 | 1,187,393 | 1,583,888 |
| Deferred Outflows of Resources | | | |
| Pension related deferred outflows | 7,544 | 65,729 | 73,273 |
| Total Assets and Deferred Outflows of Assets | \$ 404,039 | \$ 1,253,122 | \$ 1,657,161 |
| Liabilities, Deferred Inflows of Resources and Net Position | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 2,982 | \$ 12,174 | \$ 15,156 |
| Accrued liabilities | 466 | 37,512 | 37,978 |
| Compensated absences | - | 31,370 | 31,370 |
| Total current liabilities | 3,448 | 81,056 | 84,504 |
| Noncurrent liabilities: | | | |
| Compensated absences | - | 18,491 | 18,491 |
| Net pension liability | 39,099 | 340,705 | 379,804 |
| Other post employment benefits obligation | 3,549 | - | 3,549 |
| Total noncurrent liabilities | 42,648 | 359,196 | 401,844 |
| Total liabilities | 46,096 | 440,252 | 486,348 |
| Deferred Inflows of Resources | | | |
| Pension related deferred inflows | 14,912 | 129,935 | 144,847 |
| Net Position: | | | |
| Net investment in capital assets | 144,894 | 828,027 | 972,921 |
| Unrestricted (deficit) | 198,137 | (145,092) | 53,045 |
| Total net position | 343,031 | 682,935 | 1,025,966 |
| Total liabilities, deferred inflows of resources, and net position | \$ 404,039 | \$ 1,253,122 | \$ 1,657,161 |

See Notes to Basic Financial Statements.

County of Scott, Iowa

Combining Statement of Activities
Discretely Presented Component Units
For the Year Ended June 30, 2015

| | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|---|---------------------|--------------------------------|------------------------------------|---|-------------------|---------------------|
| | Expenses | Charges for Sales and Services | Operating Grants and Contributions | Emergency Management Agency | County Library | Total |
| Emergency Management Agency | | | | | | |
| Public safety and legal services | \$ 156,125 | \$ - | \$ 73,322 | \$ (82,803) | \$ - | \$ (82,803) |
| County Library | | | | | | |
| County environment and education | 1,127,663 | 14,010 | 1,150,413 | - | 36,760 | 36,760 |
| Total component units | \$ 1,283,788 | \$ 14,010 | \$ 1,223,735 | (82,803) | 36,760 | (46,043) |
| General Revenues | | | | | | |
| Investment earnings | | | | 401 | 531 | 932 |
| Miscellaneous | | | | 36,039 | 10,862 | 46,901 |
| Total general revenues | | | | 36,440 | 11,393 | 47,833 |
| Changes in net position | | | | (46,363) | 48,153 | 1,790 |
| Net Position, beginning of year, restated | | | | 389,394 | 634,782 | 1,024,176 |
| Net Position, end of year | | | | \$ 343,031 | \$ 682,935 | \$ 1,025,966 |

See Notes to Basic Financial Statements

County of Scott, Iowa

Notes To Basic Financial Statements

As of and for the Year Ended June 30, 2015

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 primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by the individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending. Generally component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantially the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from the resources of the primary government. All of the component units have a June 30 year-end. Blended component units are the Public Safety Authority and Scott Emergency Communication Center. Discretely presented component units are the Emergency Management Agency and County Library.

County of Scott, Iowa

**Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2015**

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

Blended Component Units:

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. Additionally, the Agency is fiscally dependent on the County for any debt obligations. The authority does not issue separate financial statements.

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. A material amount of operating contributions to fund SECC operations and debt service is provided by the County's general tax levy. The center does not issue separate financial statements.

Discretely Presented Component Units:

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 all local governments within the County and their departments. The Commission coordinates its services in the event of a disaster. The County appoints one board member to the agency. The Commission receives its funding from the federal government, public utility companies and voluntary allocations from the participating governments, including significant fiscal dependence from Scott County through a county-wide tax levy administered through the County levy. The Code of Iowa provides for circumstances whereby the Commission can create a potential financial burden or benefit on the County. The agency does not issue separate financial statements.

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 LeClaire 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. The library does not issue separate financial statements.

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2015

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

Basis of presentation:

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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, deferred outflows of resources, liabilities/deferred inflows of resources, reserves, fund balance/net position, revenues and expenditures or expenses, as appropriate.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- a. Total assets / deferred outflows of resources, liabilities / deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all funds of that category or type, and
- c. In addition, any other governmental or enterprise fund that the County believes is particularly important to financial statement users may be reported as a major fund.

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2015

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

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 accounted for in another fund.

Mental Health/Developmental Disabilities Fund: To account for property taxes, state revenue and other revenue that are restricted or committed to be used to provide mental health and disability services. The Mental Health/Developmental Disabilities Fund is a special revenue fund.

Scott Emergency Communication Center Fund: To account for Scott Emergency Communication Center Fund revenue and other revenue that are restricted or committed to be used for public safety dispatch and communication services for all participating public safety answering points. The Scott Emergency Communication Center Fund is a blended component unit special revenue fund.

Secondary Roads Fund: To account for state revenue and other revenue that are restricted or committed to be used to maintain and improve the County's roads. The Secondary Roads Fund is a special revenue fund.

Debt Service Fund: To account for and report financial resources that are restricted, committed or assigned to the servicing of the general long-term debt not financed by a specific source.

Capital Projects Fund: To account for and report financial resources that are restricted, committed or assigned the acquisition of property and equipment or construction of major capital projects not being financed by proprietary funds.

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2015

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

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

Special Revenue Funds: are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes (other than debt service or capital 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.

Debt Service Fund: used to account for the proceeds dedicated to debt service principal, interest and fees.

Public Safety Authority Fund: To account for and report financial resources that are restricted, committed or assigned to the servicing of the Public Safety Authority debt not financed by a specific source. The Public Safety Authority Fund is a blended component unit debt service fund.

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 and component units.

Dental Insurance Fund: To account for dental insurance provided to the County departments and component units.

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2015

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

Fiduciary fund types: Fiduciary fund types are used to account for net assets and changes in net assets. The fiduciary funds of the County are considered agency funds. Agency funds are custodial in nature (assets equal liabilities), 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 Holding Accounts Fund: To account for the property taxes collected by the County for the Districts.

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

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

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

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

Eastern Iowa Mental Health and Disabilities Region: To account for assets and liabilities for the regional joint 28E agreement.

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.

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

Rivershare Fund: To account for funds held on behalf of the County Library 28E agreement.

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.

County of Scott, Iowa

**Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2015**

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

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. Amounts received before eligibility requirements (excluding time) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows of resources.

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 2014, based on the 2013 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.

In addition to property taxes for the County, property taxes are collected for and remitted to other taxing bodies within the county. Property taxes are levied in the current year for the succeeding year are reflected as receivables and due to other governments on the accompanying statement of assets and liabilities – agency funds.

The business-type activities and enterprise funds follow all pronouncements of the Governmental Accounting Standards Board.

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.

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2015

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

Significant accounting policies:

The significant accounting policies of the County, its blended component units, 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. The investments of the Public Safety Authority are not maintained in the pooled cash and investment fund, but in separately held escrow accounts. These investments, along with the cash in the West Lake Sewer Account, are restricted cash and investments.

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.

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, intangible software 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 \$10,000 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.

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2015

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

Depreciation and amortization has been provided using the straight-line method over the estimated useful lives of the respective:

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

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

Unearned / unavailable revenue: Unearned / unavailable revenues arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned 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 unearned 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.

Deferred outflows or inflows of resources: A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time. A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

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

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

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

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

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2015

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

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 nonspendable account which indicates they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

For the statement of net position and statement of activities, interfund balances, advances and transfers within the governmental activities or business-type activities are netted and eliminated.

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: In accordance with Governmental Accounting Standards Board Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions, the County classifies governmental fund balance as follows:

- Nonspendable – Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- Restricted – Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (ordinance, resolution) of the County. The Board of Supervisors may commit funds through a resolution or ordinance as each is considered equally binding. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the County that originally created the commitment.

County of Scott, Iowa

Notes To Basic Financial Statements As of and for the Year Ended June 30, 2015

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

- Assigned – Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) the County has adopted a financial policy authorizing the County Administrator to assign amounts for a specific purpose. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments were prepared by the County Administrator in preparation of the financial statements.
- Unassigned – Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

The County has adopted a fund balance policy for all governmental funds as follows: General Fund unassigned fund balance is to exceed 15% of annual operating expenses; Secondary Roads Fund restricted fund balances is to be, at minimum, between 5% and 10% of annual operating expenses; Mental Health / Developmental Disabilities Fund is restricted with no minimum balance; Debt Service Fund is to exceed a \$25,000 minimum balance and Rural Services Fund is to exceed \$25,000 minimum balance. As of June 30, 2015, the Secondary Roads Fund had fund balance restrictions of 64% of annual operating expenses. The Secondary Roads Fund exceeded the policy for a planned fiscal year 2015/2016 building improvement plan. The General Fund, Mental Health / Developmental Disabilities Fund, Debt Service Fund, and Rural Services Fund are in compliance with the fund balance policy.

The Public Safety Authority and Scott Emergency Communication Center do not have a governmental fund balance policy.

Net position: Net position represents the difference between assets, liabilities, deferred outflows of resources, and deferred inflows of resources. Net investment in capital assets 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 investment in capital assets excludes unspent debt proceeds. Net position is 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 position is all other net position that does not meet the definitions of "restricted" or "net investment in capital assets".

The County first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the County would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

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 position. Bond discounts and premiums are amortized over the life of the bonds using the effective interest method. The balance at year end of premiums and discounts is shown as an increase or decrease in the liability section of the statement of net position.

County of Scott, Iowa

**Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2015**

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

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 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: Scott County 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 blending of component units require reclassifications of expenditures to the County to the blended component units. These expenditures are reclassified between transfers and service provided.

The County uses the following procedures when establishing their operational budget, excluding blended component units:

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

- 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 were two budget amendments adopted in March, 2015 and May, 2015.

Scott Emergency Communications Center did not amend its budget in 2015. The legal level of control is at the function level. The Public Safety Authority did not adopt a budget in fiscal year 2015.

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2015

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. Deposits and Investments

As of June 30, 2015, the County's cash and investments were as follows:

| | |
|--|----------------------|
| Cash on hand and deposits with financial institutions | \$ 46,220,202 |
| Restricted Cash and Investments with financial institutions | 214,686 |
| Cash on hand and deposits with financial institutions, discretely presented component units | 592,139 |
| Cash on hand and deposits with financial institutions, agency funds | <u>11,400,809</u> |
| | <u>\$ 58,427,836</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, 2015, 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, 2015, 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, 2015, the County did not have any investments exposed to custodial credit risk. There were no deposits exposed to custodial credit risk.

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2015

Note 3. Interfund Transfers

The following is a schedule of interfund transfers:

| | <u>Transfers In</u> | <u>Transfer Out</u> |
|--------------------------------------|--------------------------|--------------------------|
| Governmental activities: | | |
| Major governmental funds: | | |
| General | \$ 78,667 | \$ 14,747,176 |
| Scott emergency communication center | 6,926,047 | - |
| Capital projects | 6,723,219 | 87,118 |
| Secondary roads | 3,014,000 | - |
| Debt service | - | 2,125,505 |
| Nonmajor governmental funds: | | |
| Rural services | - | 2,261,000 |
| Recorders management fees | - | 20,000 |
| Public safety authority | 2,125,505 | - |
| Internal service fund | | |
| Health insurance | 150,000 | - |
| Total governmental activities | <u>19,017,438</u> | <u>19,240,799</u> |
| Business-type activities | | |
| Nonmajor enterprise fund: | | |
| Golf course | <u>223,361</u> | <u>-</u> |
| Total Transfers | <u>\$ 19,240,799</u> | <u>\$ 19,240,799</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 4. 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, 2015, the outstanding balance was \$58,777 and there are approximately 85 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 \$1,114,000 with Wells Fargo, the County will be unable to collect the \$58,777 note receivable; therefore, the note receivable has been presented as a noncurrent asset.

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2015

Note 5. Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2015:

| Governmental Activities | Balance June 30, 2014 | Additions | Deletions | Balance June 30, 2015 |
|---|--------------------------|---------------------|-------------------|--------------------------|
| Capital assets not being depreciated | | | | |
| Land | \$ 4,424,944 | \$ - | \$ - | \$ 4,424,944 |
| Construction in progress | <u>1,078,564</u> | <u>6,520,489</u> | <u>453,247</u> | <u>7,145,806</u> |
| Total Capital Assets Not Being Depreciated and Amortized | <u>5,503,508</u> | <u>6,520,489</u> | <u>453,247</u> | <u>11,570,750</u> |
| Capital assets being depreciated and amortized | | | | |
| Buildings | 73,663,913 | 334,254 | (23,370) | 73,974,797 |
| Improvements other than buildings | 7,659,654 | 105,317 | - | 7,764,971 |
| Infrastructure | 91,615,815 | 938,009 | - | 92,553,824 |
| Intangible - software | 3,250,643 | 425,410 | - | 3,676,053 |
| Machinery and equipment | <u>35,605,055</u> | <u>1,549,948</u> | <u>(778,908)</u> | <u>36,376,095</u> |
| Total Capital Assets Being Depreciated and Amortized | <u>211,795,080</u> | <u>3,352,938</u> | <u>(802,278)</u> | <u>214,345,740</u> |
| Less: accumulated depreciation and amortization for | | | | |
| Buildings | 26,145,639 | 1,787,932 | (8,413) | 27,925,158 |
| Improvements other than buildings | 3,445,053 | 329,576 | - | 3,774,629 |
| Infrastructure | 59,062,094 | 2,817,860 | - | 61,879,954 |
| Intangible - software | 395,679 | 646,530 | - | 1,042,209 |
| Machinery and equipment | <u>21,545,336</u> | <u>2,513,438</u> | <u>(745,793)</u> | <u>23,312,981</u> |
| Total Accumulated Depreciation and Amortization | <u>110,593,801</u> | <u>8,095,336</u> | <u>(754,206)</u> | <u>117,934,931</u> |
| Total Capital Assets Being Depreciated and Amortized | <u>101,201,279</u> | <u>(4,742,398)</u> | <u>(48,072)</u> | <u>96,410,809</u> |
| Governmental Activities Capital Assets, Net of Depreciation and Amortization | <u>\$ 106,704,787</u> | <u>\$ 1,778,091</u> | <u>\$ 405,175</u> | <u>\$ 107,981,559</u> |

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2015

Note 5. Capital Assets (Continued)

| Business-Type Activities | Balance June 30, 2014 | Additions | Deletions | Balance June 30, 2015 |
|---|--------------------------|-------------------|-------------|--------------------------|
| Capital assets not being depreciated | | | | |
| Land | \$ 1,556,336 | \$ - | \$ - | \$ 1,556,336 |
| Total Capital Assets Not Being Depreciated | <u>1,556,336</u> | <u>-</u> | <u>-</u> | <u>1,556,336</u> |
| Capital assets being depreciated | | | | |
| Buildings | 577,483 | - | - | 577,483 |
| Improvements other than buildings | 244,081 | - | - | 244,081 |
| Machinery and equipment | 1,505,142 | 53,405 | - | 1,558,547 |
| Total Capital Assets Being Depreciated | <u>2,326,706</u> | <u>53,405</u> | <u>-</u> | <u>2,380,111</u> |
| Less: accumulated depreciation for | | | | |
| Buildings | 280,624 | 10,302 | - | 290,926 |
| Improvements other than buildings | 204,115 | 4,441 | - | 208,556 |
| Machinery and equipment | 1,229,405 | 40,467 | - | 1,269,872 |
| Total Accumulated Depreciation | <u>1,714,144</u> | <u>55,210</u> | <u>-</u> | <u>1,769,354</u> |
| Total Capital Assets Being Depreciated | <u>612,562</u> | <u>(1,805)</u> | <u>-</u> | <u>610,757</u> |
| Business-Type Activities | | | | |
| Capital Assets, Net of Depreciation | <u>\$ 2,168,898</u> | <u>\$ (1,805)</u> | <u>\$ -</u> | <u>\$ 2,167,093</u> |

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

| Discretely Presented Component Units | Balance June 30, 2014 | Additions | Deletions | Balance June 30, 2015 |
|---|--------------------------|--------------------|-------------|--------------------------|
| Capital assets not being depreciated | | | | |
| Land | \$ 16,600 | \$ - | \$ - | \$ 16,600 |
| Total Capital Assets Not Being Depreciated | <u>16,600</u> | <u>-</u> | <u>-</u> | <u>16,600</u> |
| Capital assets being depreciated | | | | |
| Buildings | 1,131,866 | - | - | 1,131,866 |
| Machinery and equipment | 829,061 | - | - | 829,061 |
| Total Capital Assets Being Depreciated | <u>1,960,927</u> | <u>-</u> | <u>-</u> | <u>1,960,927</u> |
| Less: accumulated depreciation for | | | | |
| Buildings | 307,865 | 30,211 | - | 338,076 |
| Machinery and equipment | 602,966 | 63,564 | - | 666,530 |
| Total Accumulated Depreciation | <u>910,831</u> | <u>93,775</u> | <u>-</u> | <u>1,004,606</u> |
| Total Capital Assets Being Depreciated | <u>1,050,096</u> | <u>(93,775)</u> | <u>-</u> | <u>956,321</u> |
| Total Governmental Activities | | | | |
| Capital Assets, Net of Depreciation | <u>\$ 1,066,696</u> | <u>\$ (93,775)</u> | <u>\$ -</u> | <u>\$ 972,921</u> |

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2015

Note 5. Capital Assets (Continued)

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

| | |
|--|---------------------|
| Governmental Activities: | |
| Public safety and legal services | \$ 1,366,779 |
| Public safety and legal services - SECC | 2,123,521 |
| Physical health and social services | 26,773 |
| Mental health | 48,034 |
| County environment and education | 722,973 |
| Roads and transportation | 3,293,251 |
| Governmental services to residents | 36,186 |
| Administration | 477,819 |
| Total Governmental Activities Depreciation and Amortization Expense | \$ 8,095,336 |
| | |
| Business-Type activities, golf course | <u>\$ 55,210</u> |
| | |
| Discretely Presented Component Units: | |
| Emergency Management Agency | \$ 59,851 |
| County Library | 33,924 |
| Total Discretely Presented Component Units Depreciation Expense | \$ 93,775 |

Note 6. Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2015:

| | Balance June 30, 2014 | Additions | Deletions | Balance June 30, 2015 | Due Within One Year |
|--|--------------------------|---------------------|----------------------|--------------------------|------------------------|
| Governmental Activities: | | | | | |
| General obligation bonds | \$ 10,770,000 | \$ - | \$ 1,440,000 | \$ 9,330,000 | \$ 1,195,000 |
| Revenue bonds | 36,340,000 | - | 18,665,000 | 17,675,000 | 1,615,000 |
| Deferred amount for: | | | | | |
| Premium | 464,032 | - | 96,682 | 367,350 | - |
| Subtotal for bonds | <u>47,574,032</u> | <u>-</u> | <u>20,201,682</u> | <u>27,372,350</u> | <u>2,810,000</u> |
| | | | | | |
| Other Liabilities: | | | | | |
| Compensated absences | 2,907,805 | 2,102,397 | 1,939,488 | 3,070,714 | 1,617,979 |
| Note payable | 9,162,443 | - | 922,443 | 8,240,000 | 420,000 |
| Other post employment benefits | 373,301 | 108,359 | 39,938 | 441,722 | - |
| Claims payable | <u>812,739</u> | <u>6,226,802</u> | <u>6,146,196</u> | <u>893,345</u> | <u>762,179</u> |
| | | | | | |
| Total Governmental Activities Long-Term Liabilities | \$ 60,830,320 | \$ 8,437,558 | \$ 29,249,747 | \$ 40,018,131 | \$ 5,610,158 |

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2015

Note 6. Long-Term Liabilities (Continued)

| | Balance June 30, 2014 | Additions | Retirements | Balance June 30, 2015 | Due Within One Year |
|---|--------------------------|------------------|------------------|--------------------------|------------------------|
| Business-Type Activities: | | | | | |
| Other Liabilities: | | | | | |
| Compensated absences | \$ 48,580 | \$ 12,213 | \$ 18,730 | \$ 42,063 | \$ 21,101 |
| Other post employment benefits | - | 1,133 | - | 1,133 | - |
| Total Business Type Activities | <u>\$ 48,580</u> | <u>\$ 12,213</u> | <u>\$ 18,730</u> | <u>\$ 42,063</u> | <u>\$ 21,101</u> |
| | Balance June 30, 2014 | Additions | Deletions | Balance June 30, 2015 | Due Within One Year |
| Discretely Presented Component | | | | | |
| Units Activities: | | | | | |
| Other Liabilities: | | | | | |
| Compensated absences | \$ 80,628 | \$ 36,398 | \$ 67,165 | \$ 49,861 | \$ 31,370 |
| Other post employment benefits | (267) | 709 | - | 442 | - |
| Total Discretely Presented Component | | | | | |
| Units Long-Term Liabilities | <u>\$ 80,361</u> | <u>\$ 37,107</u> | <u>\$ 67,165</u> | <u>\$ 50,303</u> | <u>\$ 31,370</u> |

General Obligation Bonds

General obligation bonds outstanding as of June 30, 2015 consist of \$295,000 of general obligation geographic information systems bonds with interest at rates ranging from 4.0 percent to 4.1 percent, \$8,180,000 of general obligation emergency equipment bonds with interest at rates ranging from 1.5 percent to 5.8 percent, and \$855,000 of urban renewal refunding bonds with interest at rates ranging from 2.5 percent to 3.0 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 an annual installment of \$295,000 through 2016 at an interest rate of 4.1 percent.

On December 17, 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 \$480,000 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, due in annual installments of \$420,000 to \$435,000 with interest rates ranging from 2.3 percent to 4.6 percent.

County of Scott, Iowa

**Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2015**

Note 6. Long-Term Liabilities (Continued)

General Obligation Bonds (Continued)

The debt service requirements on the general obligation bonds outstanding as of June 30, 2015 are as follows:

| <u>Year Ending June 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------------|----------------------------|----------------------------|-----------------------------|
| 2016 | \$ 1,195,000 | \$ 456,325 | \$ 1,651,325 |
| 2017 | 925,000 | 412,430 | 1,337,430 |
| 2018 | 505,000 | 378,800 | 883,800 |
| 2019 | 515,000 | 356,580 | 871,580 |
| 2020 | 530,000 | 332,890 | 862,890 |
| 2021-2025 | 2,930,000 | 1,245,250 | 4,175,250 |
| 2026-2029 | <u>2,730,000</u> | <u>396,400</u> | <u>3,126,400</u> |
| Total | <u>\$ 9,330,000</u> | <u>\$ 3,578,675</u> | <u>\$ 12,908,675</u> |

The computation of the County's legal margin as of June 30, 2015 is as follows:

| | |
|--|---------------------------------|
| 2013 assessed valuation | \$ 12,648,285,554 |
| Less military exemption | <u>(16,962,534)</u> |
| Total assessed value | <u>\$ 12,631,323,020</u> |
| Debt limit, 5% of assessed valuation (Iowa statutory limitation) | \$ 631,566,151 |
| Total amount of debt applicable to debt margin | <u>(27,005,000)</u> |
| Legal debt margin | <u>\$ 604,561,151</u> |

Revenue Bonds

Revenue bonds outstanding as of June 30, 2015 consist of \$17,675,000 of Jail Lease Refunding bonds ranging from 1.60 percent to 2.00 percent.

On December 27, 2012, the Public Safety Authority, a blended component unit, issued \$9,750,000 Jail Facilities Revenue Refunding Bonds, Series 2012. The bonds were issued for the purpose of crossover refunding the Public Safety Authority Jail Facilities Revenue Bonds, Series 2006. The bonds were issued with interest rates ranging from 1.60 percent to 2.00 percent.

On January 9, 2013, the Public Safety Authority, a blended component unit, issued \$7,925,000 Jail Facilities Revenue Refunding Bonds, Series 2013. The bonds were issued for the purpose of crossover refunding the Public Safety Authority Jail Facilities Revenue Bonds, Series 2006. The bonds were issued with interest rates of 2.00 percent.

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2015

Note 6. Long-Term Liabilities (Continued)

Revenue Bonds (Continued)

On December 27, 2012, the Public Safety Authority issued \$9,750,000 in Jail Facilities Revenue Refunding Bonds with an average interest rate of 1.797% to advance refund \$9,440,000 of 2006 Jail Facilities Revenue outstanding bonds with an average interest rate of 4.29%. The net proceeds of \$9,804,614 (after payment of \$119,175 in underwriting fees, insurance and other issuance costs and a reoffering premium of \$175,885) were used to purchase U.S. government securities. Those securities were deposited in an account to provide for future debt service payments on the new bonds until the crossover in June 2015. The escrow account paid the outstanding bonds as of June 2015, and the liability was relieved at that time.

On January 9, 2013, the Public Safety Authority issued \$7,925,000 in Jail Facilities Revenue Refunding Bonds with an average interest rate of 2.00% to advance refund \$7,875,000 of 2006 Jail Facilities Revenue outstanding bonds with an average interest rate of 4.04%. The net proceeds of \$8,204,564 (after payment of \$99,563 in underwriting fees, insurance and other issuance costs and a reoffering premium of \$382,866) were used to purchase U.S. government securities. Those securities were deposited in an account to provide for future debt service payments on the new bonds until the crossover in June 2015. The escrow account paid the outstanding bonds as of June 2015, and the liability was relieved at that time.

The debt service requirements on the revenue bonds outstanding as of June 30, 2015 are as follows:

| <u>Year Ending June 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------------|-----------------------------|----------------------------|-----------------------------|
| 2016 | \$ 1,615,000 | \$ 335,618 | \$ 1,950,618 |
| 2017 | 1,650,000 | 303,317 | 1,953,317 |
| 2018 | 1,665,000 | 270,318 | 1,935,318 |
| 2019 | 1,705,000 | 237,017 | 1,942,017 |
| 2020 | 1,765,000 | 202,918 | 1,967,918 |
| 2021-2025 | 9,275,000 | 494,157 | 9,769,157 |
| Total | <u>\$ 17,675,000</u> | <u>\$ 1,843,345</u> | <u>\$ 19,518,345</u> |

County of Scott, Iowa

**Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2015**

Note 6. Long-Term Liabilities (Continued)

Revenue Bonds (Continued)

The County has pledged as security for bonds issued by the Public Safety Authority, a blended component unit, 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 bonds issued by the Public Safety Authority in December 2012 and January 2013 in the amount of \$9,750,000 and \$7,925,000, respectively, for the purposes of crossover refunding the 2006 bond issue. 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. Annual principal and interest payment on the bonds are expected to require 100% of lease payments received. Total principal and interest remaining on the debt is \$19,518,345 with annual requirements ranging from \$1,950,618 to \$1,967,918. Property taxes, from which the appropriations will be made, have been equal to the principal and interest amount owed per year before consideration of restricted assets for the cross over refunding. For the current year, principal and interest paid by the Public Safety Authority totaled \$2,461,123 and property taxes recognized by the County were \$2,125,505 each.

Notes Payable

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% to 5.8%. The SECC has issued a note payable to the City of Davenport with terms for repayment identical to the bonds.

The debt service requirements on the notes payable outstanding as of June 30, 2015 are as follows:

| Year Ending June 30 | City of Davenport GO Note | | |
|---------------------|---------------------------|---------------------|----------------------|
| | Principal | Interest | Total |
| 2016 | \$ 420,000 | \$ 418,827 | \$ 838,827 |
| 2017 | 440,000 | 403,078 | 843,078 |
| 2018 | 460,000 | 385,257 | 845,257 |
| 2019 | 480,000 | 365,708 | 845,708 |
| 2020 | 505,000 | 344,347 | 849,347 |
| 2021-2025 | 2,955,000 | 1,323,875 | 4,278,875 |
| 2026-2029 | 2,980,000 | 434,965 | 3,414,965 |
| Total | \$ 8,240,000 | \$ 3,676,057 | \$ 11,916,057 |

County of Scott, Iowa

**Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2015**

Note 6. Long-Term Liabilities (Continued)

Other Long-Term Liabilities

Compensated absences attributable to governmental activities are generally liquidated by the General Fund and Scott Emergency Communication Center Fund. Claims payable are generally liquidated by the General Fund and the Self – Insurance Fund of the County. The net pension obligation is liquidated by the individual fund paying corresponding salaries. Net other postemployment benefit obligations are liquidated by the Internal Service Health and Dental Funds.

Note 7. Retirement System

Plan Description - IPERS membership is mandatory for employees of the County, except for those covered by another retirement system. Employees of the County are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

As a multi-employer pension plan, IPERS recognizes County activity as the accumulation of transactions from Scott County, primary government; Scott Emergency Communication Center, blended component unit; Emergency Management Agency, discrete component unit; County Library, discrete component unit; and County Assessor, agency fund.

Pension Benefits – A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member's highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.)

Sheriff and deputy and protection occupation members may retire at normal retirement age which is generally at age 55. Sheriff and deputy and protection occupation members may retire any time after reaching age 50 with 22 or more years of covered employment.

The formula used to calculate a sheriff and deputy and protection occupation members' monthly IPERS benefit includes:

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for years of service greater than 22 but not more than 30 years of service.
- The member's highest three-year average salary.

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2015

Note 7. Retirement System (Continued)

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits - A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions - Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2015, pursuant to the required rate, Regular members contributed 5.95 percent of pay and the County contributed 8.93 percent for a total rate of 14.88 percent. Sheriff and deputy members and the County both contributed 9.88 percent of pay for a total rate of 19.76 percent. Protection occupation members contributed 6.76 percent of pay and the County contributed 10.14 percent for a total rate of 16.90 percent.

The County's contributions to IPERS for the year ended June 30, 2015 were \$2,660,923.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the County reported a liability of \$10,888,862, including all pension reporting units, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the County's collective proportion was .2745113%, which was a decrease of .061580% from its collective proportion measured as of June 30, 2013.

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2015

Note 7. Retirement System (Continued)

For the year ended June 30, 2015, the County recognized pension expense of \$945,202. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Regular Membership | | Sheriff and Deputies | |
|--|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Difference between expected and actual experience | \$ 132,608 | \$ - | \$ - | \$ 117,629 |
| Changes in assumptions | 538,486 | - | - | 144,107 |
| Net difference between projected and actual earnings on pension plan investments | - | 4,653,351 | - | 1,036,002 |
| Changes in proportion and difference between County contributions and proportionate share of contributions | - | 146,471 | - | 9,541 |
| County contributions subsequent to the measurement dates | <u>1,829,320</u> | <u>-</u> | <u>309,404</u> | <u>-</u> |
| Total | <u>\$ 2,500,414</u> | <u>\$ 4,799,822</u> | <u>\$ 309,404</u> | <u>\$ 1,307,279</u> |

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2015

Note 7. Retirement System (Continued)

| | Protection Occupation | | Total - All Groups | |
|--|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Difference between expected and actual experience | \$ - | \$ 109,474 | \$ 132,608 | \$ 227,103 |
| Changes in assumptions | - | 2,614 | 538,486 | 146,721 |
| Net difference between projected and actual earnings on pension plan investments | - | 1,194,505 | - | 6,883,858 |
| Changes in proportion and difference between County contributions and proportionate share of contributions | - | 7,337 | - | 163,349 |
| County contributions subsequent to the measurement dates | <u>522,199</u> | <u>-</u> | <u>2,660,923</u> | <u>-</u> |
| Total | <u>\$ 522,199</u> | <u>\$ 1,313,930</u> | <u>\$ 3,332,017</u> | <u>\$ 7,421,031</u> |

\$2,660,923 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ending June 30</u> | <u>Total</u> |
|----------------------------|------------------------------|
| 2016 | \$ (1,689,674) |
| 2017 | (1,689,674) |
| 2018 | (1,689,674) |
| 2019 | (1,689,674) |
| 2020 | <u>8,761</u> |
| Total | <u>\$ (6,749,935)</u> |

There were no non-employer contributing entities at IPERS.

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2015

Note 7. Retirement System (Continued)

Actuarial Assumptions - The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|--|---|
| Rate of inflation (effective June 30, 2014) | 3.00 percent per annum |
| Rates of salary increase (effective June 30, 2010) | 4.00 to 17.00 percent, average, including inflation. Rates vary by membership group |
| Long-term investment rate of return (effective June 30, 2010) | 7.50 percent, compounded annually, net of investment expense, including inflation |

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class</u> | <u>Asset Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|------------------------|-------------------------|---|
| US Equity | 23% | 6.31 |
| Non US Equity | 15% | 6.76 |
| Private Equity | 13% | 11.34 |
| Real Estate | 8% | 3.52 |
| Core Plus Fixed Income | 28% | 2.06 |
| Credit Opportunities | 5% | 3.67 |
| TIPS | 5% | 1.92 |
| Other Real Assets | 2% | 6.27 |
| Cash | 1% | (0.69) |
| Total | <u>100%</u> | |

Discount Rate - The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the County will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2015

Note 7. Retirement System (Continued)

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

| | 1% Decrease 6.50% | Discount Rate 7.50% | 1% Increase 8.50% |
|--------------------------|----------------------|---------------------------|-----------------------|
| Regular Membership Group | \$ 23,054,639 | \$ 12,201,631 | \$ 3,040,568 |
| Sheriffs and Deputies | 2,146,230 | (99,473) | (1,985,393) |
| Protection Occupation | 1,281,226 | (1,215,296) | (3,318,962) |
| Total | <u>\$ 26,482,095</u> | <u>\$ 10,886,862</u> | <u>\$ (2,263,787)</u> |

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to the Pension Plan - At June 30, 2015, the County reported payables to the defined benefit pension plan of \$123,786 for legally required employer contributions and \$87,062 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

County of Scott, Iowa

**Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2015**

Note 8. 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 all or a portion of the premium in excess of the full single rate 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 2015, the County contributed \$39,938. Retiree and active members receiving benefits have required monthly contributions of:

| | <u>Single</u> | <u>Family</u> |
|--------|---------------|---------------|
| Health | \$ 483 | \$ 1,320 |
| Dental | 30 | 89 |
| Vision | 7 | 16 |

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 | \$ 116,315 |
| Interest on net OPEB obligation | 16,787 |
| Adjustment to annual required contribution | <u>(22,901)</u> |
| Annual OPEB cost | 110,201 |
| Contributions and payments made | <u>(39,938)</u> |
| Change in net OPEB obligation | 70,263 |
| Net OPEB obligation - beginning of year | <u>373,034</u> |
| Net OPEB obligation - end of year | <u><u>\$ 443,297</u></u> |

County of Scott, Iowa

Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2015

Note 8. 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 two years 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> |
|----------------------------|-------------------------|---|----------------------------|
| 2013 | \$ 117,899 | 60.4% | \$ 400,029 |
| 2014 | 117,133 | 123.0% | 373,034 |
| 2015 | 110,201 | 36.3% | 443,297 |

Funded status and funding progress: As of January 1, 2015, the most recent valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$1,035,864 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UML) of \$1,035,864. The covered payroll (annual payroll of active employees covered by the plan) was \$25,524,730 and the ratio of the UML to the covered payroll was 4.1 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, 2015 actuarial valuation, projected unit credit method was used. The actuarial assumptions included a 4.5 percent investment rate of return, general inflation of 3 percent, salary increases of 4 percent, health care cost trend rate of 5 percent; mortality rates using the RP 2014 Mortality Tables with scale MP-2014, retiree participation rate of 50 percent, an initial spouse participation rate of 50 percent and turnover rates based on Scale T-6 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
As of and For the Year Ended June 30, 2015**

Note 9. 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 \$500,000 per claim for workers' compensation. Coverage from a private insurance company is maintained for losses in excess of the aggregate stop loss amount with \$10,000,000 maximum coverage on general and automobile liability, \$106,265,706 maximum coverage on property and limited statutory \$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 is self-insured for health and dental care of its employees. 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 \$150,000 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 individual claims have exceeded the commercial coverage in fiscal year 2015.

As of June 30, 2015, the amount of liabilities recorded for estimated claim settlements for general, automobile, property and workers' compensation liability claims was \$504,471 of which \$96,756 was recorded in the General Fund. The County has assigned \$407,715 of General Fund balance for payment of future claims liability.

County of Scott, Iowa

Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2015

Note 9. Risk Management and Insurance (Continued)

The changes in the aggregate liabilities for general, automobile, property and workers' compensation liability claims are as follows:

| | 2015 | 2014 |
|--------------------------------------|-------------------|-------------------|
| Claims payable, beginning of year | \$ 376,394 | \$ 393,449 |
| Claims expense and change in reserve | 404,745 | 259,869 |
| Claims payments | <u>(276,668)</u> | <u>(276,924)</u> |
| Claims payable, end of year | <u>\$ 504,471</u> | <u>\$ 376,394</u> |

The changes in the aggregate liabilities for health care and dental claims are as follows:

| | 2015 | 2014 |
|--------------------------------------|--------------------|--------------------|
| Claims payable, beginning of year | \$ 436,345 | \$ 485,907 |
| Claims expense and change in reserve | 5,822,057 | 5,081,885 |
| Claims payments | <u>(5,869,528)</u> | <u>(5,131,447)</u> |
| Claims payable, end of year | <u>\$ 388,874</u> | <u>\$ 436,345</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 10. 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, 2015, there were three series of revenue bonds outstanding. The aggregate principal balance of the revenue bonds outstanding is \$18,370,000.

County of Scott, Iowa

Notes To Basic Financial Statements

As of and For the Year Ended June 30, 2015

Note 11. 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, 2015 is \$0.

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.

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.

Subsequent to year end, the County issued an \$8,215,000 General Obligation Solid Waste Disposal Bonds, Series 2015 A for the purpose of loaning the proceeds to the Waste Commission. The Commission will utilize the proceeds for a single stream recycling equipment and building renovation. The commission and the County have entered into the same financing terms as above through 2035.

County of Scott, Iowa

Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2015

Note 12. Fund Balances

Governmental fund balances reported on the fund financial statements at June 30, 2015 are:

| | General | Mental Health/ Development Disability | Secondary Roads | Scott Emergency Communication Center |
|----------------------------|----------------------|---|---------------------|--|
| Fund Balances: | | | | |
| Nonspendable | | | | |
| Notes receivable | \$ 58,777 | \$ - | \$ - | \$ - |
| Prepays | 140,244 | - | - | - |
| Subtotal Nonspendable | <u>199,021</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Restricted | | | | |
| Debt service | - | - | - | - |
| County conservation | | | | |
| sewage treatment | 208,552 | - | - | - |
| Secondary roads | - | - | 3,830,301 | - |
| Mental health | - | 5,116,780 | - | - |
| Emergency services | - | - | - | 2,399,548 |
| Records management fee | - | - | - | - |
| Rural services | - | - | - | - |
| Other statutory programs | 902,614 | - | - | - |
| Subtotal Restricted | <u>1,111,166</u> | <u>5,116,780</u> | <u>3,830,301</u> | <u>2,399,548</u> |
| Assigned | | | | |
| Capital projects | 2,350,000 | - | - | - |
| Claim liabilities | 407,715 | - | - | - |
| Health claim liability | 270,000 | - | - | - |
| Subtotal Assigned | <u>3,027,715</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Unassigned | 10,098,835 | - | - | - |
| Total Fund Balances | <u>\$ 14,436,737</u> | <u>\$ 5,116,780</u> | <u>\$ 3,830,301</u> | <u>\$ 2,399,548</u> |

County of Scott, Iowa

Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2015

Note 12. Fund Balances (Continued)

| | Capital Projects | Debt Service | Nonmajor Governmental | Total |
|----------------------------|----------------------|---------------------|--------------------------|----------------------|
| Fund Balances: | | | | |
| Nonspendable | | | | |
| Notes receivable | \$ - | \$ - | \$ - | \$ 58,777 |
| Prepays | 13,118 | - | - | 153,362 |
| Subtotal Nonspendable | <u>13,118</u> | <u>-</u> | <u>-</u> | <u>212,139</u> |
| Restricted | | | | |
| Debt Service | - | 1,974,416 | 6,134 | 1,980,550 |
| County conservation | | | | |
| sewage treatment | - | - | - | 208,552 |
| Secondary Roads | - | - | - | 3,830,301 |
| Emergency Services | - | - | - | 2,399,548 |
| Mental health | - | - | - | 5,116,780 |
| Records management fee | - | - | 63,714 | 63,714 |
| Rural services | - | - | 148,630 | 148,630 |
| Other statutory programs | - | - | - | 902,614 |
| Subtotal Restricted | <u>-</u> | <u>1,974,416</u> | <u>218,478</u> | <u>14,650,689</u> |
| Assigned | | | | |
| Capital projects | 12,476,234 | - | - | 14,826,234 |
| Claim liabilities | - | - | - | 407,715 |
| Health claim liability | - | - | - | 270,000 |
| Subtotal Assigned | <u>12,476,234</u> | <u>-</u> | <u>-</u> | <u>15,503,949</u> |
| Unassigned | - | - | - | 10,098,835 |
| Total Fund Balances | <u>\$ 12,489,352</u> | <u>\$ 1,974,416</u> | <u>\$ 218,478</u> | <u>\$ 40,465,612</u> |

Note 13. Litigation

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

Note 14. Commitments and Contingency

The County has financial commitments relating to future purchases of \$928,017.

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.

County of Scott, Iowa

Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2015

Note 15. Scott County Financial Information Included in the Eastern Iowa Mental Health and Disabilities Region

Eastern Iowa Mental Health and Disabilities Region, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa which became effective July 1, 2014, includes the following member counties: Cedar County, Clinton County, Jackson County, Muscatine County, Member County D, and Scott County. The financial activity of Scott County's Special Revenue, Mental Health / Disabilities Fund is included in the Eastern Iowa Mental Health and Disabilities Health Region for the year ended June 30, 2015 as follows:

Revenues:

| | | | |
|---|----------------|----|---------------|
| Property tax | | \$ | 3,056,483 |
| Other tax | | | 132,370 |
| Intergovernmental revenues: | | | |
| State tax credits | 174,489 | | |
| Mental health and disability services transaction | 4,672,785 | | |
| Social services block grant | <u>860,438</u> | | 5,707,712 |
| Charges for services - care keep | | | 23,528 |
| Investment earnings | | | 8,005 |
| Reimbursements and miscellaneous | | | <u>73,614</u> |
| Total revenues | | | 9,001,712 |

Expenditures

| | | | |
|---------------------------------------|---------------|--|------------------|
| Services to persons with: | | | |
| Mental illness | 3,674,678 | | |
| Chronic mental illness | 22,481 | | |
| Intellectual disability | 505,470 | | |
| Other developmental disabilities | 142,127 | | |
| Brain injury | <u>7,842</u> | | 4,352,598 |
| County provided services | | | 30,392 |
| General administration | | | |
| Direct administration | 1,458,855 | | |
| Distribution to regional fiscal agent | <u>10,000</u> | | <u>1,468,855</u> |
| Total expenditures | | | 5,851,845 |

Excess of revenues over expenditures 3,149,867

Fund balances beginning of the year 1,966,913

Fund balance end of the year \$ 5,116,780

County of Scott, Iowa

Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2015

Note 16. Governmental Accounting Standards Board (GASB) Statements

The County adopted the following statements as of July 1, 2014:

- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, issued June 2012, is effective for the County beginning with its year ending June 30, 2015. This statement will improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pension this is provided by other entities.
- GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date –An Amendment of GASB Statement No. 68*, issued November 2013, is effective for the County beginning with its year ending June 30, 2015. This statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Report for Pension*.

Note 17. Restatement

The County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date –An Amendment of GASB Statement No. 68* as of July 1, 2014, which requires pension cost to be recorded as incurred. The impact to net position is as follows:

| | Governmental Type Activities | Business Type Activities / Golf Fund | Discrete Component Units |
|---|---------------------------------|--|--------------------------------|
| Net Position as of June 30, 2014, as reported | \$ 101,581,356 | \$ 2,341,927 | \$ 1,505,136 |
| Recording of Net Pension Liability and Deferred Outflow of Resources | <u>(15,783,674)</u> | <u>(86,018)</u> | <u>(480,960)</u> |
| Net Position as of June 30, 2014, restated | <u>\$ 85,797,682</u> | <u>\$ 2,255,909</u> | <u>\$ 1,024,176</u> |

County of Scott, Iowa

Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2015

Note 18. Governmental Accounting Standards Board (GASB) Statements (Continued)

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

- GASB Statement No. 72, *Fair Value Measurement and Application*, issued February 2015, will be effective for the County beginning with the year ending June 30, 2016. This statement addresses accounting and financial reporting issues related to fair value measurements for certain investments and disclosures related to all fair value measurements.
- GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, issued June of 2015, will be effective for the County beginning for the year ending June 30, 2016. The requirements of this statement will improve financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employers and non-employer contribution entities.
- GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pensions*, issued June 2015, will be effective for the County beginning with the year ending June 30, 2017. The requirements of this statement will improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, issued June 2015, will be effective for the County beginning with the year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB).
- GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, issued June 2015, will be effective for the County beginning with the year June 30, 2016. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP).
- GASB Statement No. 77, *Tax Abatement Issues*, issued August, 2015, will be effective for the County beginning with the year, June 30, 2017. The requirements of this Statement improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users.

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

County of Scott, Iowa

**Required Supplementary Information
 Schedule of Funding Progress
 Other Postemployment Benefit Plan
 As of and For the Year Ended June 30, 2015**

| Actuarial Valuation Date | Actuarial Value of Net Position (a) | Actuarial Liability (AAL) (b) | Unfunded AAL (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll [(b-a) / c] |
|-----------------------------|--|-------------------------------------|-----------------------|--------------------------|---------------------------|---|
| 1/1/2011 | \$ - | \$ 1,473,922 | \$ 1,473,922 | 0.00% | \$23,130,003 | 6.37% |
| 1/1/2013 | - | 1,076,019 | 1,076,019 | 0.00% | 24,311,861 | 4.43% |
| 1/1/2015 | - | 1,035,864 | 1,035,864 | 0.00% | 25,524,730 | 4.06% |

The information presented in the required supplementary schedules was determined as part of the actuarial valuation date as of January 1, 2015. 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) 4.5 percent investment rate of return, 2) general inflation of 3 percent 3) salary increases of 4 percent, 4) health care cost trend rates of: 5 percent, 5) mortality rates using the RP 2014 Mortality Tables with scale MP-2014, 6) retiree participation rate of 70 percent, 7) an initial spouse participation rate of 50 percent and 8) turnover rates based on Scale T-6 of the Actuary's Pension Handbook.
- d. The amortization method is level dollar amount on an open basis.

See Independent Auditors' Report and Note to Required Supplementary Information.

County of Scott, Iowa

Required Supplementary Information
 Budgetary Comparison Schedule
 All Governmental Funds - Primary Government
 For the Year Ended June 30, 2015

| | Budget | | Actual - Budgetary Basis | Variance with Final Budget Favorable (Unfavorable) |
|--|-----------------------|-----------------------|--------------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property taxes | \$ 46,679,939 | \$ 46,679,939 | \$ 46,024,012 | \$ (655,927) |
| Local option sales tax | 4,069,728 | 4,069,728 | 4,403,167 | 333,439 |
| Other taxes | 2,466,751 | 2,466,751 | 2,491,175 | 24,424 |
| Interest and penalties on taxes | 800,000 | 800,000 | 715,763 | (84,237) |
| Intergovernmental | 14,535,672 | 14,760,189 | 15,702,548 | 942,359 |
| Charges for services | 5,644,976 | 5,610,853 | 6,164,147 | 553,294 |
| Investment earnings | 140,425 | 100,350 | 93,994 | (6,356) |
| Licenses and permits | 532,440 | 715,140 | 752,254 | 37,114 |
| Rentals and fees | 80,821 | 80,821 | 85,462 | 4,641 |
| Other | 694,492 | 1,321,940 | 1,689,660 | 367,720 |
| Total revenues | 75,645,244 | 76,605,711 | 78,122,182 | 1,516,471 |
| Expenditures | | | | |
| Current: | | | | |
| Public safety and legal services | 28,877,355 | 29,251,129 | 28,411,431 | 839,698 |
| Physical health and social services | 5,906,630 | 5,940,737 | 5,461,001 | 479,736 |
| Mental health | 8,431,294 | 7,612,646 | 6,037,145 | 1,575,501 |
| County environment and education | 4,811,586 | 4,980,904 | 4,467,281 | 513,623 |
| Roads and transportation | 7,253,000 | 7,411,500 | 5,994,566 | 1,416,934 |
| Government services to residents | 2,365,682 | 2,479,171 | 2,141,186 | 337,985 |
| Nonprogram Current | - | 150,000 | 150,000 | - |
| Administration | 10,956,284 | 11,004,038 | 10,030,585 | 973,453 |
| Capital outlay | 6,984,935 | 7,557,182 | 4,900,547 | 2,656,635 |
| Debt service | 4,081,305 | 4,085,330 | 4,083,170 | 2,160 |
| Total expenditures | 79,668,071 | 80,472,637 | 71,676,912 | 8,795,725 |
| Excess (deficiency) of revenues over expenditures | (4,022,827) | (3,866,926) | 6,445,270 | 10,312,196 |
| Other financing sources (uses): | | | | |
| Transfers in | 11,613,870 | 15,703,870 | 15,790,988 | 87,118 |
| Transfers out | (11,613,870) | (15,703,870) | (16,014,349) | (310,479) |
| Proceeds from sale of capital assets | 343,000 | 57,000 | 83,083 | 26,083 |
| Total other financing sources (uses) | 343,000 | 57,000 | (140,278) | (197,278) |
| Net change in fund balances | \$ (3,679,827) | \$ (3,809,926) | \$ 6,304,992 | \$ 10,114,918 |

See Independent Auditors' Report and Note to Required Supplementary Information.

County of Scott, Iowa

Required Supplementary Information
 Budgetary Comparison Schedule
 Scott Emergency Communication Center
 For the Year Ended June 30, 2015

| | Budget | | Actual - GAAP Basis |
|--|---------------------|---------------------|------------------------|
| | Original | Final | |
| Revenues: | | | |
| Intergovernmental | \$ 7,352,560 | \$ 7,352,560 | \$ 238,350 |
| Investment earnings | - | - | 4,888 |
| Other | 500 | 500 | 820 |
| Total revenues | 7,353,060 | 7,353,060 | 244,058 |
| Expenditures | | | |
| Current: | | | |
| Public safety and legal services | 6,515,867 | 6,515,867 | 6,052,792 |
| Capital outlay | 427,500 | 427,500 | 448,485 |
| Debt service | 1,354,635 | 1,354,635 | 1,354,635 |
| Total expenditures | 8,298,002 | 8,298,002 | 7,855,912 |
| Excess (deficiency) of revenues over expenditures | (944,942) | (944,942) | (7,611,854) |
| Other financing sources (uses): | | | |
| Transfers in | - | - | 6,926,047 |
| Total other financing sources (uses) | - | - | 6,926,047 |
| Net change in fund balances | \$ (944,942) | \$ (944,942) | \$ (685,807) |

See Independent Auditors' Report and Note to Required Supplementary Information.

| Reclassifications | Actual - Budgetary Basis | Variance with Final Budget Favorable (Unfavorable) |
|--------------------|--------------------------------|---|
| \$ 7,212,184 | \$ 7,450,534 | \$ 97,974 |
| - | 4,888 | 4,888 |
| - | 820 | 320 |
| <u>7,212,184</u> | <u>7,456,242</u> | <u>103,182</u> |
| 286,137 | 6,338,929 | 176,938 |
| - | 448,485 | (20,985) |
| - | 1,354,635 | - |
| <u>286,137</u> | <u>8,142,049</u> | <u>155,953</u> |
| <u>6,926,047</u> | <u>(685,807)</u> | <u>259,135</u> |
| <u>(6,926,047)</u> | - | - |
| <u>(6,926,047)</u> | - | - |
| <u>\$ -</u> | <u>\$ (685,807)</u> | <u>\$ 259,135</u> |

County of Scott, Iowa

Schedule of Comparison
 Budgetary Comparison Schedule
 All Governmental Funds to Primary Government Budgeted Funds
 For the Year Ended June 30, 2015

| | Governmental Fund Types Actual | Scott Emergency Communications Center Component Unit | Public Safety Authority Component Unit | Reclassifications | Actual - Budgetary Basis |
|--|--------------------------------------|---|---|--------------------|--------------------------------|
| Revenues: | | | | | |
| Property taxes | \$ 46,024,012 | \$ - | \$ - | \$ - | \$ 46,024,012 |
| Local option sales tax | 4,403,167 | - | - | - | 4,403,167 |
| Other taxes | 2,491,175 | - | - | - | 2,491,175 |
| Interest and penalties on taxes | 715,763 | - | - | - | 715,763 |
| Intergovernmental | 15,654,761 | 47,787 | - | - | 15,702,548 |
| Charges for services | 6,164,147 | - | - | - | 6,164,147 |
| Investment earnings | 146,338 | (4,888) | (47,456) | - | 93,994 |
| Licenses and permits | 752,254 | - | - | - | 752,254 |
| Rentals and fees | 85,462 | - | - | - | 85,462 |
| Other | 1,690,480 | (820) | - | - | 1,689,660 |
| Total revenues | 78,127,559 | 42,079 | (47,456) | - | 78,122,182 |
| Expenditures | | | | | |
| Current: | | | | | |
| Public safety and legal services | 27,252,039 | (6,052,792) | - | 7,212,184 | 28,411,431 |
| Physical health and social services | 5,461,001 | - | - | - | 5,461,001 |
| Mental health | 6,037,145 | - | - | - | 6,037,145 |
| County environment and education | 4,467,281 | - | - | - | 4,467,281 |
| Roads and transportation | 4,696,791 | - | - | 1,297,775 | 5,994,566 |
| Government services to residents | 2,141,186 | - | - | - | 2,141,186 |
| Nonprogram current | - | - | - | 150,000 | 150,000 |
| Administration | 10,030,585 | - | - | - | 10,030,585 |
| Capital outlay | 6,646,807 | (448,485) | - | (1,297,775) | 4,900,547 |
| Debt service | 5,773,423 | (1,354,635) | (2,461,123) | 2,125,505 | 4,083,170 |
| Total expenditures | 72,506,258 | (7,855,912) | (2,461,123) | 9,487,689 | 71,676,912 |
| Excess (deficiency) of revenues over expenditures | 5,621,301 | 7,897,991 | 2,413,667 | (9,487,689) | 6,445,270 |
| Other financing sources (uses): | | | | | |
| Transfers in | 18,867,438 | (7,212,184) | (2,125,505) | 6,261,239 | 15,790,988 |
| Transfers out | (19,240,799) | - | - | 3,226,450 | (16,014,349) |
| Distribution for advance crossover refunding | (17,315,000) | - | 17,315,000 | - | - |
| Proceeds from sale of capital assets | 83,083 | - | - | - | 83,083 |
| Total other financing sources (uses) | (17,605,278) | (7,212,184) | 15,189,495 | 9,487,689 | (140,278) |
| Net change in fund balances | \$ (11,983,977) | \$ 685,807 | \$ 17,603,162 | \$ - | \$ 6,304,992 |

See Independent Auditors' Report and Note to Required Supplementary Information.

County of Scott, Iowa

Schedule of the District's Proportionate Share of Net Pension Liability
Iowa Public Employees' Retirement System
Last Ten Fiscal Years*

| | <u>2015</u> |
|--|---------------|
| County's proportion of net pension liability | 0.274511% |
| County's proportionate share of net pension liability | \$ 10,886,862 |
| County's covered-employee payroll | \$ 28,766,876 |
| County's proportionate share of net pension liability as a percentage of its covered-employee payroll | 37.85% |
| Plan fiduciary net position as a percentage of the total pension liability | 87.61% |

* The amounts presented for each fiscal year were determined as of June 30

See accompanying independent auditor's report

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

County of Scott, Iowa

Schedule of County Contributions
Iowa Public Employers' Retirement System
Last Ten Fiscal Years

| | 2006 | 2007 | 2008 | 2009 |
|---|--------------|--------------|--------------|--------------|
| Statutorily required contribution | \$ 1,240,380 | \$ 1,260,066 | \$ 1,360,924 | \$ 1,562,197 |
| Contributions in relation to the statutorily required contribution | 1,240,380 | 1,260,066 | 1,360,924 | 1,562,197 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - |
| County's covered - employee payroll | 20,277,446 | 20,557,158 | 21,605,531 | 21,827,721 |
| Contributions as a percentage of covered-employee payroll | 6.12% | 6.13% | 6.30% | 7.16% |

See accompanying independent auditor's report

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|----|------------|--------------|--------------|--------------|--------------|--------------|
| \$ | 1,696,095 | \$ 1,985,400 | \$ 2,299,215 | \$ 2,516,323 | \$ 2,605,252 | \$ 2,660,923 |
| | 1,696,095 | 1,985,400 | 2,299,215 | 2,516,323 | 2,605,252 | 2,660,923 |
| \$ | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | 23,400,557 | 25,753,487 | 26,725,226 | 27,682,627 | 28,172,699 | 28,766,876 |
| | 7.25% | 7.71% | 8.60% | 9.09% | 9.25% | 9.25% |

County of Scott, Iowa

Note to Required Supplementary Information As of and For the Year Ended June 30, 2015

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 ten major classes of disbursements known as functions, not by fund or fund type. These ten 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, nonprogram current, 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, two budget amendments decreased budgeted expenditures by \$804,566. The budget amendment was adjusted estimates of current year activity.

The Public Safety Authority did not adopt a budget in fiscal year 2015.

The Scott Emergency Communication Center exceeded the appropriated capital outlay by \$20,985 during the year.

Reclassifications consist of revenues and expenditures that are transferred from the primary government to the blended component unit, as well as reclassification of budgetary object classifications such as nonprogram current and debt service expenditures.

Note 2. Net Pension Liability

Changes of benefit terms:

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3 percent per year measured from the member's first unreduced retirement age to a 6 percent reduction for each year of retirement before age 65.

In 2008, legislative action transferred four groups – emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers – from Regular membership to the protection occupation group for future service only.

Benefit provisions for sheriffs and deputies were changed in the 2004 legislative session. The eligibility for unreduced retirement benefits was lowered from age 55 by one year each July 1 (beginning in 2004) until it reached age 50 on July 1, 2008. The years of service requirement remained at 22 or more. Their contribution rates were also changed to be shared 50-50 by the employee and employer, instead of the previous 40-60 split.

Changes of assumptions:

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25 percent to 3.00 percent
- Decreased the assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.

County of Scott, Iowa

**Note to Required Supplementary Information
As of and For the Year Ended June 30, 2015**

Note 2. Net Pension Liability (Continued)

- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate.

The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25 percent to 4.00 percent.
- Lowered the inflation assumption from 3.50 percent to 3.25 percent.
- Lowered disability rates for sheriffs and deputies and protection occupation members.

See Independent Auditors' Report.

County of Scott, Iowa

Combining Balance Sheet
 Nonmajor Governmental Funds
 As of June 30, 2015

| | Special Revenue | | Debt Service | |
|--|---------------------|--------------------------------|-------------------------|---------------------|
| | Rural Services Fund | Recorders Management Fees Fund | Public Safety Authority | Total |
| Assets | | | | |
| Cash and investments | \$ 148,442 | \$ 63,714 | \$ - | \$ 212,156 |
| Restricted Cash and Investments | - | - | 6,134 | 6,134 |
| Receivables: | | | | |
| Property taxes, net of allowance for collection losses | 2,862,857 | - | - | 2,862,857 |
| Total assets | \$ 3,011,299 | \$ 63,714 | \$ 6,134 | \$ 3,081,147 |
| Deferred Inflows of Resources and Fund Balance | | | | |
| Deferred Inflows of Resources | | | | |
| Unavailable revenue | \$ 7,778 | \$ - | \$ - | \$ 7,778 |
| Unearned revenue | 2,854,891 | - | - | 2,854,891 |
| Total deferred inflows of resources | 2,862,669 | - | - | 2,862,669 |
| Fund balances | | | | |
| Restricted | 148,630 | 63,714 | 6,134 | 218,478 |
| Total fund balance | 148,630 | 63,714 | 6,134 | 218,478 |
| Total deferred inflows of resources and fund balances | \$ 3,011,299 | \$ 63,714 | \$ 6,134 | \$ 3,081,147 |

County of Scott, Iowa

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2015

| | Special Revenue | | Debt Service | Total |
|---|---------------------|--------------------------------|-------------------------|---------------------|
| | Rural Services Fund | Recorders Management Fees Fund | Public Safety Authority | |
| Revenues: | | | | |
| Property taxes | \$ 2,624,541 | \$ - | \$ - | \$ 2,624,541 |
| Other taxes | 71,786 | - | - | 71,786 |
| Intergovernmental | 124,747 | - | - | 124,747 |
| Charges for services | - | 30,294 | - | 30,294 |
| Investment earnings | 237 | 93 | 47,456 | 47,786 |
| Total revenues | 2,821,311 | 30,387 | 47,456 | 2,899,154 |
| Expenditures: | | | | |
| Current: | | | | |
| County environment and education | 561,697 | - | - | 561,697 |
| Debt Service | | | | |
| Principal | - | - | 1,350,000 | 1,350,000 |
| Interest and fees | - | - | 1,111,123 | 1,111,123 |
| Total Expenditures | 561,697 | - | 2,461,123 | 3,022,820 |
| Excess (deficiency) of revenue over expenditures | 2,259,614 | 30,387 | (2,413,667) | (123,666) |
| Other financing sources (uses): | | | | |
| Transfers In | - | - | 2,125,505 | 2,125,505 |
| Transfers Out | (2,261,000) | (20,000) | - | (2,281,000) |
| Distribution for advance crossover refunding | - | - | (17,315,000) | (17,315,000) |
| Total Other Financing Sources (Uses) | (2,261,000) | (20,000) | (15,189,495) | (17,470,495) |
| Net change in fund balances | (1,386) | 10,387 | (17,603,162) | (17,594,161) |
| Fund balances, beginning of year | 150,016 | 53,327 | 17,609,296 | 17,812,639 |
| Fund balances, end of year | \$ 148,630 | \$ 63,714 | \$ 6,134 | \$ 218,478 |

County of Scott, Iowa

Combining Statement of Net Position
Internal Service Funds
As of June 30, 2015

| | Internal Service Funds | | |
|---|--------------------------|--------------------------|---------------------|
| | Dental Insurance Fund | Health Insurance Fund | Total |
| Assets | | | |
| Current assets: | | | |
| Cash and investments | \$ 251,644 | \$ 2,294,286 | \$ 2,545,930 |
| Accounts receivable | - | 175,782 | 175,782 |
| Prepays | - | 122,682 | 122,682 |
| Total current assets | 251,644 | 2,592,750 | 2,844,394 |
| Total assets | \$ 251,644 | \$ 2,592,750 | \$ 2,844,394 |
| Liabilities and Net Position | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 2,391 | \$ 2,009 | \$ 4,400 |
| Claims payable | 15,193 | 373,681 | 388,874 |
| Total liabilities | 17,584 | 375,690 | 393,274 |
| Net Position: | | | |
| Unrestricted | 234,060 | 2,217,060 | 2,451,120 |
| Total net position | 234,060 | 2,217,060 | 2,451,120 |
| Total liabilities and net position | \$ 251,644 | \$ 2,592,750 | \$ 2,844,394 |

County of Scott, Iowa

Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2015

| | Internal Service Funds | | |
|---------------------------------------|--------------------------|--------------------------|------------------|
| | Dental Insurance Fund | Health Insurance Fund | Total |
| Operating revenues: | | | |
| Charges for services | \$ 397,463 | \$ 5,633,198 | \$ 6,030,661 |
| Other | - | 209,054 | 209,054 |
| Total operating revenues | 397,463 | 5,842,252 | 6,239,715 |
| Operating expenses: | | | |
| Administrative charges | 25,984 | 663,255 | 689,239 |
| Claims | 331,064 | 5,538,464 | 5,869,528 |
| Total operating expenses | 357,048 | 6,201,719 | 6,558,767 |
| Operating income | 40,415 | (359,467) | (319,052) |
| Nonoperating revenues: | | | |
| Investment earnings | 369 | 4,021 | 4,390 |
| Total nonoperating revenues | 369 | 4,021 | 4,390 |
| Income (loss) before transfers | 40,784 | (355,446) | (314,662) |
| Transfers in | - | 150,000 | 150,000 |
| Change in Net Position | 40,784 | (205,446) | (164,662) |
| Total Net Position, beginning of year | 193,276 | 2,422,506 | 2,615,782 |
| Total Net Position, end of year | \$ 234,060 | \$ 2,217,060 | \$ 2,451,120 |

County of Scott, Iowa

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2015

| | Internal Service Funds | | |
|---|--------------------------|--------------------------|---------------------|
| | Dental Insurance Fund | Health Insurance Fund | Total |
| Cash flows from operating activities: | | | |
| Cash received from customers | \$ 397,463 | \$ 5,633,198 | \$ 6,030,661 |
| Refunds from outside sources | - | 33,271 | 33,271 |
| Cash payments to suppliers for goods and services | (358,455) | (6,281,479) | (6,639,934) |
| Net cash from operating activities | 39,008 | (615,010) | (576,002) |
| Cash flows from noncapital financing activities, | | | |
| Transfer from other funds | - | 150,000 | 150,000 |
| Cash flows from investing activities, interest received | 369 | 4,021 | 4,390 |
| Net increase in cash and cash equivalents | 39,377 | (460,989) | (421,612) |
| Cash and cash equivalents: | | | |
| Beginning | 212,267 | 2,755,275 | 2,967,542 |
| Ending | \$ 251,644 | \$ 2,294,286 | \$ 2,545,930 |
| Reconciliation of operating income to net cash from operating activities: | | | |
| Operating income | \$ 40,415 | \$ (359,467) | \$ (319,052) |
| Adjustments to reconcile operating income to net cash from operating activities: | | | |
| Changes in assets and liabilities: | | | |
| Prepays | - | (28,082) | (28,082) |
| Accounts receivable | - | (175,783) | (175,783) |
| Accounts payable | (2,294) | (3,320) | (5,614) |
| Claims payable | 887 | (48,358) | (47,471) |
| Net cash from operating activities | \$ 39,008 | \$ (615,010) | \$ (576,002) |

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities
 All Agency Funds
 For the Year Ended June 30, 2015

| | Balance June 30, 2014 | Additions | Deletions | Balance June 30, 2015 |
|--|-----------------------------|-----------------------|-----------------------|-----------------------------|
| Agricultural Extension Service Fund | | | | |
| Assets | | | | |
| Cash and investments | \$ 5,215 | \$ 518,525 | \$ 518,594 | \$ 5,146 |
| Receivables, property taxes | 511,427 | 527,028 | 511,866 | 526,589 |
| Total assets | \$ 516,642 | \$ 1,045,553 | \$ 1,030,460 | \$ 531,735 |
| Liabilities , due to other government funds | \$ 516,642 | \$ 1,045,553 | \$ 1,030,460 | \$ 531,735 |
| Bangs Eradication Fund | | | | |
| Assets | | | | |
| Cash and investments | \$ 12,030 | \$ 37,649 | \$ 37,049 | \$ 12,630 |
| Receivables, property taxes | 24,275 | 24,531 | 24,275 | 24,531 |
| Total assets | \$ 36,305 | \$ 62,180 | \$ 61,324 | \$ 37,161 |
| Liabilities , due to other government funds | \$ 36,305 | \$ 62,180 | \$ 61,324 | \$ 37,161 |
| City Taxing Districts Fund | | | | |
| Assets | | | | |
| Cash and investments | \$ 1,200,925 | \$ 114,685,327 | \$ 114,722,194 | \$ 1,164,058 |
| Receivables, property taxes | 113,071,799 | 114,276,031 | 113,230,431 | 114,117,399 |
| Total assets | \$ 114,272,724 | \$ 228,961,358 | \$ 227,952,625 | \$ 115,281,457 |
| Liabilities , due to other government funds | \$ 114,272,724 | \$ 228,961,358 | \$ 227,952,625 | \$ 115,281,457 |
| Community College Taxing District Fund | | | | |
| Assets | | | | |
| Cash and investments | \$ 73,682 | \$ 7,291,956 | \$ 7,293,166 | \$ 72,472 |
| Receivables, property taxes | 7,190,630 | 7,630,047 | 7,196,973 | 7,623,704 |
| Total assets | \$ 7,264,312 | \$ 14,922,003 | \$ 14,490,139 | \$ 7,696,176 |
| Liabilities , due to other government funds | \$ 7,264,312 | \$ 14,922,003 | \$ 14,490,139 | \$ 7,696,176 |
| Fire Taxing District Fund | | | | |
| Assets | | | | |
| Cash and investments | \$ 3,289 | \$ 374,607 | \$ 374,503 | \$ 3,393 |
| Receivables, property taxes | 373,665 | 372,495 | 374,228 | 371,932 |
| Total assets | \$ 376,954 | \$ 747,102 | \$ 748,731 | \$ 375,325 |
| Liabilities , due to other government funds | \$ 376,954 | \$ 747,102 | \$ 748,731 | \$ 375,325 |

(continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities
 All Agency Funds (Continued)
 For the Year Ended June 30, 2015

| | Balance June 30, 2014 | Additions | Deletions | Balance June 30, 2015 |
|--|-----------------------------|-----------------------|-----------------------|-----------------------------|
| School Taxing District Fund | | | | |
| Assets | | | | |
| Cash and investments | \$ 1,264,719 | \$ 118,164,057 | \$ 118,247,219 | \$ 1,181,557 |
| Receivables, property taxes | 116,557,712 | 116,828,773 | 116,663,343 | 116,723,142 |
| Total assets | \$ 117,822,431 | \$ 234,992,830 | \$ 234,910,562 | \$ 117,904,699 |
| Liabilities, due to other government funds | \$ 117,822,431 | \$ 234,992,830 | \$ 234,910,562 | \$ 117,904,699 |
| Township Taxing District Fund | | | | |
| Assets | | | | |
| Cash and investments | \$ 2,111 | \$ 208,864 | \$ 208,882 | \$ 2,093 |
| Receivables, property taxes | 208,275 | 224,371 | 208,425 | 224,221 |
| Total assets | \$ 210,386 | \$ 433,235 | \$ 417,307 | \$ 226,314 |
| Liabilities, due to other government funds | \$ 210,386 | \$ 433,235 | \$ 417,307 | \$ 226,314 |
| Other Holding Accounts Fund | | | | |
| Assets | | | | |
| Cash and investments | \$ 3,714,873 | \$ 646,291,262 | \$ 645,340,077 | \$ 4,666,058 |
| Receivables, property taxes | 43,785 | 268,725 | 286,338 | 26,172 |
| Total assets | \$ 3,758,658 | \$ 646,559,987 | \$ 645,626,415 | \$ 4,692,230 |
| Liabilities | | | | |
| Accounts payable | \$ 84,186 | \$ 172,474 | \$ 105,438 | \$ 151,222 |
| Due to other governmental agencies | 3,674,472 | 381,849,672 | 380,983,136 | 4,541,008 |
| Total liabilities | \$ 3,758,658 | \$ 382,022,146 | \$ 381,088,574 | \$ 4,692,230 |
| City Special Assessments Fund | | | | |
| Assets, cash and investments | \$ 571,083 | \$ 2,911,665 | \$ 2,918,537 | \$ 564,211 |
| Liabilities, due to other governmental agencies | \$ 571,083 | \$ 2,911,665 | \$ 2,918,537 | \$ 564,211 |
| County Recorder Agency Fund | | | | |
| Assets, cash and investments | \$ 88,226 | \$ 1,751,003 | \$ 1,764,323 | \$ 74,906 |
| Liabilities, due to other governmental agencies | \$ 88,226 | \$ 1,751,003 | \$ 1,764,323 | \$ 74,906 |

(continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities
 All Agency Funds (Continued)
 For the Year Ended June 30, 2015

| | Balance June 30, 2014 | Additions | Deletions | Balance June 30, 2015 |
|--|-----------------------------|---------------------|---------------------|-----------------------------|
| County Sheriff Agency Fund | | | | |
| Assets, cash and investments | \$ 195,716 | \$ 5,032,377 | \$ 5,050,021 | \$ 178,072 |
| Liabilities | | | | |
| Accounts Payable | \$ 177,358 | \$ 4,778,547 | \$ 4,799,468 | \$ 156,437 |
| Due from other government agencies | 18,358 | 277,646 | 274,369 | 21,635 |
| Total Liabilities | \$ 195,716 | \$ 5,056,193 | \$ 5,073,837 | \$ 178,072 |
| Motor Vehicle Tax Fund | | | | |
| Assets, cash and investments | \$ 26,764 | \$ - | \$ - | \$ 26,764 |
| Liabilities, due to other governmental agencies | \$ 26,764 | \$ - | \$ - | \$ 26,764 |
| Tax Sale Redemption Fund | | | | |
| Assets, cash and investments | \$ 77,337 | \$ - | \$ - | \$ 77,337 |
| Liabilities, due to other governmental agencies | \$ 77,337 | \$ - | \$ - | \$ 77,337 |
| Community Services Fund | | | | |
| Assets, cash and investments | \$ 396,176 | \$ 26,552 | \$ - | \$ 422,728 |
| Liabilities, due to private individuals | \$ 396,176 | \$ 26,552 | \$ - | \$ 422,728 |
| County Assessor Fund | | | | |
| Assets | | | | |
| Cash and investments | \$ 1,369,163 | \$ 1,004,297 | \$ 767,236 | \$ 1,606,224 |
| Receivables, property taxes | 982,519 | 1,003,527 | 982,274 | 1,003,772 |
| Total assets | \$ 2,351,682 | \$ 2,007,824 | \$ 1,749,510 | \$ 2,609,996 |
| Liabilities | | | | |
| Accounts payable | \$ 8,406 | \$ 263,952 | \$ 263,910 | \$ 8,448 |
| Due to other governmental agencies | 2,343,276 | 2,631,334 | 2,373,062 | 2,601,548 |
| Total liabilities | \$ 2,351,682 | \$ 2,895,286 | \$ 2,636,972 | \$ 2,609,996 |

(continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities
 All Agency Funds (Continued)
 For the Year Ended June 30, 2015

| | Balance June 30, 2014 | Additions | Deletions | Balance June 30, 2015 |
|--|-----------------------------|-------------------------|-------------------------|-----------------------------|
| City Assessor Fund | | | | |
| Assets | | | | |
| Cash and investments | \$ 857,655 | \$ 1,553,622 | \$ 1,372,382 | \$ 1,038,895 |
| Receivables, property taxes | 1,506,847 | 1,399,837 | 1,508,182 | 1,398,502 |
| Total assets | \$ 2,364,502 | \$ 2,953,459 | \$ 2,880,564 | \$ 2,437,397 |
| Liabilities | | | | |
| Accounts payable | \$ 179,000 | \$ 1,563,903 | \$ 1,374,481 | \$ 368,422 |
| Due to other governmental agencies | 2,185,502 | 2,933,508 | 3,050,035 | 2,068,975 |
| Total liabilities | \$ 2,364,502 | \$ 4,497,411 | \$ 4,424,516 | \$ 2,437,397 |
| Jail Inmate Fund | | | | |
| Assets, cash and investments | | | | |
| | \$ 80,970 | \$ 210,663 | \$ 47,981 | \$ 243,652 |
| Liabilities, due to private individuals | | | | |
| | \$ 80,970 | \$ 210,663 | \$ 47,981 | \$ 243,652 |
| Rivershare Fund | | | | |
| Assets | | | | |
| Cash and investments | \$ 36,985 | \$ 196,323 | \$ 172,695 | \$ 60,613 |
| Total assets | \$ 36,985 | \$ 196,323 | \$ 172,695 | \$ 60,613 |
| Liabilities | | | | |
| Accounts payable | \$ 235 | \$ 202,000 | \$ 171,940 | \$ 30,295 |
| Due to other government agencies | 36,750 | 196,273 | 202,705 | 30,318 |
| Total liabilities | \$ 36,985 | \$ 398,273 | \$ 374,645 | \$ 60,613 |
| Total Combined Funds | | | | |
| Assets | | | | |
| Cash and investments | \$ 9,976,919 | \$ 900,258,749 | \$ 898,834,859 | \$ 11,400,809 |
| Receivables: | | | | |
| Property taxes | 240,470,934 | 242,555,365 | 240,986,335 | 242,039,964 |
| Total Assets | \$ 250,447,853 | \$ 1,142,814,114 | \$ 1,139,821,194 | \$ 253,440,773 |
| Liabilities | | | | |
| Accounts payable | \$ 449,185 | \$ 6,980,876 | \$ 6,715,237 | \$ 714,824 |
| Due to other governmental agencies | 249,521,522 | 873,715,362 | 871,177,315 | 252,059,569 |
| Due to private individuals | 477,146 | 237,215 | 47,981 | 666,380 |
| Total Liabilities | \$ 250,447,853 | \$ 880,933,453 | \$ 877,940,533 | \$ 253,440,773 |

County of Scott, Iowa

Combining Balance Sheet and Reconciliation to Statement of Net Position
 Discretely Presented Component Units
 As of June 30, 2015

| | Emergency Management Agency | County Library | Total |
|--|-----------------------------------|-------------------|---------------------|
| Assets | | | |
| Cash and investments | \$ 247,373 | \$ 344,766 | \$ 592,139 |
| Due from other governmental agencies | 4,228 | 4,585 | 8,813 |
| Prepaid Items | - | 6,908 | 6,908 |
| Total assets | \$ 251,601 | \$ 356,259 | \$ 607,860 |
| Liabilities and Fund Balance | | | |
| Liabilities: | | | |
| Accounts payable | \$ 2,982 | \$ 12,174 | \$ 15,156 |
| Accrued liabilities | 466 | 37,512 | 37,978 |
| Total liabilities | 3,448 | 49,686 | 53,134 |
| Fund balances: | | | |
| Nonspendable | - | 6,908 | 6,908 |
| Unassigned | 248,153 | 299,665 | 547,818 |
| Total fund balances | 248,153 | 306,573 | 554,726 |
| Total liabilities and fund balances | \$ 251,601 | \$ 356,259 | \$ 607,860 |
| Reconciliation to statement of net position | | | |
| Total component unit fund balances | \$ 248,153 | \$ 306,573 | \$ 554,726 |
| Amounts reported for governmental activities in the statement of net position are different because: | | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds: | | | |
| Capital assets: | | | |
| Land | - | 16,600 | 16,600 |
| Buildings | - | 1,131,866 | 1,131,866 |
| Machinery and equipment | 623,066 | 205,995 | 829,061 |
| Accumulated depreciation | (478,172) | (526,434) | (1,004,606) |
| Pension related deferred outflow of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the funds: | | | |
| Deferred outflows of resources | 7,544 | 65,729 | 73,273 |
| Deferred inflows of resources | (14,912) | (129,935) | (144,847) |
| Liabilities not due and payable in the current period are not reported in the funds: | | | |
| Compensated absences | - | (49,861) | (49,861) |
| Net pension liability | (39,099) | (340,705) | (379,804) |
| Other post employment benefits obligation | (3,549) | 3,107 | (442) |
| Total net position | \$ 343,031 | \$ 682,935 | \$ 1,025,966 |

County of Scott, Iowa

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances and Reconciliation
to Statement of Activities - Discretely Presented Component Units
For the Year Ended June 30, 2015**

| | Emergency Management | | |
|------------------------------------|-------------------------|------------------|------------------|
| | Agency | County Library | Total |
| Revenues: | | | |
| Intergovernmental | | | |
| Operating | \$ 73,322 | \$ 1,150,413 | \$ 1,223,735 |
| Charges for services | - | 14,010 | 14,010 |
| Investment earnings | 401 | 531 | 932 |
| Other | 36,039 | 10,862 | 46,901 |
| Total revenues | 109,762 | 1,175,816 | 1,285,578 |
| Expenditures: | | | |
| Current: | | | |
| Public safety and legal services | 117,522 | - | 117,522 |
| County environment and education | - | 1,132,131 | 1,132,131 |
| Total expenditures | 117,522 | 1,132,131 | 1,249,653 |
| Net change in fund balances | (7,760) | 43,685 | 35,925 |
| Fund balances, beginning of year | 255,913 | 262,888 | 518,801 |
| Fund balances, end of year | \$ 248,153 | \$ 306,573 | \$ 554,726 |

County of Scott, Iowa

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances and Reconciliation
to Statement of Activities - Discretely Presented Component Units (Continued)
For the Year Ended June 30, 2015**

| | Emergency Management Agency | County Library | Total |
|---|-----------------------------------|------------------|-----------------|
| Reconciliation to statement of activities, | | | |
| Net change in fund balances | \$ (7,760) | \$ 43,685 | \$ 35,925 |
| <p>Amounts reported for governmental activities in the statement of activities are different because: Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the detail of the amount by which capital outlays exceeded depreciation in the current year:</p> | | | |
| Depreciation | (59,851) | (33,924) | (93,775) |
| <p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the component unit:</p> | | | |
| Change in compensated absences | 18,327 | 12,440 | 30,767 |
| Change in other post employment benefits obligation | (125) | (584) | (709) |
| Change in pension expense | 3,045 | 26,536 | 29,581 |
| Changes in Net Position of component units | \$ (46,364) | \$ 48,153 | \$ 1,789 |

STATISTICAL

County of Scott, Iowa

Statistical Section Contents

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

| Contents | Page |
|--|------|
| Financial Trends | 92 |
| These schedules contain trend information to help the reader understand how the County's financial performance and well being have changed over time. | |
| Revenue Capacity | 104 |
| These schedules contain information to help the reader assess the County's most significant local revenue sources, the property tax (or sales tax). | |
| Debt Capacity | 112 |
| 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. | |
| Demographic and Economic Information | 118 |
| These schedule offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place. | |
| Operating Information | 120 |
| 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.

County of Scott, Iowa

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

| | 2006 | 2007 | 2008 |
|--|-----------------------|-----------------------|-----------------------|
| Governmental activities: | | | |
| Net investment in capital assets | \$ 62,017,939 | \$ 65,298,164 | \$ 70,527,812 |
| Restricted for: | | | |
| Debt service | 4,460,937 | 4,152,198 | 3,728,760 |
| County conservation sewage treatment | 182,850 | 196,692 | 206,674 |
| Mental health | 855,147 | 396,372 | 572,242 |
| Other statutory programs | - | - | - |
| Rural services | - | - | - |
| Scott Emergency Communication Center | - | - | - |
| Secondary roads | 1,459,411 | 936,185 | 486,405 |
| Unrestricted | 11,004,368 | 10,576,072 | 6,065,147 |
| Total governmental activities net position | \$ 79,980,652 | \$ 81,555,683 | \$ 81,587,040 |
| Business-Type activities | | | |
| Net investment in capital assets | \$ 475,691 | \$ 633,574 | \$ 807,121 |
| Restricted for lease purchase contract | 326,596 | 326,831 | 325,166 |
| Unrestricted | (2,341,036) | (2,832,971) | (3,225,906) |
| Total business-type activities net position | \$ (1,538,749) | \$ (1,872,566) | \$ (2,093,619) |
| Primary government: | | | |
| Net investment in capital assets | \$ 62,493,630 | \$ 65,931,738 | \$ 71,334,933 |
| Restricted for: | | | |
| Debt service | 4,460,937 | 4,152,198 | 3,728,760 |
| County conservation sewage treatment | 182,850 | 196,692 | 206,674 |
| Lease purchase contract | 326,596 | 326,831 | 325,166 |
| Mental health | 855,147 | 396,372 | 572,242 |
| Other statutory programs | - | - | - |
| Rural services | - | - | - |
| Scott Emergency Communication Center | - | - | - |
| Secondary roads | 1,459,411 | 936,185 | 486,405 |
| Unrestricted | 8,663,332 | 7,743,101 | 2,839,241 |
| Total primary government net position | \$ 78,441,903 | \$ 79,683,117 | \$ 79,493,421 |

Note: A restatement to blend component units was applied in Fiscal Year 2013 to 2012 and 2013 comparative data.

Note: A restatement to expense issuance costs as incurred was applied in Fiscal Year 2014 to 2014 and 2013 comparative data.

Note: A restatement of pension liability incurred as of June 30, 2014 was recorded to Fiscal Year 2015, prior years were not restated.

Source: County records.

| Fiscal Year | | | | | | |
|----------------|----------------|----------------|----------------|---------------|----------------|---------------|
| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| \$ 70,017,361 | \$ 73,643,761 | \$ 64,874,432 | \$ 74,766,566 | \$ 71,325,134 | \$ 69,647,344 | \$ 73,242,465 |
| 3,229,346 | 2,849,754 | 2,503,008 | 2,160,323 | 1,491,035 | 1,802,355 | 1,936,389 |
| 222,551 | 209,483 | 210,592 | 212,459 | 212,430 | 212,430 | 208,552 |
| 1,713,646 | 1,499,167 | 1,221,960 | 343,637 | - | 1,966,913 | 5,116,780 |
| - | 663,173 | 783,546 | 786,943 | 968,492 | 979,625 | 955,941 |
| - | - | 57,929 | 70,995 | 154,168 | 150,016 | 148,630 |
| - | - | - | 2,762,297 | 2,689,733 | 3,049,339 | 120,370 |
| 273,409 | 370,604 | 885,011 | 1,839,278 | 2,320,739 | 3,149,287 | 3,830,301 |
| 6,205,472 | 6,934,776 | 10,009,511 | 14,045,782 | 15,050,677 | 20,624,047 | 11,928,034 |
| \$ 81,661,785 | \$ 86,170,718 | \$ 80,545,989 | \$ 96,988,280 | \$ 94,212,408 | \$ 101,581,356 | \$ 97,487,462 |
| \$ 1,011,730 | \$ 1,201,240 | \$ 1,640,815 | \$ 2,226,682 | \$ 2,214,625 | \$ 2,168,898 | \$ 2,167,093 |
| 324,400 | 324,407 | 324,407 | - | - | - | - |
| (3,623,282) | (3,921,629) | (4,233,323) | (4,447,949) | 93,780 | 173,029 | 290,861 |
| \$ (2,287,152) | \$ (2,395,982) | \$ (2,268,101) | \$ (2,221,267) | \$ 2,308,405 | \$ 2,341,927 | \$ 2,457,954 |
| \$ 71,029,091 | \$ 74,845,001 | \$ 66,515,247 | \$ 76,993,248 | \$ 73,539,759 | \$ 71,816,242 | \$ 75,409,558 |
| 3,229,346 | 2,849,754 | 2,503,008 | 2,160,323 | 1,491,035 | 1,802,355 | 1,936,389 |
| 222,551 | 209,483 | 210,592 | 212,459 | 212,430 | 212,430 | 208,552 |
| 324,400 | 324,407 | 324,407 | - | - | - | - |
| 1,713,646 | 1,499,167 | 1,221,960 | 343,637 | - | 1,966,913 | 5,116,780 |
| - | 663,173 | 783,546 | 786,943 | 968,492 | 979,625 | 955,941 |
| - | - | 57,929 | 70,995 | 154,168 | 150,016 | 148,630 |
| - | - | - | 2,762,297 | 2,689,733 | 3,049,339 | 120,370 |
| 273,409 | 370,604 | 885,011 | 1,839,278 | 2,320,739 | 3,149,287 | 3,830,301 |
| 2,582,190 | 3,013,147 | 5,776,188 | 9,597,833 | 15,144,457 | 20,797,076 | 12,218,895 |
| \$ 79,374,633 | \$ 83,774,736 | \$ 78,277,888 | \$ 94,767,013 | \$ 96,520,813 | \$ 103,923,283 | \$ 99,945,416 |

County of Scott, Iowa

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

| | 2006 | 2007 | 2008 |
|---|------------------------|------------------------|------------------------|
| Expenses: | | | |
| Governmental activities: | | | |
| Public safety and legal services | \$ 19,231,650 | \$ 20,051,534 | \$ 20,289,680 |
| Public safety and legal services -SECC | - | - | - |
| Physical health and social services | 5,543,800 | 5,682,835 | 5,956,132 |
| Mental health | 13,430,170 | 14,308,820 | 15,211,596 |
| County environment and education | 4,142,926 | 4,371,103 | 4,410,086 |
| Roads and transportation | 5,983,682 | 6,711,217 | 6,712,511 |
| Governmental services to residents | 1,945,223 | 2,074,972 | 2,151,064 |
| Administration | 9,376,193 | 9,943,559 | 10,980,111 |
| Interest on long-term debt | 662,882 | 1,606,659 | 1,471,972 |
| Total governmental activities expenses | 60,316,526 | 64,750,699 | 67,183,152 |
| Business-Type activities, golf course | 1,186,450 | 1,223,696 | 1,178,367 |
| Total government expenses | \$ 61,502,976 | \$ 65,974,395 | \$ 68,361,519 |
| Program revenues: | | | |
| Governmental activities | | | |
| Charges for services | | | |
| Public safety and legal services | \$ 1,101,152 | \$ 1,053,355 | \$ 939,874 |
| Physical health and social services | 290,280 | 285,637 | 330,296 |
| Mental health | 57,465 | 41,070 | 42,261 |
| County environment and education | 943,194 | 889,915 | 920,315 |
| Roads and transportation | 27,646 | 9,943 | 11,268 |
| Governmental services to residents | 2,616,909 | 2,506,821 | 2,382,447 |
| Administration | 191,548 | 251,682 | 251,070 |
| Operating grants and contributions | 9,135,717 | 9,896,826 | 11,847,705 |
| Capital grants and contributions | 2,846,478 | 1,417,942 | 153,469 |
| Total governmental activities program revenues | 17,210,389 | 16,353,191 | 16,878,705 |
| Business-Type activities, golf course | 1,019,793 | 875,270 | 947,487 |
| Total government program revenues | \$ 18,230,182 | \$ 17,228,461 | \$ 17,826,192 |
| Net (expense)/revenue: | | | |
| Governmental activities | \$ (43,106,137) | \$ (48,397,508) | \$ (50,304,447) |
| Business-Type activities | (166,657) | (348,426) | (230,880) |
| Total government net expense | \$ (43,272,794) | \$ (48,745,934) | \$ (50,535,327) |

(Continued)

| | | Fiscal Year | | | | | | | | | | | |
|----|--------------|-------------|--------------|------|--------------|------|--------------|------|--------------|----|--------------|----|--------------|
| | | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | | | | | |
| \$ | 20,925,221 | \$ | 27,972,373 | \$ | 36,474,619 | \$ | 20,806,047 | \$ | 21,551,072 | \$ | 21,994,460 | \$ | 21,575,674 |
| | - | | - | | - | | 6,785,573 | | 7,650,488 | | 7,755,245 | | 8,263,625 |
| | 6,180,832 | | 6,238,358 | | 5,695,818 | | 5,439,626 | | 5,293,759 | | 5,387,800 | | 5,632,413 |
| | 14,605,242 | | 14,484,152 | | 15,279,397 | | 17,508,289 | | 8,256,862 | | 7,075,477 | | 6,009,778 |
| | 4,882,023 | | 4,044,619 | | 4,893,713 | | 5,045,765 | | 5,063,295 | | 5,374,619 | | 5,378,738 |
| | 7,461,585 | | 6,219,535 | | 7,863,504 | | 9,171,403 | | 8,296,547 | | 8,862,285 | | 8,252,046 |
| | 2,821,526 | | 2,167,664 | | 2,117,384 | | 2,262,947 | | 2,236,126 | | 2,204,779 | | 2,060,111 |
| | 10,135,767 | | 8,294,027 | | 11,500,872 | | 10,131,539 | | 10,869,732 | | 10,071,070 | | 10,483,274 |
| | 1,393,678 | | 1,457,291 | | 1,674,554 | | 2,090,153 | | 2,281,028 | | 2,074,927 | | 1,895,452 |
| | 68,405,874 | | 70,878,019 | | 85,499,861 | | 79,241,342 | | 71,498,909 | | 70,800,662 | | 69,551,111 |
| | 1,144,254 | | 1,021,548 | | 949,850 | | 1,168,516 | | 976,713 | | 1,013,810 | | 947,995 |
| \$ | 69,550,128 | \$ | 71,899,567 | \$ | 86,449,711 | \$ | 80,409,858 | \$ | 72,475,622 | \$ | 71,814,472 | \$ | 70,499,106 |
| \$ | 1,182,577 | \$ | 992,171 | \$ | 1,457,575 | \$ | 1,622,292 | \$ | 1,413,724 | \$ | 1,633,110 | \$ | 1,860,399 |
| | 358,704 | | 355,941 | | 376,158 | | 399,182 | | 392,116 | | 398,670 | | 404,322 |
| | 31,633 | | 31,902 | | 50,250 | | 74,244 | | 176,661 | | 203,301 | | 162,920 |
| | 891,352 | | 988,522 | | 1,017,239 | | 1,145,202 | | 1,131,480 | | 1,466,769 | | 1,537,819 |
| | 21,109 | | 32,893 | | 20,863 | | 18,900 | | 20,531 | | 35,159 | | 17,551 |
| | 2,307,783 | | 2,343,094 | | 2,469,734 | | 2,588,909 | | 2,893,332 | | 2,576,380 | | 2,616,710 |
| | 228,445 | | 271,056 | | 267,955 | | 267,800 | | 289,722 | | 178,279 | | 316,678 |
| | 12,233,452 | | 11,912,913 | | 12,882,216 | | 12,358,943 | | 7,988,482 | | 10,336,825 | | 9,490,079 |
| | 1,184,458 | | 6,674,252 | | 2,567,522 | | 1,111,863 | | 459,141 | | 1,124,208 | | 3,343,518 |
| | 18,439,513 | | 23,602,744 | | 21,109,512 | | 19,587,335 | | 14,765,189 | | 17,952,701 | | 19,749,996 |
| | 949,445 | | 912,712 | | 900,741 | | 1,002,459 | | 890,259 | | 901,872 | | 926,316 |
| \$ | 19,388,958 | \$ | 24,515,456 | \$ | 22,010,253 | \$ | 20,589,794 | \$ | 15,655,448 | \$ | 18,854,573 | \$ | 20,676,312 |
| \$ | (49,966,361) | \$ | (47,275,275) | \$ | (64,390,349) | \$ | (59,654,007) | \$ | (56,733,720) | \$ | (52,847,961) | \$ | (49,801,115) |
| | (194,809) | | (108,836) | | (49,109) | | (166,057) | | (86,454) | | (111,938) | | (21,679) |
| \$ | (50,161,170) | \$ | (47,384,111) | \$ | (64,439,458) | \$ | (59,820,064) | \$ | (56,820,174) | \$ | (52,959,899) | \$ | (49,822,794) |

County of Scott, Iowa

Changes in Net Position (Continued)
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (Unaudited)

| | 2006 | 2007 | 2008 |
|---|----------------------|----------------------|----------------------|
| General revenues and other changes in net position: | | | |
| Governmental activities: | | | |
| Taxes: | | | |
| Property taxes | \$ 31,335,227 | \$ 31,995,844 | \$ 33,138,131 |
| Local option sales tax | 3,470,318 | 3,700,844 | 3,867,941 |
| Gaming | 887,690 | 789,210 | 815,524 |
| Other taxes | 63,287 | 61,766 | 65,253 |
| Utility tax replacements | 1,377,835 | 1,382,625 | 1,341,669 |
| Penalties, interest and costs on taxes | 791,859 | 782,123 | 731,456 |
| State tax replacement credits | 5,246,050 | 5,243,536 | 5,194,016 |
| Payments in lieu of taxes | - | 165 | 8,226 |
| State shared revenues | 2,970,800 | 2,906,371 | 2,866,918 |
| Grants and contributions not restricted to specific purpose | 241,277 | 188,557 | - |
| Investment earnings | 1,381,353 | 2,140,787 | 1,447,577 |
| Miscellaneous | 804,554 | 780,711 | 859,093 |
| Total General Revenues | 48,570,250 | 49,972,539 | 50,335,804 |
| Transfers (out) | - | - | - |
| Total governmental activities | 48,570,250 | 49,972,539 | 50,335,804 |
| Business-Type activities: | | | |
| Investment earnings | 10,375 | 14,609 | 9,827 |
| Transfers | - | - | - |
| Total Business-Type Activities | 10,375 | 14,609 | 9,827 |
| Total government | \$ 48,580,625 | \$ 49,987,148 | \$ 50,345,631 |
| Change in net position: | | | |
| Governmental activities | \$ 5,464,113 | \$ 1,575,031 | \$ 31,357 |
| Business-Type activities | (156,282) | (333,817) | (221,053) |
| Total primary government | \$ 5,307,831 | \$ 1,241,214 | \$ (189,696) |

Note: A restatement to blend component units was applied in Fiscal Year 2013 to 2012 and 2013 comparative data.

Note: A restatement to expense issuance costs as incurred was applied in Fiscal Year 2014 to 2014 and 2013 comparative data

Source: County records.

| Fiscal Year | | | | | | |
|---------------|---------------|----------------|---------------|----------------|---------------|---------------|
| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| \$ 34,113,141 | \$ 36,228,794 | \$ 43,052,682 | \$ 44,980,224 | \$ 46,156,117 | \$ 46,924,802 | 46,038,682 |
| 3,602,230 | 3,637,825 | 3,863,574 | 4,052,754 | 4,049,552 | 4,285,414 | 4,413,667 |
| 748,920 | 676,255 | 584,582 | 596,840 | 579,504 | 527,014 | 528,381 |
| 66,852 | 63,470 | 68,512 | 68,374 | 70,286 | 4,658,521 | 71,501 |
| 1,348,776 | 1,395,383 | 1,539,020 | 1,625,295 | 1,598,817 | 1,558,330 | 1,891,293 |
| 847,456 | 790,006 | 791,685 | 789,143 | 816,474 | 930,986 | 715,763 |
| 5,183,554 | 4,826,563 | 4,930,224 | 4,898,515 | 1,205,628 | 1,450,873 | 2,598,044 |
| 9,046 | 6,828 | 6,782 | 6,682 | 6,521 | 7,306 | 3,438,603 |
| 2,743,735 | 3,101,887 | 2,775,120 | 3,146,564 | 3,156,344 | 3,200,405 | 7,058 |
| - | - | - | - | - | - | - |
| 674,859 | 188,207 | 228,038 | 162,822 | 125,127 | 147,401 | 150,728 |
| 702,537 | 868,990 | 1,102,391 | 1,380,103 | 1,274,786 | 1,263,537 | 1,860,536 |
| 50,041,106 | 51,784,208 | 58,942,610 | 61,707,316 | 59,039,156 | 64,954,589 | 61,714,256 |
| - | - | (176,990) | (212,891) | (4,616,126) | (145,460) | (223,361) |
| 50,041,106 | 51,784,208 | 58,765,620 | 61,494,425 | 54,423,030 | 64,809,129 | 61,490,895 |
| 1,276 | 6 | - | - | - | - | 363 |
| - | - | 176,990 | 212,891 | 4,616,126 | 145,460 | 223,361 |
| 1,276 | 6 | 176,990 | 212,891 | 4,616,126 | 145,460 | 223,724 |
| \$ 50,042,382 | \$ 51,784,214 | \$ 58,942,610 | \$ 61,707,316 | \$ 59,039,156 | \$ 64,954,589 | \$ 61,714,619 |
| \$ 74,745 | \$ 4,508,933 | \$ (5,624,729) | \$ 1,840,418 | \$ (2,310,690) | \$ 11,961,168 | \$ 11,689,780 |
| (193,533) | (108,830) | 127,881 | 46,834 | 4,529,672 | 33,522 | 202,045 |
| \$ (118,788) | \$ 4,400,103 | \$ (5,496,848) | \$ 1,887,252 | \$ 2,218,982 | \$ 11,994,690 | \$ 11,891,825 |

County of Scott, Iowa

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

| | 2006 | 2007 | 2008 | 2009 |
|---|----------------------|----------------------|----------------------|----------------------|
| General Fund: | | | | |
| Reserved: | | | | |
| Notes receivable | \$ 100,000 | \$ 100,000 | \$ 116,175 | \$ 116,175 |
| Advances | 1,863,314 | 2,262,314 | 2,702,314 | 3,207,314 |
| County conservation sewage treatment | 182,850 | 196,692 | 206,674 | 222,551 |
| Other statutory programs | - | - | - | - |
| Unreserved, designated claim liabilities | 886,689 | 1,004,488 | 718,847 | 589,331 |
| Unreserved, undesignated | 5,479,818 | 5,301,970 | 5,849,553 | 5,956,480 |
| Nonspendable: | | | | |
| Notes receivable | - | - | - | - |
| Advances | - | - | - | - |
| Prepays | - | - | - | - |
| Restricted: | | | | |
| County conservation sewage treatment | - | - | - | - |
| Other statutory programs | - | - | - | - |
| Assigned: | | | | |
| Capital projects | - | - | - | - |
| Health claim liabilities | - | - | - | - |
| Future budgetary reductions | - | - | - | - |
| Claim liabilities | - | - | - | - |
| Unassigned | - | - | - | - |
| Total general fund | \$ 8,512,671 | \$ 8,865,464 | \$ 9,593,563 | \$ 10,091,851 |
| All other governmental funds: | | | | |
| Reserved for: | | | | |
| Debt service | \$ 4,460,937 | \$ 4,152,198 | \$ 3,728,760 | \$ 3,229,346 |
| Unreserved, undesignated reported in: | | | | |
| Special revenue funds: | | | | |
| Mental health/development disabilities | 855,147 | 396,372 | 572,242 | 1,713,646 |
| Secondary Roads | 1,459,411 | 936,185 | 486,405 | 273,409 |
| Rural services | 111,064 | 123,384 | 118,672 | 117,451 |
| Recorders management fees | 129,231 | 138,081 | 139,847 | 139,496 |
| Capital projects funds, capital projects | 4,223,180 | 6,945,117 | 5,541,207 | 4,053,819 |
| Nonspendable: | | | | |
| Prepays | - | - | - | - |
| Restricted: | | | | |
| Debt service | - | - | - | - |
| Secondary Roads | - | - | - | - |
| Rural services | - | - | - | - |
| Mental health/development disabilities | - | - | - | - |
| Other statutory programs | - | - | - | - |
| Records management fee | - | - | - | - |
| Capital projects | - | - | - | - |
| Scott Emergency Communications Center | - | - | - | - |
| Assigned: | | | | |
| Mental health/development disabilities | - | - | - | - |
| Other capital projects | - | - | - | - |
| Unassigned (Deficit) | - | - | - | - |
| Total all other governmental funds | \$ 11,238,970 | \$ 12,691,337 | \$ 10,587,133 | \$ 9,527,167 |

Note: A restatement to blend component units was applied in Fiscal Year 2013 to 2012 and 2013 comparative data.

Source: County records.

* In 2011, the County implemented GASB Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions which changed the reporting of the components of fund balance. Retroactive application to years prior to 2011 was not required.

| | 2010 | 2011 * | 2012 * | 2013 * | 2014 | 2015 |
|----|------------|---------------|---------------|---------------|---------------|---------------|
| \$ | 113,358 | \$ - | \$ - | \$ - | \$ - | \$ - |
| | 3,397,314 | - | - | - | - | - |
| | 213,843 | - | - | - | - | - |
| | 663,173 | - | - | - | - | - |
| | 522,407 | - | - | - | - | - |
| | 7,613,701 | - | - | - | - | - |
| | - | 113,358 | 81,428 | 58,777 | 58,777 | 58,777 |
| | - | 3,720,324 | 4,041,594 | - | - | - |
| | - | 109,106 | 109,906 | 131,406 | 131,406 | 140,244 |
| | - | 210,592 | 212,459 | 212,430 | 207,617 | 208,552 |
| | - | 783,546 | 786,943 | 926,297 | 945,547 | 902,614 |
| | - | - | 1,500,000 | 3,150,000 | 3,850,000 | 2,350,000 |
| | - | - | 340,000 | 150,000 | 150,000 | 270,000 |
| | - | - | 560,257 | - | - | - |
| | - | 694,052 | 398,656 | 383,941 | 330,680 | 407,715 |
| | - | 9,247,282 | 9,477,799 | 10,041,990 | 9,832,639 | 10,098,835 |
| \$ | 12,523,796 | \$ 14,878,260 | \$ 17,509,042 | \$ 15,054,841 | \$ 15,506,666 | \$ 14,436,737 |

| | | | | | | |
|----|------------|--------------|---------------|---------------|---------------|---------------|
| \$ | 2,908,690 | \$ - | \$ - | \$ - | \$ - | \$ - |
| | 1,499,167 | - | - | - | - | - |
| | 370,604 | - | - | - | - | - |
| | 137,271 | - | - | - | - | - |
| | 90,270 | - | - | - | - | - |
| | 8,310,749 | - | - | - | - | - |
| | - | - | - | - | - | 18,979 |
| | - | 2,558,322 | 2,053,084 | 19,541,476 | 19,518,523 | 1,980,550 |
| | - | 885,011 | 1,839,278 | 2,320,739 | 3,149,287 | 3,830,301 |
| | - | 57,929 | 70,995 | 154,168 | 150,016 | 148,630 |
| | - | - | - | - | 1,966,913 | 5,116,780 |
| | - | - | 343,637 | - | - | - |
| | - | 72,687 | 48,418 | 42,194 | 53,327 | 63,714 |
| | - | 1,712,860 | 1,252,027 | - | - | - |
| | - | - | 2,762,297 | 2,689,733 | 3,085,355 | 2,393,687 |
| | - | 1,221,960 | - | - | - | - |
| | - | 1,473,162 | 2,578,797 | 5,494,375 | 9,019,502 | 12,476,234 |
| | - | - | (75,318) | (388,176) | - | - |
| \$ | 13,316,751 | \$ 7,981,931 | \$ 10,873,215 | \$ 29,854,509 | \$ 36,942,923 | \$ 26,028,875 |

County of Scott, Iowa

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

| | 2006 | 2007 | 2008 | 2009 |
|---|-------------------|-------------------|--------------------|-------------------|
| Revenues: | | | | |
| Property taxes | \$ 31,364,663 | \$ 32,017,310 | \$ 33,120,748 | \$ 34,082,776 |
| Local option sales tax | 3,382,318 | 3,727,522 | 3,860,101 | 3,691,392 |
| Other taxes | 2,328,812 | 2,233,601 | 2,222,446 | 2,164,548 |
| Interest and penalty on taxes | 791,859 | 782,123 | 731,456 | 847,456 |
| Intergovernmental | 18,596,027 | 18,714,770 | 19,873,049 | 20,369,088 |
| Charges for services | 4,656,145 | 4,521,226 | 4,337,361 | 4,516,303 |
| Investment earnings | 1,381,353 | 2,008,067 | 1,447,577 | 674,859 |
| Licenses and permits | 572,049 | 517,197 | 540,170 | 505,300 |
| Rentals and fees | 141,568 | 144,693 | 157,323 | 165,676 |
| Other | 569,001 | 636,018 | 701,770 | 536,861 |
| Total revenues | 63,783,795 | 65,302,527 | 66,992,001 | 67,554,259 |
| Expenditures: | | | | |
| Public safety and legal services | 18,225,493 | 19,330,101 | 19,214,446 | 19,768,037 |
| Physical health and social services | 5,489,011 | 5,638,002 | 5,915,796 | 6,075,938 |
| Mental health | 13,416,089 | 14,288,703 | 15,182,707 | 14,560,838 |
| County environment and education | 3,558,603 | 3,845,185 | 4,099,548 | 4,378,787 |
| Roads and transportation | 3,937,871 | 4,360,061 | 4,493,009 | 4,680,676 |
| Governmental services to residents | 1,866,796 | 1,933,065 | 2,012,787 | 2,134,299 |
| Administration | 7,306,402 | 7,555,798 | 8,238,360 | 8,711,784 |
| Capital outlay | 5,290,532 | 5,580,379 | 5,832,465 | 4,369,892 |
| Debt service: | | | | |
| Principal | 2,570,000 | 1,880,000 | 1,925,000 | 2,065,000 |
| Bond issuance costs | - | 99,453 | - | - |
| Interest | 665,130 | 1,569,359 | 1,503,745 | 1,398,136 |
| Total expenditures | 62,325,927 | 66,080,106 | 68,417,863 | 68,143,387 |
| Excess of revenues over (under) expenditures | 1,457,868 | (777,579) | (1,425,862) | (589,128) |
| Other financing sources (uses): | | | | |
| Transfers in | 6,665,376 | 5,107,655 | 8,516,222 | 8,616,899 |
| Transfers out | (6,665,376) | (5,107,655) | (8,516,222) | (8,616,899) |
| Proceeds from sale of capital assets | - | 33,394 | 49,757 | 27,450 |
| Proceeds from issuance of long-term debt | - | 6,185,000 | - | - |
| Distribution of advance crossover refunding | - | - | - | - |
| Bond discount | - | - | - | - |
| Bond premium | - | 9,345 | - | - |
| Payment to refunded bond escrow agent | - | (3,645,000) | - | - |
| Total other financing sources (uses) | - | 2,582,739 | 49,757 | 27,450 |
| Net Change in fund balances | 1,457,868 | 1,805,160 | (1,376,105) | (561,678) |
| Fund balances, beginning of year | 18,293,773 | 19,751,641 | 21,556,801 | 20,180,696 |
| Fund balances, end of year | \$ 19,751,641 | \$ 21,556,801 | \$ 20,180,696 | \$ 19,619,018 |

Debt service as a percentage of noncapital expenditures 5.19% 5.84% 5.39% 5.39%

Note: A restatement to blend component units was applied in Fiscal Year 2013 to 2012 and 2013 comparative data.

Source: County records.

| Fiscal Year | | | | | |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 2010 | 2011 | 2012* | 2013* | 2014 | 2015 |
| \$ 36,232,900 | \$ 43,098,556 | \$ 44,978,360 | \$ 46,158,852 | \$ 46,920,952 | \$ 46,024,012 |
| 3,637,825 | 3,863,574 | 4,052,754 | 4,098,552 | 4,268,291 | 4,403,167 |
| 2,135,108 | 2,192,115 | 2,290,508 | 2,248,606 | 2,151,644 | 2,491,175 |
| 790,006 | 791,685 | 789,143 | 816,474 | 930,986 | 715,763 |
| 19,848,192 | 20,595,340 | 20,410,705 | 12,290,563 | 15,163,356 | 15,654,761 |
| 4,490,155 | 4,993,149 | 5,463,130 | 5,562,494 | 5,710,597 | 6,164,147 |
| 186,708 | 221,853 | 155,838 | 120,569 | 143,039 | 146,338 |
| 525,427 | 666,627 | 653,399 | 772,296 | 781,072 | 752,254 |
| 186,492 | 188,240 | 222,959 | 176,562 | 80,591 | 85,462 |
| 642,792 | 598,716 | 937,286 | 1,011,563 | 1,102,063 | 1,690,480 |
| 68,675,605 | 77,209,855 | 79,954,082 | 73,256,531 | 77,252,591 | 78,127,559 |
| 19,942,386 | 26,494,923 | 25,163,609 | 26,258,655 | 26,708,744 | 27,252,039 |
| 6,595,222 | 6,511,764 | 5,395,364 | 5,256,671 | 5,381,859 | 5,461,001 |
| 14,492,698 | 15,221,435 | 17,466,386 | 8,216,389 | 7,030,247 | 6,037,145 |
| 4,197,866 | 4,338,106 | 4,450,578 | 4,510,564 | 4,388,314 | 4,467,281 |
| 4,604,129 | 4,540,049 | 5,111,168 | 4,969,030 | 4,528,796 | 4,696,791 |
| 2,052,707 | 2,022,332 | 2,210,614 | 2,178,373 | 2,202,471 | 2,141,186 |
| 8,342,657 | 9,094,998 | 9,203,859 | 9,341,135 | 9,598,011 | 10,030,585 |
| 9,072,467 | 7,748,371 | 2,916,473 | 4,464,108 | 4,017,248 | 6,646,807 |
| 2,140,000 | 2,680,000 | 3,145,000 | 3,331,240 | 3,461,240 | 3,712,442 |
| - | - | - | - | - | - |
| 1,562,013 | 1,675,660 | 2,050,550 | 2,088,389 | 2,180,845 | 2,060,981 |
| 73,002,145 | 80,327,638 | 77,113,601 | 70,614,554 | 69,497,775 | 72,506,258 |
| (4,326,540) | (3,117,783) | 2,840,481 | 2,641,977 | 7,754,816 | 5,621,301 |
| 8,007,463 | 8,433,584 | 11,825,251 | 16,347,711 | 17,961,921 | 18,867,438 |
| (8,007,463) | (8,610,574) | (12,038,142) | (20,809,984) | (18,257,381) | (19,240,799) |
| 39,705 | 157,209 | 339,441 | 113,638 | 80,883 | 83,083 |
| 13,200,000 | - | - | 17,675,000 | - | - |
| - | - | - | - | - | (17,315,000) |
| (17,392) | - | - | - | - | - |
| 70,756 | - | - | 558,751 | - | - |
| (2,745,000) | - | - | - | - | - |
| 10,548,069 | (19,781) | 126,550 | 13,885,116 | (214,577) | (17,605,278) |
| 6,221,529 | (3,137,564) | 2,967,031 | 16,527,093 | 7,540,239 | (11,983,977) |
| 19,619,018 | 25,840,547 | 25,415,226 | 28,382,257 | 44,909,350 | 52,449,589 |
| \$ 25,840,547 | \$ 22,702,983 | \$ 28,382,257 | \$ 44,909,350 | \$ 52,449,589 | \$ 40,465,612 |
| 5.54% | 5.71% | 6.97% | 8.14% | 8.47% | 8.71% |

County of Scott, Iowa

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

| Function / Program | 2006 | 2007 | 2008 |
|---|----------------------|----------------------|----------------------|
| Governmental activities: | | | |
| Public safety and legal services | \$ 2,396,794 | \$ 2,624,858 | \$ 2,087,424 |
| Public safety and legal services - SECC | - | - | - |
| Physical health and social services | 2,126,736 | 2,114,672 | 2,179,694 |
| Mental health | 5,507,832 | 6,324,361 | 7,891,347 |
| County environment and education | 1,197,394 | 1,074,486 | 1,306,680 |
| Roads and transportation | 1,943,220 | 979,629 | 54,786 |
| Governmental services and residents | 3,670,976 | 2,824,963 | 2,926,459 |
| Administration | 367,437 | 410,222 | 432,315 |
| Interest on long-term debt | - | - | - |
| Total governmental activities | 17,210,389 | 16,353,191 | 16,878,705 |
| Business-Type activities, Glynn's Creek Golf Course | 1,019,793 | 875,270 | 947,487 |
| Total government | \$ 18,230,182 | \$ 17,228,461 | \$ 17,826,192 |

Note: A restatement to blend component units was applied in Fiscal Year 2013 to 2012 and 2013 comparative data.

Source: County records.

| Fiscal Year | | | | | | |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| \$ 3,080,316 | \$ 2,285,735 | \$ 2,603,842 | \$ 2,790,937 | \$ 2,659,176 | \$ 2,690,456 | \$ 2,714,412 |
| - | - | - | - | - | 127 | 98,125 |
| 2,222,418 | 2,984,594 | 2,449,219 | 1,835,979 | 1,675,662 | 1,650,038 | 1,577,835 |
| 8,163,582 | 6,969,490 | 7,753,736 | 8,547,369 | 4,094,415 | 5,910,035 | 5,696,143 |
| 1,301,062 | 1,415,324 | 1,094,796 | 1,223,753 | 1,177,856 | 1,530,559 | 1,608,436 |
| 154,581 | 6,744,340 | 2,645,043 | 1,083,772 | 527,378 | 1,182,305 | 3,417,400 |
| 3,063,718 | 2,704,150 | 2,656,916 | 2,859,866 | 3,076,697 | 2,957,422 | 2,855,609 |
| 453,836 | 499,111 | 1,502,699 | 693,626 | 916,371 | 575,570 | 423,280 |
| - | - | 403,261 | 552,033 | 637,634 | 1,456,189 | 1,358,756 |
| 18,439,513 | 23,602,744 | 21,109,512 | 19,587,335 | 14,765,189 | 17,952,701 | 19,749,996 |
| 949,445 | 912,712 | 900,741 | 1,002,459 | 890,259 | 901,872 | 926,316 |
| \$ 19,388,958 | \$ 24,515,456 | \$ 22,010,253 | \$ 20,589,794 | \$ 15,655,448 | \$ 18,854,573 | \$ 20,676,312 |

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 |
|---------------------|---------------|---------------------------|--------------|----------------------------------|-------------------|
| 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 |
| 2011 | 43,098,556 | 3,863,574 | 2,192,115 | 791,685 | 20,595,340 |
| 2012 | 44,978,360 | 4,052,754 | 2,290,508 | 789,143 | 20,410,705 |
| 2013 | 46,158,852 | 4,098,552 | 2,248,606 | 816,474 | 12,290,563 |
| 2014 | 46,920,952 | 4,268,291 | 2,151,644 | 930,986 | 15,163,356 |
| 2015 | 46,024,012 | 4,403,167 | 2,491,175 | 715,763 | 15,654,761 |
| Change 2006-2015 | 46.74% | 30.18% | 6.97% | -9.61% | -15.82% |

Note: A restatement to blend component units was applied in Fiscal Year 2013 to 2012 and 2013 comparative data.

Source: County records.

| Charges for Services | Investment Earnings | Licenses & Permits | Rentals & Fees | Other | Total |
|-------------------------|------------------------|-----------------------|-------------------|------------|---------------|
| \$ 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 |
| 4,993,149 | 221,853 | 666,627 | 188,240 | 755,925 | 77,367,064 |
| 5,463,130 | 155,838 | 653,399 | 222,959 | 937,286 | 79,954,082 |
| 5,562,494 | 120,569 | 772,296 | 176,562 | 1,011,563 | 73,256,531 |
| 5,710,597 | 143,039 | 781,072 | 80,591 | 1,102,063 | 77,252,591 |
| 6,164,147 | 146,338 | 752,254 | 85,462 | 1,690,480 | 78,127,559 |
| 32.39% | -89.41% | 31.50% | -39.63% | 197.10% | 22.49% |

County of Scott, Iowa

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

| Fiscal Year Ended June 30 | Real Property | | Utilities | | Total | |
|------------------------------------|------------------|------------------|----------------|----------------|------------------|------------------|
| | Taxable Value | Assessed Value | Taxable Value | Assessed Value | Taxable Value | Assessed Value |
| 2006 | \$ 5,299,824,281 | \$ 8,858,213,729 | \$ 405,323,627 | \$ 405,323,627 | \$ 5,705,147,908 | \$ 9,263,537,356 |
| 2007 | 5,636,684,084 | 9,304,359,638 | 242,007,768 | 287,536,004 | 5,878,691,852 | 9,591,895,642 |
| 2008 | 5,782,600,890 | 9,629,908,628 | 236,556,404 | 311,762,064 | 6,019,157,294 | 9,941,670,692 |
| 2009 | 6,175,708,574 | 10,870,184,903 | 244,749,886 | 300,708,935 | 6,420,458,460 | 11,170,893,838 |
| 2010 | 6,239,157,174 | 10,946,041,950 | 407,227,695 | 491,195,351 | 6,646,384,869 | 11,437,237,301 |
| 2011 | 6,408,604,034 | 11,185,801,070 | 382,244,194 | 501,524,388 | 6,790,848,228 | 11,687,325,458 |
| 2012 | 6,673,545,437 | 11,407,016,930 | 402,661,960 | 519,674,870 | 7,076,207,397 | 11,926,691,800 |
| 2013 | 6,943,020,526 | 11,830,247,547 | 402,322,998 | 402,322,998 | 7,345,343,524 | 12,232,570,545 |
| 2014 | 7,139,915,401 | 11,936,989,741 | 406,196,703 | 406,196,703 | 7,546,112,104 | 12,343,186,444 |
| 2015 | 7,240,638,632 | 12,109,481,489 | 394,987,689 | 538,804,065 | 7,635,626,321 | 12,648,285,554 |

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.

| Ratio Taxable to Assessed Value | Tax Increment Financing District Values | Weighted Average County Property Tax Rate |
|--|--|---|
| 61.6% | \$ 235,146,048 | \$ 5.87 |
| 61.3% | 235,149,590 | 5.91 |
| 60.5% | 301,116,369 | 5.70 |
| 57.5% | 330,175,178 | 5.69 |
| 58.1% | 369,081,487 | 5.84 |
| 58.1% | 371,369,162 | 6.74 |
| 59.3% | 360,551,426 | 6.75 |
| 60.0% | 379,706,751 | 6.67 |
| 61.1% | 395,699,656 | 6.51 |
| 60.4% | 406,555,742 | 6.50 |

County of Scott, Iowa

Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)

| Taxpayer | 2006 | | |
|-----------------------------|------------------------|------|---|
| | Taxable Assessed Value | Rank | Percentage of Total County Taxable Assessed Value |
| Mid American Energy | \$ 229,007,316 | 1 | 4.01% |
| Isle of Capri Bettendorf | 85,002,320 | 2 | 1.49% |
| SDG Macerich Properties | 64,106,783 | 3 | 1.12% |
| Iowa American Water Company | 45,556,796 | 4 | 0.80% |
| Aluminum Company | 39,915,813 | 5 | 0.70% |
| Qwest Communications | 36,020,815 | 6 | 0.63% |
| Genventures Inc | 21,034,293 | 7 | 0.37% |
| Deere & Company | 20,929,097 | 8 | 0.37% |
| Quanex Corporation | 20,862,200 | 9 | 0.37% |
| National Amusement Inc | 19,897,078 | 10 | 0.35% |
| Total | \$ 582,332,511 | | 10.21% |

| Taxpayer | 2015 | | |
|----------------------------------|------------------------|------|---|
| | Taxable Assessed Value | Rank | Percentage of Total County Taxable Assessed Value |
| MidAmerican Energy | \$ 233,956,408 | 1 | 2.90% |
| Isle of Capri | 80,752,204 | 2 | 1.00% |
| Iowa American Water Company | 58,960,052 | 3 | 0.73% |
| Macerich North Park Mall LLC | 55,488,075 | 4 | 0.69% |
| ALCOA | 37,944,196 | 5 | 0.47% |
| Qwest Corp | 26,520,800 | 6 | 0.33% |
| Deere & Company | 26,300,475 | 7 | 0.33% |
| Northern Border Pipeline Company | 22,877,800 | 8 | 0.28% |
| Continental Cement Company LLC | 21,512,489 | 9 | 0.27% |
| Continental 203 Fund LLC | 20,982,954 | 10 | 0.26% |
| Total | \$ 585,295,453 | | 7.26% |

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 |
| 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% |
| 2011 | 247,987,832 | 246,709,768 | 99.48% | 357,380 | 247,067,148 | 99.63% |
| 2012 | 258,210,732 | 256,655,331 | 99.40% | 206,819 | 256,862,150 | 99.48% |
| 2013 | 270,826,988 | 269,647,673 | 99.56% | 26,946 | 269,674,619 | 99.57% |
| 2014 | 274,898,466 | 273,903,646 | 99.64% | 120,676 | 274,024,322 | 99.68% |
| 2015 | 278,170,184 | 277,259,736 | 99.67% | 161,251 | 277,420,987 | 99.73% |

Source: County records

County of Scott, Iowa

Direct and Overlapping Property Tax Rates

Last Ten Years

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

(Unaudited)

| | 2006 | 2007 | 2008 | 2009 |
|-------------------------|------------|------------|------------|------------|
| County direct rates: | | | | |
| Scott County Urban Rate | \$ 5.56513 | \$ 5.51106 | \$ 5.54040 | \$ 5.33791 |
| Scott County Rural Rate | 8.60445 | 8.52602 | 8.62666 | 8.35745 |
| City and town rates: | | | | |
| Bettendorf | 12.34952 | 12.60000 | 12.95000 | 12.85000 |
| Blue Grass | 11.43975 | 11.58668 | 11.65760 | 11.07291 |
| Buffalo | 8.09998 | 8.10000 | 8.10000 | 8.09999 |
| Davenport | 15.24000 | 15.56702 | 15.57515 | 15.57584 |
| Dixon | 8.10000 | 8.10000 | 8.10000 | 8.10000 |
| Donahue | 5.42517 | 5.43321 | 5.43025 | 5.96370 |
| Durant | 15.56204 | 15.56204 | 15.56203 | 15.56203 |
| Eldridge | 6.64795 | 6.64800 | 6.64797 | 6.64880 |
| LeClaire | 14.69637 | 14.69636 | 14.69188 | 14.69998 |
| Long Grove | 8.10000 | 8.39529 | 8.10000 | 9.76863 |
| Maysville | 5.16097 | 5.16094 | 5.16095 | 5.16100 |
| McCausland | 8.10000 | 8.10000 | 8.10000 | 8.10000 |
| New Liberty | 2.90011 | 3.57028 | 3.34915 | 2.93849 |
| Panorama Park | 6.50590 | 6.76329 | 6.74595 | 5.64940 |
| Princeton | 9.02314 | 8.97804 | 8.93821 | 8.94763 |
| Riverdale | 2.93819 | 2.50485 | 2.50485 | 2.70103 |
| Walcott | 9.75001 | 9.75000 | 10.00000 | 10.00000 |
| School District Rates: | | | | |
| Bennett Schools | 11.78130 | 11.62880 | 10.72766 | 11.01374 |
| Bettendorf Schools | 14.69042 | 15.00216 | 15.00025 | 14.84626 |
| Davenport Schools | 17.09734 | 17.10760 | 17.10610 | 17.08731 |
| Durant Schools | 12.62186 | 11.96178 | 12.37027 | 12.60365 |
| North Scott Schools | 15.12320 | 15.17814 | 15.11048 | 14.76476 |
| Pleasant Valley Schools | 13.66430 | 13.86154 | 13.99385 | 13.98720 |
| Area IX CC | 0.59269 | 0.61277 | 0.60785 | 0.60635 |
| Other: | | | | |
| Scott County Assessor | 0.27404 | 0.29563 | 0.28899 | 0.28870 |
| Davenport City Assessor | 0.26045 | 0.29672 | 0.30964 | 0.27680 |
| Ag. Extension - BANGS | 0.06973 | 0.07034 | 0.07079 | 0.06892 |

Source: County records - Auditor's Office.

| Year Taxes are Payable | | | | | |
|------------------------|------------|------------|------------|------------|------------|
| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| \$ 5.47607 | \$ 6.37607 | \$ 6.37759 | \$ 6.30156 | \$ 6.23534 | \$ 6.13204 |
| 8.49561 | 9.39561 | 9.51525 | 9.43922 | 9.28021 | 9.17153 |
| 12.85000 | 12.60000 | 12.60000 | 12.55000 | 12.55000 | 12.55000 |
| 10.98600 | 11.18972 | 11.30132 | 11.57130 | 11.64547 | 11.65175 |
| 8.17628 | 8.17540 | 9.12078 | 9.12604 | 9.12332 | 9.03935 |
| 15.58000 | 15.53000 | 15.53000 | 16.78000 | 16.78000 | 16.78000 |
| 8.10000 | 8.10000 | 8.10000 | 8.10000 | 8.10000 | 8.09989 |
| 5.96079 | 7.21883 | 7.22080 | 7.22267 | 7.22420 | 7.22152 |
| 14.95411 | 15.70846 | 15.70847 | 17.07103 | 13.47399 | 15.06085 |
| 6.64916 | 6.74852 | 6.75418 | 6.75396 | 6.75436 | 6.75442 |
| 16.08173 | 16.00434 | 15.07379 | 14.69999 | 14.47264 | 14.47264 |
| 11.15854 | 11.03125 | 10.90085 | 10.74199 | 10.60442 | 10.52099 |
| 5.16094 | 5.16962 | 5.16951 | 5.16957 | 5.57674 | 5.99993 |
| 8.10000 | 9.25982 | 9.21668 | 9.22504 | 8.10000 | 8.10000 |
| 2.92797 | 3.96650 | 3.12506 | 7.88563 | 3.61168 | 3.61588 |
| 5.55117 | 5.56196 | 5.51713 | 5.47320 | 5.26743 | 5.26355 |
| 9.58243 | 9.58242 | 9.58242 | 10.26832 | 10.27159 | 10.27158 |
| 2.70103 | 3.37602 | 7.00244 | 10.55647 | 10.55525 | 12.21629 |
| 10.00000 | 9.99999 | 10.00000 | 9.99999 | 9.99999 | 10.12000 |
| 11.25066 | 11.23830 | 12.47240 | 12.05990 | 11.09204 | 12.09305 |
| 14.85367 | 15.00820 | 15.00244 | 15.00292 | 14.54629 | 14.01636 |
| 17.09334 | 17.11276 | 17.05061 | 17.04996 | 16.66333 | 15.83747 |
| 13.34659 | 11.84246 | 13.62815 | 12.39188 | 13.10599 | 13.21664 |
| 14.51584 | 14.75964 | 14.75525 | 14.50592 | 14.18910 | 14.19507 |
| 13.99319 | 14.74116 | 14.73829 | 14.64092 | 14.74093 | 14.49409 |
| 0.87714 | 0.92444 | 1.01724 | 0.91511 | 0.92043 | 0.92782 |
| 0.33733 | 0.28465 | 0.28110 | 0.28081 | 0.27996 | 0.27068 |
| 0.25789 | 0.23892 | 0.25171 | 0.31490 | 0.37452 | 0.37409 |
| 0.06845 | 0.06946 | 0.06891 | 0.06865 | 0.06890 | 0.07009 |

County of Scott, Iowa

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

| Governmental Activities | | | | |
|-------------------------|-----------------------------|---------------|---------------|---------------|
| Fiscal Year | General Obligation Bonds | Revenue Bonds | Notes Payable | Capital Lease |
| 2006 | \$ 8,000 | \$ - | \$ - | \$ 27,765 |
| 2007 | 9,655 | - | - | 26,770 |
| 2008 | 8,760 | - | - | 25,740 |
| 2009 | 7,765 | - | - | 24,670 |
| 2010 | 17,190 | - | - | 23,560 |
| 2011 | 15,660 | - | - | 22,410 |
| 2012 | 14,080 | 21,210 | - | - |
| 2013 | 12,482 | 38,163 | 9,638 | - |
| 2014 | 10,798 | 36,776 | 9,162 | - |
| 2015 | 9,348 | 18,024 | 8,240 | - |

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

Note: A restatement to blend component units was applied in Fiscal Year 2013. The restatement moved the Capital Lease to Revenue Bonds of the Blended Public Safety Authority Component Unit. In addition, the blended component unit's notes payable was included with the schedule.

Source: County records.

N/A - Not Available

Business-Type Activities

| Capital Lease | Purchase Contract | Total Government | Percentage of Personal Income* | Per Capita* |
|---------------|-------------------|------------------|--------------------------------|-------------|
| \$ 370 | \$ 1,725 | \$ 37,860 | 0.62% | \$ 237.22 |
| 266 | 1,523 | 38,214 | 0.59% | 238.72 |
| 156 | 1,304 | 35,960 | 0.52% | 222.22 |
| 39 | 1,075 | 33,549 | 0.49% | 205.09 |
| - | 855 | 41,605 | 0.57% | 251.00 |
| - | 585 | 38,655 | 0.49% | 231.34 |
| - | - | 35,290 | 0.43% | 210.15 |
| - | - | 60,283 | 0.75% | 357.19 |
| - | - | 56,736 | N/A | 334.47 |
| - | - | 35,612 | N/A | 207.51 |

County of Scott, Iowa

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

| Fiscal Year | General Bonded Debt Outstanding | | Percent of Debt to Assessed Value | Per Capita* |
|-------------|------------------------------------|--------------------------|--------------------------------------|-------------|
| | | General Obligation Bonds | | |
| 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% | 103.65 |
| 2011 | | 15,660,000 | 0.13% | 93.96 |
| 2012 | | 14,080,000 | 0.12% | 84.04 |
| 2013 | | 12,491,845 | 0.10% | 74.04 |
| 2014 | | 10,797,620 | 0.09% | 63.65 |
| 2015 | | 9,348,254 | 0.08% | 54.47 |

*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, 2015
(Unaudited)**

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable | Estimated Share of Overlapping Debt |
|---|------------------|---------------------------------|-------------------------------------|
| Direct Debt: | | | |
| Scott County | \$ 27,005,000 | 100.00% | \$ <u>27,005,000</u> |
| Overlapping Debt: | | | |
| School Districts: | | | |
| Durant Community | 1,790,000 | 24.52% | 438,908 |
| Eastern Iowa Community College | 51,810,000 | 58.99% | 30,562,719 |
| Subtotal, School Districts | | | <u>31,001,627</u> |
| Cities: | | | |
| Bettendorf | 110,650,000 | 100.00% | 110,650,000 |
| Blue Grass | 2,156,824 | 97.27% | 2,097,943 |
| Buffalo | 592,800 | 100.00% | 592,800 |
| Davenport | 185,730,000 | 100.00% | 185,730,000 |
| Donahue | 158,000 | 100.00% | 158,000 |
| Durant | 1,359,000 | 3.76% | 51,098 |
| Eldridge | 3,235,000 | 100.00% | 3,235,000 |
| LeClaire | 27,442,933 | 100.00% | 27,442,933 |
| Long Grove | 777,000 | 100.00% | 777,000 |
| New Liberty | 307,736 | 100.00% | 307,736 |
| Princeton | 845,000 | 100.00% | 845,000 |
| Riverdale | 1,896,488 | 100.00% | 1,896,488 |
| Walcott | 505,000 | 100.00% | 505,000 |
| Subtotal, Cities | | | <u>334,288,998</u> |
| Overlapping Debt: | | | <u>365,290,625</u> |
| Total direct and overlapping debt: | | | <u>\$ 392,295,625</u> |

Source: County records

Outstanding debt amounts are obtained directly from the debt issuing entity. The percentage of overlapping debt attributed to Scott County is based on the percentage of the entity's total taxable valuation that lies within Scott County.

County of Scott, Iowa

Legal Debt Margin Information
As of June 30, 2015
(Unaudited)

| | 2006 | 2007 | 2008 | 2009 |
|---|----------------|----------------|----------------|----------------|
| Debt limit | \$ 451,734,795 | \$ 479,594,782 | \$ 497,083,535 | \$ 558,544,692 |
| Total net debt applicable to limit | 35,765,000 | 36,425,000 | 34,500,000 | 32,435,000 |
| Legal debt margin | \$ 415,969,795 | \$ 443,169,782 | \$ 462,583,535 | \$ 526,109,692 |
| Total net debt applicable to the limit as a percentage of debt limit | 8.60% | 8.22% | 7.46% | 6.17% |

Note: A restatement to blend component units was applied in Fiscal Year 2013.

Source: County records.

Legal Debt Margin Calculation for Fiscal Year 2015

| | |
|---|--------------------------|
| Assessed value, net of military exemption | <u>\$ 12,631,323,020</u> |
| Debt limit (5% of assessed value) | <u>\$ 631,566,151</u> |
| Debt applicable to limit: | |
| General obligation bonds | 9,330,000 |
| Revenue Bonds | <u>17,675,000</u> |
| Total net applicable to limit | <u>27,005,000</u> |
| Legal debt margin | <u>\$ 604,561,151</u> |

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|----|-------------|----------------|----------------|----------------|----------------|----------------|
| \$ | 571,861,865 | \$ 584,366,273 | \$ 595,431,703 | \$ 610,756,097 | \$ 616,290,777 | \$ 631,566,151 |
| | 40,750,000 | 38,070,000 | 35,290,000 | 50,095,000 | 47,110,000 | 27,005,000 |
| \$ | 531,111,865 | \$ 546,296,273 | \$ 560,141,703 | \$ 560,661,097 | \$ 569,180,777 | \$ 604,561,151 |
| | 7.67% | 6.97% | 6.30% | 8.93% | 8.28% | 4.47% |

County of Scott, Iowa

Demographic and Economic Statistics
 Last Ten Calendar Years
 (Unaudited)

| Year | Population ¹ | Personal Income (000's) ² | Per Capita Personal Income ² | Farm Proprietors ³ | School Enrollment ⁴ | Unemployment Rate ⁵ |
|------|-------------------------|--------------------------------------|---|-------------------------------|--------------------------------|--------------------------------|
| 2006 | 159,597 | \$ 6,112,472 | \$ 38,299 | 730 | 26,735 | 3.8 |
| 2007 | 160,077 | 6,515,556 | 40,703 | 860 | 26,818 | 3.8 |
| 2008 | 161,824 | 6,938,518 | 42,877 | 850 | 27,316 | 4.1 |
| 2009 | 163,582 | 6,942,723 | 42,442 | 850 | 27,813 | 6.9 |
| 2010 | 165,759 | 7,332,919 | 44,233 | N/A | 28,016 | 7.1 |
| 2011 | 167,095 | 7,861,586 | 47,026 | N/A | 28,460 | 6.8 |
| 2012 | 167,924 | 8,137,008 | 48,205 | 759 | 28,538 | 6.3 |
| 2013 | 168,771 | 8,023,456 | 47,090 | N/A | 28,538 | 5.9 |
| 2014 | 169,630 | N/A | N/A | N/A | 28,626 | 6.0 |
| 2015 | 171,616 | N/A | N/A | N/A | 26,062 | 4.9 |

Sources:

¹Iowa Workforce Development

²InfoGroup, Reference USA (2015)

³Data from the 2005 QC Fact Sheet, compiled by Quad City Development Group. (Note only selected employers were included in list)

Date accessed: 10/30/15

County of Scott, Iowa

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

| Employer | 2006 | | |
|---|-----------|------|---------------------------------------|
| | Employees | Rank | Percentage of Total County Employment |
| Alcoa | 2,500 | 1 | 3.0% |
| Kraft Foods | 1,500 | 2 | 1.5% |
| MidAmerican | 1,200 | 3 | 1.4% |
| First Med Clinic (Genesis Medical Center) | 1,090 | 4 | 1.0% |
| Deere & Company (Davenport Works) | 950 | 5 | 0.7% |
| Isle of Capri | 923 | 6 | 0.6% |
| APAC Customer Services Inc | 900 | 7 | 0.5% |
| Rhythm City Casino | 750 | 8 | 0.7% |
| Nestle Purina Factory | 500 | 9 | 0.5% |
| Sivyer Steel Corporation | 417 | 10 | 0.3% |

| Employer | 2015 | | |
|------------------------------|-----------|------|---------------------------------------|
| | Employees | Rank | Percentage of Total County Employment |
| Genesis Medical Ctr | 14,100 | 1 | 16.1% |
| Alcoa Inc | 2,000 | 2 | 2.3% |
| Oscar Mayer Foods Corp | 1,600 | 3 | 1.8% |
| Isle Casino Hotel Bettendorf | 1,000 | 4 | 1.1% |
| Tri City Communications | 900 | 5 | 1.0% |
| John Deere Davenport Works | 838 | 6 | 1.0% |
| Davenport City Hall | 800 | 7 | 0.9% |
| Rhythm City Casino | 650 | 8 | 0.7% |
| St Ambrose University | 620 | 9 | 0.7% |
| Sears Manufacturing | 600 | 10 | 0.7% |

Sources:

¹Iowa Workforce Development

²InfoGroup, Reference USA (2015)

³Data from the 2005 QC Fact Sheet, compiled by Quad City Development Group. (Note only selected employers were included in list)

County of Scott, Iowa

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

| Function / Program | 2006 | 2007 | 2008 | 2009 |
|--|---------------|---------------|---------------|---------------|
| Public safety and legal services: | | | | |
| Attorney | 30.75 | 30.75 | 31.00 | 30.00 |
| Health | 7.30 | 8.30 | 8.30 | 11.15 |
| Juvenile Court Services | 14.20 | 14.20 | 14.20 | 14.20 |
| Sheriff | 166.10 | 164.10 | 166.10 | 166.35 |
| Physical health and social services: | | | | |
| Community Services | 8.70 | 8.70 | 8.70 | 8.70 |
| Health | 31.85 | 29.85 | 30.85 | 31.85 |
| Mental Health, Mental Retardation & Developmental Disabilities: | | | | |
| Community Services | 3.80 | 3.80 | 3.80 | 3.80 |
| County Environment and Education | | | | |
| Conservation | 47.53 | 48.08 | 48.71 | 49.71 |
| Golf Course | 19.35 | 19.35 | 19.35 | 19.35 |
| Planning & Development | 4.08 | 4.08 | 4.08 | 4.08 |
| Roads and Transportation | | | | |
| Secondary Roads | 35.15 | 35.15 | 35.15 | 35.15 |
| Governmental services to residents: | | | | |
| Auditor | 6.00 | 6.00 | 6.00 | 6.00 |
| Recorder | 12.00 | 11.50 | 11.50 | 11.50 |
| Treasurer | 14.20 | 14.20 | 14.20 | 12.20 |
| Administration: | | | | |
| Administration | 3.10 | 3.10 | 3.10 | 3.50 |
| Auditor | 9.40 | 9.90 | 9.90 | 9.40 |
| Facility & Support Services | 24.19 | 28.69 | 28.69 | 29.04 |
| Human Resources | 4.50 | 4.50 | 4.50 | 4.50 |
| Information Technology | 11.00 | 11.00 | 11.00 | 12.00 |
| Non-Departmental Supervisors, Board of | 5.00 | 5.00 | 5.00 | 5.00 |
| Treasurer | 14.40 | 14.40 | 14.40 | 15.40 |
| Total | 472.60 | 474.65 | 478.53 | 482.88 |

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

| Fiscal Year | | | | | |
|-------------|--------|--------|--------|--------|--------|
| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| 31.00 | 31.00 | 31.00 | 32.50 | 32.50 | 32.50 |
| 11.15 | 11.15 | 11.15 | 11.80 | 11.80 | 11.80 |
| 14.20 | 14.20 | 14.20 | 14.20 | 14.20 | 15.00 |
| 167.35 | 167.35 | 154.35 | 156.80 | 158.80 | 157.80 |
| 7.70 | 7.70 | 7.00 | 7.00 | 7.00 | 7.00 |
| 31.85 | 31.85 | 32.10 | 32.10 | 32.57 | 33.14 |
| 3.80 | 3.80 | 3.00 | 3.00 | 3.00 | 3.00 |
| 49.85 | 51.87 | 48.62 | 49.24 | 49.24 | 48.85 |
| 19.35 | 19.35 | 19.35 | 17.98 | 17.98 | 17.98 |
| 4.08 | 4.08 | 4.08 | 4.08 | 4.08 | 3.83 |
| 35.15 | 35.15 | 35.40 | 34.40 | 34.40 | 34.10 |
| 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| 11.50 | 11.50 | 11.00 | 11.00 | 11.00 | 10.50 |
| 12.20 | 12.20 | 12.40 | 12.40 | 12.40 | 12.40 |
| 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 4.50 |
| 9.40 | 9.40 | 9.05 | 9.05 | 9.05 | 9.05 |
| 30.04 | 31.04 | 30.55 | 30.55 | 30.50 | 29.50 |
| 4.50 | 4.50 | 4.50 | 3.50 | 3.50 | 3.50 |
| 12.00 | 15.00 | 15.40 | 15.40 | 15.40 | 15.40 |
| 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| 15.40 | 15.40 | 15.60 | 15.60 | 15.60 | 15.60 |
| 484.02 | 490.04 | 472.25 | 474.10 | 476.52 | 475.45 |

County of Scott, Iowa

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

| Function / Program | 2006 | 2007 | 2008 | 2009 |
|---|--------|--------|--------|--------|
| Public Safety and Legal Services | | | | |
| Attorney: | | | | |
| # of felonies/aggravated field cases filed | 5,077 | 4,845 | 4,814 | 4,752 |
| # of new felony cases | N/A | N/A | N/A | N/A |
| Sheriff: | | | | |
| # of civil papers received | 14,764 | 14,479 | 14,879 | 14,002 |
| # of jail bookings | 10,859 | 11,658 | 9,747 | 9,011 |
| Inmate instances of programming attendance | N/A | N/A | N/A | N/A |
| # of traffic citations written | 3,502 | 2,068 | 2,233 | 2,802 |
| # of traffic contacts | N/A | N/A | N/A | N/A |
| # of 9-1-1 calls | 11,088 | 11,580 | 13,002 | 12,442 |
| Physical Health and Social Services | | | | |
| Community Services: | | | | |
| # of applications for general assistance | 6,446 | 6,524 | 7,544 | 8,105 |
| # of applications approved for general assist | 3,354 | 3,569 | 3,797 | 3,829 |
| # of requests for veteran services | 1,613 | 814 | 982 | 880 |
| # of invol commit filed for substance abuse | 289 | 340 | 260 | 210 |
| Health Department: | | | | |
| # of health related inmate contacts within jail | 3,795 | 3,979 | 5,434 | 10,617 |
| # of comm disease requiring investigation | 302 | 369 | 285 | 360 |
| # of environmental health inspections conducted | 3,987 | 4,363 | 4,464 | 4,198 |
| # of public health nuisance complaints received | N/A | N/A | N/A | N/A |
| Mental Health, HR & DD | | | | |
| Community Services: | | | | |
| # of invol commit filed for mental health | 304 | 338 | 335 | 361 |
| # of persons with MH/CMI served | 4,015 | 4,136 | 4,078 | 1,537 |
| # of juvenile MH commitments | N/A | N/A | N/A | N/A |
| # of persons with MR/DD served | 560 | 572 | 570 | 384 |
| # of adult MH commitments | N/A | N/A | N/A | N/A |
| # of protective payee cases | 398 | 401 | 390 | 367 |
| County Environment and Education | | | | |
| Conservation: | | | | |
| # of camp sites available | 788 | 788 | 788 | 788 |
| # of acres managed | N/A | N/A | N/A | N/A |
| # of rounds of golf course | 30,898 | 27,196 | 27,765 | 28,549 |
| Planning & Development: | | | | |
| # of building permits issued | 691 | 622 | 603 | 643 |

(Continued)

Source: County records - Year-end Indicator Report

| Fiscal Year | | | | | |
|-------------|--------|--------|--------|--------|--------|
| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| 4,782 | 4,664 | 4,256 | 4,140 | 4,317 | 3,850 |
| 1,005 | 998 | 1,040 | 1,044 | 1,164 | 1,053 |
| 13,491 | 11,284 | 10,674 | 11,755 | 12,591 | 11,668 |
| 8,245 | 8,283 | N/A | N/A | N/A | N/A |
| N/A | N/A | 22,231 | 26,686 | 29,188 | 28,033 |
| 2,678 | 4,028 | N/A | N/A | N/A | N/A |
| N/A | N/A | 2,195 | 2,481 | 2,965 | 1,851 |
| 10,672 | N/A | N/A | N/A | N/A | N/A |
| 8,907 | 7,294 | 1,428 | 1,076 | 1,155 | 920 |
| 4,660 | 4,065 | 756 | 479 | 606 | 453 |
| 1,204 | 1,134 | 1,160 | 1,164 | 1,399 | 1,459 |
| 214 | 246 | N/A | N/A | 210 | 224 |
| 10,817 | 12,618 | 13,888 | 12,466 | 16,426 | 29,046 |
| 338 | 442 | 276 | 317 | 300 | 388 |
| 4,389 | 4,141 | 4,773 | 4,409 | 4,277 | 4,153 |
| N/A | N/A | 167 | 174 | 240 | 222 |
| 312 | 450 | 405 | 340 | 434 | 423 |
| 1,505 | 1,516 | N/A | N/A | N/A | N/A |
| N/A | N/A | 91 | 88 | 104 | 64 |
| 380 | 409 | N/A | N/A | N/A | N/A |
| N/A | N/A | 246 | 340 | 311 | 345 |
| 339 | 384 | 313 | 304 | 358 | 394 |
| 788 | 788 | N/A | N/A | N/A | N/A |
| N/A | N/A | 2,496 | 2,496 | 2,496 | 2,496 |
| 29,258 | 28,553 | 30,476 | 26,175 | 26,480 | 26,814 |
| 583 | 728 | 735 | 933 | 865 | 849 |

County of Scott, Iowa

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

| Function / Program | 2006 | 2007 | 2008 | 2009 |
|--|---------|---------|---------|---------|
| Roads and Transportation: | | | | |
| Secondary Roads: | | | | |
| # of miles of road paved | 176 | 176 | 176 | 183 |
| # of bridges/culverts repaired/replaced | 104 | 140 | 213 | 79 |
| # of bridges/culverts maintained | N/A | N/A | N/A | N/A |
| Governmental Services to Residents | | | | |
| Auditor: | | | | |
| # of elections | 26 | 11 | 27 | 5 |
| # of registered voters | 114,507 | 115,457 | 116,570 | 118,641 |
| Recorder: | | | | |
| # of real estate transactions recorded | 48,297 | 43,976 | 40,493 | 40,010 |
| # of vital statistics registered/issued | 20,207 | 21,830 | 20,726 | 20,196 |
| # of passport applications accepted | 788 | 1,564 | 1,430 | 1,134 |
| # of conservation privileges issued | 808 | 797 | N/A | N/A |
| # of conservation licenses - ATV/Snow boat reg, titles and liens and privileges issued | 6,098 | 13,498 | 6,505 | 4,291 |
| Treasurer: | | | | |
| # of title and security interest trans processed | 76,517 | 64,468 | 60,342 | 66,597 |
| Administration | | | | |
| Auditor: | | | | |
| # of real estate transactions processed | 8,859 | 8,414 | 7,728 | 6,689 |
| # invoices processed | N/A | N/A | N/A | N/A |
| Facility & Support Service: | | | | |
| # of service calls | 4,608 | 4,586 | 4,408 | 4,579 |
| # hours spent in safety training | | | | |
| # of purchase requisitions received | 849 | 864 | 1,113 | 1,011 |
| # of pieces of outgoing mail | 524,752 | 547,591 | 491,571 | 534,148 |
| # of square feet of hard surface floors maintained | N/A | N/A | N/A | N/A |
| # of files imaged | 327,979 | 887,629 | 746,690 | 899,403 |
| # of hours spend on imaging | N/A | N/A | N/A | N/A |
| Information Technology: | | | | |
| # of network users | 686 | 805 | 851 | 899 |
| # of network connections supported | N/A | N/A | N/A | N/A |
| # of 3rd party applications maintained | 52 | 54 | 54 | 55 |
| # of users supported | N/A | N/A | N/A | N/A |
| Treasurer: | | | | |
| # of prop tax/spec assessment statutes issued | 180,196 | 186,423 | 176,450 | 181,657 |
| # of tax certifications issued | 1,834 | 1,974 | 2,116 | 2,592 |

| Fiscal Year | | | | | |
|-------------|---------|---------|---------|---------|---------|
| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| 183 | 183 | 219 | 221 | 223 | 223 |
| 94 | 89 | 89 | 120 | N/A | N/A |
| N/A | N/A | N/A | N/A | 2,123 | 2,123 |
| 26 | 3 | 4 | 3 | 4 | 1 |
| 120,962 | 123,115 | 124,263 | 124,356 | 126,182 | 121,231 |
| 37,856 | 38,493 | 31,385 | 34,697 | 26,954 | 34,188 |
| 20,450 | 20,776 | 20,313 | 22,863 | 21,509 | 13,976 |
| 1,280 | 1,151 | 1,142 | 1,177 | 1,300 | 2,041 |
| N/A | N/A | N/A | N/A | N/A | N/A |
| 14,612 | 5,852 | 6,611 | 12,494 | 8,221 | 4,562 |
| 67,777 | 71,883 | 69,904 | 69,097 | 65,465 | 70,031 |
| 7,303 | 6,663 | N/A | N/A | N/A | N/A |
| N/A | N/A | 25,035 | 22,453 | 20,148 | 23,066 |
| 3,045 | 2,197 | N/A | N/A | N/A | N/A |
| | | 83 | 24 | 24 | 24 |
| N/A | N/A | N/A | N/A | N/A | N/A |
| 479,814 | 446,405 | N/A | N/A | N/A | N/A |
| N/A | N/A | 728,940 | 559,100 | 107,473 | 568,367 |
| 792,379 | 698,680 | N/A | N/A | N/A | N/A |
| N/A | N/A | 2,744 | 2,489 | 2,830 | 2,023 |
| 929 | 1,094 | 724 | 915 | 938 | 938 |
| N/A | N/A | 2,680 | 2,776 | 2,776 | 2,776 |
| 61 | 67 | 95 | 99 | 101 | 96 |
| N/A | N/A | 724 | 915 | 938 | 838 |
| 191,493 | 198,053 | 195,415 | 197,579 | 195,586 | 191,036 |
| 2,151 | 1,691 | 2,144 | 1,728 | 1,659 | 2,396 |

County of Scott, Iowa

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

| <u>Function / Program</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
|--------------------------------------|-------------|-------------|-------------|
| Public safety and legal services: | | | |
| Sheriff: | | | |
| # of patrol cars | 54 | 54 | 55 |
| # of other vehicles | N/A | N/A | N/A |
| Physical health and social services: | | | |
| Health Department | | | |
| # of vehicles | 13 | 13 | 13 |
| 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 | 10 | 10 | 10 |
| Administration: | | | |
| Facility and Support Services | | | |
| # of vehicles | 6 | 6 | 5 |
| # of buildings maintained | 12 | 12 | 12 |
| Non-Departmental (Risk Management) | | | |
| # of vehicles | 6 | 6 | 1 |

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

| Fiscal Year | | | | | | |
|-------------|-------|-------|-------|-------|-------|-------|
| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| 42 | 45 | 46 | 44 | 53 | 48 | 52 |
| N/A | N/A | N/A | N/A | N/A | N/A | 11 |
| 13 | 13 | 13 | 13 | 13 | 13 | 14 |
| 2,795 | 2,795 | 2,795 | 2,795 | 2,795 | 2,795 | 2,795 |
| 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| 61 | 61 | 61 | 60 | 60 | 60 | 60 |
| 10 | 10 | 10 | 10 | 10 | 10 | 11 |
| 5 | 5 | 6 | 6 | 7 | 7 | 7 |
| 12 | 12 | 11 | 11 | 11 | 11 | 12 |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 |

COMPLIANCE

County of Scott, Iowa

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Pass-Through Grantor's Identifying Number | Federal Expenditures |
|---|---------------------------|--|-------------------------|
| U.S. Department of Agriculture | | | |
| Child Nutrition Cluster | | | |
| <i>(Passed through the Iowa Department of Human Services)</i> | | | |
| National School Lunch Program | 10.555 | N/A | \$ 18,539 |
| <i>(Passed through Iowa Department of Education, Bureau/Division of Nutrition & Health)</i> | | | |
| Summer Food Service Program for Children | 10.559 | 63712 | 280 |
| Summer Food Service Program for Children | 10.559 | 54514 | 625 |
| Total Child Nutrition Cluster | | | <u>19,444</u> |
| <i>(Passed through Iowa Department of Human Services)</i> | | | |
| State Administrative Matching Grants for Supplemental Nutrition Assistance Program | 10.561 | N/A | <u>78,819</u> |
| Total U.S. Department of Agriculture | | | <u>98,263</u> |
| U.S. Department of Justice | | | |
| JAG Program | | | |
| <i>(Direct Program)</i> | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2013-DJ-BX-0396 | 57,887 |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2012-DJ-BX-0475 | 104,543 |
| | | | <u>162,430</u> |
| <i>(Passed through the Governor's Office of Drug Control Policy)</i> | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 12-JAG-79255 | 63,000 |
| Total JAG Program | | | <u>225,430</u> |
| State Criminal Alien Assistance Program | | | |
| <i>(Passed through Governor's Alliance on Substance Abuse)</i> | | | |
| State Criminal Alien Assistance Program | 16.606 | 2008-AP-BX-0714 | 4,100 |
| <i>(Passed Through the Office of Community Orientated Policing Services)</i> | | | |
| State Criminal Alien Assistance Program | 16.606 | 2008-AP-BX-0942 | 19,134 |
| Total State Criminal Alien Assistance Program | | | <u>23,234</u> |
| <i>(Passed through State of Iowa Department of Justice, Crime Victim Assistance Division)</i> | | | |
| Violence Against Women Formula Grants Stop Violence Against Women | 16.588 | VW-15-23-CJ | <u>50,979</u> |
| Total U.S. Department of Justice | | | <u>299,643</u> |

(Continued)

County of Scott, Iowa

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2015

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Pass-Through Grantor's Identifying Number | Federal Expenditures |
|---|---------------------------|--|-------------------------|
| U.S. Department of Transportation | | | |
| National Highway Traffic Safety Administration <i>(Passed through Iowa Department of Public Safety-Governor's Traffic Safety Division)</i> | | | |
| State and Community Highway Safety | 20.600 | PAP 15-402-MOPT, Task 20 | \$ 19,208 |
| State and Community Highway Safety | 20.600 | PAP 13-04, Task 21 | 10,122 |
| | | | <u>29,330</u> |
| U.S. Department of Health and Human Services <i>(Passed through the Iowa Department of Health)</i> | | | |
| Immunization Cooperative Agreements | | | |
| Immunization Action Grant | 93.268 | 5884I468 | 4,646 |
| Immunization Billing Implementation | 93.539 | 5885I468 | 7,803 |
| | | | <u>12,449</u> |
| Integrated HIV&Viral Help CTR | | | |
| Integrated HIV&Viral Help CTR | 93.940 | 5884AP29 | 17,275 |
| Integrated HIV&Viral Help CTR | 93.940 | 5885AP29 | 9,134 |
| | | | <u>26,409</u> |
| Maternal and Child Health Services Block Grant to the States | | | |
| Maternal and Child Health/Dental/ABCD &Hawk | 93.994 | 5884MH21 | 889 |
| Maternal and Child Health/Dental/ABCD &Hawk | 93.994 | 5885MH21 | 52,019 |
| Dental Health Grant | 93.994 | 5884MH21 | 4,811 |
| Dental Health Grant | 93.994 | 5885MH21 | 2,544 |
| | | | <u>60,263</u> |
| Hospital Preparedness Program (HPP) and Public Health Emergency Preaprdness (PHEP) Aligned Cooperative | | | |
| | 93.074 | 5885BT53 | 154,096 |
| PPHF-2012: Community Transformation Grants and National Dissemination and Support for Community Transformation | | | |
| | 93.531 | 5884HP20 | 28,257 |
| Centers for Disease Control and Prevention Investigations and Technical Assistance / Care for Yourself | | | |
| | 93.283 | 5884NB21 | 12,915 |
| The Affordable Care Act: Centers for Disease Control and Prevention Investigations and Technical Assistance and Technical Assistance | | | |
| Mosquito Surveillance Project | 93.283 | MOU-2014-ELC09 | 900 |
| Mosquito Surveillance Project | 93.283 | MOU-2016-ELC09 | 400 |
| | | | <u>1,300</u> |
| Project Grants and Cooperative Agreements for Tuberculosis Control Programs | | | |
| TB Directly Observed Therapy | 93.116 | MOU-2015-TB18 | 1,525 |
| | | | <u>297,214</u> |

(Continued)

County of Scott, Iowa

Schedule of Expenditures of Federal Awards (Concluded)
For the Year Ended June 30, 2015

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Pass-Through Grantor's Identifying Number | Federal Expenditures |
|---|---------------------------|--|-------------------------|
| U.S. Department of Health and Human Services (continued) | | | |
| <i>(Passed through Iowa Department of Human Services)</i> | | | |
| Refugee and Entrant Assistance | 93.566 | N/A | \$ 175 |
| Foster Care Title IV-E | 93.658 | N/A | 30,243 |
| Adoption Assistance | 93.659 | N/A | 9,556 |
| Medical Assistance (Title XIX) | 93.778 | N/A | 148,410 |
| Refugee and Entrant Assistance / Child Care Development Fund | 93.596 | N/A | 20,434 |
| Children's Health Insurance Program - Expansion Title XXI | 93.767 | N/A | 484 |
| Social Service Block Grant - State Payment Program | 93.667 | N/A | 860,438 |
| Social Service Block Grant - Indirect | 93.667 | N/A | 24,239 |
| | | | <u>884,677</u> |
| Total passed through Iowa Department of Human Services | | | <u>1,093,979</u> |
| Total U.S. Dept of Health and Human Services | | | <u>1,391,193</u> |
| Total expenditures of federal awards | | | <u>\$ 1,818,429</u> |

See Notes to Schedule of Expenditures of Federal Awards.

County of Scott, Iowa

Notes to Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County of Scott, Iowa and 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 |
|--|---------------------------|------------------------------------|
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | \$ 22,629 |
| TB Directly Observed Therapy | 93.116 | 1,525 |
| Mosquito Surveillance Project | 93.283 | 1,045 |
| Care for Yourself | 93.283 | 12,915 |
| Maternal and Child Health Grant | 93.994 | 1,418 |
| Local Bioterrorism Grant | 93.074 | 42,700 |
| Community Transformation Grant | 93.531 | 1,800 |
| | | <u>\$ 84,032</u> |

County of Scott, Iowa

**Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2015**

The prior year finding identified as Finding No. 2014-001 in the County of Scott's single audit report for the year ended June 30, 2014 has been satisfactorily addressed.

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*

Independent Auditors' Report

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

We have audited, 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, 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, 2015, and the related notes to the financial statements, which collectively comprise the County of Scott's basic financial statements, and have issued our report thereon dated December 15, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Scott's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the County of Scott's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 from 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*.

Comments involving statutory and other legal matters about the County of Scott's operations for the year ended June 30, 2015, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County of Scott. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly Victor Knaun, LLP

Milwaukee, Wisconsin
December 15, 2015

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

We have audited the County of Scott, Iowa's compliance with the types of compliance requirements described in the *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, 2015. The County of Scott's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County of Scott's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County of Scott's compliance.

To the Board of Supervisors
County of Scott, Iowa

Opinion on Each Major Federal Program

In our opinion, the County of Scott complied, in all material respects, with the types of 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, 2015.

Report on Internal Control Over Compliance

Management of the County of Scott is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County of Scott's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 a 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Baker Tilly Vinson Kramer, LLP

Milwaukee, Wisconsin
December 15, 2015

County of Scott, Iowa

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

Section I: Summary of Auditors' Results

Financial Statements

| | | | |
|---|------------|-----------------------------|--|
| Type of auditor's report issued | Unmodified | | |
| Internal control over financial reporting | | | |
| Material weakness(es) identified? | _____ yes | _____ X _____ no | |
| Significant deficiency(ies) identified? | _____ yes | _____ X _____ none reported | |
| Noncompliance material to financial statements noted? | _____ yes | _____ X _____ no | |

Federal Awards

| | | | |
|---|-----------|-----------------------------|--|
| Internal control over major programs | | | |
| Material weakness(es) identified? | _____ yes | _____ X _____ no | |
| Significant deficiency(ies) identified? | _____ yes | _____ X _____ none reported | |

| | | | |
|--|------------|--|--|
| Type of auditor's report issued on compliance for major programs | Unmodified | | |
|--|------------|--|--|

| | | |
|---|-----------|------------------|
| Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? | _____ yes | _____ X _____ no |
|---|-----------|------------------|

| | | |
|--|-----------|------------------|
| Auditee qualified as low-risk auditee? | _____ yes | _____ X _____ no |
|--|-----------|------------------|

Identification of major federal programs

CFDA NUMBER(S)

16.588
93.667

Name of Federal Program or Cluster

Stop Violence Against Women
Social Service Block Grant

| | |
|---|-------------------|
| Dollar threshold used to distinguish between Type A and Type B programs | <u>\$ 300,000</u> |
|---|-------------------|

(Continued)

County of Scott, Iowa

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2015**

**Section II: Financial Statement Findings Required to be Reported in Accordance with Government
Auditing Standards**

There were no findings in 2015.

Section III: Federal Awards Findings and Questioned Costs

There were no findings or questioned costs in 2015.

(Continued)

County of Scott, Iowa

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2015**

Section IV: Other Findings Related to Required Statutory Reporting

2015-IV-A Certified Budget

Disbursements during the year ended June 30, 2015 did not exceed the amounts budgeted except for capital outlay expenditures for the Scott Emergency Communication Center, which exceeded the budget by \$20,985.

2015-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.

2015-IV-C Travel Expense

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

2015-IV-D Business Transactions

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

2015-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.

2015-IV-F Board Minutes

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

2015-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.

2015-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).

2015-IV-I Capital Lease Purchase Agreements

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

2015-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, 2015 for the County Extension Office did not exceed the amount budgeted.