

# COUNTY OF SCOTT, IOWA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

**As of and for the Year Ended June 30, 2016**

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Prepared by

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Office of County Auditor

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Office of County Treasurer

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Director of Budget and  
Administrative Services  
Office of County Administrator



# **INTRODUCTORY**

# County of Scott, Iowa

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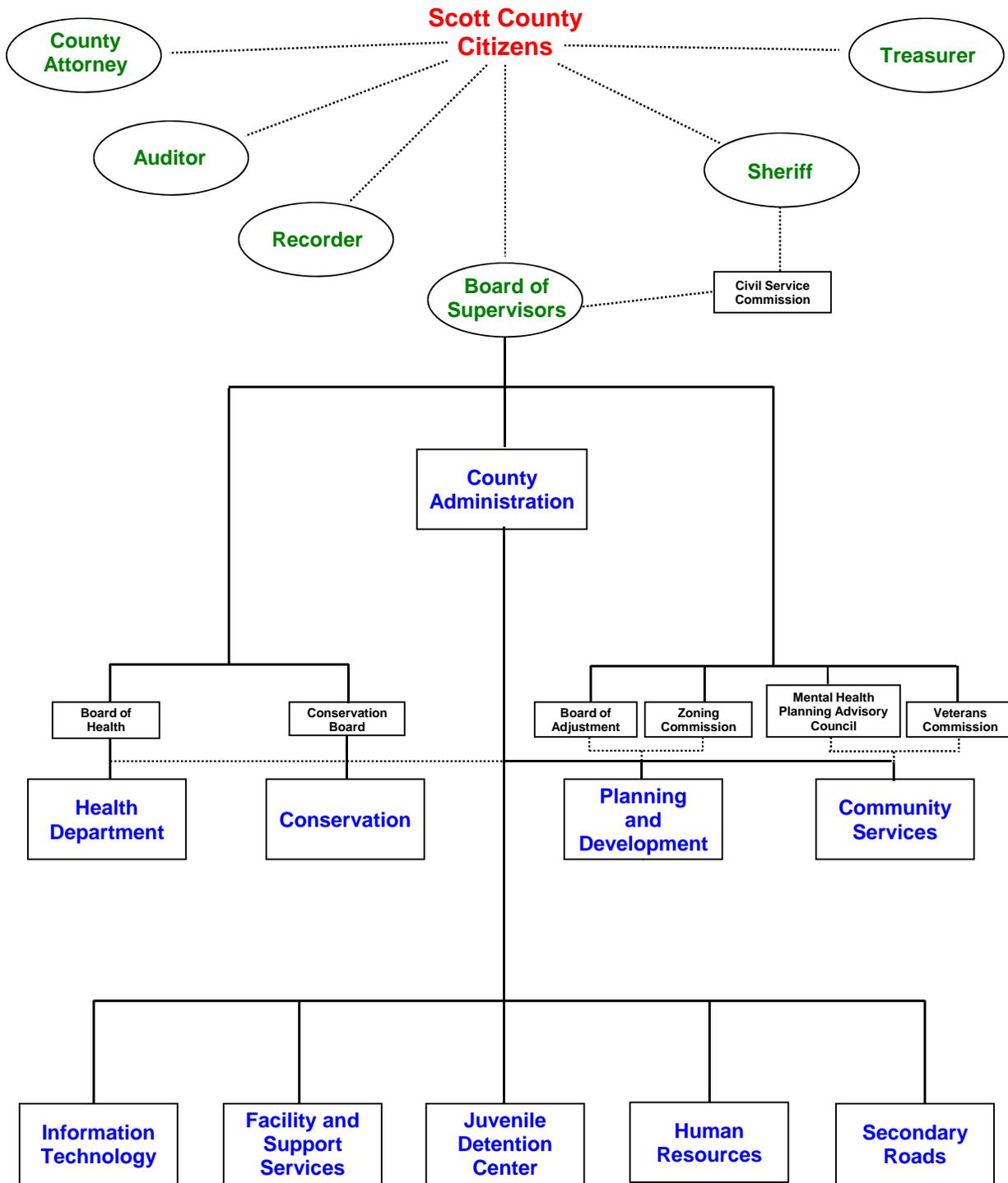
**County of Scott, Iowa**

**County Officials**

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Official Title	Official	Term Expiration Date of Elected Officials
<b>Elected Officials</b>		
Supervisor, Chairperson	James Hancock	2017
Supervisor	Tom Sunderbruch	2017
Supervisor	Carol Earnhardt	2019
Supervisor	Brinson Kinzer	2019
Supervisor	Diane Holst	2019
Attorney	Mike Walton	2019
Auditor	Roxanna Moritz	2017
Recorder	Rita Vargas	2019
Sheriff	Dennis Conard	2017
Treasurer	Bill Fennelly	2019
<b>Administration</b>		
County Administrator	Mahesh Sharma	
<b>Department Heads</b>		
Budget and Administrative Services	David Farmer	
Community Services	Lori Elam	
Conservation	Roger Kean	
Facility and Support Services	Tammy Speidel	
Health	Ed Rivers	
Human Resources	Mary Thee	
Information Technology	Matt Hirst	
Juvenile Detention Center	Jeremy Kaiser	
Planning and Development	Tim Huey	
Secondary Roads	John Burgstrum	

# Scott County Government Organizational Chart



— Direct supervision  
 ..... Advisory relationship



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**County of Scott  
Iowa**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO

**OFFICE OF THE COUNTY ADMINISTRATOR**

600 West Fourth Street  
Davenport, Iowa 52801-1003

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December 13, 2016

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, 2016.

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, 2016. 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: 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 15<sup>th</sup> prior to the beginning of the fiscal year. This annual budget serves as the foundation for Scott County's financial planning and control. The State of Iowa requires the passage of an annual budget of total County operating expenditures by major program service areas (i.e., public safety and legal services, physical health and social services, etc.). Activities of the general fund, special revenue funds, capital projects fund and debt service fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the total program service area level. The County also maintains administrative budgetary control beyond the State required program service area level at the major object of expenditure basis within each County department.

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 2016 population estimate is 172,469.

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 2016 the Scott County rate was 4.9%, while the MSA was 5.6% and the state rate was 3.7%. Decreasing unemployment is a consistent trend over the last five years and corresponds to the national average of 5.0%.

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 \$53,704.

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 338 new starts through June 2016.

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 \$185,500 in June of 2016 which is down from \$191,600 in September of 2015. On the Illinois side of the river the averages sales price was \$117,100 in June of 2016, the same as \$117,100 in June of 2015. The average home value in north Scott County (Eldridge and unincorporated Scott County) for 2016 was \$250,800. In the last five years home prices have risen 7.03% in the Quad Cities area.

Economic development efforts for the Quad Cities as a whole continues 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 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 (19.9% of total 2016 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 2016 ended with an increase in the unassigned general fund balance of approximately \$113,000. 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 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, 2015. This was the twenty-ninth 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, 2016. 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 unfailing support for maintaining the highest standards of professionalism in the management of Scott County's finances.

Respectfully submitted,



Bill Fennelly  
County Treasurer



Roxanna Moritz  
County Auditor



Mahesh Sharma  
County Administrator

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**FINANCIAL**

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## 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, 2016, 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.

To the Board of Supervisors  
County of Scott

### ***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, 2016 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.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the required supplementary information 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 supplementary information as listed in the table of contents, which includes the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is 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 supplementary information is 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 13, 2016 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. Very truly yours,

BAKER TILLY VIRCHOW KRAUSE, LLP

*Baker Tilly Virchow Krause, LLP*

Milwaukee, Wisconsin  
December 13, 2016

## County of Scott, Iowa

### Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2016

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It is an honor to present to you the financial picture of the County of Scott, Iowa. We offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County of Scott, Iowa for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

#### Financial Highlights

The assets and deferred outflows of the County of Scott exceeded its liabilities and deferred inflows of resources as of June 30, 2016 and 2015 by \$99,529,765 and \$99,945,416 (net position), respectively. Of this amount, \$13,784,682 and \$12,218,895, respectively, may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net position decreased by \$415,651 during the year ended June 30, 2016 and increased by \$11,891,825 during the year ended June 30, 2015.

As of June 30, 2016, the County of Scott's governmental funds reported combined ending fund balances of \$42,795,276, an increase of \$2,329,664 in comparison with 2015. Approximately 24 percent of this total amount, \$10,212,287 is available for spending at the government's discretion (unassigned). The increase between 2016 and 2015 is due to the issuance of General Obligation Bonds to finance the Scott County Waste Commission loan agreement for new solid waste recycling building and equipment, offset by the County's capital investment for Courthouse building renovation. As of June 30, 2015, the County of Scott's governmental funds reported combined ending fund balances of \$40,465,612, a decrease of \$11,993,977 in comparison with 2014, which decreased due to the distribution for the advance crossover refunding by the Public Safety Authority, a blended component unit. Approximately 25 percent of this total amount, \$10,098,835, was available for spending at the government's discretion (unassigned fund balance).

As of June 30, 2016, unassigned fund balance for the General Fund was \$10,212,287 or 19.9 percent of total General Fund expenditures including transfers to blended component units and \$10,098,835 or 20.2 percent for 2015.

The County's total long-term debt, excluding compensated absences, net pension liability, other postemployment benefits and claims payable, increased by \$4,985,000 during fiscal year June 30, 2016 and decreased by \$21,027,443 during fiscal year June 30, 2015. The increase in 2016 from 2015 was attributable to issuance of General Obligation Bonds to fund the solid waste recycling agreement with the Scott County Waste Commission. During the year 2016, 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. 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.

#### 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.

## County of Scott, Iowa

### Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2016

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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.

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.

## County of Scott, Iowa

### Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2016

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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 \$264,989,340 and \$256,130,582 for the years ended June 30, 2016 and 2015, 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 70 through 79 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, 2016

#### 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 \$99,945,416 to \$99,529,765. This is due to the net effect of the decrease in net position for the 2016 activity.

Of the County of Scott's net position, 79 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 \$78,613,645 for 2016 and \$75,409,558 for 2015. 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	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 91,657,946	\$ 98,591,007	\$ 670,001	\$ 514,734	\$ 92,327,947	\$ 99,105,741
Noncurrent assets	117,937,836	108,040,336	2,192,545	2,167,093	120,130,381	110,207,429
<b>Total assets</b>	<b>209,595,782</b>	<b>206,631,343</b>	<b>2,862,546</b>	<b>2,681,827</b>	<b>212,458,328</b>	<b>209,313,170</b>
Deferred outflows of resources	<b>3,172,785</b>	<b>3,012,056</b>	<b>58,469</b>	<b>31,398</b>	<b>3,231,254</b>	<b>3,043,454</b>
Current liabilities	10,934,520	11,279,414	164,901	139,345	11,099,421	11,418,759
Noncurrent liabilities outstanding	52,925,039	44,577,870	191,447	90,021	53,116,486	44,667,891
<b>Total liabilities</b>	<b>63,859,559</b>	<b>55,857,284</b>	<b>356,348</b>	<b>229,366</b>	<b>64,215,907</b>	<b>56,086,650</b>
Deferred inflows of resources	<b>51,929,780</b>	<b>56,298,653</b>	<b>14,130</b>	<b>25,905</b>	<b>51,943,910</b>	<b>56,324,558</b>
Net position:						
Net investment in capital assets	76,525,390	73,242,465	2,088,255	2,167,093	78,613,645	75,409,558
Restricted	7,131,438	12,316,963	-	-	7,131,438	12,316,963
Unrestricted	13,322,400	11,928,034	462,282	290,861	13,784,682	12,218,895
<b>Total net position</b>	<b>\$ 96,979,228</b>	<b>\$ 97,487,462</b>	<b>\$ 2,550,537</b>	<b>\$ 2,457,954</b>	<b>\$ 99,529,765</b>	<b>\$ 99,945,416</b>

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 2016 and 2015 consist of \$2,217,903 and \$1,936,389 for debt service, \$359,933 and \$5,116,780 for mental health, \$3,475,520 and \$3,830,301 for secondary roads, \$923,278 and \$955,941 for other statutory programs, \$0 and \$120,370 for Scott emergency communication center, and \$154,804 and \$148,630 for rural services, respectively. An additional \$0 and \$208,552 is restricted by external third parties, respectively. The remaining balance of unrestricted net position, \$13,784,682 for 2016 and \$12,218,895 for 2015, 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 decreased by \$415,651 during the current fiscal year as compared to an increase of \$11,891,825 in 2015. The governmental-type activities' net position decreased by \$508,234 in 2016 and increased by \$11,689,780 in 2015. Capital grants decreased by \$2.9 million related to road infrastructure donated to the County. State tax replacement credits increased by \$1.3 million due to the new property tax commercial and industrial property assessment back fill funding. Mental health expenditures declined by \$2.6 million due to a requirement to transfer prior year fund balance over 25% from the County fund to the Eastern Iowa Mental Health and Disability Services fiscal agent. The total business-type activities' net position increased by \$92,583 in 2016 and increased by

County of Scott, Iowa

Management's Discussion and Analysis (Unaudited)  
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\$202,045 in 2015. The increase in 2016 and 2015 was due to normal operating activities, supplemented with a transfer of \$100,000 and \$223,361, respectively.

Table 2 highlights the County's revenues and expenses for the fiscal year ended June 30, 2016 and 2015. 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	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 6,835,274	\$ 6,916,399	\$ 939,155	\$ 926,316	\$ 7,774,429	\$ 7,842,715
Operating grants and contributions	4,687,936	9,490,079	-	-	4,687,936	9,490,079
Capital grants and contributions	465,967	3,343,518	-	-	465,967	3,343,518
General revenues:						
Taxes:						
Property taxes	45,202,178	46,038,682	-	-	45,202,178	46,038,682
Local option sales tax	4,390,854	4,413,667	-	-	4,390,854	4,413,667
Gaming	569,059	528,381	-	-	569,059	528,381
Other taxes	68,619	71,501	-	-	68,619	71,501
Utility tax replacements	1,887,781	1,891,293	-	-	1,887,781	1,891,293
Penalties, interest and costs on taxes	725,336	715,763	-	-	725,336	715,763
State tax replacement credits	3,848,505	2,598,044	-	-	3,848,505	2,598,044
State shared revenues	4,085,495	3,438,603	-	-	4,085,495	3,438,603
Payments in lieu of taxes	7,980	7,058	-	-	7,980	7,058
Investment earnings	122,472	150,728	788	363	123,260	151,091
Miscellaneous	1,584,940	1,860,536	-	-	1,584,940	1,860,536
<b>Total revenues</b>	<b>74,482,396</b>	<b>81,464,252</b>	<b>939,943</b>	<b>926,679</b>	<b>75,422,339</b>	<b>82,390,931</b>
Expenses:						
Public safety and legal services	22,496,478	21,575,674	-	-	22,496,478	21,575,674
Public safety and legal services - SECC	8,990,086	8,263,625	-	-	8,990,086	8,263,625
Physical health and social services	5,989,809	5,632,413	-	-	5,989,809	5,632,413
Mental health	8,609,386	6,009,778	-	-	8,609,386	6,009,778
County environment and education	5,887,071	5,378,738	-	-	5,887,071	5,378,738
Roads and transportation	8,545,470	8,252,046	-	-	8,545,470	8,252,046
Government services to residents	2,336,652	2,060,111	-	-	2,336,652	2,060,111
Administration	10,702,812	10,483,274	-	-	10,702,812	10,483,274
Interest on long-term debt	1,332,866	1,895,452	-	-	1,332,866	1,895,452
Golf course	-	-	947,360	947,995	947,360	947,995
<b>Total expenses</b>	<b>74,890,630</b>	<b>69,551,111</b>	<b>947,360</b>	<b>947,995</b>	<b>75,837,990</b>	<b>70,499,106</b>
<b>Excess (deficiency) before transfers</b>	<b>(408,234)</b>	<b>11,913,141</b>	<b>(7,417)</b>	<b>(21,316)</b>	<b>(415,651)</b>	<b>11,891,825</b>
Transfers	(100,000)	(223,361)	100,000	223,361	-	-
<b>Increase (decrease) in net position</b>	<b>(508,234)</b>	<b>11,689,780</b>	<b>92,583</b>	<b>202,045</b>	<b>(415,651)</b>	<b>11,891,825</b>
Net position, beginning	97,487,462	85,797,682	2,457,954	2,255,909	99,945,416	88,053,591
Net position, ending	<b>\$ 96,979,228</b>	<b>\$ 97,487,462</b>	<b>\$ 2,550,537</b>	<b>\$ 2,457,954</b>	<b>\$ 99,529,765</b>	<b>\$ 99,945,416</b>

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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 2016	Total Cost of 2015	Net (Expense) of Services 2016	Net (Expense) of Services 2015
Public safety and legal services	\$ 22,496,478	\$ 21,575,674	\$ (20,027,292)	\$ (18,861,262)
Public safety and legal services - SECC	8,990,086	8,263,625	(8,988,773)	(8,165,500)
Physical health and social services	5,989,809	5,632,413	(4,002,992)	(4,054,578)
Mental health	8,609,386	6,009,778	(8,463,555)	(313,635)
County environment and education	5,887,071	5,378,738	(4,223,551)	(3,770,302)
Roads and transportation	8,545,470	8,252,046	(7,912,601)	(4,834,646)
Government services to residents	2,336,652	2,060,111	771,784	795,498
Administration	10,702,812	10,483,274	(10,159,503)	(10,059,994)
Debt service, interest	1,332,866	1,895,452	105,030	(536,696)
<b>Total</b>	<b>\$ 74,890,630</b>	<b>\$ 69,551,111</b>	<b>\$ (62,901,453)</b>	<b>\$ (49,801,115)</b>

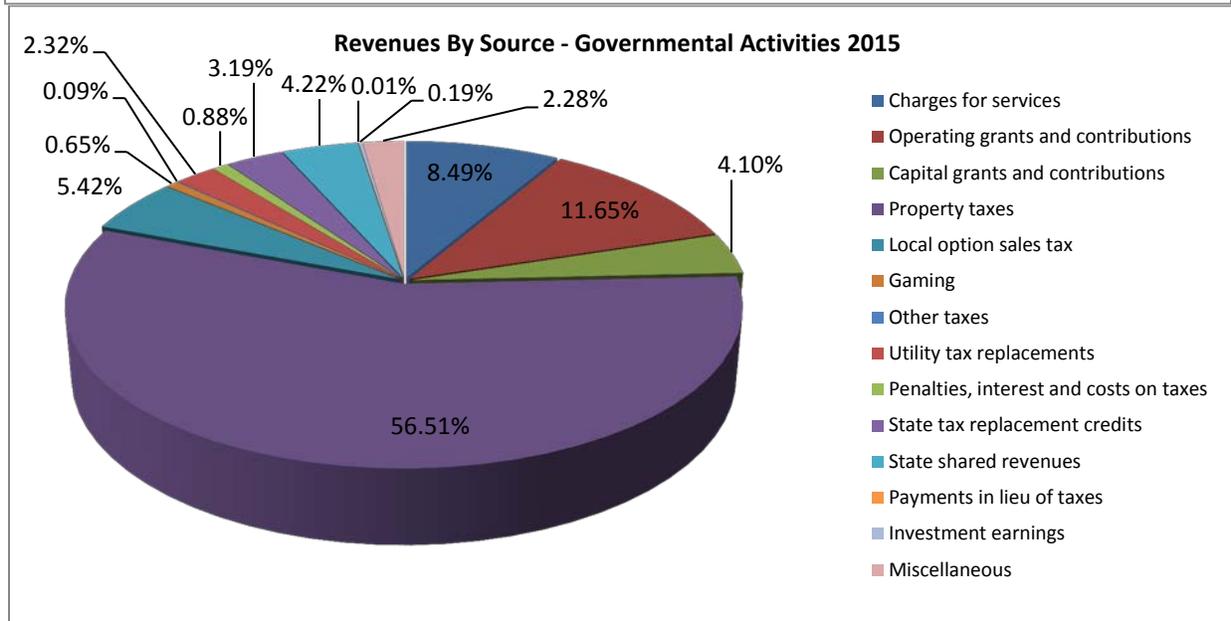
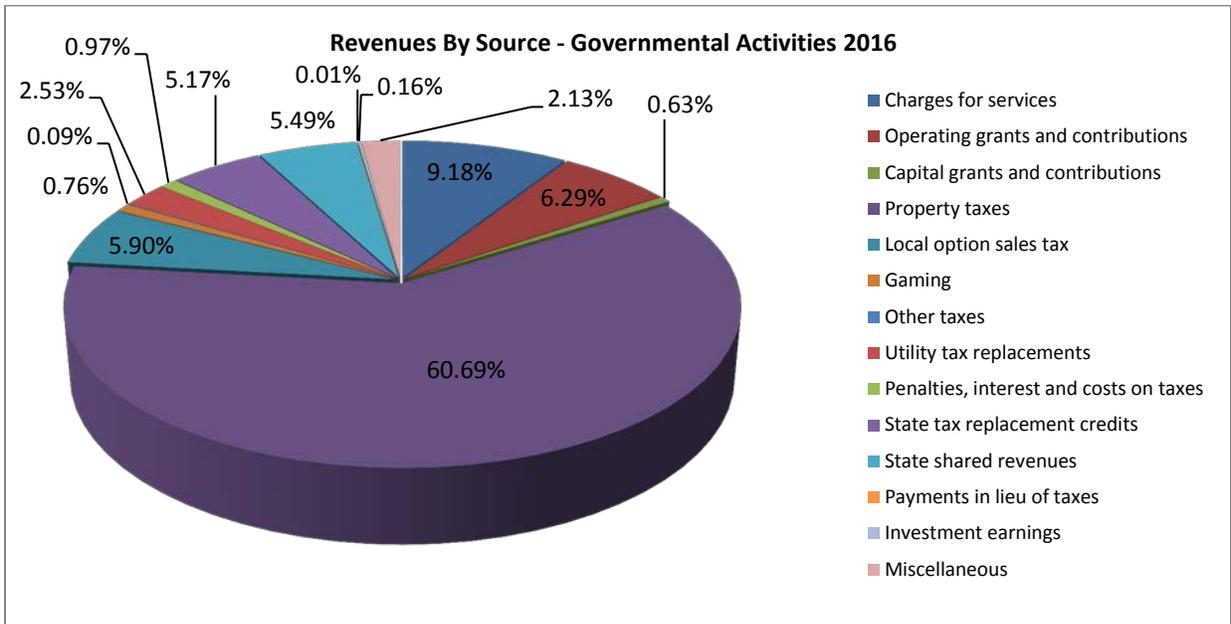
Net cost of services is 84 percent of total cost of services in 2016 and 72 percent in 2015. The change in net cost was significantly impacted by the change in state funding for MHDD eligible services through the mental health redesign of services, the requirement to remit excess fund balance to the mental health region and capital contributions for Road and Transportation. Mental health services increased \$2.6 million, while the net cost of the county increased by \$8.1 million. Capital contributions for Roads and Transportation decreased by \$2.9 million from FY 2015 to FY 2016.

County of Scott, Iowa

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Governmental Activities

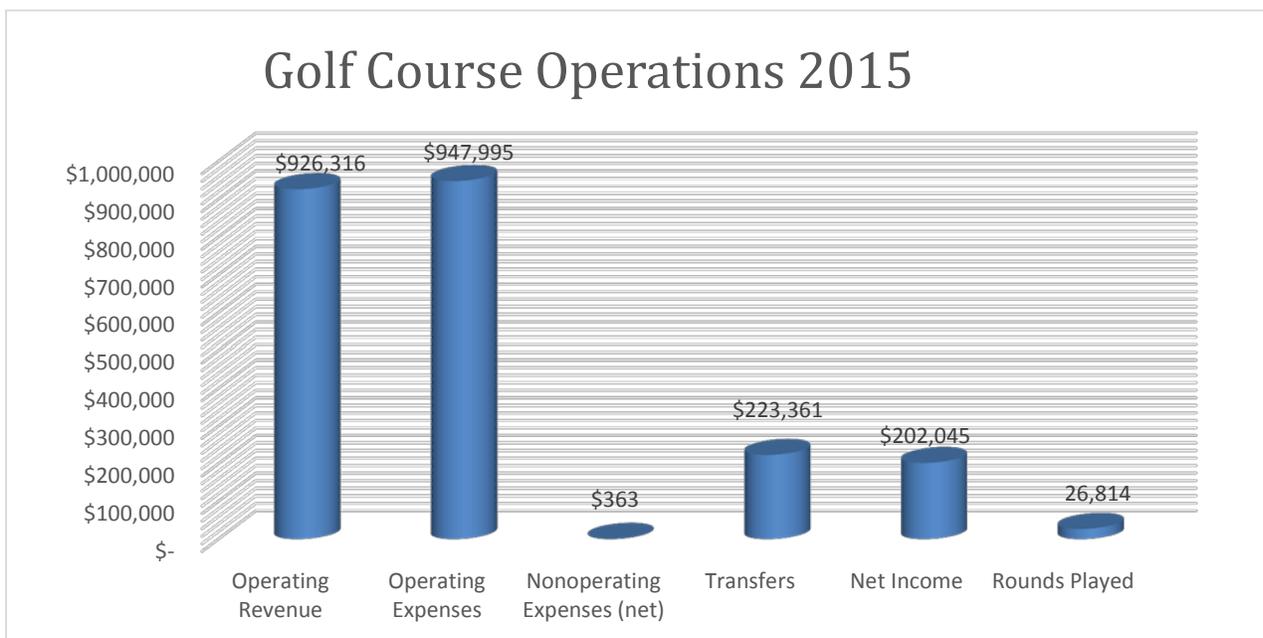
The graphs below show the percentage of the total governmental activities revenues allocated by each revenue type for 2016 and 2015.



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Total business-type activities' revenue for the fiscal years ended June 30, 2016 and 2015 was \$939,155 and \$926,316, 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 2016 and 2015. The golf course experienced a 3.9% increase in rounds played, while operating revenue increased to \$939,155 or 1.4%. The fund expended more on depreciation expense, loss on assets disposed and less on personnel expenses in fiscal year 2016.



## County of Scott, Iowa

### Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2016

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**Business-type activities:** Business-type activities increased net position by \$92,583 in the government's net position in fiscal year ended June 30, 2016 compared to an increase of \$202,045 in fiscal year ended June 30, 2015.

#### 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 \$42,795,276, an increase of \$2,329,664 in comparison with the prior year fund balance of \$40,465,612. Approximately 24 percent of the 2016 total amount or \$10,212,287 constitutes unassigned fund balance. Approximately \$10,098,835, or 25 percent, for 2015 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 primarily due to the release of restricted fund balance to the Eastern Iowa Mental Health and Disabilities Services Region, of approximately \$3.9 million. Additionally, the Capital Projects Fund assigned capital balance decreased \$0.8 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 \$10,212,287 for 2016. The amount unassigned was \$10,098,835 for 2015 while total fund balance was \$14,923,304 for 2016 and \$14,436,737 for 2015. Fund balance increased due to approximately \$1.8 million more in intergovernmental revenues for restricted grants and general state funding while an additional \$1.5 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 19.9 percent of General Fund expenditures including transfers to blended component units for 2016, while the unassigned fund balance represented 20.2 percent of total General Fund expenditures including transfers to blended component units for 2015. Total fund balance also represents approximately 29 and 29 percent of expenditures including transfers to blended component units for 2016 and 2015, respectively.

The fund balance of the County's General Fund increased by \$486,567 during the year ended June 30, 2016. Property tax revenues decreased approximately \$630,000 as property tax growth from property tax reassessments was replaced with \$715,000 commercial and industrial property tax rollback intergovernmental revenues and business tax credits of \$344,000 from the State of Iowa. Local Option Sales Taxes each decreased by \$12,000. Other intergovernmental grants increased \$700,000, mostly through the Women Infant Child Nutrition grant of \$340,000. Net charges for services decreased by \$144,000. The County's General Fund expenditures were \$44,356,307 in fiscal year 2016, compared to \$43,290,008 in fiscal year 2015 or an increase of approximately \$1.1 million. Salary and benefit expenditures across all departments increased \$0.8 million or 2.5% from the prior fiscal period.

The fund balance of the County's Mental Health / Development Disabilities Fund decreased by \$4,756,847 in 2016 compared to an increase of \$3,149,867 in 2015. The key factor in the decrease is the required distribution to the Eastern Iowa Mental Health and Disabilities Services Region the fund balance as of June 30, 2015 that exceeded 25% of the 2016 projected expenditures. This balance was remitted to the region for regional holding and funding.

## County of Scott, Iowa

### Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2016

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The Secondary Roads Fund decreased \$354,781 in 2016 compared to an increase of \$681,014 in 2015. The decrease in fund balance relates to higher than anticipated revenues during the year of the road use tax while expending resources for the development of an expanded garage and management office at the Eldridge facility. The state amended the road use tax in March of 2015, which generated new revenue before projects could be fully identified and implemented.

The Debt Service Fund increased \$8,607,160 in 2016 compared to an increase of \$65,189 in 2015. The increase in fund balance relates to 911 surcharge fee revenue exceeding the amount necessary to pay for the 2009 Emergency Equipment Bonds, the issuance of the 2015 Solid Waste Disposal General Obligation Bonds offset by the normal principal and interest payments on debt outstanding. The proceeds for the debt issuance were loaned to the Scott County Waste Commission to fund the purchase of recycling equipment and building improvements.

The Scott Emergency Communication Center decreased fund balance by \$625,697 in 2016 compared to \$685,807 decrease in 2015. Transferred contributions from the County tax levy decreased by \$370,000, while expenditures decreased by \$507,000. The Center expended fund balance for capital improvements of \$330,171 in 2016 and paid off an equipment note to the City of Davenport in the amount of \$517,000 in 2015, which did not reoccur in 2016.

The Capital Projects Fund decreased fund balance by \$1,043,456 compared to \$3,469,850 increase in the prior year. The transfers in from the County's general fund decreased by \$1.2 million to \$5,522,728. 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, and secondary roads facility improvements.

**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 \$74,441,369 was decreased to \$73,208,909 (a decrease of \$1,232,460) mainly due to a decreased grant revenue related to mental health expenditures. Actual revenues received were \$74,153,447.
- The total original expenditure budget of \$80,775,787 was increased to \$87,233,476 (an increase of \$6,457,689) mainly for of capital outlay expenditures (\$2,435,030), an increase in mental health expenditures (\$1,147,000), Roads and Transportation (\$1,700,000) for state coded capital improvements and salary and benefit estimates. Actual expenditures were \$79,677,968.
- The total original budget for transfers to governmental funds in and out of \$11,247,067 was increased to \$14,411,912 (an increase of \$3,164,845).

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

## County of Scott, Iowa

### Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2016

is especially true for capital outlay function when projects may roll over to a subsequent fiscal year. The budgeted transfers out are for transfers to capital projects and special revenue funds.

#### Capital Asset and Debt Administration

Capital assets: The County's investment in capital assets for its governmental and business-type activities as of June 30, 2016 and 2015, amounts to \$111,915,381 and \$110,148,652 (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 2016 was 1.6 percent (a 1.6 percent increase for governmental activities and a 1.2 percent increase for business-type activities). 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).

Major capital asset events during the current fiscal year ended June 30, 2016 included, courthouse remodel, secondary roads building and equipment purchases, road resurfacing, and general building improvements.

#### Capital Assets

Table 4 - County of Scott's Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 4,714,211	\$ 4,424,944	\$ 1,556,336	\$ 1,556,336	\$ 6,270,547	\$ 5,981,280
Construction-in-progress	4,339,812	7,145,806	-	-	4,339,812	7,145,806
Buildings	82,449,567	73,974,797	577,483	577,483	83,027,050	74,552,280
Improvements other than buildings	7,845,733	7,764,971	307,632	244,081	8,153,365	8,009,052
Infrastructure	96,928,158	92,553,824	-	-	96,928,158	92,553,824
Intangible-software	3,767,526	3,676,053	-	-	3,767,526	3,676,053
Machinery and equipment	33,815,335	36,376,095	1,243,340	1,558,547	35,058,675	37,934,642
Accumulated depreciation	(124,137,506)	(117,934,931)	(1,492,246)	(1,769,354)	(125,629,752)	(119,704,285)
<b>Total</b>	<b>\$ 109,722,836</b>	<b>\$ 107,981,559</b>	<b>\$ 2,192,545</b>	<b>\$ 2,167,093</b>	<b>\$ 111,915,381</b>	<b>\$ 110,148,652</b>

Additional information on the County of Scott's capital assets can be found in Note 4 of this report.

Debt: As of June 30, 2016, the County of Scott, Iowa had general obligation bonds outstanding totaling \$16,350,000, revenue bonds for the jail facility refunding for \$16,060,000, and notes payable of \$7,820,000. In the current year, all planned debt service payments were funded and paid. During the year, 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, 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 fiscal year 2015, all planned debt service payments were funded and paid. A 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, 2016

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

	2016	2015	Maturity
Governmental activities:			
General obligation bonds	\$ 16,350,000	\$ 9,330,000	2035
Revenue bonds	16,060,000	17,675,000	2025
Notes payable	7,820,000	8,240,000	2029
Total governmental activities	<u>\$ 40,230,000</u>	<u>\$ 35,245,000</u>	

Additional information about the County's long-term debt can be found in Note 5 to the financial statements.

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

- Scott County's urban levy rate was reduced to \$5.82 for FY17 or 3.0% decline in property taxes rates. The rural county levy rate decreased by 2.7% for the budget year ending June 30, 2017 due to the legal requirement of Road Use Tax (RUT) local effort match. The tax base for the County of Scott increased 3.6 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 \$14.12 or 8.7% was approved by the board in October 2016 for the calendar year 2017. The premium increase averages to 2.5% annually over the last six years since becoming self-funded. The county has two bargaining units up for negotiation in the fall of 2016.
- 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 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, 2017 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 Mahesh Sharma, County Administrator, Scott County Administrative Center, 600 West 4<sup>th</sup> Street, Davenport, Iowa 52801-1003.

County of Scott, Iowa

Statement of Net Position  
As of June 30, 2016

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 38,481,782	\$ 660,306	\$ 39,142,088	\$ 620,657
Restricted cash and investments	6,137	-	6,137	-
Receivables:				
Property taxes, net of allowance for collection losses	49,701,859	-	49,701,859	-
Accounts	569,020	60	569,080	-
Interest	776	-	776	-
Due from other governmental agencies	2,196,755	-	2,196,755	37,251
Prepays	701,617	-	701,617	33,646
Inventories	-	9,635	9,635	-
<b>Total current assets</b>	<b>91,657,946</b>	<b>670,001</b>	<b>92,327,947</b>	<b>691,554</b>
Noncurrent assets:				
Receivables:				
Loans	8,215,000	-	8,215,000	-
Other post employment benefits	-	-	-	2,523
Capital assets:				
Not depreciated or amortized:				
Land	4,714,211	1,556,336	6,270,547	16,600
Construction-in-progress	4,339,812	-	4,339,812	-
Depreciated or amortized:				
Buildings	82,449,567	577,483	83,027,050	1,131,866
Improvements other than buildings	7,845,733	307,632	8,153,365	-
Infrastructure	96,928,158	-	96,928,158	-
Intangible - software	3,767,526	-	3,767,526	-
Machinery and equipment	33,815,335	1,243,340	35,058,675	829,061
Less accumulated depreciation	(124,137,506)	(1,492,246)	(125,629,752)	(1,079,620)
<b>Total capital assets</b>	<b>109,722,836</b>	<b>2,192,545</b>	<b>111,915,381</b>	<b>897,907</b>
<b>Total noncurrent assets</b>	<b>117,937,836</b>	<b>2,192,545</b>	<b>120,130,381</b>	<b>900,430</b>
<b>Total assets</b>	<b>209,595,782</b>	<b>2,862,546</b>	<b>212,458,328</b>	<b>1,591,984</b>
<b>Deferred Outflows of Resources</b>				
Pension related deferred outflows	3,172,785	58,469	3,231,254	63,301
<b>Total assets and deferred outflows of resources</b>	<b>\$ 212,768,567</b>	<b>\$ 2,921,015</b>	<b>\$ 215,689,582</b>	<b>\$ 1,655,285</b>

See Notes to Basic Financial Statements

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>				
Liabilities:				
Accounts payable	\$ 3,117,216	\$ 31,686	\$ 3,148,902	\$ 24,729
Current portion of claims payable	735,261	-	735,261	-
Accrued liabilities	1,904,902	49,174	1,954,076	46,808
Interest payable	112,346	5,962	118,308	-
Unearned revenue	69,022	30,169	99,191	-
Compensated absences	1,645,773	15,060	1,660,833	32,120
Current portion of capital lease	-	32,850	32,850	-
Current portion of general obligation bonds	1,260,000	-	1,260,000	-
Current portion of notes payable	440,000	-	440,000	-
Current portion of revenue bonds	1,650,000	-	1,650,000	-
<b>Total current liabilities</b>	<b>10,934,520</b>	<b>164,901</b>	<b>11,099,421</b>	<b>103,657</b>
Noncurrent liabilities:				
Claims payable	119,573	-	119,573	-
Capital lease	-	71,440	71,440	-
Compensated absences	1,361,165	25,406	1,386,571	60,123
Other post employment benefits obligation	524,338	2,266	526,604	3,674
Net pension liability	13,674,145	92,335	13,766,480	442,125
General obligation bonds payable, net bond premium	15,194,038	-	15,194,038	-
Note payable	7,380,000	-	7,380,000	-
Revenue bonds payable, net bond premium	14,671,780	-	14,671,780	-
<b>Total noncurrent liabilities</b>	<b>52,925,039</b>	<b>191,447</b>	<b>53,116,486</b>	<b>505,922</b>
<b>Total liabilities</b>	<b>63,859,559</b>	<b>356,348</b>	<b>64,215,907</b>	<b>609,579</b>
Deferred inflows of resources:				
Pension related deferred inflows	2,357,231	14,130	2,371,361	36,076
Unearned revenue	49,572,549	-	49,572,549	-
<b>Total deferred inflows of resources</b>	<b>51,929,780</b>	<b>14,130</b>	<b>51,943,910</b>	<b>36,076</b>
Net position:				
Net investment in capital assets	76,525,390	2,088,255	78,613,645	897,907
Restricted for:				
Debt service	2,217,903	-	2,217,903	-
Other statutory programs	923,278	-	923,278	-
Mental health	359,933	-	359,933	-
Secondary roads	3,475,520	-	3,475,520	-
Rural services	154,804	-	154,804	-
Unrestricted	13,322,400	462,282	13,784,682	111,723
<b>Total net position</b>	<b>96,979,228</b>	<b>2,550,537</b>	<b>99,529,765</b>	<b>1,009,630</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 212,768,567</b>	<b>\$ 2,921,015</b>	<b>\$ 215,689,582</b>	<b>\$ 1,655,285</b>

County of Scott, Iowa

Statement of Activities  
For the Year Ended June 30, 2016

Functions / Programs	Program Revenues			
	Expenses	Charges for Sales and Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities:				
Public safety and legal services	\$ 22,496,478	\$ 1,462,328	\$ 1,006,858	\$ -
Public safety and legal services - SECC	8,990,086	-	1,313	-
Physical health and social services	5,989,809	420,561	1,566,256	-
Mental health	8,609,386	145,831	-	-
County environment and education	5,887,071	1,598,171	65,349	-
Roads and transportation	8,545,470	42,480	124,422	465,967
Government services to residents	2,336,652	2,750,040	358,396	-
Administration	10,702,812	415,863	127,446	-
Interest on long-term debt	1,332,866	-	1,437,896	-
<b>Total governmental activities</b>	<b>74,890,630</b>	<b>6,835,274</b>	<b>4,687,936</b>	<b>465,967</b>
Business-Type activities, golf	947,360	939,155	-	-
<b>Total primary government</b>	<b>\$ 75,837,990</b>	<b>\$ 7,774,429</b>	<b>\$ 4,687,936</b>	<b>\$ 465,967</b>
<b>Component Units</b>				
Emergency Management Agency	\$ 274,824	\$ 54,360	\$ 187,540	\$ -
County Library	1,164,723	13,928	1,154,471	-
<b>Total component units</b>	<b>\$ 1,439,547</b>	<b>\$ 68,288</b>	<b>\$ 1,342,011</b>	<b>\$ -</b>
<b>General Revenues</b>				
Taxes:				
Property taxes				
Local option sales tax				
Gaming				
Other taxes				
Utility tax replacements				
Penalties, interest and costs on taxes				
State tax replacement credits, unrestricted				
State shared revenues, unrestricted				
Payments in lieu of taxes				
Investment earnings				
Miscellaneous				
<b>Total general revenues</b>				
<b>Transfers</b>				
Changes in net position				
Net position, beginning of year				
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
\$ (20,027,292)	\$ -	\$ (20,027,292)	\$ -
(8,988,773)	-	(8,988,773)	-
(4,002,992)	-	(4,002,992)	-
(8,463,555)	-	(8,463,555)	-
(4,223,551)	-	(4,223,551)	-
(7,912,601)	-	(7,912,601)	-
771,784	-	771,784	-
(10,159,503)	-	(10,159,503)	-
105,030	-	105,030	-
<u>(62,901,453)</u>	<u>-</u>	<u>(62,901,453)</u>	<u>-</u>
-	(8,205)	(8,205)	-
<u>(62,901,453)</u>	<u>(8,205)</u>	<u>(62,909,658)</u>	<u>-</u>
			(32,924)
			<u>3,676</u>
			<u>(29,248)</u>
45,202,178	-	45,202,178	-
4,390,854	-	4,390,854	-
569,059	-	569,059	-
68,619	-	68,619	-
1,887,781	-	1,887,781	-
725,336	-	725,336	-
3,848,505	-	3,848,505	-
4,085,495	-	4,085,495	-
7,980	-	7,980	-
122,472	788	123,260	1,011
1,584,940	-	1,584,940	11,901
<u>62,493,219</u>	<u>788</u>	<u>62,494,007</u>	<u>12,912</u>
<u>(100,000)</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
(508,234)	92,583	(415,651)	(16,336)
<u>97,487,462</u>	<u>2,457,954</u>	<u>99,945,416</u>	<u>1,025,966</u>
<u>\$ 96,979,228</u>	<u>\$ 2,550,537</u>	<u>\$ 99,529,765</u>	<u>\$ 1,009,630</u>

County of Scott, Iowa

Balance Sheet  
 Governmental Funds  
 As of June 30, 2016

	General	Mental Health/ Development Disabilities
<b>Assets</b>		
Cash and investments	\$ 15,385,620	\$ 794,024
Restricted cash and investments	-	-
Receivables		
Property taxes, net of allowance for collection losses	41,022,018	3,316,710
Accounts	91,256	-
Interest	776	-
Loans	-	-
Due from other governmental agencies	1,866,535	-
Prepays	553,834	-
<b>Total assets</b>	<b>\$ 58,920,039</b>	<b>\$ 4,110,734</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>		
Liabilities:		
Accounts payable	\$ 1,115,230	\$ 408,703
Claims payable	6,506	-
Accrued liabilities	1,565,330	25,686
Compensated absences	1,558	-
Unearned revenue	69,022	-
<b>Total liabilities</b>	<b>2,757,646</b>	<b>434,389</b>
Deferred Inflows of Resources:		
Unavailable revenue	324,668	8,380
Unearned revenue	40,914,421	3,308,032
<b>Total deferred resources of inflows</b>	<b>41,239,089</b>	<b>3,316,412</b>
Fund balances:		
Nonspendable	553,834	-
Restricted	849,023	359,933
Assigned	3,308,160	-
Unassigned	10,212,287	-
<b>Total fund balances</b>	<b>14,923,304</b>	<b>359,933</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 58,920,039</b>	<b>\$ 4,110,734</b>

See Notes to Basic Financial Statements

Secondary Roads	Scott Emergency Communication Center	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
\$ 3,420,104	\$ 2,028,007	\$ 12,669,670	\$ 2,134,615	\$ 228,836	\$ 36,660,876
-	-	-	-	6,137	6,137
-	-	-	2,416,770	2,946,361	49,701,859
-	15,000	118,224	231,751	-	456,231
-	-	-	-	-	776
-	-	-	8,215,000	-	8,215,000
316,552	-	13,668	-	-	2,196,755
-	15,719	-	-	-	569,553
<u>\$ 3,736,656</u>	<u>\$ 2,058,726</u>	<u>\$ 12,801,562</u>	<u>\$ 12,998,136</u>	<u>\$ 3,181,334</u>	<u>\$ 97,807,187</u>
\$ 133,374	\$ 98,751	\$ 1,355,666	\$ -	\$ -	\$ 3,111,724
-	-	-	-	-	6,506
127,762	186,124	-	-	-	1,904,902
-	-	-	-	-	1,558
-	-	-	-	-	69,022
<u>261,136</u>	<u>284,875</u>	<u>1,355,666</u>	<u>-</u>	<u>-</u>	<u>5,093,712</u>
-	-	-	5,692	6,910	345,650
-	-	-	2,410,868	2,939,228	49,572,549
-	-	-	2,416,560	2,946,138	49,918,199
-	15,719	-	-	-	569,553
3,475,520	1,758,132	-	10,581,576	235,196	17,259,380
-	-	11,445,896	-	-	14,754,056
-	-	-	-	-	10,212,287
<u>3,475,520</u>	<u>1,773,851</u>	<u>11,445,896</u>	<u>10,581,576</u>	<u>235,196</u>	<u>42,795,276</u>
<u>\$ 3,736,656</u>	<u>\$ 2,058,726</u>	<u>\$ 12,801,562</u>	<u>\$ 12,998,136</u>	<u>\$ 3,181,334</u>	<u>\$ 97,807,187</u>

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County of Scott, Iowa

**Reconciliation of Total Governmental Fund Balances  
to Net Position of Governmental Activities  
As of June 30, 2016**

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Total governmental fund balances \$ 42,795,276

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

Land	\$ 4,714,211	
Construction-in-progress	4,339,812	
Buildings	82,449,567	
Improvements other than buildings	7,845,733	
Infrastructure	96,928,158	
Intangibles - software	3,767,526	
Machinery and equipment	33,815,335	
Accumulated depreciation and amortization	<u>(124,137,506)</u>	109,722,836

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

Delinquent tax	124,900
Local Option Sales tax	220,750

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:

1,520,099

Pension related deferred outflows 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	3,172,785
Deferred inflows of resources	(2,357,231)

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	(308,160)	
Compensated absences	(3,005,380)	
Other post employment benefits obligation	(524,338)	
Accrued interest payable	(112,346)	
Notes payable	(7,820,000)	
Bond premium	(365,818)	
Net pension liability - cost sharing plan	(13,674,145)	
Revenue bonds payable	(16,060,000)	
General obligation bonds payable	(16,350,000)	(58,220,187)
<b>Net position of governmental activities</b>	<u><u>\$ 96,979,228</u></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, 2016

	General	Mental Health/ Development Disabilities
Revenues:		
Property taxes	\$ 37,039,134	\$ 3,029,683
Local option sales tax	4,390,604	-
Other taxes	1,646,822	133,029
Interest and penalties on taxes	725,336	-
Intergovernmental	6,330,186	263,804
Charges for services	5,959,561	1,970
Investment earnings	77,432	7,878
Licenses and permits	793,446	-
Rentals and fees	89,743	-
Other	931,026	75,676
<b>Total revenues</b>	<b>57,983,290</b>	<b>3,512,040</b>
Expenditures:		
Current:		
Public safety and legal services	21,288,194	-
Physical health and social services	5,922,900	-
Mental health	155,942	8,268,887
County environment and education	4,188,567	-
Roads and transportation	-	-
Government services to residents	2,334,861	-
Administration	9,884,332	-
Capital outlay	581,511	-
Debt service		
Principal	-	-
Interest and fees	-	-
<b>Total Expenditures</b>	<b>44,356,307</b>	<b>8,268,887</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>13,626,983</b>	<b>(4,756,847)</b>
Other financing sources (uses):		
Transfers in	90,868	-
Transfers out	(13,231,284)	-
Debt issued	-	-
Premium on debt issued	-	-
Proceeds from sale of capital assets	-	-
<b>Total other financing sources (uses)</b>	<b>(13,140,416)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>486,567</b>	<b>(4,756,847)</b>
Fund balances, beginning of year	14,436,737	5,116,780
Fund balances, end of year	<b>\$ 14,923,304</b>	<b>\$ 359,933</b>

See Notes to Basic Financial Statements.

Secondary Roads	Scott Emergency Communication Center	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
\$ -	\$ -	\$ -	\$ 2,485,547	\$ 2,656,390	\$ 45,210,754
-	-	-	-	-	4,390,604
-	-	569,059	103,264	73,284	2,525,458
-	-	-	-	-	725,336
4,470,567	137,936	41,464	1,512,917	147,945	12,904,819
2,782	-	-	-	30,426	5,994,739
6,355	4,020	19,620	3,241	370	118,916
39,698	-	-	-	-	833,144
-	-	-	-	-	89,743
25,753	17,348	182,991	-	-	1,232,794
4,545,155	159,304	813,134	4,104,969	2,908,415	74,026,307
-	6,179,558	-	-	-	27,467,752
-	-	-	-	-	5,922,900
-	-	-	-	-	8,424,829
-	-	-	-	561,697	4,750,264
4,723,640	-	-	-	-	4,723,640
-	-	-	-	-	2,334,861
-	-	-	91,930	-	9,976,262
3,261,296	330,171	7,573,875	-	-	11,746,853
-	420,000	-	1,195,000	1,615,000	3,230,000
-	418,828	-	574,718	335,618	1,329,164
7,984,936	7,348,557	7,573,875	1,861,648	2,512,315	79,906,525
(3,439,781)	(7,189,253)	(6,760,741)	2,243,321	396,100	(5,880,218)
3,085,000	6,563,556	5,522,728	-	1,950,618	17,212,770
-	-	(70,868)	(1,950,618)	(2,330,000)	(17,582,770)
-	-	-	8,215,000	-	8,215,000
-	-	-	99,457	-	99,457
-	-	265,425	-	-	265,425
3,085,000	6,563,556	5,717,285	6,363,839	(379,382)	8,209,882
(354,781)	(625,697)	(1,043,456)	8,607,160	16,718	2,329,664
3,830,301	2,399,548	12,489,352	1,974,416	218,478	40,465,612
\$ 3,475,520	\$ 1,773,851	\$ 11,445,896	\$ 10,581,576	\$ 235,196	\$ 42,795,276

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, 2016**

Net change in fund balances - governmental funds	\$	2,329,664
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>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:</p>		
Capital outlay capitalized		10,382,755
Depreciation		
Public safety and legal services	\$ (1,380,567)	
Public safety and legal services - SECC	(2,079,204)	
Physical health and social services	(31,750)	
Mental health	(5,300)	
County environment and education	(699,947)	
Roads and transportation	(3,538,368)	
Governmental services to residents	(7,378)	
Administration	<u>(560,737)</u>	(8,303,251)
Book value of capital assets retired, net of \$265,425 proceeds		(543,545)
Capital contribution		205,316
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(18,200)
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		(931,021)
<p>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:</p>		
Issuance of General Obligation bonds		(8,215,000)
Bond premium for debt issued		(99,457)
Repayment of bond principal		3,230,000
Interest expense		(11,453)
Amortization of bond premium		100,989
<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 governmental funds:</p>		
Change in claims payable		99,555
Change in compensated absences		64,533
Change in net pension liability and related deferred inflows / outflows		1,283,497
Change in other post employment benefits obligation		(82,616)
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>(508,234)</u></b>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Net Position  
 Proprietary Funds  
 As of June 30, 2016

	Business-Type Activities Enterprise Fund - Golf Course	Governmental Activities Internal Service Funds
<b>Assets</b>		
Current assets:		
Cash and investments	\$ 660,306	\$ 1,820,906
Receivables, accounts	60	112,789
Prepays	-	132,064
Inventories	9,635	-
<b>Total current assets</b>	<u>670,001</u>	<u>2,065,759</u>
Noncurrent assets:		
Capital assets:		
Land	1,556,336	-
Buildings	577,483	-
Improvements other than buildings	307,632	-
Machinery and equipment	1,243,340	-
Less accumulated depreciation	(1,492,246)	-
<b>Total capital assets</b>	<u>2,192,545</u>	<u>-</u>
<b>Total noncurrent assets</b>	<u>2,192,545</u>	<u>-</u>
<b>Total assets</b>	<u>2,862,546</u>	<u>2,065,759</u>
<b>Deferred Outflows of Resources</b>		
Pension related deferred outflows	58,469	-
<b>Total assets and deferred outflows of resources</b>	<u>\$ 2,921,015</u>	<u>\$ 2,065,759</u>
<b>Liabilities and Net Position</b>		
Current liabilities:		
Accounts payable	\$ 31,686	\$ 5,492
Claims payable	-	540,168
Accrued liabilities	49,174	-
Interest payable	5,962	-
Unearned revenue	30,169	-
Capital lease	32,850	-
Compensated absences	15,060	-
<b>Total current liabilities</b>	<u>164,901</u>	<u>545,660</u>
Noncurrent liabilities		
Capital lease	71,440	-
Compensated absences	25,406	-
Other post employment benefits obligation	2,266	-
Net pension liability	92,335	-
<b>Total noncurrent liabilities</b>	<u>191,447</u>	<u>-</u>
<b>Total liabilities</b>	<u>356,348</u>	<u>545,660</u>
<b>Deferred Inflows of Resources</b>		
Pension related deferred inflows	14,130	-
<b>Net Position:</b>		
Net investment in capital assets	2,088,255	-
Unrestricted	462,282	1,520,099
<b>Total net position</b>	<u>2,550,537</u>	<u>1,520,099</u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<u>\$ 2,921,015</u>	<u>\$ 2,065,759</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, 2016

	Business-Type Activities	Governmental Activities
	Enterprise Fund - Golf Course	Internal Service Funds
Operating revenues:		
Charges for services	\$ 814,062	\$ 6,682,838
Sales, net of cost of goods sold of \$71,959	123,910	-
Other	1,183	336,574
<b>Total operating revenues</b>	<b>939,155</b>	<b>7,019,412</b>
Operating expenses:		
Personnel	575,039	-
Depreciation	58,768	-
Claims and administrative charges	-	8,223,989
Other	248,709	-
<b>Total operating expenses</b>	<b>882,516</b>	<b>8,223,989</b>
<b>Operating income (loss)</b>	<b>56,639</b>	<b>(1,204,577)</b>
Nonoperating revenues:		
Loss on assets disposed	(58,882)	-
Investment earnings	788	3,556
Interest expense	(5,962)	-
<b>Total nonoperating revenues</b>	<b>(64,056)</b>	<b>3,556</b>
<b>Income (loss) before transfers</b>	<b>(7,417)</b>	<b>(1,201,021)</b>
<b>Transfers in</b>	<b>100,000</b>	<b>270,000</b>
<b>Change in net position</b>	<b>92,583</b>	<b>(931,021)</b>
Total net position, beginning of year	2,457,954	2,451,120
Total net position, end of year	<b>\$ 2,550,537</b>	<b>\$ 1,520,099</b>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Cash Flows  
 Proprietary Funds  
 For the Year Ended June 30, 2016

	Business-Type Activities Enterprise Fund - Golf Course	Governmental Activities Internal Service Funds
Cash flows from operating activities:		
Cash received from customers	\$ 1,014,020	\$ 6,682,838
Customer deposits paid	1,082	-
Refunds from outside sources	-	399,567
Cash payments to suppliers for goods and services	(269,492)	(8,080,985)
Cash payments to employees for services	(578,402)	-
<b>Net cash from operating activities</b>	<u>167,208</u>	<u>(998,580)</u>
Cash flows from capital and related financing activities:		
Payments on capital lease	(38,811)	-
<b>Net cash from capital and related financing activities</b>	<u>(38,811)</u>	<u>-</u>
Cash flows from noncapital financing activities		
Transfers	100,000	270,000
<b>Net cash from noncapital financing activities</b>	<u>100,000</u>	<u>270,000</u>
Cash flows from investing activities, interest received	787	3,556
<b>Net increase (decrease) in cash and cash equivalents</b>	229,184	(725,024)
Cash and cash equivalents:		
Beginning	431,122	2,545,930
Ending	<u>\$ 660,306</u>	<u>\$ 1,820,906</u>
Reconciliation of operating income (loss) to net cash from operating activities:		
Operating income (loss)	\$ 56,639	\$ (1,204,577)
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Depreciation	58,768	-
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Receivables	74,865	62,993
Prepays	-	(9,382)
Inventories	(948)	-
Accounts payable	(10,667)	1,092
Claims payable	-	151,294
Accrued compensation	2,370	-
Compensated absences	(1,597)	-
Other post employment benefits obligation	1,133	-
Pension related deferred inflows	(11,775)	-
Pension related deferred outflows	(27,071)	-
Net pension liability	24,409	-
Customer deposits	1,082	-
<b>Net cash from operating activities</b>	<u>\$ 167,208</u>	<u>\$ (998,580)</u>

The County entered into a Capital Lease for \$143,101 and received a trade-in value of \$28,000 for mower equipment as a non-cash event during the year.

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Assets and Liabilities

Agency Funds

As of June 30, 2016

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**Assets**

Cash and investments	\$	18,062,999
Receivables:		
Property taxes		246,905,638
Prepays		20,703
<b>Total assets</b>	<b>\$</b>	<b>264,989,340</b>

**Liabilities**

Accounts payable	\$	304,453
Due to other governmental agencies		264,135,690
Due to private individuals		549,197
<b>Total liabilities</b>	<b>\$</b>	<b>264,989,340</b>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Net Position  
Discretely Presented Component Units  
As of June 30, 2016

	Emergency Management Agency	County Library	Total
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 257,821	\$ 362,836	\$ 620,657
Due from other governmental agencies	37,251	-	37,251
Prepaid Items	3,225	30,421	33,646
<b>Total current assets</b>	<b>298,297</b>	<b>393,257</b>	<b>691,554</b>
Noncurrent assets:			
Other post employment benefits asset	-	2,523	2,523
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	(523,207)	(556,413)	(1,079,620)
<b>Total capital assets, net</b>	<b>99,859</b>	<b>798,048</b>	<b>897,907</b>
<b>Total noncurrent assets</b>	<b>99,859</b>	<b>800,571</b>	<b>900,430</b>
<b>Total assets</b>	<b>398,156</b>	<b>1,193,828</b>	<b>1,591,984</b>
<b>Deferred Outflows of Resources</b>			
Pension related deferred outflows	16,234	47,067	63,301
<b>Total Assets and Deferred Outflows of Assets</b>	<b>\$ 414,390</b>	<b>\$ 1,240,895</b>	<b>\$ 1,655,285</b>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>			
Current liabilities:			
Accounts payable	\$ 2,767	\$ 21,962	\$ 24,729
Accrued liabilities	5,665	41,143	46,808
Compensated absences	7,522	24,598	32,120
<b>Total current liabilities</b>	<b>15,954</b>	<b>87,703</b>	<b>103,657</b>
Noncurrent liabilities:			
Compensated absences	27,916	32,207	60,123
Net pension liability	50,005	392,120	442,125
Other post employment benefits obligation	3,674	-	3,674
<b>Total noncurrent liabilities</b>	<b>81,595</b>	<b>424,327</b>	<b>505,922</b>
<b>Total liabilities</b>	<b>97,549</b>	<b>512,030</b>	<b>609,579</b>
<b>Deferred Inflows of Resources</b>			
Pension related deferred inflows	6,313	29,763	36,076
<b>Net Position:</b>			
Net investment in capital assets	99,859	798,048	897,907
Unrestricted (deficit)	210,669	(98,946)	111,723
<b>Total net position</b>	<b>310,528</b>	<b>699,102</b>	<b>1,009,630</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 414,390</b>	<b>\$ 1,240,895</b>	<b>\$ 1,655,285</b>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Combining Statement of Activities  
Discretely Presented Component Units  
For the Year Ended June 30, 2016

	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	\$ 274,824	\$ 54,360	\$ 187,540	\$ (32,924)	\$ -	\$ (32,924)
County Library						
County environment and education	1,164,723	13,928	1,154,471	-	3,676	3,676
<b>Total component units</b>	<b>\$ 1,439,547</b>	<b>\$ 68,288</b>	<b>\$ 1,342,011</b>	<b>(32,924)</b>	<b>3,676</b>	<b>(29,248)</b>
<b>General Revenues</b>						
Investment earnings				421	590	1,011
Miscellaneous				-	11,901	11,901
<b>Total general revenues</b>				<b>421</b>	<b>12,491</b>	<b>12,912</b>
Changes in net position				(32,503)	16,167	(16,336)
Net Position, beginning of year				343,031	682,935	1,025,966
Net Position, end of year				<b>\$ 310,528</b>	<b>\$ 699,102</b>	<b>\$ 1,009,630</b>

See Notes to Basic Financial Statements

**County of Scott, Iowa**

**Notes To Basic Financial Statements  
As of and for the Year Ended June 30, 2016**

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

**Nature of operations:**

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

**Financial reporting entity:**

In accordance with the Codification of Governmental Accounting and Financial Reporting Standards, the basic financial statements include all funds, organizations, agencies, boards, commissions and authorities for which the County is financially accountable. The County has also considered all other potential organizations for which the nature and significance of their relationships with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The 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, 2016**

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

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, 2016

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

**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, 2016

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

The County 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, 2016

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

The 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, 2016

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

**Fiduciary fund types:** Fiduciary fund types are used to account for net position and changes in net position. 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, the agency 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. Agency funds do not have a measurement focus.

**County of Scott, Iowa**

**Notes To Basic Financial Statements  
As of and for the Year Ended June 30, 2016**

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

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 2015, based on the 2014 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.

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, 2016

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

**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. This investments is 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.

Prepaid items: Prepaid items, i.e. secondary insurance, and contracted service agreements, are charged to expenditure accounts when consumed.

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, 2016

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

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, 2016**

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

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, 2016

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

- 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, 2016, the Secondary Roads Fund had fund balance restrictions of 44% of annual operating expenses. The Secondary Roads Fund exceeded the policy for a planned fiscal year 2015/2016 building improvement plan and unanticipated intergovernmental revenue through the motor fuel tax. 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, 2016**

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

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 Director of Budget and Administrative Services. The Director of Budget and Administrative Services 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 February, 2016 and May, 2016.

Scott Emergency Communications Center did not amend its budget in 2016. The legal level of control is at the function level. The Public Safety Authority did not adopt a budget in fiscal year 2016.

County of Scott, Iowa

Notes To Basic Financial Statements  
As of and for the Year Ended June 30, 2016

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

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

**Note 2. Deposits and Investments**

As of June 30, 2016, the County's cash and investments were as follows:

Cash on hand, deposits and investments with financial institutions	\$ 39,142,088
Restricted Cash and Investments with financial institutions	6,137
Cash on hand and deposits with financial institutions, discretely presented component units	620,657
Cash on hand, deposits and investments with financial institutions, agency funds	<u>18,062,999</u>
	<u>\$ 57,831,881</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, 2016, the County had the following investments subject to interest rate risk:

Type	0 - 6 Months	7 - 12 Months	12 - 18 Months	Total
Fed Home Loan Bank Disc Notes	\$ 5,498,540	\$ 497,925	\$ -	\$ 5,996,465
US Treasury Note	-	-	499,845	499,845
Total	<u>\$ 5,498,540</u>	<u>\$ 497,925</u>	<u>\$ 499,845</u>	<u>\$ 6,496,310</u>

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

As of June 30, 2016, the investment in the Federal Home Loan Bank Discount Notes are rated Aaa by Moody's.

County of Scott, Iowa

Notes To Basic Financial Statements  
As of and for the Year Ended June 30, 2016

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**Note 2. Deposits and Investments**

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, 2016, the County did not have any investments exposed to custodial credit risk. There were no deposits exposed to custodial credit risk.

Concentration of credit risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer.

At June 30, 2016, the County had 92% of its investment portfolio in Federal Home Loan Bank Discount Notes.

Fair Value Measurement: The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation method as of June 30, 2016 for recurring fair value measurements follows the market approach using quoted market prices.

Type	Level 1	Level 2	Level 3	Total
Fed Home Loan Bank Disc Notes	\$ 5,996,465	\$ -	\$ -	\$ 5,996,465
US Treasury Note	499,845	-	-	499,845
Total	<u>\$ 6,496,310</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,496,310</u>

County of Scott, Iowa

Notes To Basic Financial Statements  
As of and for the Year Ended June 30, 2016

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**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	\$ 90,868	\$ 13,231,284
Scott emergency communication center	6,563,556	-
Capital projects	5,522,728	70,868
Secondary roads	3,085,000	-
Debt service	-	1,950,618
Nonmajor governmental funds:		
Rural services	-	2,310,000
Recorders management fees	-	20,000
Public safety authority	1,950,618	-
Internal service fund		
Health insurance	270,000	-
<b>Total governmental activities</b>	<u>17,482,770</u>	<u>17,582,770</u>
Business-type activities		
Nonmajor enterprise fund:		
Golf course	100,000	-
 Total Transfers	 <u>\$ 17,582,770</u>	 <u>\$ 17,582,770</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.

County of Scott, Iowa

Notes To Basic Financial Statements  
As of and for the Year Ended June 30, 2016

Note 4. Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2016:

Governmental Activities	Balance June 30, 2015*	Additions	Deletions	Balance June 30, 2016
Capital assets not being depreciated				
Land	\$ 4,424,944	\$ 289,267	\$ -	\$ 4,714,211
Construction in progress	<u>7,145,806</u>	<u>7,132,123</u>	<u>9,938,117</u>	<u>4,339,812</u>
<b>Total Capital Assets Not Being Depreciated and Amortized</b>	<u>11,570,750</u>	<u>7,421,390</u>	<u>9,938,117</u>	<u>9,054,023</u>
Capital assets being depreciated and amortized				
Buildings	77,676,224	6,014,567	(1,241,224)	82,449,567
Improvements other than buildings	7,764,971	80,762	-	7,845,733
Infrastructure	92,553,824	4,374,334	-	96,928,158
Intangible - software	3,676,053	91,473	-	3,767,526
Machinery and equipment	<u>32,674,669</u>	<u>2,543,662</u>	<u>(1,402,996)</u>	<u>33,815,335</u>
<b>Total Capital Assets Being Depreciated and Amortized</b>	<u>214,345,741</u>	<u>13,104,798</u>	<u>(2,644,220)</u>	<u>224,806,319</u>
Less: accumulated depreciation and amortization for				
Buildings	31,614,576	1,771,003	(846,848)	32,538,731
Improvements other than buildings	3,774,629	329,349	-	4,103,978
Infrastructure	61,879,954	2,945,196	-	64,825,150
Intangible - software	1,148,888	624,931	-	1,773,819
Machinery and equipment	<u>19,516,883</u>	<u>2,632,772</u>	<u>(1,253,827)</u>	<u>20,895,828</u>
<b>Total Accumulated Depreciation and Amortization</b>	<u>117,934,930</u>	<u>8,303,251</u>	<u>(2,100,675)</u>	<u>124,137,506</u>
<b>Total Capital Assets Being Depreciated and Amortized</b>	<u>96,410,811</u>	<u>4,801,547</u>	<u>(543,545)</u>	<u>100,668,813</u>
<b>Governmental Activities Capital Assets, Net of Depreciation and Amortization</b>	<u>\$ 107,981,561</u>	<u>\$ 12,222,937</u>	<u>\$ 9,394,572</u>	<u>\$ 109,722,836</u>

\* The County completed an inventory review in the current year which amended certain asset classifications. The June 30, 2015 balances were reclassified to reflect the identified changes from the review.

County of Scott, Iowa

Notes To Basic Financial Statements  
As of and for the Year Ended June 30, 2016

Note 4. Capital Assets (Continued)

Business-Type Activities	Balance June 30, 2015*	Additions	Deletions	Balance June 30, 2016
Capital assets not being depreciated				
Land	\$ 1,556,336	\$ -	\$ -	\$ 1,556,336
<b>Total Capital Assets Not Being Depreciated</b>	<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	307,632	-	-	307,632
Machinery and equipment	1,494,997	171,101	(422,758)	1,243,340
<b>Total Capital Assets Being Depreciated</b>	<u>2,380,112</u>	<u>171,101</u>	<u>(422,758)</u>	<u>2,128,455</u>
Less: accumulated depreciation for				
Buildings	290,926	10,302	-	301,228
Improvements other than buildings	272,106	4,441	-	276,547
Machinery and equipment	1,206,322	44,025	(335,876)	914,471
<b>Total Accumulated Depreciation</b>	<u>1,769,354</u>	<u>58,768</u>	<u>(335,876)</u>	<u>1,492,246</u>
<b>Total Capital Assets Being Depreciated</b>	<u>610,758</u>	<u>112,333</u>	<u>(86,882)</u>	<u>636,209</u>
<b>Business-Type Activities</b>				
<b>Capital Assets, Net of Depreciation</b>	<u>\$ 2,167,094</u>	<u>\$ 112,333</u>	<u>\$ (86,882)</u>	<u>\$ 2,192,545</u>

\* The County completed an inventory review in the current year which amended certain asset classifications. The June 30, 2015 balances were reclassified to reflect the identified changes from the review.

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

Discretely Presented Component Units	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
Capital assets not being depreciated				
Land	\$ 16,600	\$ -	\$ -	\$ 16,600
<b>Total Capital Assets Not Being Depreciated</b>	<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
<b>Total Capital Assets Being Depreciated</b>	<u>1,960,927</u>	<u>-</u>	<u>-</u>	<u>1,960,927</u>
Less: accumulated depreciation for				
Buildings	338,076	26,266	-	364,342
Machinery and equipment	666,530	48,748	-	715,278
<b>Total Accumulated Depreciation</b>	<u>1,004,606</u>	<u>75,014</u>	<u>-</u>	<u>1,079,620</u>
<b>Total Capital Assets Being Depreciated</b>	<u>956,321</u>	<u>(75,014)</u>	<u>-</u>	<u>881,307</u>
<b>Total Governmental Activities</b>				
<b>Capital Assets, Net of Depreciation</b>	<u>\$ 972,921</u>	<u>\$ (75,014)</u>	<u>\$ -</u>	<u>\$ 897,907</u>

County of Scott, Iowa

Notes To Basic Financial Statements  
As of and for the Year Ended June 30, 2016

**Note 4. Capital Assets (Continued)**

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

Governmental Activities:	
Public safety and legal services	\$ 1,380,567
Public safety and legal services - SECC	2,079,204
Physical health and social services	31,750
Mental health	5,300
County environment and education	699,947
Roads and transportation	3,538,368
Governmental services to residents	7,378
Administration	560,737
<b>Total Governmental Activities Depreciation and Amortization Expense</b>	<b>\$ 8,303,251</b>
Business-Type activities, golf course	<b>\$ 58,768</b>
Discretely Presented Component Units:	
Emergency Management Agency	\$ 45,035
County Library	29,979
<b>Total Discretely Presented Component Units Depreciation Expense</b>	<b>\$ 75,014</b>

**Note 5. Long-Term Liabilities**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2016:

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016	Due Within One Year
<b>Governmental Activities:</b>					
General obligation bonds	\$ 9,330,000	\$ 8,215,000	\$ 1,195,000	\$ 16,350,000	\$ 1,260,000
Revenue bonds	17,675,000	-	1,615,000	16,060,000	1,650,000
Deferred amount for:					
Premium	367,350	99,457	100,989	365,818	-
Subtotal for bonds	<u>27,372,350</u>	<u>8,314,457</u>	<u>2,910,989</u>	<u>32,775,818</u>	<u>2,910,000</u>
Other Liabilities:					
Compensated absences	3,070,714	2,135,343	2,199,119	3,006,938	1,645,773
Note payable	8,240,000	-	420,000	7,820,000	440,000
Other post employment benefits	441,722	108,378	25,762	524,338	-
Claims payable	<u>893,345</u>	<u>7,765,928</u>	<u>7,804,439</u>	<u>854,834</u>	<u>735,261</u>
<b>Total Governmental Activities Long-Term Liabilities</b>	<b>\$ 40,018,131</b>	<b>\$ 18,324,106</b>	<b>\$ 13,360,309</b>	<b>\$ 44,981,928</b>	<b>\$ 5,731,034</b>

County of Scott, Iowa

Notes To Basic Financial Statements  
As of and for the Year Ended June 30, 2016

Note 5. Long-Term Liabilities (Continued)

	Balance June 30, 2015	Additions	Retirements	Balance June 30, 2016	Due Within One Year
<b>Business-Type Activities:</b>					
Other Liabilities:					
Compensated absences	\$ 42,063	\$ 19,504	\$ 21,101	\$ 40,466	\$ 15,060
Capital lease	-	143,101	38,811	104,290	32,850
Other post employment benefits	1,133	1,133	-	2,266	-
Total Business Type Activities	<u>\$ 43,196</u>	<u>\$ 163,738</u>	<u>\$ 59,912</u>	<u>\$ 147,022</u>	<u>\$ 47,910</u>
	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016	Due Within One Year
<b>Discretely Presented Component</b>					
<b>Units Activities:</b>					
Other Liabilities:					
Compensated absences	\$ 49,861	\$ 96,936	\$ 54,554	\$ 92,243	\$ 32,120
Other post employment benefits	442	709	-	1,151	-
<b>Total Discretely Presented Component</b>					
<b>Units Long-Term Liabilities</b>	<u>\$ 50,303</u>	<u>\$ 97,645</u>	<u>\$ 54,554</u>	<u>\$ 93,394</u>	<u>\$ 32,120</u>

**General Obligation Bonds**

General obligation bonds outstanding as of June 30, 2016 consist of \$7,700,000 of general obligation emergency equipment bonds with interest at rates ranging from 4.2 percent to 5.8 percent, \$435,000 of urban renewal refunding bonds with interest at rates at 3.0 percent, and \$8,215,000 general obligation solid waste disposal bonds with interest rates ranging from to 2.0 percent to 4.0 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 \$490,000 to \$720,000 through 2029 at interest rates from 4.2 percent to 5.8 percent.

On December 17, 2009, the 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 an annual installment of \$435,000 with an interest rate of 3.0 percent.

On December 17, 2015, the County issued \$8,215,000 in General Obligation Solid Waste Disposal Bonds, Series 2015A. The bonds were issued to finance the solid waste recycling equipment and building improvements of the Scott County Waste Commission. The bonds are due in annual installments of \$335,000 to \$545,000 through 2035 at interest rates from 2.0 percent to 4.0 percent.

County of Scott, Iowa

Notes To Basic Financial Statements  
As of and for the Year Ended June 30, 2016

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**Note 5. Long-Term Liabilities (Continued)**

**General Obligation Bonds (Continued)**

The debt service requirements on the general obligation bonds outstanding as of June 30, 2016 are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,260,000	\$ 641,761	\$ 1,901,761
2018	845,000	601,431	1,446,431
2019	865,000	569,012	1,434,012
2020	890,000	534,821	1,424,821
2021	920,000	498,051	1,418,051
2022-2026	5,070,000	1,858,556	6,928,556
2027-2031	4,410,000	734,525	5,144,525
2032-2035	2,090,000	159,000	2,249,000
<b>Total</b>	<u>\$ 16,350,000</u>	<u>\$ 5,597,157</u>	<u>\$ 21,947,157</u>

The computation of the County's legal margin as of June 30, 2016 is as follows:

2014 assessed valuation	\$ 12,777,986,404
Less military exemption	<u>(16,634,664)</u>
<b>Total assessed value</b>	<u>\$ 12,761,351,740</u>
Debt limit, 5% of assessed valuation (Iowa statutory limitation)	\$ 638,067,587
Total amount of debt applicable to debt margin	<u>(32,410,000)</u>
<b>Legal debt margin</b>	<u>\$ 605,657,587</u>

**Revenue Bonds**

Revenue bonds outstanding as of June 30, 2016 consist of \$16,060,000 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. As of June 30, 2016 there was \$9,635,000 outstanding. 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. As of June 30, 2016 there was \$6,425,000 outstanding. 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, 2016

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**Note 5. Long-Term Liabilities (Continued)**

**Revenue Bonds (Continued)**

The debt service requirements on the revenue bonds outstanding as of June 30, 2016 are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,800,000	167,617	1,967,617
2022-2025	<u>7,475,000</u>	<u>326,540</u>	<u>7,801,540</u>
<b>Total</b>	<u>\$ 16,060,000</u>	<u>\$ 1,507,727</u>	<u>\$ 17,567,727</u>

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 \$17,567,727 with annual requirements ranging from \$1,953,317 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 \$1,950,618 and property taxes recognized by the County were \$1,950,618 each.

County of Scott, Iowa

Notes To Basic Financial Statements  
As of and for the Year Ended June 30, 2016

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**Note 5. Long-Term Liabilities (Continued)**

**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, 2016 are as follows:

<u>Year Ending June 30</u>	<u>City of Davenport GO Note</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	530,000	320,865	850,865
2022-2026	3,115,000	1,171,555	4,286,555
2027-2029	<u>2,290,000</u>	<u>266,420</u>	<u>2,556,420</u>
<b>Total</b>	<b>\$ 7,820,000</b>	<b>\$ 3,257,230</b>	<b>\$ 11,077,230</b>

**Capital Lease Payable**

On July 27, 2015, the County issued \$143,101 capital lease. The proceeds were used with trade in value to acquire \$171,101 of mower equipment. Payments are \$38,811 payable at the lease inception through July 2018. The effective interest rate is 5.72%. The assets are included with capital assets acquired and are being depreciated over 4 years. The lease includes a \$1 bargain purchase option.

The debt service requirements on the lease payable outstanding as of June 30, 2016 are as follows:

<u>Year Ending June 30</u>	<u>Annual Payments</u>
2017	\$ 38,811
2018	38,811
2019	<u>38,812</u>
Total	116,434
Less Interest	<u>(12,144)</u>
Total	<u>\$ 104,290</u>

**County of Scott, Iowa**

**Notes To Basic Financial Statements  
As of and for the Year Ended June 30, 2016**

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**Note 5. 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 6. 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](http://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, 2016

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**Note 6. 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 2016, 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 6.56 percent of pay and the County contributed 9.84 percent for a total rate of 16.40 percent.

The County's contributions to IPERS for the year ended June 30, 2016 were \$2,701,309

**Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - At June 30, 2016, the County reported a liability of \$14,513,418, including all pension reporting units, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, 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, 2015, the County's collective proportion was 0.2937651%, which was an increase of 0.019254% from its collective proportion measured as of June 30, 2014.

County of Scott, Iowa

Notes To Basic Financial Statements  
As of and for the Year Ended June 30, 2016

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**Note 6. Retirement System (Continued)**

For the year ended June 30, 2016, the County recognized pension expense of \$1,337,952. At June 30, 2016, 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	\$ 223,584	\$ -	\$ -	\$ 92,235
Changes in assumptions	407,434	-	-	109,179
Net difference between projected and actual earnings on pension plan investments	-	1,231,607	-	261,187
Changes in proportion and difference between County contributions and proportionate share of contributions	-	271,584	-	18,341
County contributions subsequent to the measurement dates	<u>1,868,798</u>	<u>-</u>	<u>312,208</u>	<u>-</u>
Total	<u>\$ 2,499,816</u>	<u>\$ 1,503,191</u>	<u>\$ 312,208</u>	<u>\$ 480,942</u>

County of Scott, Iowa

Notes To Basic Financial Statements  
As of and for the Year Ended June 30, 2016

Note 6. 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	\$ -	\$ 131,330	\$ 223,584	\$ 223,565
Changes in assumptions	-	2,016	407,434	111,195
Net difference between projected and actual earnings on pension plan investments	-	305,344	-	1,798,138
Changes in proportion and difference between County contributions and proportionate share of contributions	843	5,672	843	295,597
County contributions subsequent to the measurement dates	<u>508,897</u>	<u>-</u>	<u>2,689,903</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 509,740</u></b>	<b><u>\$ 444,362</u></b>	<b><u>\$ 3,321,764</u></b>	<b><u>\$ 2,428,495</u></b>

\$2,689,903 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	
June 30	Total
2017	\$ (868,369)
2018	(868,369)
2019	(868,369)
2020	814,698
2021	<u>(6,025)</u>
<b>Total</b>	<b><u>\$ (1,796,434)</u></b>

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, 2016

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**Note 6. Retirement System (Continued)**

**Actuarial Assumptions** - The total pension liability in the June 30, 2015 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, 1996)	7.50 percent, compounded annually, net of investment expense, including inflation

The actuarial assumptions used in the June 30, 2015 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>
Core Plus Fixed Income	28%	2.04
Domestic equity	24%	6.29
International equity	16%	6.75
Private equity / debt	11%	11.32
Real estate	8%	3.48
Credit Opportunities	5%	3.63
U.S. TIPS	5%	1.91
Other Real Assets	2%	6.24
Cash	1%	(0.71)
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, 2016

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**Note 6. 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	\$ 25,909,212	\$ 14,798,326	\$ 5,419,947
Sheriffs and Deputies	2,743,690	398,707	(1,570,217)
Protection Occupation	1,977,836	(683,615)	(2,926,034)
Total	<u>\$ 30,630,738</u>	<u>\$ 14,513,418</u>	<u>\$ 923,696</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](http://www.ipers.org).

**Payables to the Pension Plan** - At June 30, 2016, the County reported payables to the defined benefit pension plan of \$148,412 for legally required employer contributions and \$76,840 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, 2016**

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**Note 7. 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 2016, the County contributed \$25,762. Retiree and active members receiving benefits have required monthly contributions of:

	<u>Single</u>	<u>Family</u>
Health	\$ 514	\$ 1,397
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	19,948
Adjustment to annual required contribution	<u>(26,043)</u>
Annual OPEB cost	110,220
Contributions and payments made	<u>(25,762)</u>
Change in net OPEB obligation	84,458
Net OPEB obligation - beginning of year	<u>443,297</u>
Net OPEB obligation - end of year	<u><u>\$ 527,755</u></u>

County of Scott, Iowa

Notes To Basic Financial Statements  
As of and For the Year Ended June 30, 2016

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**Note 7. 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>
2014	\$ 117,133	123.0%	\$ 373,034
2015	110,201	36.3%	443,297
2016	110,220	23.3%	527,755

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, 2016**

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**Note 8. 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, \$107,862,686 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 \$160,000 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 2016.

As of June 30, 2016, the amount of liabilities recorded for estimated claim settlements for general, automobile, property and workers' compensation liability claims was \$314,666 of which \$6,506 was recorded in the General Fund. The County has assigned \$308,160 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, 2016

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**Note 8. Risk Management and Insurance (Continued)**

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

	2016	2015
Claims payable, beginning of year	\$ 504,471	\$ 376,394
Claims expense and change in reserve	89,055	404,745
Claims payments	<u>(278,860)</u>	<u>(276,668)</u>
Claims payable, end of year	<u>\$ 314,666</u>	<u>\$ 504,471</u>

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

	2015	2015
Claims payable, beginning of year	\$ 387,037	\$ 436,345
Claims expense and change in reserve	7,640,697	5,820,220
Claims payments	<u>(7,523,742)</u>	<u>(5,869,528)</u>
Claims payable, end of year	<u>\$ 503,992</u>	<u>\$ 387,037</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 9. 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, 2016, there were three series of revenue bonds outstanding. The aggregate principal balance of the revenue bonds outstanding is \$16,235,000.

Subsequent to year end, the County issued conduit debt in the amount of \$13,500,000. The proceeds of the debt will be used to defease conduit debt previously issued for a private sector entity.

**County of Scott, Iowa**

**Notes To Basic Financial Statements  
As of and For the Year Ended June 30, 2016**

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**Note 10. Scott Area Solid Waste Management Commission Agreement**

In November 2015, the County issued \$8,215,000 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. The total amount of the bonds outstanding as of June 30, 2016 is \$8,215,000.

The County loaned the proceeds from the sale of the bonds to the Scott Area Solid Waste Management Commission ("the Commission") for the construction and equipping of a solid waste recycling facility ("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 an \$8,215,000 Solid Waste Disposal Revenue Bond to the County pursuant to a resolution dated December 1, 2015. The repayment of the Revenue Bond corresponds to the payment of the Bonds by the County.

Under the terms of the Financing Agreement, dated December 1, 2015, 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. Therefore, the County recorded loans receivable in the amount of \$8,215,000 in the Debt Service Fund.

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.

County of Scott, Iowa

Notes To Basic Financial Statements  
As of and For the Year Ended June 30, 2016

**Note 11. Fund Balances**

Governmental fund balances reported on the fund financial statements at June 30, 2016 are:

	General	Mental Health/ Development Disability	Secondary Roads	Scott Emergency Communication Center
Fund Balances:				
Nonspendable				
Prepays	\$ 553,834	\$ -	\$ -	\$ 15,719
Subtotal Nonspendable	<u>553,834</u>	<u>-</u>	<u>-</u>	<u>15,719</u>
Restricted				
Debt service	-	-	-	-
Secondary roads	-	-	3,475,520	-
Mental health	-	359,933	-	-
Emergency services	-	-	-	1,758,132
Records management fee	-	-	-	-
Rural services	-	-	-	-
Other statutory programs	849,023	-	-	-
Subtotal Restricted	<u>849,023</u>	<u>359,933</u>	<u>3,475,520</u>	<u>1,758,132</u>
Assigned				
Capital projects	2,500,000	-	-	-
Claim liabilities	308,160	-	-	-
Health claim liability	500,000	-	-	-
Subtotal Assigned	<u>3,308,160</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned				
	10,212,287	-	-	-
<b>Total Fund Balances</b>	<u>\$ 14,923,304</u>	<u>\$ 359,933</u>	<u>\$ 3,475,520</u>	<u>\$ 1,773,851</u>

**County of Scott, Iowa**

**Notes To Basic Financial Statements  
As of and For the Year Ended June 30, 2016**

**Note 11. Fund Balances (Continued)**

	Capital Projects	Debt Service	Nonmajor Governmental	Total
Fund Balances:				
Nonspendable				
Prepays	\$ -	\$ -	\$ -	\$ 569,553
Subtotal Nonspendable	-	-	-	569,553
Restricted				
Debt Service	-	10,581,576	6,137	10,587,713
Secondary Roads	-	-	-	3,475,520
Emergency Services	-	-	-	1,758,132
Mental health	-	-	-	359,933
Records management fee	-	-	74,255	74,255
Rural services	-	-	154,804	154,804
Other statutory programs	-	-	-	849,023
Subtotal Restricted	-	10,581,576	235,196	17,259,380
Assigned				
Capital projects	11,445,896	-	-	13,945,896
Claim liabilities	-	-	-	308,160
Health claim liability	-	-	-	500,000
Subtotal Assigned	11,445,896	-	-	14,754,056
Unassigned	-	-	-	10,212,287
<b>Total Fund Balances</b>	<b>\$ 11,445,896</b>	<b>\$ 10,581,576</b>	<b>\$ 235,196</b>	<b>\$ 42,795,276</b>

**Note 12. 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 13. Commitments and Contingency**

The County has financial commitments relating to future purchases of \$5,700,089, payable from the Capital Projects fund and \$7,123 payable from the Golf fund.

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, 2016

**Note 14. 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, 2016 as follows:

Revenues:		
Property tax		\$ 3,029,683
Other tax		133,029
Intergovernmental revenues:		
State tax credits		263,804
Charges for services - care keep		1,970
Investment earnings		7,878
Reimbursements and miscellaneous		<u>75,676</u>
Total revenues		3,512,040
Expenditures		
Services to persons with:		
Mental illness	3,385,366	
Intellectual disability	617,020	
Other developmental disabilities	<u>160,094</u>	4,162,480
County provided services		20,621
General administration		
Direct administration	171,511	
Distribution to regional fiscal agent	<u>3,914,275</u>	<u>4,085,786</u>
Total expenditures		8,268,887
Excess of revenues over expenditures		(4,756,847)
Fund balances beginning of the year		<u>5,116,780</u>
Fund balance end of the year		<u>\$ 359,933</u>

**County of Scott, Iowa**

**Notes To Basic Financial Statements  
As of and For the Year Ended June 30, 2016**

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**Note 15. Governmental Accounting Standards Board (GASB) Statements**

The County adopted the following statements as of July 1, 2015:

- GASB Statement No. 72, *Fair Value Measurement and Application*, issued February 2015, is 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, is effective for the County beginning for the year ending June 30, 2016. The requirements of this statement improves 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. The implementation of this statement did not have a material effect on the County's financial statements.
- GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, issued June 2015, is 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). The implementation of this statement did not have a material effect on the County's financial statements.
- GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, issued December 2015, is effective for the County beginning with the year June 30, 2016. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized costs for financial reporting purposes. The implementation of this statement did not have a material effect on the County's financial statements.

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

- 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).

County of Scott, Iowa

Notes To Basic Financial Statements  
As of and For the Year Ended June 30, 2016

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**Note 15. Governmental Accounting Standards Board (GASB) Statements (Continued)**

- GASB Statement No. 77, *Tax Abatement Issues*, issued August 2015, will be effective for the County beginning with the year ending 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.
- GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*, issued December 2015, will be effective for the County beginning with the year June 30, 2017. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*.
- GASB Statement, No 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*, issued January 2016, will be effective for the County beginning with the year June 30, 2017. The objective of this Statement is to improve financial reporting by clarifying the financial statement requirements for certain component units.
- GASB Statement, No 81, *Irrevocable Split-Interest Agreements*, issued March 2016, will be effective for the County beginning with the year June 30, 2018. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.
- GASB Statement, No 82, *Pension Issues – An Amendment of GASB Statements No. 67, No 68, and No 73*, Issued March 2016, will be effective for the County beginning with the year June 30, 30, 2017. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and 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*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

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, 2016**

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 (Non-GAAP)  
 All Governmental Funds - Primary Government  
 For the Year Ended June 30, 2016

	Budget		Actual - Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 45,967,750	\$ 45,646,921	\$ 45,210,754	\$ (436,167)
Local option sales tax	4,170,723	4,475,000	4,390,604	(84,396)
Other taxes	2,519,985	2,544,885	2,525,458	(19,427)
Interest and penalties on taxes	800,000	780,000	725,336	(54,664)
Intergovernmental	13,935,767	12,376,493	13,053,327	676,834
Charges for services	5,479,153	5,587,177	5,994,739	407,562
Investment earnings	100,400	131,176	114,896	(16,280)
Licenses and permits	633,670	688,640	833,144	144,504
Rentals and fees	80,821	86,949	89,743	2,794
Other	753,100	891,668	1,215,446	323,778
<b>Total revenues</b>	<b>74,441,369</b>	<b>73,208,909</b>	<b>74,153,447</b>	<b>944,538</b>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety and legal services	29,301,561	29,268,423	28,138,194	1,130,229
Physical health and social services	5,962,415	6,296,810	5,922,900	373,910
Mental health	7,918,096	9,065,106	8,424,829	640,277
County environment and education	5,080,532	5,380,463	4,750,264	630,199
Roads and transportation	5,991,000	7,690,896	7,065,394	625,502
Government services to residents	2,535,390	2,547,000	2,334,861	212,139
Nonprogram Current	-	270,000	270,000	-
Administration	10,963,015	11,039,126	9,976,262	1,062,864
Capital outlay	9,414,835	11,849,865	9,074,928	2,774,937
Debt service	3,608,943	3,825,787	3,720,336	105,451
<b>Total expenditures</b>	<b>80,775,787</b>	<b>87,233,476</b>	<b>79,677,968</b>	<b>7,555,508</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(6,334,418)</b>	<b>(14,024,567)</b>	<b>(5,524,521)</b>	<b>8,500,046</b>
<b>Other financing sources (uses):</b>				
Transfers in	11,247,067	14,411,912	13,850,633	(561,279)
Transfers out	(11,247,067)	(14,411,912)	(13,950,633)	461,279
Debt issued	-	8,215,000	8,215,000	-
Premium on debt issued	-	99,500	99,457	(43)
Proceeds from sale of capital assets	351,000	274,223	265,425	(8,798)
<b>Total other financing sources (uses)</b>	<b>351,000</b>	<b>8,588,723</b>	<b>8,479,882</b>	<b>(108,841)</b>
<b>Net change in fund balances</b>	<b>\$ (5,983,418)</b>	<b>\$ (5,435,844)</b>	<b>\$ 2,955,361</b>	<b>\$ 8,391,205</b>

See page 74 for reconciliation to GAAP.

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

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County of Scott, Iowa

Required Supplementary Information  
 Budgetary Comparison Schedule  
 Scott Emergency Communication Center  
 For the Year Ended June 30, 2016

	Budget		Actual - GAAP Basis
	Original	Final	
Revenues:			
Intergovernmental	\$ 6,989,036	\$ 6,989,036	\$ 137,936
Investment earnings	-	-	4,020
Other	250	250	17,348
<b>Total revenues</b>	<b>6,989,286</b>	<b>6,989,286</b>	<b>159,304</b>
Expenditures			
Current:			
Public safety and legal services	6,691,695	6,691,695	6,179,558
Capital outlay	420,500	695,500	330,171
Debt service	838,828	838,828	838,828
<b>Total expenditures</b>	<b>7,951,023</b>	<b>8,226,023</b>	<b>7,348,557</b>
<b>Excess (deficiency) of revenues         over expenditures</b>	<b>(961,737)</b>	<b>(1,236,737)</b>	<b>(7,189,253)</b>
Other financing sources:			
Transfers in	-	-	6,563,556
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>6,563,556</b>
<b>Net change in fund balances</b>	<b>\$ (961,737)</b>	<b>\$ (1,236,737)</b>	<b>\$ (625,697)</b>

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

Reclassifications	Actual - Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
\$ 6,850,000	\$ 6,987,936	\$ (1,100)
-	4,020	4,020
-	17,348	17,098
<u>6,850,000</u>	<u>7,009,304</u>	<u>20,018</u>
286,444	6,466,002	225,693
-	330,171	365,329
-	838,828	-
<u>286,444</u>	<u>7,635,001</u>	<u>591,022</u>
<u>6,563,556</u>	<u>(625,697)</u>	<u>611,040</u>
<u>(6,563,556)</u>	-	-
<u>(6,563,556)</u>	-	-
<u>\$ -</u>	<u>\$ (625,697)</u>	<u>\$ 611,040</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, 2016

	Governmental Fund Types Actual	Scott Emergency Communications Center Component Unit	Public Safety Authority Component Unit	Reclassifications	Actual - Budgetary Basis
<b>Revenues:</b>					
Property taxes	\$ 45,210,754	\$ -	\$ -	\$ -	\$ 45,210,754
Local option sales tax	4,390,604	-	-	-	4,390,604
Other taxes	2,525,458	-	-	-	2,525,458
Interest and penalties on taxes	725,336	-	-	-	725,336
Intergovernmental	12,904,819	(137,936)	-	286,444	13,053,327
Charges for services	5,994,739	-	-	-	5,994,739
Investment earnings	118,916	(4,020)	-	-	114,896
Licenses and permits	833,144	-	-	-	833,144
Rentals and fees	89,743	-	-	-	89,743
Other	1,232,794	(17,348)	-	-	1,215,446
<b>Total revenues</b>	<b>74,026,307</b>	<b>(159,304)</b>	<b>-</b>	<b>286,444</b>	<b>74,153,447</b>
<b>Expenditures</b>					
<b>Current:</b>					
Public safety and legal services	27,467,752	(6,179,558)	-	6,850,000	28,138,194
Physical health and social services	5,922,900	-	-	-	5,922,900
Mental health	8,424,829	-	-	-	8,424,829
County environment and education	4,750,264	-	-	-	4,750,264
Roads and transportation	4,723,640	-	-	2,341,754	7,065,394
Government services to residents	2,334,861	-	-	-	2,334,861
Nonprogram current	-	-	-	270,000	270,000
Administration	9,976,262	-	-	-	9,976,262
Capital outlay	11,746,853	(330,171)	-	(2,341,754)	9,074,928
Debt service	4,559,164	(838,828)	(1,950,618)	1,950,618	3,720,336
<b>Total expenditures</b>	<b>79,906,525</b>	<b>(7,348,557)</b>	<b>(1,950,618)</b>	<b>9,070,618</b>	<b>79,677,968</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(5,880,218)</b>	<b>7,189,253</b>	<b>1,950,618</b>	<b>(8,784,174)</b>	<b>(5,524,521)</b>
<b>Other financing sources (uses):</b>					
Transfers in	17,212,770	(6,563,556)	(1,950,618)	5,152,037	13,850,633
Transfers out	(17,582,770)	-	-	3,632,137	(13,950,633)
Debt issued	8,215,000	-	-	-	8,215,000
Premium on debt issued	99,457	-	-	-	99,457
Proceeds from sale of capital assets	265,425	-	-	-	265,425
<b>Total other financing sources (uses)</b>	<b>8,209,882</b>	<b>(6,563,556)</b>	<b>(1,950,618)</b>	<b>8,784,174</b>	<b>8,479,882</b>
<b>Net change in fund balances</b>	<b>\$ 2,329,664</b>	<b>\$ 625,697</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,955,361</b>

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\*

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	2015	2016
County's proportion of net pension liability	0.274511%	0.293765%
County's proportionate share of net pension liability	\$ 10,886,862	\$ 14,513,418
County's covered-employee payroll	\$ 28,172,699	\$ 28,766,876
County's proportionate share of net pension liability as a percentage of its covered-employee payroll	38.64%	50.45%
Plan fiduciary net position as a percentage of the total pension liability	87.61%	85.19%

\* 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

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	2007	2008	2009	2010
Statutorily required contribution	\$ 1,260,066	\$ 1,360,924	\$ 1,562,197	\$ 1,696,095
Contributions in relation to the statutorily required contribution	1,260,066	1,360,924	1,562,197	1,696,095
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
County's covered - employee payroll	20,557,158	21,605,531	21,827,721	23,400,557
Contributions as a percentage of covered-employee payroll	6.13%	6.30%	7.16%	7.25%

See accompanying independent auditor's report

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	2011	2012	2013	2014	2015	2016
\$	1,985,400	\$ 2,299,215	\$ 2,516,323	\$ 2,605,252	\$ 2,660,923	\$ 2,701,309
	1,985,400	2,299,215	2,516,323	2,605,252	2,660,923	2,701,309
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	25,753,487	26,725,226	27,682,627	28,172,699	28,766,876	29,388,451
	7.71%	8.60%	9.09%	9.25%	9.25%	9.19%

## County of Scott, Iowa

### Note to Required Supplementary Information As of and For the Year Ended June 30, 2016

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#### Note 1. Budgetary Comparison Schedule

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

Formal and legal budgetary control is based upon 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 increased budgeted expenditures by \$6,457,689. The budget amendment was adjusted estimates of current year activity.

The Public Safety Authority did not adopt a budget in fiscal year 2016.

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:*

There were no changes in assumptions for the 2015 valuation.

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, 2016**

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**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, 2016

	Special Revenue		Debt Service		Total
	Rural Services Fund	Recorders		Public Safety Authority	
		Management Fees Fund			
<b>Assets</b>					
Cash and investments	\$ 154,581	\$ 74,255	\$ -	\$ -	\$ 228,836
Restricted Cash and Investments	-	-	6,137	-	6,137
Receivables:					
Property taxes, net of allowance for collection losses	2,946,361	-	-	-	2,946,361
<b>Total assets</b>	<b>\$ 3,100,942</b>	<b>\$ 74,255</b>	<b>\$ 6,137</b>	<b>\$ -</b>	<b>\$ 3,181,334</b>
<b>Deferred Inflows of Resources and Fund Balance</b>					
Deferred Inflows of Resources					
Unavailable revenue	\$ 6,910	\$ -	\$ -	\$ -	\$ 6,910
Unearned revenue	2,939,228	-	-	-	2,939,228
Total deferred inflows of resources	2,946,138	-	-	-	2,946,138
Fund balances					
Restricted	154,804	74,255	6,137	-	235,196
Total fund balance	154,804	74,255	6,137	-	235,196
<b>Total deferred inflows of resources and fund balances</b>	<b>\$ 3,100,942</b>	<b>\$ 74,255</b>	<b>\$ 6,137</b>	<b>\$ -</b>	<b>\$ 3,181,334</b>

County of Scott, Iowa

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended June 30, 2016

	Special Revenue		Debt Service		Total
	Rural Services Fund	Recorders		Public Safety Authority	
		Management Fees Fund			
Revenues:					
Property taxes	\$ 2,656,390	\$ -	\$ -	\$ -	\$ 2,656,390
Other taxes	73,284	-	-	-	73,284
Intergovernmental	147,945	-	-	-	147,945
Charges for services	-	30,426	-	-	30,426
Investment earnings	252	115	3		370
<b>Total revenues</b>	<b>2,877,871</b>	<b>30,541</b>	<b>3</b>		<b>2,908,415</b>
Expenditures:					
Current:					
County environment and education	561,697	-	-		561,697
Debt Service					
Principal	-	-	1,615,000		1,615,000
Interest and fees	-	-	335,618		335,618
<b>Total Expenditures</b>	<b>561,697</b>	<b>-</b>	<b>1,950,618</b>		<b>2,512,315</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>2,316,174</b>	<b>30,541</b>	<b>(1,950,615)</b>		<b>396,100</b>
Other financing sources (uses):					
Transfers In	-	-	1,950,618		1,950,618
Transfers Out	(2,310,000)	(20,000)	-		(2,330,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,310,000)</b>	<b>(20,000)</b>	<b>1,950,618</b>		<b>(379,382)</b>
<b>Net change in fund balances</b>	<b>6,174</b>	<b>10,541</b>	<b>3</b>		<b>16,718</b>
Fund balances, beginning of year	148,630	63,714	6,134		218,478
Fund balances, end of year	\$ 154,804	\$ 74,255	\$ 6,137	\$	\$ 235,196

County of Scott, Iowa

Combining Statement of Net Position  
Internal Service Funds  
As of June 30, 2016

	Internal Service Funds		
	Dental Insurance Fund	Health Insurance Fund	Total
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 242,355	\$ 1,578,551	\$ 1,820,906
Accounts receivable	-	112,789	112,789
Prepays	-	132,064	132,064
<b>Total current assets</b>	<b>242,355</b>	<b>1,823,404</b>	<b>2,065,759</b>
<b>Total assets</b>	<b>\$ 242,355</b>	<b>\$ 1,823,404</b>	<b>\$ 2,065,759</b>
<b>Liabilities and Net Position</b>			
Current liabilities:			
Accounts payable	\$ 2,450	\$ 3,042	\$ 5,492
Claims payable	55,385	484,783	540,168
<b>Total liabilities</b>	<b>57,835</b>	<b>487,825</b>	<b>545,660</b>
Net Position:			
Unrestricted	184,520	1,335,579	1,520,099
<b>Total net position</b>	<b>184,520</b>	<b>1,335,579</b>	<b>1,520,099</b>
<b>Total liabilities and net position</b>	<b>\$ 242,355</b>	<b>\$ 1,823,404</b>	<b>\$ 2,065,759</b>

County of Scott, Iowa

Combining Statement of Revenues, Expenses, and Changes in Net Position  
 Internal Service Funds  
 For the Year Ended June 30, 2016

	Internal Service Funds		
	Dental Insurance Fund	Health Insurance Fund	Total
Operating revenues:			
Charges for services	\$ 423,744	\$ 6,259,094	\$ 6,682,838
Other	-	336,574	336,574
<b>Total operating revenues</b>	<b>423,744</b>	<b>6,595,668</b>	<b>7,019,412</b>
Operating expenses:			
Administrative charges	28,982	671,265	700,247
Claims	444,708	7,079,034	7,523,742
<b>Total operating expenses</b>	<b>473,690</b>	<b>7,750,299</b>	<b>8,223,989</b>
<b>Operating income (loss)</b>	<b>(49,946)</b>	<b>(1,154,631)</b>	<b>(1,204,577)</b>
Nonoperating revenues:			
Investment earnings	406	3,150	3,556
<b>Total nonoperating revenues</b>	<b>406</b>	<b>3,150</b>	<b>3,556</b>
<b>Income (loss) before transfers</b>	<b>(49,540)</b>	<b>(1,151,481)</b>	<b>(1,201,021)</b>
<b>Transfers in</b>	<b>-</b>	<b>270,000</b>	<b>270,000</b>
<b>Change in Net Position</b>	<b>(49,540)</b>	<b>(881,481)</b>	<b>(931,021)</b>
Total Net Position, beginning of year	234,060	2,217,060	2,451,120
Total Net Position, end of year	\$ 184,520	\$ 1,335,579	\$ 1,520,099

County of Scott, Iowa

Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2016

	Internal Service Funds		
	Dental Insurance Fund	Health Insurance Fund	Total
Cash flows from operating activities:			
Cash received from customers	\$ 423,744	\$ 6,259,094	\$ 6,682,838
Refunds from outside sources	-	399,567	399,567
Cash payments to suppliers for goods and services	(433,439)	(7,647,546)	(8,080,985)
<b>Net cash from operating activities</b>	<b>(9,695)</b>	<b>(988,885)</b>	<b>(998,580)</b>
Cash flows from noncapital financing activities,			
Transfer from other funds	-	270,000	270,000
Cash flows from investing activities, interest received	406	3,150	3,556
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(9,289)</b>	<b>(715,735)</b>	<b>(725,024)</b>
Cash and cash equivalents:			
Beginning	251,644	2,294,286	2,545,930
Ending	\$ 242,355	\$ 1,578,551	\$ 1,820,906
Reconciliation of operating income (loss) to net cash from operating activities:			
Operating income (loss)	\$ (49,946)	\$ (1,154,631)	\$ (1,204,577)
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Changes in assets and liabilities:			
Prepays	-	(9,382)	(9,382)
Accounts receivable	-	62,993	62,993
Accounts payable	59	1,033	1,092
Claims payable	40,192	111,102	151,294
<b>Net cash from operating activities</b>	<b>\$ (9,695)</b>	<b>\$ (988,885)</b>	<b>\$ (998,580)</b>

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities  
 All Agency Funds  
 For the Year Ended June 30, 2016

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
<b>Agricultural Extension Service Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 5,146	\$ 543,810	\$ 545,713	\$ 3,243
Receivables, property taxes	526,589	541,867	527,033	541,423
<b>Total assets</b>	<b>\$ 531,735</b>	<b>\$ 1,085,677</b>	<b>\$ 1,072,746</b>	<b>\$ 544,666</b>
<b>Liabilities, due to other government funds</b>	<b>\$ 531,735</b>	<b>\$ 1,085,677</b>	<b>\$ 1,072,746</b>	<b>\$ 544,666</b>
<b>Bangs Eradication Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 12,630	\$ 26,371	\$ 26,476	\$ 12,525
Receivables, property taxes	24,531	25,444	24,531	25,444
<b>Total assets</b>	<b>\$ 37,161</b>	<b>\$ 51,815</b>	<b>\$ 51,007</b>	<b>\$ 37,969</b>
<b>Liabilities</b>				
Accounts payable	\$ 24,754	\$ 25,347	\$ 24,531	\$ 25,570
Due to other governmental funds	12,407	26,468	26,476	12,399
<b>Total liabilities</b>	<b>\$ 37,161</b>	<b>\$ 51,815</b>	<b>\$ 51,007</b>	<b>\$ 37,969</b>
<b>City Taxing Districts Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 1,164,058	\$ 117,960,155	\$ 118,481,957	\$ 642,256
Receivables, property taxes	114,117,399	116,666,105	114,188,198	116,595,306
<b>Total assets</b>	<b>\$ 115,281,457</b>	<b>\$ 234,626,260</b>	<b>\$ 232,670,155</b>	<b>\$ 117,237,562</b>
<b>Liabilities, due to other government funds</b>	<b>\$ 115,281,457</b>	<b>\$ 234,626,260</b>	<b>\$ 232,670,155</b>	<b>\$ 117,237,562</b>
<b>Community College Taxing District Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 72,472	\$ 7,868,173	\$ 7,894,080	\$ 46,565
Receivables, property taxes	7,623,704	8,194,630	7,629,654	8,188,680
<b>Total assets</b>	<b>\$ 7,696,176</b>	<b>\$ 16,062,803</b>	<b>\$ 15,523,734</b>	<b>\$ 8,235,245</b>
<b>Liabilities, due to other government funds</b>	<b>\$ 7,696,176</b>	<b>\$ 16,062,803</b>	<b>\$ 15,523,734</b>	<b>\$ 8,235,245</b>
<b>Fire Taxing District Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 3,393	\$ 382,299	\$ 382,928	\$ 2,764
Receivables, property taxes	371,932	397,334	372,512	396,754
<b>Total assets</b>	<b>\$ 375,325</b>	<b>\$ 779,633</b>	<b>\$ 755,440</b>	<b>\$ 399,518</b>
<b>Liabilities, due to other government funds</b>	<b>\$ 375,325</b>	<b>\$ 779,633</b>	<b>\$ 755,440</b>	<b>\$ 399,518</b>

(continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities  
 All Agency Funds (Continued)  
 For the Year Ended June 30, 2016

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
<b>School Taxing District Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 1,181,557	\$ 120,505,583	\$ 120,963,489	\$ 723,651
Receivables, property taxes	116,723,142	118,765,738	116,817,594	118,671,286
<b>Total assets</b>	<b>\$ 117,904,699</b>	<b>\$ 239,271,321</b>	<b>\$ 237,781,083</b>	<b>\$ 119,394,937</b>
<b>Liabilities, due to other government funds</b>	<b>\$ 117,904,699</b>	<b>\$ 239,271,321</b>	<b>\$ 237,781,083</b>	<b>\$ 119,394,937</b>
<b>Township Taxing District Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 2,093	\$ 225,242	\$ 225,305	\$ 2,030
Receivables, property taxes	224,221	232,416	224,373	232,264
<b>Total assets</b>	<b>\$ 226,314</b>	<b>\$ 457,658</b>	<b>\$ 449,678</b>	<b>\$ 234,294</b>
<b>Liabilities, due to other government funds</b>	<b>\$ 226,314</b>	<b>\$ 457,658</b>	<b>\$ 449,678</b>	<b>\$ 234,294</b>
<b>Other Holding Accounts Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 4,666,058	\$ 634,253,753	\$ 634,579,706	\$ 4,340,105
Receivables, property taxes	26,172	249,330	253,635	21,867
<b>Total assets</b>	<b>\$ 4,692,230</b>	<b>\$ 634,503,083</b>	<b>\$ 634,833,341</b>	<b>\$ 4,361,972</b>
<b>Liabilities</b>				
Accounts payable	\$ 151,222	\$ 110,161	\$ 249,918	\$ 11,465
Due to other governmental agencies	4,541,008	368,201,085	368,391,586	4,350,507
<b>Total liabilities</b>	<b>\$ 4,692,230</b>	<b>\$ 368,311,246</b>	<b>\$ 368,641,504</b>	<b>\$ 4,361,972</b>
<b>City Special Assessments Fund</b>				
<b>Assets, cash and investments</b>	<b>\$ 564,211</b>	<b>\$ 3,007,925</b>	<b>\$ 3,300,123</b>	<b>\$ 272,013</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 564,211</b>	<b>\$ 3,007,925</b>	<b>\$ 3,300,123</b>	<b>\$ 272,013</b>
<b>County Recorder Agency Fund</b>				
<b>Assets, cash and investments</b>	<b>\$ 74,906</b>	<b>\$ 2,135,363</b>	<b>\$ 2,088,328</b>	<b>\$ 121,941</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 74,906</b>	<b>\$ 2,135,363</b>	<b>\$ 2,088,328</b>	<b>\$ 121,941</b>

(continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities  
 All Agency Funds (Continued)  
 For the Year Ended June 30, 2016

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
<b>County Sheriff Agency Fund</b>				
<b>Assets, cash and investments</b>	\$ 178,072	\$ 4,635,507	\$ 4,690,145	\$ 123,434
<b>Liabilities</b>				
Accounts Payable	\$ 156,437	\$ 4,444,096	\$ 4,488,651	\$ 111,882
Due from other government agencies	21,635	228,296	238,379	11,552
<b>Total Liabilities</b>	\$ 178,072	\$ 4,672,392	\$ 4,727,030	\$ 123,434
<b>Motor Vehicle Tax Fund</b>				
<b>Assets, cash and investments</b>	\$ 26,764	\$ -	\$ -	\$ 26,764
<b>Liabilities, due to other governmental agencies</b>	\$ 26,764	\$ -	\$ -	\$ 26,764
<b>Tax Sale Redemption Fund</b>				
<b>Assets, cash and investments</b>	\$ 77,337	\$ -	\$ -	\$ 77,337
<b>Liabilities, due to other governmental agencies</b>	\$ 77,337	\$ -	\$ -	\$ 77,337
<b>Community Services Fund</b>				
<b>Assets, cash and investments</b>	\$ 422,728	\$ 453,820	\$ 412,775	\$ 463,773
<b>Liabilities, due to private individuals</b>	\$ 422,728	\$ 453,820	\$ 412,775	\$ 463,773
<b>County Assessor Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 1,606,224	\$ 1,046,992	\$ 1,488,790	\$ 1,164,426
Receivables, property taxes	1,003,772	941,523	1,003,624	941,671
Prepaid	-	15,090	-	15,090
<b>Total assets</b>	\$ 2,609,996	\$ 2,003,605	\$ 2,492,414	\$ 2,121,187
<b>Liabilities</b>				
Accounts payable	\$ 8,448	\$ 924,352	\$ 906,726	\$ 26,074
Due to other governmental agencies	2,601,548	1,684,880	2,191,315	2,095,113
<b>Total liabilities</b>	\$ 2,609,996	\$ 2,609,232	\$ 3,098,041	\$ 2,121,187

(continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities  
 All Agency Funds (Continued)  
 For the Year Ended June 30, 2016

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
<b>City Assessor Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 1,038,895	\$ 1,456,946	\$ 1,765,648	\$ 730,193
Receivables, property taxes	1,398,502	1,292,077	1,399,636	1,290,943
<b>Total assets</b>	<b>\$ 2,437,397</b>	<b>\$ 2,749,023</b>	<b>\$ 3,165,284</b>	<b>\$ 2,021,136</b>
<b>Liabilities</b>				
Accounts payable	\$ 368,422	\$ 1,522,057	\$ 1,766,154	\$ 124,325
Due to other governmental agencies	2,068,975	1,291,929	1,464,093	1,896,811
<b>Total liabilities</b>	<b>\$ 2,437,397</b>	<b>\$ 2,813,986</b>	<b>\$ 3,230,247</b>	<b>\$ 2,021,136</b>
<b>Eastern Iowa Mental Health and Disabilities Services Region</b>				
<b>Assets</b>				
Cash and investments	\$ 2,689,809	\$ 8,267,992	\$ 1,776,518	\$ 9,181,283
Prepaid	-	5,613	-	5,613
<b>Total assets</b>	<b>\$ 2,689,809</b>	<b>\$ 8,273,605</b>	<b>\$ 1,776,518</b>	<b>\$ 9,186,896</b>
<b>Liabilities</b>				
Accounts payable	\$ 38,893	\$ 1,760,019	\$ 1,797,262	\$ 1,650
Due to other governmental agencies	2,650,916	8,247,192	1,712,862	9,185,246
<b>Total liabilities</b>	<b>\$ 2,689,809</b>	<b>\$ 10,007,211</b>	<b>\$ 3,510,124</b>	<b>\$ 9,186,896</b>
<b>Jail Inmate Fund</b>				
<b>Assets, cash and investments</b>	<b>\$ 243,652</b>	<b>\$ 8,502</b>	<b>\$ 166,730</b>	<b>\$ 85,424</b>
<b>Liabilities, due to private individuals</b>	<b>\$ 243,652</b>	<b>\$ 8,502</b>	<b>\$ 166,730</b>	<b>\$ 85,424</b>
<b>Rivershare Fund</b>				
<b>Assets, cash and investments</b>	<b>\$ 60,613</b>	<b>\$ 157,364</b>	<b>\$ 174,705</b>	<b>\$ 43,272</b>
<b>Liabilities</b>				
Accounts payable	\$ 30,295	\$ 145,533	\$ 172,341	\$ 3,487
Due to other government agencies	30,318	9,467	-	39,785
<b>Total liabilities</b>	<b>\$ 60,613</b>	<b>\$ 155,000</b>	<b>\$ 172,341</b>	<b>\$ 43,272</b>

(continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities  
 All Agency Funds (Continued)  
 For the Year Ended June 30, 2016

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
<b>Total Combined Funds</b>				
<b>Assets</b>				
Cash and investments	\$ 14,090,618	\$ 902,935,797	\$ 898,963,416	\$ 18,062,999
Receivables:				
Property taxes	242,039,964	247,306,464	242,440,790	246,905,638
Prepaid	-	20,703	-	20,703
<b>Total Assets</b>	<b>\$ 256,130,582</b>	<b>\$ 1,150,262,964</b>	<b>\$ 1,141,404,206</b>	<b>\$ 264,989,340</b>
<b>Liabilities</b>				
Accounts payable	\$ 778,471	\$ 8,931,565	\$ 9,405,583	\$ 304,453
Due to other governmental agencies	254,685,731	877,115,957	867,665,998	264,135,690
Due to private individuals	666,380	462,322	579,505	549,197
<b>Total Liabilities</b>	<b>\$ 256,130,582</b>	<b>\$ 886,509,844</b>	<b>\$ 877,651,086</b>	<b>\$ 264,989,340</b>

County of Scott, Iowa

Combining Balance Sheet and Reconciliation to Statement of Net Position  
 Discretely Presented Component Units  
 As of June 30, 2016

	Emergency Management		
	Agency	County Library	Total
<b>Assets</b>			
Cash and investments	\$ 257,821	\$ 362,836	\$ 620,657
Due from other governmental agencies	37,251	-	37,251
Prepaid Items	3,225	30,421	33,646
<b>Total assets</b>	<b>\$ 298,297</b>	<b>\$ 393,257</b>	<b>\$ 691,554</b>
<b>Liabilities and Fund Balance</b>			
Liabilities:			
Accounts payable	\$ 2,767	\$ 21,962	\$ 24,729
Accrued liabilities	5,665	41,143	46,808
<b>Total liabilities</b>	<b>8,432</b>	<b>63,105</b>	<b>71,537</b>
Fund balances:			
Nonspendable	3,225	30,421	33,646
Assigned	-	6,000	6,000
Unassigned	286,640	293,731	580,371
<b>Total fund balances</b>	<b>289,865</b>	<b>330,152</b>	<b>620,017</b>
<b>Total liabilities and fund balances</b>	<b>\$ 298,297</b>	<b>\$ 393,257</b>	<b>\$ 691,554</b>
<b>Reconciliation to statement of net position</b>			
Total component unit fund balances	\$ 289,865	\$ 330,152	\$ 620,017
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	(523,207)	(556,413)	(1,079,620)
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	16,234	47,067	63,301
Deferred inflows of resources	(6,313)	(29,763)	(36,076)
Liabilities not due and payable in the current period are not reported in the funds:			
Compensated absences	(35,438)	(56,805)	(92,243)
Net pension liability	(50,005)	(392,120)	(442,125)
Other post employment benefits obligation	(3,674)	2,523	(1,151)
<b>Total net position</b>	<b>\$ 310,528</b>	<b>\$ 699,102</b>	<b>\$ 1,009,630</b>

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, 2016**

	Emergency Management		
	Agency	County Library	Total
Revenues:			
Intergovernmental			
Operating	\$ 187,540	\$ 1,154,471	\$ 1,342,011
Charges for services	54,360	13,928	68,288
Investment earnings	421	590	1,011
Other	-	11,901	11,901
<b>Total revenues</b>	<b>242,321</b>	<b>1,180,890</b>	<b>1,423,211</b>
Expenditures:			
Current:			
Public safety and legal services	200,609	-	200,609
County environment and education	-	1,157,311	1,157,311
<b>Total expenditures</b>	<b>200,609</b>	<b>1,157,311</b>	<b>1,357,920</b>
<b>Net change in fund balances</b>	<b>41,712</b>	<b>23,579</b>	<b>65,291</b>
Fund balances, beginning of year	248,153	306,573	554,726
Fund balances, end of year	<b>\$ 289,865</b>	<b>\$ 330,152</b>	<b>\$ 620,017</b>

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, 2016**

	Emergency Management Agency	County Library	Total
<b>Reconciliation to statement of activities,</b>			
Net change in fund balances	\$ 41,712	\$ 23,579	\$ 65,291
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>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	(45,035)	(29,979)	(75,014)
<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	(35,438)	(6,944)	(42,382)
Change in other post employment benefits obligation	(125)	(584)	(709)
Change in pension expense	6,383	30,095	36,478
<b>Changes in Net Position of component units</b>	<b>\$ (32,503)</b>	<b>\$ 16,167</b>	<b>\$ (16,336)</b>

**STATISTICAL**

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# County of Scott, Iowa

## Statistical Section Contents

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

Contents	Page
<b>Financial Trends</b>	94
These schedules contain trend information to help the reader understand how the County's financial performance and well being have changed over time.	
<b>Revenue Capacity</b>	106
These schedules contain information to help the reader assess the County's most significant local revenue sources, the property tax (or sales tax).	
<b>Debt Capacity</b>	114
These schedules present information to help the reader assess the affordability of the County's current level of outstanding debt and the County's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	120
These schedule offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
<b>Operating Information</b>	122
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)**

	2007	2008	2009
Governmental activities:			
Net investment in capital assets	\$ 65,298,164	\$ 70,527,812	\$ 70,017,361
Restricted for:			
Debt service	4,152,198	3,728,760	3,229,346
County conservation sewage treatment	196,692	206,674	222,551
Mental health	396,372	572,242	1,713,646
Other statutory programs	-	-	-
Rural services	-	-	-
Scott Emergency Communication Center	-	-	-
Secondary roads	936,185	486,405	273,409
Unrestricted	10,576,072	6,065,147	6,205,472
<b>Total governmental activities net position</b>	<b>\$ 81,555,683</b>	<b>\$ 81,587,040</b>	<b>\$ 81,661,785</b>
Business-Type activities			
Net investment in capital assets	\$ 633,574	\$ 807,121	\$ 1,011,730
Restricted for lease purchase contract	326,831	325,166	324,400
Unrestricted	(2,832,971)	(3,225,906)	(3,623,282)
<b>Total business-type activities net position</b>	<b>\$ (1,872,566)</b>	<b>\$ (2,093,619)</b>	<b>\$ (2,287,152)</b>
Primary government:			
Net investment in capital assets	\$ 65,931,738	\$ 71,334,933	\$ 71,029,091
Restricted for:			
Debt service	4,152,198	3,728,760	3,229,346
County conservation sewage treatment	196,692	206,674	222,551
Lease purchase contract	326,831	325,166	324,400
Mental health	396,372	572,242	1,713,646
Other statutory programs	-	-	-
Rural services	-	-	-
Scott Emergency Communication Center	-	-	-
Secondary roads	936,185	486,405	273,409
Unrestricted	7,743,101	2,839,241	2,582,190
<b>Total primary government net position</b>	<b>\$ 79,683,117</b>	<b>\$ 79,493,421</b>	<b>\$ 79,374,633</b>

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						
2010	2011	2012	2013	2014	2015	2016
\$ 73,643,761	\$ 64,874,432	\$ 74,766,566	\$ 71,325,134	\$ 69,647,344	\$ 73,242,465	\$ 76,525,390
2,849,754	2,503,008	2,160,323	1,491,035	1,802,355	1,936,389	2,217,903
209,483	210,592	212,459	212,430	212,430	208,552	-
1,499,167	1,221,960	343,637	-	1,966,913	5,116,780	359,933
663,173	783,546	786,943	968,492	979,625	955,941	923,278
-	57,929	70,995	154,168	150,016	148,630	154,804
-	-	2,762,297	2,689,733	3,049,339	120,370	-
370,604	885,011	1,839,278	2,320,739	3,149,287	3,830,301	3,475,520
6,934,776	10,009,511	14,045,782	15,050,677	20,624,047	11,928,034	13,322,400
\$ 86,170,718	\$ 80,545,989	\$ 96,988,280	\$ 94,212,408	\$ 101,581,356	\$ 97,487,462	\$ 96,979,228
\$ 1,201,240	\$ 1,640,815	\$ 2,226,682	\$ 2,214,625	\$ 2,168,898	\$ 2,167,093	\$ 2,088,255
324,407	324,407	-	-	-	-	-
(3,921,629)	(4,233,323)	(4,447,949)	93,780	173,029	290,861	462,282
\$ (2,395,982)	\$ (2,268,101)	\$ (2,221,267)	\$ 2,308,405	\$ 2,341,927	\$ 2,457,954	\$ 2,550,537
\$ 74,845,001	\$ 66,515,247	\$ 76,993,248	\$ 73,539,759	\$ 71,816,242	\$ 75,409,558	\$ 78,613,645
2,849,754	2,503,008	2,160,323	1,491,035	1,802,355	1,936,389	2,217,903
209,483	210,592	212,459	212,430	212,430	208,552	-
324,407	324,407	-	-	-	-	-
1,499,167	1,221,960	343,637	-	1,966,913	5,116,780	359,933
663,173	783,546	786,943	968,492	979,625	955,941	923,278
-	57,929	70,995	154,168	150,016	148,630	154,804
-	-	2,762,297	2,689,733	3,049,339	120,370	-
370,604	885,011	1,839,278	2,320,739	3,149,287	3,830,301	3,475,520
3,013,147	5,776,188	9,597,833	15,144,457	20,797,076	12,218,895	13,784,682
\$ 83,774,736	\$ 78,277,888	\$ 94,767,013	\$ 96,520,813	\$ 103,923,283	\$ 99,945,416	\$ 99,529,765

County of Scott, Iowa

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

	2007	2008	2009
Expenses:			
Governmental activities:			
Public safety and legal services	\$ 20,051,534	\$ 20,289,680	\$ 20,925,221
Public safety and legal services -SECC	-	-	-
Physical health and social services	5,682,835	5,956,132	6,180,832
Mental health	14,308,820	15,211,596	14,605,242
County environment and education	4,371,103	4,410,086	4,882,023
Roads and transportation	6,711,217	6,712,511	7,461,585
Governmental services to residents	2,074,972	2,151,064	2,821,526
Administration	9,943,559	10,980,111	10,135,767
Interest on long-term debt	1,606,659	1,471,972	1,393,678
<b>Total governmental activities expenses</b>	<b>64,750,699</b>	<b>67,183,152</b>	<b>68,405,874</b>
Business-Type activities, golf course	1,223,696	1,178,367	1,144,254
<b>Total government expenses</b>	<b>\$ 65,974,395</b>	<b>\$ 68,361,519</b>	<b>\$ 69,550,128</b>
Program revenues:			
Governmental activities			
Charges for services			
Public safety and legal services	\$ 1,053,355	\$ 939,874	\$ 1,182,577
Physical health and social services	285,637	330,296	358,704
Mental health	41,070	42,261	31,633
County environment and education	889,915	920,315	891,352
Roads and transportation	9,943	11,268	21,109
Governmental services to residents	2,506,821	2,382,447	2,307,783
Administration	251,682	251,070	228,445
Operating grants and contributions	9,896,826	11,847,705	12,233,452
Capital grants and contributions	1,417,942	153,469	1,184,458
<b>Total governmental activities program revenues</b>	<b>16,353,191</b>	<b>16,878,705</b>	<b>18,439,513</b>
Business-Type activities, golf course	875,270	947,487	949,445
<b>Total government program revenues</b>	<b>\$ 17,228,461</b>	<b>\$ 17,826,192</b>	<b>\$ 19,388,958</b>
Net (expense)/revenue:			
Governmental activities	\$ (48,397,508)	\$ (50,304,447)	\$ (49,966,361)
Business-Type activities	(348,426)	(230,880)	(194,809)
<b>Total government net expense</b>	<b>\$ (48,745,934)</b>	<b>\$ (50,535,327)</b>	<b>\$ (50,161,170)</b>

(Continued)

		Fiscal Year											
		2010	2011	2012	2013	2014	2015	2016					
\$	27,972,373	\$	36,474,619	\$	20,806,047	\$	21,551,072	\$	21,994,460	\$	21,575,674	\$	22,496,478
	-		-		6,785,573		7,650,488		7,755,245		8,263,625		8,990,086
	6,238,358		5,695,818		5,439,626		5,293,759		5,387,800		5,632,413		5,989,809
	14,484,152		15,279,397		17,508,289		8,256,862		7,075,477		6,009,778		8,609,386
	4,044,619		4,893,713		5,045,765		5,063,295		5,374,619		5,378,738		5,887,071
	6,219,535		7,863,504		9,171,403		8,296,547		8,862,285		8,252,046		8,545,470
	2,167,664		2,117,384		2,262,947		2,236,126		2,204,779		2,060,111		2,336,652
	8,294,027		11,500,872		10,131,539		10,869,732		10,071,070		10,483,274		10,702,812
	1,457,291		1,674,554		2,090,153		2,281,028		2,074,927		1,895,452		1,332,866
	70,878,019		85,499,861		79,241,342		71,498,909		70,800,662		69,551,111		74,890,630
	1,021,548		949,850		1,168,516		976,713		1,013,810		947,995		947,360
\$	71,899,567	\$	86,449,711	\$	80,409,858	\$	72,475,622	\$	71,814,472	\$	70,499,106	\$	75,837,990
\$	992,171	\$	1,457,575	\$	1,622,292	\$	1,413,724	\$	1,633,110	\$	1,860,399	\$	1,462,328
	355,941		376,158		399,182		392,116		398,670		404,322		420,561
	31,902		50,250		74,244		176,661		203,301		162,920		145,831
	988,522		1,017,239		1,145,202		1,131,480		1,466,769		1,537,819		1,598,171
	32,893		20,863		18,900		20,531		35,159		17,551		42,480
	2,343,094		2,469,734		2,588,909		2,893,332		2,576,380		2,616,710		2,750,040
	271,056		267,955		267,800		289,722		178,279		316,678		415,863
	11,912,913		12,882,216		12,358,943		7,988,482		10,336,825		9,490,079		4,687,936
	6,674,252		2,567,522		1,111,863		459,141		1,124,208		3,343,518		465,967
	23,602,744		21,109,512		19,587,335		14,765,189		17,952,701		19,749,996		11,989,177
	912,712		900,741		1,002,459		890,259		901,872		926,316		939,155
\$	24,515,456	\$	22,010,253	\$	20,589,794	\$	15,655,448	\$	18,854,573	\$	20,676,312	\$	12,928,332
\$	(47,275,275)	\$	(64,390,349)	\$	(59,654,007)	\$	(56,733,720)	\$	(52,847,961)	\$	(49,801,115)	\$	(62,901,453)
	(108,836)		(49,109)		(166,057)		(86,454)		(111,938)		(21,679)		(8,205)
\$	(47,384,111)	\$	(64,439,458)	\$	(59,820,064)	\$	(56,820,174)	\$	(52,959,899)	\$	(49,822,794)	\$	(62,909,658)

County of Scott, Iowa

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

	2007	2008	2009
General revenues and other changes in net position:			
Governmental activities:			
Taxes:			
Property taxes	\$ 31,995,844	\$ 33,138,131	\$ 34,113,141
Local option sales tax	3,700,844	3,867,941	3,602,230
Gaming	789,210	815,524	748,920
Other taxes	61,766	65,253	66,852
Utility tax replacements	1,382,625	1,341,669	1,348,776
Penalties, interest and costs on taxes	782,123	731,456	847,456
State tax replacement credits	5,243,536	5,194,016	5,183,554
Payments in lieu of taxes	165	8,226	9,046
State shared revenues	2,906,371	2,866,918	2,743,735
Grants and contributions not restricted to specific purpose	188,557	-	-
Investment earnings	2,140,787	1,447,577	674,859
Miscellaneous	780,711	859,093	702,537
Total General Revenues	49,972,539	50,335,804	50,041,106
Transfers (out)	-	-	-
<b>Total governmental activities</b>	49,972,539	50,335,804	50,041,106
Business-Type activities:			
Investment earnings	14,609	9,827	1,276
Transfers	-	-	-
Total Business-Type Activities	14,609	9,827	1,276
<b>Total primary government</b>	\$ 49,987,148	\$ 50,345,631	\$ 50,042,382
Change in net position:			
Governmental activities	\$ 1,575,031	\$ 31,357	\$ 74,745
Business-Type activities	(333,817)	(221,053)	(193,533)
<b>Total primary government</b>	\$ 1,241,214	\$ (189,696)	\$ (118,788)

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											
		2010	2011	2012	2013	2014	2015	2016					
\$	36,228,794	\$	43,052,682	\$	44,980,224	\$	46,156,117	\$	46,924,802	46,038,682	45,202,178		
	3,637,825		3,863,574		4,052,754		4,049,552		4,285,414	4,413,667	4,390,854		
	676,255		584,582		596,840		579,504		527,014	528,381	569,059		
	63,470		68,512		68,374		70,286		4,658,521	71,501	68,619		
	1,395,383		1,539,020		1,625,295		1,598,817		1,558,330	1,891,293	1,887,781		
	790,006		791,685		789,143		816,474		930,986	715,763	725,336		
	4,826,563		4,930,224		4,898,515		1,205,628		1,450,873	2,598,044	3,848,505		
	6,828		6,782		6,682		6,521		7,306	3,438,603	4,085,495		
	3,101,887		2,775,120		3,146,564		3,156,344		3,200,405	7,058	7,980		
	-		-		-		-		-	-	-		
	188,207		228,038		162,822		125,127		147,401	150,728	122,472		
	868,990		1,102,391		1,380,103		1,274,786		1,263,537	1,860,536	1,584,940		
	51,784,208		58,942,610		61,707,316		59,039,156		64,954,589	61,714,256	62,493,219		
	-		(176,990)		(212,891)		(4,616,126)		(145,460)	(223,361)	(100,000)		
	51,784,208		58,765,620		61,494,425		54,423,030		64,809,129	61,490,895	62,393,219		
	6		-		-		-		-	363	788		
	-		176,990		212,891		4,616,126		145,460	223,361	100,000		
	6		176,990		212,891		4,616,126		145,460	223,724	100,788		
\$	51,784,214	\$	58,942,610	\$	61,707,316	\$	59,039,156	\$	64,954,589	\$	61,714,619	\$	62,494,007
\$	4,508,933	\$	(5,624,729)	\$	1,840,418	\$	(2,310,690)	\$	11,961,168	\$	11,689,780	\$	(508,234)
	(108,830)		127,881		46,834		4,529,672		33,522		202,045		92,583
\$	4,400,103	\$	(5,496,848)	\$	1,887,252	\$	2,218,982	\$	11,994,690	\$	11,891,825	\$	(415,651)

County of Scott, Iowa

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	2007	2008	2009	2010
General Fund:				
Reserved:				
Notes receivable	\$ 100,000	\$ 116,175	\$ 116,175	\$ 113,358
Advances	2,262,314	2,702,314	3,207,314	3,397,314
County conservation sewage treatment	196,692	206,674	222,551	213,843
Other statutory programs	-	-	-	663,173
Unreserved, designated claim liabilities	1,004,488	718,847	589,331	522,407
Unreserved, undesignated	5,301,970	5,849,553	5,956,480	7,613,701
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	-	-	-	-
<b>Total general fund</b>	<b>\$ 8,865,464</b>	<b>\$ 9,593,563</b>	<b>\$ 10,091,851</b>	<b>\$ 12,523,796</b>
All other governmental funds:				
Reserved for:				
Debt service	\$ 4,152,198	\$ 3,728,760	\$ 3,229,346	\$ 2,908,690
Unreserved, undesignated reported in:				
Special revenue funds:				
Mental health/development disabilities	396,372	572,242	1,713,646	1,499,167
Secondary Roads	936,185	486,405	273,409	370,604
Rural services	123,384	118,672	117,451	137,271
Recorders management fees	138,081	139,847	139,496	90,270
Capital projects funds, capital projects	6,945,117	5,541,207	4,053,819	8,310,749
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)	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 12,691,337</b>	<b>\$ 10,587,133</b>	<b>\$ 9,527,167</b>	<b>\$ 13,316,751</b>

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.

	2011 *	2012 *	2013 *	2014	2015	2016
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	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	553,834
	210,592	212,459	212,430	207,617	208,552	-
	783,546	786,943	926,297	945,547	902,614	849,023
	-	1,500,000	3,150,000	3,850,000	2,350,000	2,500,000
	-	340,000	150,000	150,000	270,000	500,000
	-	560,257	-	-	-	-
	694,052	398,656	383,941	330,680	407,715	308,160
	9,247,282	9,477,799	10,041,990	9,832,639	10,098,835	10,212,287
\$	14,878,260	\$ 17,509,042	\$ 15,054,841	\$ 15,506,666	\$ 14,436,737	\$ 14,923,304

\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	18,979	15,719
	2,558,322	2,053,084	19,541,476	19,518,523	1,980,550	10,587,713
	885,011	1,839,278	2,320,739	3,149,287	3,830,301	3,475,520
	57,929	70,995	154,168	150,016	148,630	154,804
	-	-	-	1,966,913	5,116,780	359,933
	-	343,637	-	-	-	-
	72,687	48,418	42,194	53,327	63,714	74,255
	1,712,860	1,252,027	-	-	-	-
	-	2,762,297	2,689,733	3,085,355	2,393,687	1,758,132
	1,221,960	-	-	-	-	-
	1,473,162	2,578,797	5,494,375	9,019,502	12,476,234	11,445,896
	-	(75,318)	(388,176)	-	-	-
\$	7,981,931	\$ 10,873,215	\$ 29,854,509	\$ 36,942,923	\$ 26,028,875	\$ 27,871,972

County of Scott, Iowa

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	2007	2008	2009	2010
<b>Revenues:</b>				
Property taxes	\$ 32,017,310	\$ 33,120,748	\$ 34,082,776	\$ 36,232,900
Local option sales tax	3,727,522	3,860,101	3,691,392	3,637,825
Other taxes	2,233,601	2,222,446	2,164,548	2,135,108
Interest and penalty on taxes	782,123	731,456	847,456	790,006
Intergovernmental	18,714,770	19,873,049	20,369,088	19,848,192
Charges for services	4,521,226	4,337,361	4,516,303	4,490,155
Investment earnings	2,008,067	1,447,577	674,859	186,708
Licenses and permits	517,197	540,170	505,300	525,427
Rentals and fees	144,693	157,323	165,676	186,492
Other	636,018	701,770	536,861	642,792
<b>Total revenues</b>	<b>65,302,527</b>	<b>66,992,001</b>	<b>67,554,259</b>	<b>68,675,605</b>
<b>Expenditures:</b>				
Public safety and legal services	19,330,101	19,214,446	19,768,037	19,942,386
Physical health and social services	5,638,002	5,915,796	6,075,938	6,595,222
Mental health	14,288,703	15,182,707	14,560,838	14,492,698
County environment and education	3,845,185	4,099,548	4,378,787	4,197,866
Roads and transportation	4,360,061	4,493,009	4,680,676	4,604,129
Governmental services to residents	1,933,065	2,012,787	2,134,299	2,052,707
Administration	7,555,798	8,238,360	8,711,784	8,342,657
Capital outlay	5,580,379	5,832,465	4,369,892	9,072,467
<b>Debt service:</b>				
Principal	1,880,000	1,925,000	2,065,000	2,140,000
Bond issuance costs	99,453	-	-	-
Interest and fees	1,569,359	1,503,745	1,398,136	1,562,013
<b>Total expenditures</b>	<b>66,080,106</b>	<b>68,417,863</b>	<b>68,143,387</b>	<b>73,002,145</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(777,579)</b>	<b>(1,425,862)</b>	<b>(589,128)</b>	<b>(4,326,540)</b>
<b>Other financing sources (uses):</b>				
Transfers in	5,107,655	8,516,222	8,616,899	8,007,463
Transfers out	(5,107,655)	(8,516,222)	(8,616,899)	(8,007,463)
Proceeds from sale of capital assets	33,394	49,757	27,450	39,705
Proceeds from issuance of long-term debt	6,185,000	-	-	13,200,000
Distribution of advance crossover refunding	-	-	-	-
Bond discount	-	-	-	(17,392)
Bond premium	9,345	-	-	70,756
Payment to refunded bond escrow agent	(3,645,000)	-	-	(2,745,000)
<b>Total other financing sources (uses)</b>	<b>2,582,739</b>	<b>49,757</b>	<b>27,450</b>	<b>10,548,069</b>
Net Change in fund balances	1,805,160	(1,376,105)	(561,678)	6,221,529
Fund balances, beginning of year	19,751,641	21,556,801	20,180,696	19,619,018
Fund balances, end of year	\$ 21,556,801	\$ 20,180,696	\$ 19,619,018	\$ 25,840,547
<b>Debt service as a percentage of noncapital expenditures</b>				
	5.84%	5.39%	5.39%	5.54%

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

Source: County records.

Fiscal Year					
2011	2012*	2013*	2014	2015	2016
\$ 43,098,556	\$ 44,978,360	\$ 46,158,852	\$ 46,920,952	\$ 46,024,012	\$ 45,210,754
3,863,574	4,052,754	4,098,552	4,268,291	4,403,167	4,390,604
2,192,115	2,290,508	2,248,606	2,151,644	2,491,175	2,525,458
791,685	789,143	816,474	930,986	715,763	725,336
20,595,340	20,410,705	12,290,563	15,163,356	15,654,761	12,904,819
4,993,149	5,463,130	5,562,494	5,710,597	6,164,147	5,994,739
221,853	155,838	120,569	143,039	146,338	118,916
666,627	653,399	772,296	781,072	752,254	833,144
188,240	222,959	176,562	80,591	85,462	89,743
598,716	937,286	1,011,563	1,102,063	1,690,480	1,232,794
77,209,855	79,954,082	73,256,531	77,252,591	78,127,559	74,026,307
26,494,923	25,163,609	26,258,655	26,708,744	27,252,039	27,467,752
6,511,764	5,395,364	5,256,671	5,381,859	5,461,001	5,922,900
15,221,435	17,466,386	8,216,389	7,030,247	6,037,145	8,424,829
4,338,106	4,450,578	4,510,564	4,388,314	4,467,281	4,750,264
4,540,049	5,111,168	4,969,030	4,528,796	4,696,791	4,723,640
2,022,332	2,210,614	2,178,373	2,202,471	2,141,186	2,334,861
9,094,998	9,203,859	9,341,135	9,598,011	10,030,585	9,976,262
7,748,371	2,916,473	4,464,108	4,017,248	6,646,807	11,746,853
2,680,000	3,145,000	3,331,240	3,461,240	3,712,442	3,230,000
-	-	-	-	-	-
1,675,660	2,050,550	2,088,389	2,180,845	2,060,981	1,329,164
80,327,638	77,113,601	70,614,554	69,497,775	72,506,258	79,906,525
(3,117,783)	2,840,481	2,641,977	7,754,816	5,621,301	(5,880,218)
8,433,584	11,825,251	16,347,711	17,961,921	18,867,438	17,212,770
(8,610,574)	(12,038,142)	(20,809,984)	(18,257,381)	(19,240,799)	(17,582,770)
157,209	339,441	113,638	80,883	83,083	265,425
-	-	17,675,000	-	-	8,215,000
-	-	-	-	(17,315,000)	-
-	-	-	-	-	-
-	-	558,751	-	-	99,457
-	-	-	-	-	-
(19,781)	126,550	13,885,116	(214,577)	(17,605,278)	8,209,882
(3,137,564)	2,967,031	16,527,093	7,540,239	(11,983,977)	2,329,664
25,840,547	25,415,226	28,382,257	44,909,350	52,449,589	40,465,612
\$ 22,702,983	\$ 28,382,257	\$ 44,909,350	\$ 52,449,589	\$ 40,465,612	\$ 42,795,276

5.71%

6.97%

8.14%

8.47%

8.71%

6.56%

County of Scott, Iowa

Program Revenues by Function/Program

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

Function / Program	2007	2008	2009
Governmental activities:			
Public safety and legal services	\$ 2,624,858	\$ 2,087,424	\$ 3,080,316
Public safety and legal services - SECC	-	-	-
Physical health and social services	2,114,672	2,179,694	2,222,418
Mental health	6,324,361	7,891,347	8,163,582
County environment and education	1,074,486	1,306,680	1,301,062
Roads and transportation	979,629	54,786	154,581
Governmental services and residents	2,824,963	2,926,459	3,063,718
Administration	410,222	432,315	453,836
Interest on long-term debt	-	-	-
<b>Total governmental activities</b>	<b>16,353,191</b>	<b>16,878,705</b>	<b>18,439,513</b>
Business-Type activities, Glynn's Creek Golf Course	875,270	947,487	949,445
<b>Total government</b>	<b>\$ 17,228,461</b>	<b>\$ 17,826,192</b>	<b>\$ 19,388,958</b>

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	2016	
\$ 2,285,735	\$ 2,603,842	\$ 2,790,937	\$ 2,659,176	\$ 2,690,456	\$ 2,714,412	\$ 2,469,186	
-	-	-	-	127	98,125	1,313	
2,984,594	2,449,219	1,835,979	1,675,662	1,650,038	1,577,835	1,986,817	
6,969,490	7,753,736	8,547,369	4,094,415	5,910,035	5,696,143	145,831	
1,415,324	1,094,796	1,223,753	1,177,856	1,530,559	1,608,436	1,663,520	
6,744,340	2,645,043	1,083,772	527,378	1,182,305	3,417,400	632,869	
2,704,150	2,656,916	2,859,866	3,076,697	2,957,422	2,855,609	3,108,436	
499,111	1,502,699	693,626	916,371	575,570	423,280	543,309	
-	403,261	552,033	637,634	1,456,189	1,358,756	1,437,896	
23,602,744	21,109,512	19,587,335	14,765,189	17,952,701	19,749,996	11,989,177	
912,712	900,741	1,002,459	890,259	901,872	926,316	939,155	
\$ 24,515,456	\$ 22,010,253	\$ 20,589,794	\$ 15,655,448	\$ 18,854,573	\$ 20,676,312	\$ 12,928,332	

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
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
2016	45,210,754	4,390,604	2,525,458	725,336	12,904,819
Change					
2007-2016	41.21%	17.79%	13.07%	-7.26%	-31.04%

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

Source: County records.

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Charges for Services	Investment Earnings	Licenses & Permits	Rentals & Fees	Other	Total
\$ 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
5,994,739	118,916	833,144	89,743	1,232,794	74,026,307
32.59%	-94.08%	61.09%	-37.98%	93.83%	13.36%

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
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
2016	7,319,187,974	12,162,390,696	395,641,402	615,595,708	7,714,829,376	12,777,986,404

Source: Auditor's Office

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

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

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Ratio Taxable to Assessed Value	Tax Increment Financing District Values	Weighted Average County Property Tax Rate
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
60.4%	425,111,551	6.37

County of Scott, Iowa

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

Taxpayer	2007		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Mid American Energy	\$ 282,557,718	1	4.40%
Isle of Capri Bettendorf	85,283,690	2	1.33%
SDG Macerich Properties	68,877,000	3	1.07%
Iowa American Water Company	52,378,698	4	0.82%
Aluminum Company of America	40,856,960	5	0.64%
Qwest Communications	28,950,697	6	0.45%
Northern Border Pipeline Co.	26,556,030	7	0.41%
Gulf Investments LLC	24,522,800	8	0.38%
Deere & Company, Inc.	22,375,800	9	0.35%
Quanex Corporation	22,322,600	10	0.35%
<b>Total</b>	<b>\$ 654,681,993</b>		<b>10.20%</b>

Taxpayer	2016		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
MidAmerican Energy	\$ 240,925,178	1	2.95%
Isle of Capri	76,502,088	2	0.94%
Iowa American Water Company	59,323,274	3	0.73%
Macerich North Park Mall LLC	52,533,450	4	0.64%
ALCOA	37,413,984	5	0.46%
Deere & Company	24,040,271	6	0.29%
Qwest Corp	22,911,067	7	0.28%
Northern Border Pipeline Company	21,558,259	8	0.26%
Continental Cement Company LLC	20,412,834	9	0.25%
Continental 203 Fund LLC	19,878,588	10	0.24%
<b>Total</b>	<b>\$ 575,498,993</b>		<b>7.04%</b>

Source: County records

County of Scott, Iowa

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

Fiscal Year Ended June 30	Property Taxes Levied for the Fiscal Year	Property Taxes Collected Within the Fiscal Year of the Levy		Property Tax Collections In Subsequent Years	Property Tax Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2016	278,996,517	276,343,974	99.05%	231,200	276,575,174	99.13%

Source: County records

**County of Scott, Iowa**

**Direct and Overlapping Property Tax Rates**

**Last Ten Years**

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

**(Unaudited)**

	2007	2008	2009	2010
County direct rates:				
Scott County Urban Rate	\$ 5.51106	\$ 5.54040	\$ 5.33791	\$ 5.47607
Scott County Rural Rate	8.52602	8.62666	8.35745	8.49561
City and town rates:				
Bettendorf	12.60000	12.95000	12.85000	12.85000
Blue Grass	11.58668	11.65760	11.07291	10.98600
Buffalo	8.10000	8.10000	8.09999	8.17628
Davenport	15.56702	15.57515	15.57584	15.58000
Dixon	8.10000	8.10000	8.10000	8.10000
Donahue	5.43321	5.43025	5.96370	5.96079
Durant	15.56204	15.56203	15.56203	14.95411
Eldridge	6.64800	6.64797	6.64880	6.64916
LeClaire	14.69636	14.69188	14.69998	16.08173
Long Grove	8.39529	8.10000	9.76863	11.15854
Maysville	5.16094	5.16095	5.16100	5.16094
McCausland	8.10000	8.10000	8.10000	8.10000
New Liberty	3.57028	3.34915	2.93849	2.92797
Panorama Park	6.76329	6.74595	5.64940	5.55117
Princeton	8.97804	8.93821	8.94763	9.58243
Riverdale	2.50485	2.50485	2.70103	2.70103
Walcott	9.75000	10.00000	10.00000	10.00000
School District Rates:				
Bennett Schools	11.62880	10.72766	11.01374	11.25066
Bettendorf Schools	15.00216	15.00025	14.84626	14.85367
Davenport Schools	17.10760	17.10610	17.08731	17.09334
Durant Schools	11.96178	12.37027	12.60365	13.34659
North Scott Schools	15.17814	15.11048	14.76476	14.51584
Pleasant Valley Schools	13.86154	13.99385	13.98720	13.99319
Area IX CC	0.61277	0.60785	0.60635	0.87714
Other:				
Scott County Assessor	0.29563	0.28899	0.28870	0.33733
Davenport City Assessor	0.29672	0.30964	0.27680	0.25789
Ag. Extension - BANGS	0.07034	0.07079	0.06892	0.06845

Source: County records - Auditor's Office.

Year Taxes are Payable					
2011	2012	2013	2014	2015	2016
\$ 6.37607	\$ 6.37759	\$ 6.30156	\$ 6.23534	\$ 6.13204	\$ 6.00377
9.39561	9.51525	9.43922	9.28021	9.17153	9.01072
12.60000	12.60000	12.55000	12.55000	12.55000	12.55000
11.18972	11.30132	11.57130	11.64547	11.65175	11.79368
8.17540	9.12078	9.12604	9.12332	9.03935	9.12879
15.53000	15.53000	16.78000	16.78000	16.78000	16.78000
8.10000	8.10000	8.10000	8.10000	8.09989	8.10000
7.21883	7.22080	7.22267	7.22420	7.22152	7.22036
15.70846	15.70847	17.07103	13.47399	15.06085	15.11071
6.74852	6.75418	6.75396	6.75436	6.75442	6.82817
16.00434	15.07379	14.69999	14.47264	14.47264	14.29804
11.03125	10.90085	10.74199	10.60442	10.52099	10.45768
5.16962	5.16951	5.16957	5.57674	5.99993	5.99988
9.25982	9.21668	9.22504	8.10000	8.10000	8.10000
3.96650	3.12506	7.88563	3.61168	3.61588	3.65483
5.56196	5.51713	5.47320	5.26743	5.26355	5.79870
9.58242	9.58242	10.26832	10.27159	10.27158	10.27158
3.37602	7.00244	10.55647	10.55525	12.21629	11.90048
9.99999	10.00000	9.99999	9.99999	10.12000	10.12002
11.23830	12.47240	12.05990	11.09204	12.09305	12.69625
15.00820	15.00244	15.00292	14.54629	14.01636	14.01633
17.11276	17.05061	17.04996	16.66333	15.83747	15.67601
11.84246	13.62815	12.39188	13.10599	13.21664	11.80029
14.75964	14.75525	14.50592	14.18910	14.19507	14.01459
14.74116	14.73829	14.64092	14.74093	14.49409	14.34409
0.92444	1.01724	0.91511	0.92043	0.92782	0.96863
0.28465	0.28110	0.28081	0.27996	0.27068	0.27052
0.23892	0.25171	0.31490	0.37452	0.37409	0.34691
0.06946	0.06891	0.06865	0.06890	0.07009	0.07135

County of Scott, Iowa

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

Fiscal Year	Governmental Activities				
	General Obligation		Revenue Bonds	Notes Payable	Capital Lease
	Bonds				
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	-	
2016	16,454	16,321	7,820	-	

\*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

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Business-Type Activities

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Capital Lease	Purchase Contract	Total Government	Percentage of Personal Income*	Per Capita*
\$ 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	0.48%	231.34
-	-	35,290	0.44%	210.15
-	-	60,283	0.74%	357.19
-	-	56,736	0.69%	334.47
-	-	35,612	N/A	207.51
104	-	40,699	N/A	235.98

County of Scott, Iowa

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

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Fiscal Year	General Bonded Debt Outstanding		Percent of Debt to Assessed Value	Per Capita*
	General Obligation Bonds			
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%	62.92
2015		9,348,254	0.07%	54.20
2016		16,454,038	0.13%	95.40

\*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, 2016**  
**(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
<b>Direct Debt:</b>			
Scott County	\$ 32,775,818	100.00%	\$ <u>32,775,818</u>
<b>Overlapping Debt:</b>			
School Districts:			
Durant Community	1,679,498	24.50%	411,477
Eastern Iowa Community College	49,725,000	59.00%	29,337,750
<b>Subtotal, School Districts</b>			<u>29,749,227</u>
Cities:			
Bettendorf	121,995,000	100.00%	121,995,000
Blue Grass	2,102,684	95.90%	2,016,474
Buffalo	398,895	100.00%	398,895
Davenport	219,930,000	100.00%	219,930,000
Donahue	149,000	100.00%	149,000
Durant	747,000	3.90%	29,133
Eldridge	2,715,000	100.00%	2,715,000
LeClaire	13,204,181	100.00%	13,204,181
Long Grove	727,000	100.00%	727,000
McCausland	1,144,000	100.00%	1,144,000
New Liberty	268,921	100.00%	268,921
Princeton	735,000	100.00%	735,000
Riverdale	1,515,000	100.00%	1,515,000
<b>Subtotal, Cities</b>			<u>364,827,604</u>
<b>Overlapping Debt:</b>			<u>394,576,831</u>
<b>Total direct and overlapping debt:</b>			<u>\$ 427,352,649</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, 2016  
(Unaudited)

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	2007	2008	2009	2010
Debt limit	\$ 479,594,782	\$ 497,083,535	\$ 558,544,692	\$ 571,861,865
Total net debt applicable to limit	36,425,000	34,500,000	32,435,000	40,750,000
Legal debt margin	\$ 443,169,782	\$ 462,583,535	\$ 526,109,692	\$ 531,111,865
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	7.59%	6.94%	5.81%	7.13%

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

Source: County records.

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed value, net of military exemption	<u>\$ 12,761,351,740</u>
Debt limit (5% of assessed value)	<u>\$ 638,067,587</u>
Debt applicable to limit:	
General obligation bonds	16,350,000
Revenue Bonds	<u>16,060,000</u>
Total net applicable to limit	<u>32,410,000</u>
Legal debt margin	<u>\$ 605,657,587</u>

	2011	2012	2013	2014	2015	2016
\$	584,366,273	\$ 595,431,703	\$ 610,756,097	\$ 616,290,777	\$ 631,566,151	\$ 638,067,587
	38,070,000	35,290,000	50,095,000	47,110,000	27,005,000	32,410,000
\$	546,296,273	\$ 560,141,703	\$ 560,661,097	\$ 569,180,777	\$ 604,561,151	\$ 605,657,587
	6.51%	5.93%	8.20%	7.64%	4.28%	5.08%

County of Scott, Iowa

Demographic and Economic Statistics  
 Last Ten Calendar Years  
 (Unaudited)

Year	Population <sup>1</sup>	Personal Income (000's) <sup>2</sup>	Per Capita Personal Income <sup>2</sup>	Farm Proprietors <sup>3</sup>	School Enrollment <sup>4</sup>	Unemployment Rate <sup>5</sup>
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	8,164,378	47,090	N/A	28,626	6.0
2015	171,616	N/A	N/A	N/A	26,062	4.9
2016	172,469	N/A	N/A	N/A	28,538	5.2

Sources:

<sup>1</sup> Woods & Poole Economics, Inc.

Note: Woods & Poole data are projections

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

<sup>3</sup> USDA, National Agricultural Statistics Services (2005-09) and 2012 Census of Agriculture

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

Total Enrollment includes Bettendorf CSD, Davenport CSD, North Scott CSD, and Pleasant Valley CSD

School enrollments are for the fall of year posted and spring of following year (i.e. 2011-12 would be listed under 2012)

<sup>5</sup> Iowa Workforce Development

2016 totals are the average from January - July 2016

Date accessed: 9/16/2016

**County of Scott, Iowa**

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

Employer	2007		
	Employees	Rank	Percentage of Total County Employment
Alcoa	2,500	1	2.5%
Kraft Foods	1,500	2	1.7%
MidAmerican	1,200	3	1.4%
Genesis Health System	1,090	4	1.2%
Deere & Company (Davenport Works)	950	5	1.1%
Farradays	923	6	1.0%
APAC Customer Services Inc	900	7	1.0%
Rhythm City Casino	750	8	0.8%
Nestle Purina Factory	500	9	0.6%
Hy-Vee 1106	450	10	0.5%

Employer	2015		
	Employees	Rank	Percentage of Total County Employment
Genesis Medical Ctr	4,805	1	5.9%
Hy -Vee (all locations)	3,054	2	3.7%
Davenport Community School District	2,279	3	2.8%
Alcoa Inc	2,194	4	2.7%
Oscar Mayer Foods Corp	1,600	5	2.0%
Tri City Communications	1,100	6	1.3%
Isle Casino Hotel Bettendor	1,000	7	1.2%
Walmart (all Scott Co Locations)	992	8	1.2%
City of Davenport	959	9	1.2%
John Deere Davenport Works	838	10	1.0%

Sources:

2007 Financial Statements

<sup>1</sup>Iowa Workforce Development (Jan - July 2016)

<sup>2</sup>Infogroup, ReferenceUSA GOV and Individual Employers (Spring 2016)

Date accessed: 9/16/2016

**County of Scott, Iowa**

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

Function / Program	2007	2008	2009	2010
Public safety and legal services:				
Attorney	30.75	31.00	30.00	31.00
Health	8.30	8.30	11.15	11.15
Juvenile Court Services	14.20	14.20	14.20	14.20
Sheriff	164.10	166.10	166.35	167.35
Physical health and social services:				
Community Services	8.70	8.70	8.70	7.70
Health	29.85	30.85	31.85	31.85
Mental Health, Mental Retardation & Developmental Disabilities:				
Community Services	3.80	3.80	3.80	3.80
County Environment and Education				
Conservation	48.08	48.71	49.71	49.85
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	5.00
Recorder	11.50	11.50	11.50	11.50
Treasurer	14.20	14.20	12.20	12.20
Administration:				
Administration	3.10	3.10	3.50	3.50
Auditor	9.90	9.90	9.40	9.40
Facility & Support Services	28.69	28.69	29.04	30.04
Human Resources	4.50	4.50	4.50	4.50
Information Technology	11.00	11.00	12.00	12.00
Non-Departmental Supervisors, Board of	5.00	5.00	5.00	5.00
Treasurer	14.40	14.40	15.40	15.40
<b>Total</b>	<b>474.65</b>	<b>478.53</b>	<b>482.88</b>	<b>484.02</b>

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

Fiscal Year					
2011	2012	2013	2014	2015	2016
31.00	31.00	32.50	32.50	32.50	33.50
11.15	11.15	11.80	11.80	11.80	11.80
14.20	14.20	14.20	14.20	15.00	15.00
167.35	154.35	156.80	158.80	157.80	157.80
7.70	7.00	7.00	7.00	7.00	7.00
31.85	32.10	32.10	32.57	33.14	33.72
3.80	3.00	3.00	3.00	3.00	3.00
51.87	48.62	49.24	49.24	48.85	48.85
19.35	19.35	17.98	17.98	17.98	17.98
4.08	4.08	4.08	4.08	3.83	4.33
35.15	35.40	34.40	34.40	34.10	35.45
5.00	5.00	5.00	5.00	5.00	5.00
11.50	11.00	11.00	11.00	10.50	10.50
12.20	12.40	12.40	12.40	12.40	12.40
3.50	3.50	3.50	3.50	4.50	4.90
9.40	9.05	9.05	9.05	9.05	9.05
31.04	30.55	30.55	30.50	29.50	28.50
4.50	4.50	3.50	3.50	3.50	3.50
15.00	15.40	15.40	15.40	15.40	15.40
5.00	5.00	5.00	5.00	5.00	5.00
15.40	15.60	15.60	15.60	15.60	15.60
490.04	472.25	474.10	476.52	475.45	478.28

**County of Scott, Iowa**

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

Function / Program	2007	2008	2009	2010
<b>Public Safety and Legal Services</b>				
Attorney:				
# of felonies/aggravated field cases filed	4,845	4,814	4,752	4,782
# of new felony cases	N/A	N/A	N/A	1,005
Sheriff:				
# of civil papers received	14,479	14,879	14,002	13,491
# of jail bookings	11,658	9,747	9,011	8,245
Inmate instances of programming attendance	N/A	N/A	N/A	N/A
# of traffic citations written	2,068	2,233	2,802	2,678
# of traffic contacts	N/A	N/A	N/A	N/A
# of 9-1-1 calls	11,580	13,002	12,442	10,672
<b>Physical Health and Social Services</b>				
Community Services:				
# of applications for general assistance	6,524	7,544	8,105	8,907
# of applications approved for general assist	3,569	3,797	3,829	4,660
# of requests for veteran services	814	982	880	1,204
# of invol commit filed for substance abuse	340	260	210	214
Health Department:				
# of health related inmate contacts within jail	3,979	5,434	10,617	10,817
# of comm disease requiring investigation	369	285	360	338
# of environmental health inspections conducted	4,363	4,464	4,198	4,389
# of public health nuisance complaints received	N/A	N/A	N/A	N/A
<b>Mental Health, HR &amp; DD</b>				
Community Services:				
# of invol commit filed for mental health	338	335	361	312
# of persons with MH/CMI served	4,136	4,078	1,537	1,505
# of juvenile MH commitments	N/A	N/A	N/A	N/A
# of persons with MR/DD served	572	570	384	380
# of adult MH commitments	N/A	N/A	N/A	N/A
# of protective payee cases	401	390	367	339
<b>County Environment and Education</b>				
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	27,196	27,765	28,549	29,258
Planning & Development:				
# of building permits issued	622	603	643	583

(Continued)

Source: County records - Year-end Indicator Report

Fiscal Year					
2011	2012	2013	2014	2015	2016
4,664	4,256	4,140	4,317	3,850	4,077
998	1,040	1,044	1,164	1,053	1,112
11,284	10,674	11,755	12,591	11,668	11,441
8,283	N/A	N/A	N/A	N/A	N/A
N/A	22,231	26,686	29,188	28,033	29,812
4,028	N/A	N/A	N/A	N/A	N/A
N/A	2,195	2,481	2,965	1,851	1,472
N/A	N/A	N/A	N/A	N/A	N/A
7,294	1,428	1,076	1,155	920	929
4,065	756	479	606	453	416
1,134	1,160	1,164	1,399	1,459	1,614
246	N/A	N/A	210	224	182
12,618	13,888	12,466	16,426	29,046	31,005
442	276	317	300	388	335
4,141	4,773	4,409	4,277	4,153	4,182
N/A	167	174	240	222	84
450	405	340	434	423	341
1,516	N/A	N/A	N/A	N/A	N/A
N/A	91	88	104	64	78
409	N/A	N/A	N/A	N/A	N/A
N/A	246	340	311	345	243
384	313	304	358	394	398
788	N/A	N/A	N/A	N/A	N/A
N/A	2,496	2,496	2,496	2,496	2,496
28,553	30,476	26,175	26,480	26,814	27,858
728	735	933	865	849	877

County of Scott, Iowa

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

Function / Program	2007	2008	2009	2010
Roads and Transportation:				
Secondary Roads:				
# of miles of road paved	176	176	183	183
# of bridges/culverts repaired/replaced	140	213	79	94
# of bridges/culverts maintained	N/A	N/A	N/A	N/A
Governmental Services to Residents				
Auditor:				
# of elections	11	27	5	26
# of registered voters	115,457	116,570	118,641	120,962
Recorder:				
# of real estate transactions recorded	43,976	40,493	40,010	37,856
# of vital statistics registered/issued	21,830	20,726	20,196	20,450
# of passport applications accepted	1,564	1,430	1,134	1,280
# of conservation privileges issued	797	N/A	N/A	N/A
# of conservation licenses - ATV/Snow boat reg, titles and liens and privileges issued	13,498	6,505	4,291	14,612
Treasurer:				
# of title and security interest trans processed	64,468	60,342	66,597	67,777
Administration				
Auditor:				
# of real estate transactions processed	8,414	7,728	6,689	7,303
# invoices processed	N/A	N/A	N/A	N/A
Facility & Support Service:				
# of service calls	4,586	4,408	4,579	3,045
# hours spent in safety training				
# of purchase requisitions received	864	1,113	1,011	N/A
# of pieces of outgoing mail	547,591	491,571	534,148	479,814
# of square feet of hard surface floors maintained	N/A	N/A	N/A	N/A
# of files imaged	887,629	746,690	899,403	792,379
# of hours spend on imaging	N/A	N/A	N/A	N/A
Information Technology:				
# of network users	805	851	899	929
# of network connections supported	N/A	N/A	N/A	N/A
# of 3rd party applications maintained	54	54	55	61
# of users supported	N/A	N/A	N/A	N/A
Treasurer:				
# of prop tax/spec assessment statutes issued	186,423	176,450	181,657	191,493
# of tax certifications issued	1,974	2,116	2,592	2,151

Fiscal Year					
2011	2012	2013	2014	2015	2016
183	219	221	223	223	223
89	89	120	N/A	N/A	36
N/A	N/A	N/A	2,123	2,123	2,123
3	4	3	4	1	4
123,115	124,263	124,356	126,182	121,231	124,844
38,493	31,385	34,697	26,954	34,188	35,161
20,776	20,313	22,863	21,509	13,976	13,313
1,151	1,142	1,177	1,300	2,041	1,124
N/A	N/A	N/A	N/A	N/A	N/A
5,852	6,611	12,494	8,221	4,562	12,109
71,883	69,904	69,097	65,465	70,031	80,842
6,663	N/A	N/A	N/A	N/A	N/A
N/A	25,035	22,453	20,148	23,066	23,982
2,197	N/A	N/A	N/A	N/A	N/A
	83	24	24	24	74
N/A	N/A	N/A	N/A	N/A	N/A
446,405	N/A	N/A	N/A	N/A	N/A
N/A	728,940	559,100	107,473	568,367	527,450
698,680	N/A	N/A	N/A	N/A	N/A
N/A	2,744	2,489	2,830	2,023	2,059
1,094	724	915	938	938	910
N/A	2,680	2,776	2,776	2,776	3,144
67	95	99	101	96	98
N/A	724	915	938	838	910
198,053	195,415	197,579	195,586	191,036	188,783
1,691	2,144	1,728	1,659	2,396	1,037

**County of Scott, Iowa**

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

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<u>Function / Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Public safety and legal services:			
Sheriff:			
# of patrol cars	54	55	42
# of other vehicles	N/A	N/A	N/A
Physical health and social services:			
Health Department			
# of vehicles	13	13	13
Community Services			
# of vehicles	N/A	N/A	N/A
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	5	5
# of buildings maintained	12	12	12
Non-Departmental (Risk Management)			
# of vehicles	6	1	1

Source: County records - Vehicle Report & FSS, Conservation Offices, Fleet Manager.

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Fiscal Year						
2010	2011	2012	2013	2014	2015	2016
45	46	44	53	48	52	35
N/A	N/A	N/A	N/A	N/A	11	28
13	13	13	13	13	14	13
N/A	N/A	N/A	N/A	N/A	N/A	1
2,795	2,795	2,795	2,795	2,795	2,795	2,795
2	2	2	2	2	2	2
61	61	60	60	60	60	65
10	10	10	10	10	11	11
5	6	6	7	7	7	8
12	11	11	11	11	12	12
1	1	1	1	1	1	0

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# **COMPLIANCE**

County of Scott, Iowa

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Identifying Number	Federal Expenditures	Pass Through To Subrecipients
<b>U.S. Department of Agriculture</b>				
<b>Child Nutrition Cluster</b>				
<i>(Passed through the Iowa Department of Human Services)</i>				
National School Lunch Program	10.555	N/A	\$ 18,719	\$ -
<i>(Passed through Iowa Department of Education, Bureau/Division of Nutrition &amp; Health)</i>				
Summer Food Service Program for Children	10.559	63712	560	-
Summer Food Service Program for Children	10.559	54514	1,120	-
<b>Total Child Nutrition Cluster</b>			<u>20,399</u>	<u>-</u>
<i>(Passed through Iowa Department of Health)</i>				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	5886AO54	387,052	387,052
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	5886AO96	10,618	10,618
			<u>397,670</u>	<u>397,670</u>
<i>(Passed through Iowa Department of Human Services)</i>				
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	N/A	76,061	-
<i>(Passed through Iowa Department of Education, Bureau/Division of Nutrition &amp; Health)</i>				
Child Nutrition Discretionary Grant	10.579	16118002	5,909	-
<b>Total U.S. Department of Agriculture</b>			<u>500,039</u>	<u>397,670</u>
<b>U.S. Department of Justice</b>				
<b>JAG Program Cluster</b>				
<i>(Direct Program)</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-DJ-BX-0396	42,888	13,971
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-DJ-BX-0223	100,968	24,403
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-0681	35,733	7,875
			<u>179,589</u>	<u>46,249</u>
<i>(Passed through the Governor's Office of Drug Control Policy)</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	13--JAG-116074	69,300	35,935
<b>Total JAG Program Cluster</b>			<u>248,889</u>	<u>82,184</u>
<i>(Passed through the Governor's Office of Drug Control Policy)</i>				
Public Safety Partnership and Community Policing Grant	16.710	10--HotSpot-Interdiction-21	9,873	-
<b>State Criminal Alien Assistance Program</b>				
<i>(Passed through Governor's Alliance on Substance Abuse)</i>				
State Criminal Alien Assistance Program	16.606	2011-AP-BX-0700	3,042	-
<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-16-23-CJ	50,979	-
<b>Total U.S. Department of Justice</b>			<u>312,783</u>	<u>82,184</u>

(Continued)

County of Scott, Iowa

**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended June 30, 2016**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Identifying Number	Federal Expenditures	Pass Through To Subrecipients
<b>U.S. Department of Transportation</b>				
National Highway Traffic Safety Administration <i>(Passed through Iowa Department of Transportation)</i> Highway Planning and Construction	20.205	82-C-082-055	\$ 260,651	\$ -
<i>(Passed through Iowa Department of Public Safety-Governor's Traffic Safety Division)</i>				
State and Community Highway Safety	20.600	PAP 15-402-M0PT, Task 20-00-00	13,791	-
State and Community Highway Safety	20.600	PAP 16-402-M0OP, Task 11-00-00	<u>27,592</u>	<u>-</u>
<b>Total U.S. Department of Transportation</b>			<u>302,034</u>	<u>-</u>
<b>U.S. Department of Health and Human Services</b>				
<i>(Passed through the Iowa Department of Health)</i>				
Immunization Cooperative Agreements				
Immunization Billing Implementation	93.539	5885I468	13,900	-
Immunization Billing Implementation	93.539	5886I468	<u>9,176</u>	<u>-</u>
			<u>23,076</u>	<u>-</u>
Integrated HIV&Viral Help CTR	93.940	5885AP29	10,867	-
Integrated HIV&Viral Help CTR	93.940	5886AP29	<u>11,115</u>	<u>-</u>
			<u>21,982</u>	<u>-</u>
Maternal and Child Health Services Block Grant to the States				
EPSDT	93.994	5885MH21	30	-
EPSDT	93.994	5886MH21	42,247	-
Dental Health Grant	93.994	5885MH21	2,906	-
Dental Health Grant	93.994	5886MH21	<u>4,879</u>	<u>-</u>
			<u>50,062</u>	<u>-</u>
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative	93.074	5886BT53	147,010	51,428
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative	93.074	5885BT482	10,519	-
			<u>157,529</u>	<u>51,428</u>
Centers for Disease Control and Prevention Investigations and Technical Assistance / Care for Yourself	93.283	5886NB21	28,000	28,000
The Affordable Care Act: Centers for Disease Control and Prevention Investigations and Technical Assistance and Technical Assistance				
Mosquito Surveillance Project	93.283	MOU-2016-ELC09	940	-
Mosquito Surveillance Project	93.283	MOU-2017-ELC09	<u>380</u>	<u>-</u>
			<u>29,320</u>	<u>-</u>
<b>Total passed through Iowa Department of Health</b>			<u>281,969</u>	<u>79,428</u>

(Continued)

County of Scott, Iowa

Schedule of Expenditures of Federal Awards (Concluded)  
For the Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Identifying Number	Federal Expenditures	Pass Through To Subrecipients
<b>U.S. Department of Health and Human Services (continued)</b>				
<i>(Passed through Iowa Department of Human Services)</i>				
Refugee and Entrant Assistance	93.566	N/A	\$ 230	\$ -
Foster Care Title IV-E	93.658	N/A	28,615	-
Adoption Assistance	93.659	N/A	9,922	-
Medical Assistance (Title XIX)	93.778	N/A	143,628	-
Refugee and Entrant Assistance / Child Care Development Fund	93.596	N/A	20,219	-
Children's Health Insurance Program - Expansion Title XXI	93.767	N/A	541	-
Social Service Block Grant - Indirect	93.667	N/A	<u>23,792</u>	<u>-</u>
<b>Total passed through Iowa Department of Human Services</b>			<u>226,947</u>	<u>-</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>508,916</u>	<u>79,428</u>
<b>U.S. Department of Homeland Security</b>				
<b>Homeland Security Cluster</b>				
<i>(Passed through Iowa Homeland Security &amp; Emergency Mgt Division)</i>				
Homeland Security Grant Programs	97.067	EMW-2014-SS- 00021	137,978	-
<b>Total US Department of Homeland Security</b>			<u>137,978</u>	<u>-</u>
<b>Total expenditures of federal awards</b>			<u>\$ 1,761,750</u>	<u>\$ 559,282</u>

See Notes to Schedule of Expenditures of Federal Awards.

## County of Scott, Iowa

### Notes to Schedule of Expenditures of Federal Awards

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#### **Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County of Scott, Iowa under programs of the federal and state government for the year ended June 30, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the County of Scott, Iowa, it is not intended to and does not present the financial position, changes in net position or cash flows of the County of Scott, Iowa.

#### **Note 2. Significant Accounting Policies**

Expenditures reported on the schedule are reported on the accrual or modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

The underlying accounting records for some grant programs are maintained on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred. The accounting records for other grant programs are maintained on the accrual basis, i.e., when the revenue has been earned and the liability is incurred.

#### **Note 3. Indirect Cost Rate**

The County of Scott has elected to use the 10% de minimis indirect cost rate of the Uniform Guidance.

**County of Scott, Iowa**

**Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2016**

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There were no findings relative to federal awards reported in the County of Scott's single audit report for the year ended June 30, 2015.

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, 2016, 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 13, 2016.

***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, 2016, 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 Vinchow Krause, LLP*

Milwaukee, Wisconsin  
December 13, 2016

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 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, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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.

***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, 2016.

To the Board of Supervisors  
County of Scott, Iowa

### ***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 Uniform Guidance, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2016-001, that we consider to be a significant deficiency.

### ***County of Scott's Response to Findings***

The County of Scott's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County of Scott's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### ***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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Baker Tilly Vinshaw Krause, LLP*

Milwaukee, Wisconsin  
December 13, 2016

County of Scott, Iowa

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2016

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**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?	_____ X _____ yes	_____ _____ none reported	

Type of auditor's report issued on compliance for major programs:	Unmodified		
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Any audit findings disclosed that are required to be reported in accordance with section 516(a) of the Uniform Guidance?	_____ yes	_____ X _____ no
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Auditee qualified as low-risk auditee?	_____ yes	_____ X _____ no
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Identification of major federal programs

**CFDA NUMBER(S)**

10.557  
16.738  
20.205

**Name of Federal Program or Cluster**

Special Supplemental Nutrition Program for Women, Infants, and Children  
Edward Byrne Memorial Justice Assistance Grant Program Cluster  
Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs	<u>\$ 750,000</u>
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(Continued)

Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2016

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

There were no findings in 2016.

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

***Finding No. 2016-001 Review of Performance Reports***

CFDA No.	16.738 Edward Byrne Memorial Justice Assistance Grant
Federal Agency	U.S. Department of Justice
Pass-through Agency	Governor's Office of Drug Control Policy
Criteria	Under the Uniform Guidance, proper internal controls over federal reporting requirements includes the review of the required report by someone other than the preparer of the report.
Condition / Context	The County did not demonstrate proper internal controls over the approval of performance reports and the monthly claim requests. The sample was not statistically valid.
Effect	Reports that are submitted could contain errors in the reported amounts.
Questioned Costs	None noted.
Cause	There currently is no review of the performance reports and the monthly claims requests after the Grant Administrator prepares the reports.
Recommendation	We recommend that management reviews the current process for submitting required reports for this grant, and ensure that each report is reviewed and documentation of that review is maintained.
Management's Response and Corrective Action Plan	Management agrees in the importance of internal controls over the approval of performance reports and monthly claims reports. New controls have been reviewed and initiated. Additionally, annual grant training will review and update the process of performance reports and claim requests.

(Continued)

**County of Scott, Iowa**

**Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2016**

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

2016-IV-A Certified Budget

Disbursements during the year ended June 30, 2016 did not exceed the amounts budgeted.

2016-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.

2016-IV-C Travel Expense

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

2016-IV-D Business Transactions

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

2016-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.

2016-IV-F Board Minutes

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

2016-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.

2016-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).

2016-IV-I Capital Lease Purchase Agreements

The County entered into a capital lease agreement during the year ended June 30, 2016. The transaction was in accordance with Chapter 331.301(10)(e) of the Code of Iowa.

2016-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, 2016 for the County Extension Office did not exceed the amount budgeted.