

COUNTY OF SCOTT, IOWA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

As of and for the Year Ended June 30, 2017

Prepared by

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INTRODUCTORY

County of Scott, Iowa

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County of Scott, Iowa

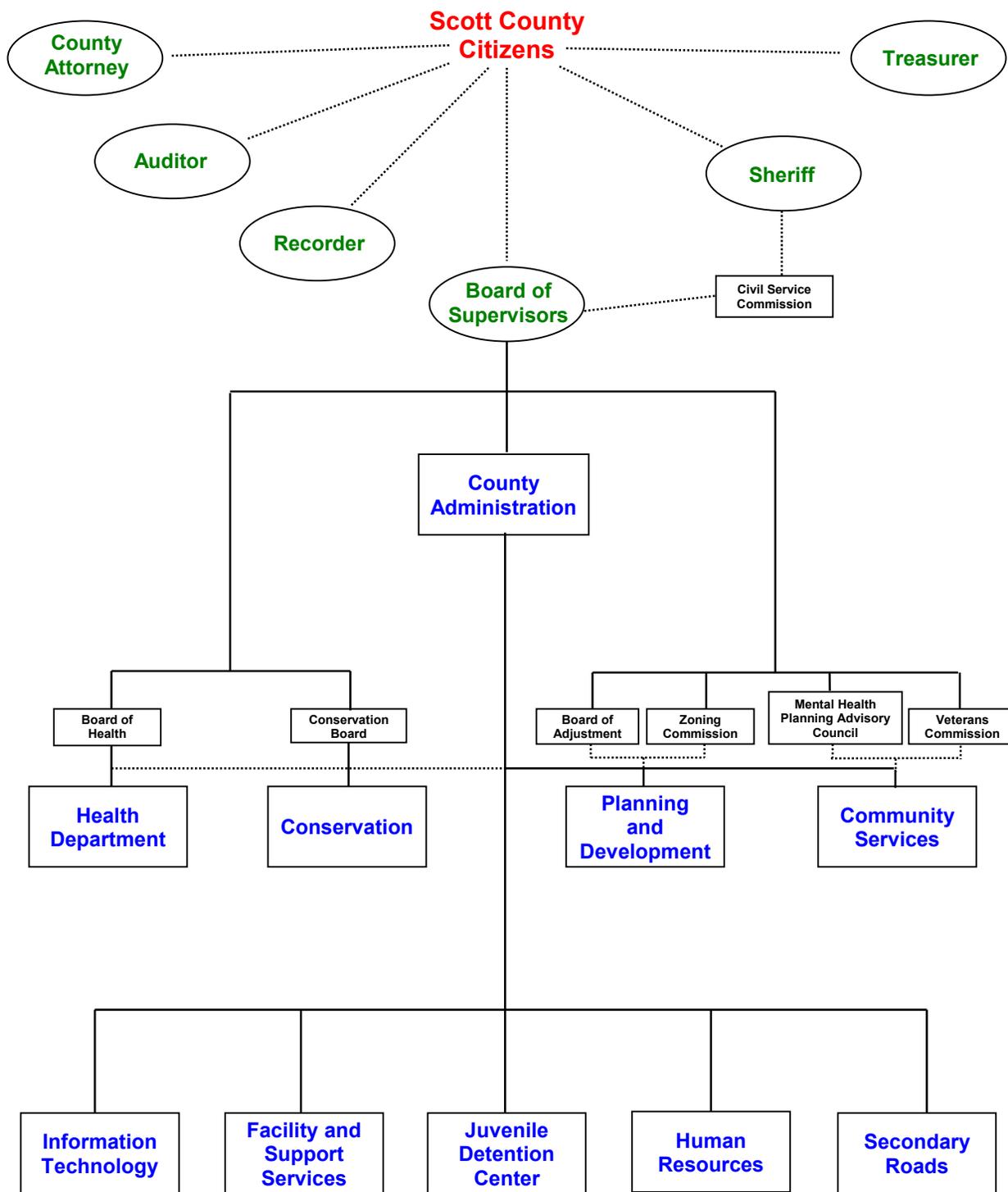
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Scott County Government Organizational Chart



— Direct supervision
 Advisory relationship



Government Finance Officers Association

**Certificate of
Achievement
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in Financial
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Presented to

**County of Scott
Iowa**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO



December 12, 2017

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, 2017.

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, 2017. 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 15th prior to the beginning of the fiscal year. This annual budget serves as the foundation for Scott County's financial planning and control. The State of Iowa requires the passage of an annual budget of total County operating expenditures by major program service areas (i.e., public safety and legal services, physical health and social services, etc.). Activities of the general fund, special revenue funds, capital projects fund and debt service fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the total program service area level or the functional area. 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 2017 population estimate is 172,474.

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 2017 the Scott County rate was 3.7%, while the MSA was 4.5% (August) and the state rate was 3.2%. Decreasing unemployment is a consistent trend over the last five years and corresponds to the national average of 4.2%.

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 \$55,114.

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, 202 in 2014, 191 in 2015, and 242 in 2016. New construction continues to feed demand in 193 new starts through June 2017.

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 \$199,500 in June of 2017 which is up from \$185,500 in June of 2016. On the Illinois side of the river the average sales price was \$118,000 in June of 2017, the same as \$117,100 in June of 2016. The average home value in north Scott County (Eldridge and unincorporated Scott County) for 2017 was \$254,000. In the last five years home prices have risen 10.3% 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 (20.0% of total 2017 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 2017 ended with an increase in the unassigned general fund balance of approximately \$260,000. 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. The County is preparing for the sunset or elimination of the Commercial and Industrial Backfill property tax supplement supplied by the state as a result of the 2013 legislation.

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 began a new strategic plan to develop a mission and vision for the County in 2032, while setting goals of where the County should be by 2022. The strategic plan will focus the County to be financially responsible, local and regional economic growth, a high-performing organization and a great place to live. The County is committed to providing the resources to achieving the goals of the organization. More information is available on the County website.

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 nearing the completion of a multi-year renovation of the courthouse, construction of a new sheriff patrol headquarters, and juvenile detention services in the downtown campus.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (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, 2016. This was the thirtieth 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.

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Scott County for its Popular Annual Financial Report for the fiscal year ended June 30, 2016. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report (PAFR), whose contents conform to a program standards of creativity, presentation, understandability and reader appeal.

A Certificate of Achievement is valid for a period of one year only. Scott County has received a Popular Award for the first time. We believe that our current PAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another Award.

In addition, Scott County also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2017. 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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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, 2017, 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, 2017 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.

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.

To the Board of Supervisors
County of Scott

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2017 on our consideration of the County of Scott's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Scott's internal control over financial reporting and compliance.

Baker Tilly Virchow Krause, LLP

Milwaukee, Wisconsin
December 12, 2017

County of Scott, Iowa

Management's Discussion and Analysis (Unaudited) As of and For the Year Ended June 30, 2017

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, 2017. 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 resources of the County of Scott exceeded its liabilities and deferred inflows of resources as of June 30, 2017 and 2016 by \$105,388,482 and \$99,529,765 (net position), respectively. Of this amount, \$8,864,402 and \$13,784,682, respectively, may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net position increased by \$5,858,717 during the year ended June 30, 2017 and decreased by \$415,651 during the year ended June 30, 2016.

As of June 30, 2017, the County of Scott's governmental funds reported combined ending fund balances of \$40,492,271, an decrease of \$2,303,005 in comparison with 2016. Approximately 26 percent of this total amount, \$10,474,822 is available for spending at the government's discretion (unassigned). The decrease between 2017 and 2016 is due to the County's capital investment for Courthouse building renovation and Sheriff patrol headquarters capital projects during the fiscal year. 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, 2017, unassigned fund balance for the General Fund was \$10,474,822 or 20.0 percent of total General Fund expenditures including transfers to blended component units and \$10,212,287 or 19.9 percent for 2016.

The County's total long-term debt, excluding compensated absences, net pension liability, other postemployment benefits and claims payable, decreased by \$3,385,000 during fiscal year June 30, 2017 and increased by \$4,985,000 during fiscal year June 30, 2016. The decrease in balance from 2016 to 2017 was attributable to payment of scheduled debt service. 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.

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) As of and For the Year Ended June 30, 2017

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) As of and For the Year Ended June 30, 2017

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. This fund is considered to be a nonmajor 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 \$275,362,925 and \$264,989,340 for the years ended June 30, 2017 and 2016, 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 71 through 80 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) As of and For the Year Ended June 30, 2017

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 increased from a year ago from \$99,529,765 to \$105,388,482. This is due to the net effect of the increase in net position for the 2017 activity.

Of the County of Scott's net position, 83 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 \$86,957,666 for 2017 and \$78,613,645 for 2016. 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	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 90,108,207	\$ 91,657,946	\$ 723,859	\$ 670,001	\$ 90,832,066	\$ 92,327,947
Noncurrent assets	122,153,645	117,937,836	2,161,236	2,192,545	124,314,881	120,130,381
Total assets	212,261,852	209,595,782	2,885,095	2,862,546	215,146,947	212,458,328
Deferred outflows of resources	6,967,164	3,172,785	90,635	58,469	7,057,799	3,231,254
Current liabilities	9,832,269	10,934,520	116,312	164,901	9,948,581	11,099,421
Noncurrent liabilities outstanding	54,798,437	52,925,039	201,263	191,447	54,999,700	53,116,486
Total liabilities	64,630,706	63,859,559	317,575	356,348	64,948,281	64,215,907
Deferred inflows of resources	51,864,246	51,929,780	3,737	14,130	51,867,983	51,943,910
Net position:						
Net investment in capital assets	84,867,870	76,525,390	2,089,796	2,088,255	86,957,666	78,613,645
Restricted	9,566,414	7,131,438	-	-	9,566,414	7,131,438
Unrestricted	8,299,780	13,322,400	564,622	462,282	8,864,402	13,784,682
Total net position	\$ 102,734,064	\$ 96,979,228	\$ 2,654,418	\$ 2,550,537	\$ 105,388,482	\$ 99,529,765

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 2017 and 2016 consist of \$2,754,062 and \$2,217,903 for debt service, \$977,859 and \$359,933 for mental health, \$4,972,038 and \$3,475,520 for secondary roads, \$724,052 and \$923,278 for other statutory programs, and \$138,403 and \$154,804 for rural services, respectively. The remaining balance of unrestricted net position, \$8,864,402 for 2017 and \$13,784,682 for 2016, 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 increase by \$5,858,717 during the current fiscal year as compared to an decrease of \$415,651 in 2016. The governmental-type activities' net position increased by \$5,754,836 in 2017 and decreased by \$508,234 in 2016. Operating grants increased by \$1.2 million due to increase pass-through funding related to the Women's Infant and Child Nutrition Grant, \$300,000, and a contribution from the Eastern Iowa Mental Health Region of \$866,000. Capital contributions increased by \$1.0 million related to state contributions for road improvements. Mental health expenditures declined by \$4.8 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 occurring in fiscal

County of Scott, Iowa

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year 2016 but not in fiscal year 2017. The total business-type activities' net position increased by \$103,881 in 2017 and increased by \$92,583 in 2016. The increase in 2017 and 2016 was due to normal operating activities, supplemented with a transfer of \$164,712 and \$100,000, respectively.

Table 2 highlights the County's revenues and expenses for the fiscal year ended June 30, 2017 and 2016. 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	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 6,500,021	\$ 6,835,274	\$ 907,586	\$ 939,155	\$ 7,407,607	\$ 7,774,429
Operating grants and contributions	5,877,692	4,687,936	-	-	5,877,692	4,687,936
Capital grants and contributions	1,466,522	465,967	-	-	1,466,522	465,967
General revenues:						
Taxes:						
Property taxes	45,413,623	45,202,178	-	-	45,413,623	45,202,178
Local option sales tax	4,685,617	4,390,854	-	-	4,685,617	4,390,854
Gaming	693,456	569,059	-	-	693,456	569,059
Other taxes	67,761	68,619	-	-	67,761	68,619
Utility tax replacements	1,793,615	1,887,781	-	-	1,793,615	1,887,781
Penalties, interest and costs on taxes	611,959	725,336	-	-	611,959	725,336
State tax replacement credits	3,825,047	3,848,505	-	-	3,825,047	3,848,505
State shared revenues	4,267,366	4,085,495	-	-	4,267,366	4,085,495
Payments in lieu of taxes	7,273	7,980	-	-	7,273	7,980
Investment earnings	167,158	122,472	1,978	788	169,136	123,260
Miscellaneous	1,424,218	1,584,940	-	-	1,424,218	1,584,940
Total revenues	76,801,328	74,482,396	909,564	939,943	77,710,892	75,422,339
Expenses:						
Public safety and legal services	23,652,149	22,496,478	-	-	23,652,149	22,496,478
Public safety and legal services - SECC	8,253,613	8,990,086	-	-	8,253,613	8,990,086
Physical health and social services	6,380,863	5,989,809	-	-	6,380,863	5,989,809
Mental health	3,943,078	8,609,386	-	-	3,943,078	8,609,386
County environment and education	5,376,513	5,887,071	-	-	5,376,513	5,887,071
Roads and transportation	8,361,816	8,545,470	-	-	8,361,816	8,545,470
Government services to residents	2,500,771	2,336,652	-	-	2,500,771	2,336,652
Administration	11,154,664	10,702,812	-	-	11,154,664	10,702,812
Interest on long-term debt	1,258,313	1,332,866	-	-	1,258,313	1,332,866
Golf course	-	-	970,395	947,360	970,395	947,360
Total expenses	70,881,780	74,890,630	970,395	947,360	71,852,175	75,837,990
Excess (deficiency) before transfers	5,919,548	(408,234)	(60,831)	(7,417)	5,858,717	(415,651)
Transfers	(164,712)	(100,000)	164,712	100,000	-	-
Increase (decrease) in net position	5,754,836	(508,234)	103,881	92,583	5,858,717	(415,651)
Net position, beginning	96,979,228	97,487,462	2,550,537	2,457,954	99,529,765	99,945,416
Net position, ending	\$ 102,734,064	\$ 96,979,228	\$ 2,654,418	\$ 2,550,537	\$ 105,388,482	\$ 99,529,765

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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 2017	Total Cost of 2016	Net (Expense) of Services 2017	Net (Expense) of Services 2016
Public safety and legal services	\$ 23,652,149	\$ 22,496,478	\$ (21,470,625)	\$ (20,027,292)
Public safety and legal services - SECC	8,253,613	8,990,086	(8,252,837)	(8,988,773)
Physical health and social services	6,380,863	5,989,809	(3,952,017)	(4,002,992)
Mental health	3,943,078	8,609,386	(2,927,682)	(8,463,555)
County environment and education	5,376,513	5,887,071	(3,931,383)	(4,223,551)
Roads and transportation	8,361,816	8,545,470	(6,784,355)	(7,912,601)
Government services to residents	2,500,771	2,336,652	532,286	771,784
Administration	11,154,664	10,702,812	(10,683,387)	(10,159,503)
Debt service, interest	1,258,313	1,332,866	432,455	105,030
Total	\$ 70,881,780	\$ 74,890,630	\$ (57,037,545)	\$ (62,901,453)

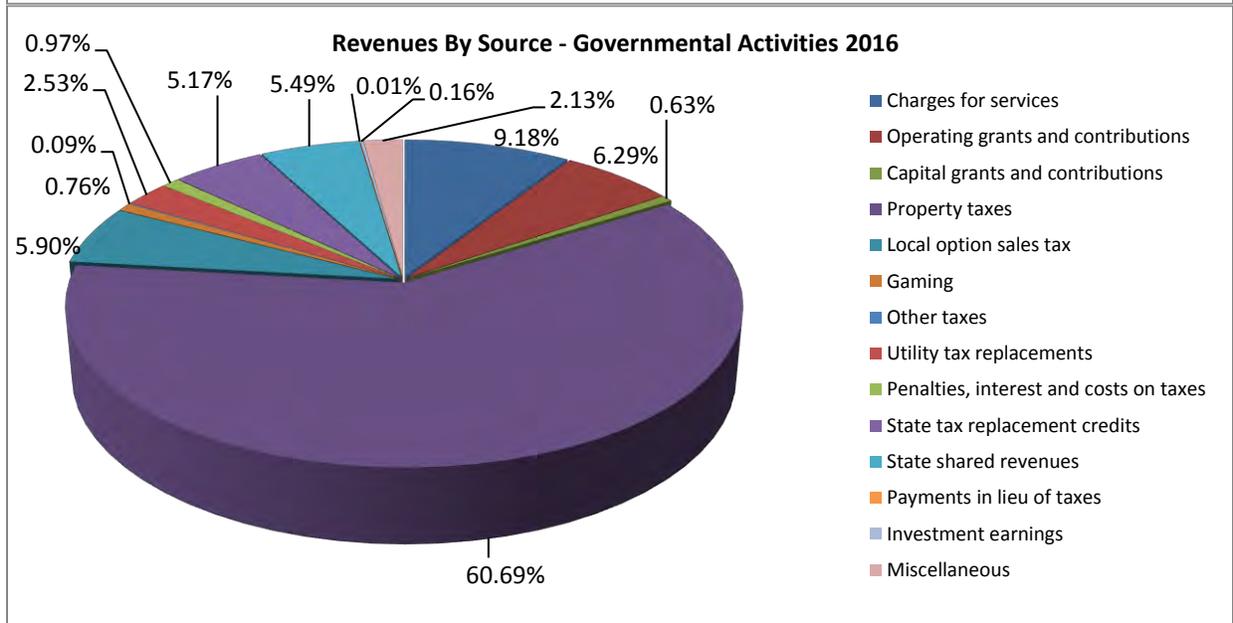
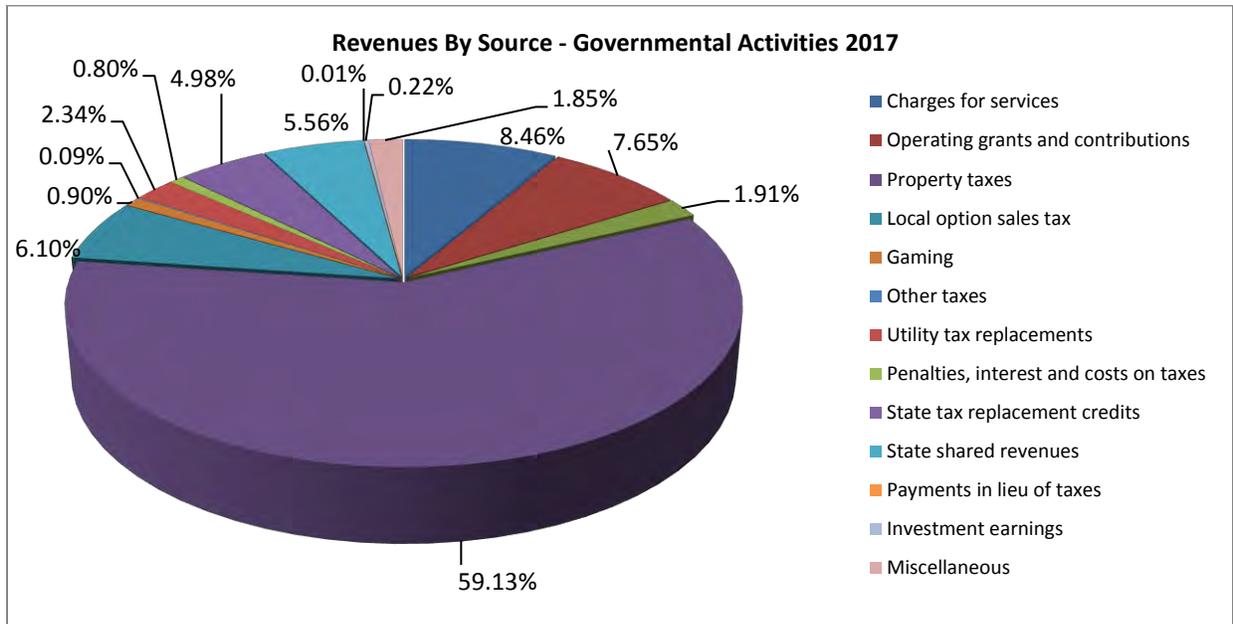
Net cost of services is 80 percent of total cost of services in 2017 and 84 percent in 2016. The change in net cost was significantly impacted by the change in state funding for MHDD eligible services through the mental health redesign of services, the requirement to remit excess fund balance to the mental health region and capital contributions for Road and Transportation. Mental health services decreased \$4.8 million, while the net cost of the county increased by \$5.6 million. Road and Transportation costs decreased \$183,000, while contributed capital increased \$1.0 million. Other programs changes in net expense is related to general program revenue changes.

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Governmental Activities

The graphs below show the percentage of the total governmental activities revenues allocated by each revenue type for 2017 and 2016.



County of Scott, Iowa

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Total business-type activities' operating revenue for the fiscal years ended June 30, 2017 and 2016 was \$907,586 and \$939,155, 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 2017 and 2016. The golf course experienced a 5.0% decrease in rounds played, while operating revenue decreased to \$907,586 or 3.4% reduction. The fund expended more on depreciation expense, more on personnel expenses and received a greater transfer in from the general fund by \$64,712 in fiscal year 2017.



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Business-type activities: Business-type activities increased net position by \$103,881 in the government's net position in fiscal year ended June 30, 2017 compared to an increase of \$92,583 in fiscal year ended June 30, 2016.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the County of Scott, Iowa's governmental funds reported combined ending fund balances of \$40,492,271, a decrease of \$2,303,005 in comparison with the prior year fund balance of \$42,795,276. Approximately 26 percent of the 2017 total amount or \$10,474,822 constitutes unassigned fund balance. Approximately \$10,212,287, or 24 percent, for 2016 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 increased between years primarily due to the accumulation of funds for future capital road projects within the Secondary Roads Fund. Additionally, the Capital Projects Fund assigned capital balance decreased \$3.5 million to funding capital improvements of the Courthouse phase 3 and 4 and the new Sheriff patrol headquarters.

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 \$10,474,822 for 2017. The amount unassigned was \$10,212,287 for 2016 while total fund balance was \$14,064,211 for 2017 and \$14,923,304 for 2016. Fund balance decreased due to revenues increasing 0.8% to \$58,450,994, expenditures increasing 2.1% to \$45,266,053 and an additional \$0.5 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 20.0 percent of General Fund expenditures including transfers to blended component units for 2017, while the unassigned fund balance represented 19.9 percent of total General Fund expenditures including transfers to blended component units for 2016. Total fund balance also represents approximately 27 and 29 percent of expenditures including transfers to blended component units for 2017 and 2016, respectively.

The fund balance of the County's General Fund decreased by \$859,093 during the year ended June 30, 2017. Property tax revenues increased approximately \$400,000 as property tax growth from property tax reassessments and new property provided additional revenue when the County lowered the urban tax rate \$0.18. Local option sales taxes increased by \$395,000. Intergovernmental grants increased \$150,000, mostly through the Women Infant Child Nutrition grant increasing by \$300,000, business property tax credits increasing \$172,000, Homeland Security Grant decreasing \$137,000, and the Commercial and Industrial Replacement credit reducing \$139,000. Net charges for services decreased by \$230,000, mostly due to care-keep charges within the jail. The County's General Fund expenditures were \$45,266,053 in fiscal year 2017, compared to \$44,356,307 in fiscal year 2016 or an increase of approximately \$0.9 million. Salary and benefit expenditures across all departments increased \$0.9 million or 2.9% from the prior fiscal period.

The fund balance of the County's Mental Health / Development Disabilities fund increased by \$617,926 in 2017 compared to a decrease of \$4,756,847 in 2016. The key factor in the increase is the distribution from the Eastern Iowa Mental Health and Disabilities Services Region the fund balance. As of June 30, 2015 that fund balance

County of Scott, Iowa

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exceeded 25% of the 2016 projected expenditures and was transferred to the region in 2016. In 2017, the county's fund balance was below 25% of projected expenditures and the Region transferred equity to the county in the amount of \$866,000.

The Secondary Roads Fund increase \$1,496,518 in 2017 compared to a decrease of \$354,781 in 2016. The increase in fund balance relates to higher than anticipated revenues during the year of the road use tax while planning for the use of the funds occurred in 2017. The county chose not to plan projects until monies were realized for future work. The state amended the road use tax in March of 2015, which generated new revenue before projects could be fully identified and implemented. Additionally, fiscal year 2017 snow and road maintenance expenditures were lower than expected.

The Debt Service fund increased \$188,977 in 2017 compared to an increase of \$8,607,160 in 2016. The increase in 2017 is related to the 911 surcharge fee revenue exceeding the amount necessary to pay for the 2009 Emergency equipment bonds. The increase in fund balance for 2015 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 \$235,443 in 2017 compared to \$625,697 decrease in 2016. Transferred contributions from the County tax levy increased by \$254,000, while expenditures decreased by \$113,000. The Center expended fund balance for fund balance to fund current operations and reduce the tax levy impact in fiscal 2017.

The Capital Projects Fund decreased fund balance by \$3,507,847 compared to \$1,043,456 decrease in the prior year. The transfers in from the County's general fund increased by \$0.2 million to \$5,756,322. 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 and sheriff patrol headquarters, both of which neared completion during the fiscal year.

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 \$74,311,853 was increased to \$75,041,078 (an increase of \$729,225) mainly due to increased charges for services and local option sales taxes to actual projections. Actual revenues received were \$75,446,916.
- The total original expenditure budget of \$79,515,113 was increased to \$86,095,388 (an increase of \$6,580,275) mainly for of capital outlay expenditures (\$5,545,385), an increase in public safety and legal services (\$588,854), physical health and social services (\$214,033) for state coded capital improvements and salary and benefit estimates. Actual expenditures were \$77,435,171.
- The total original budget for transfers to governmental funds in and out of \$13,042,109 was increased to \$16,199,094 (an increase of \$3,156,985).

County of Scott, Iowa

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

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, 2017 and 2016, amounts to \$116,434,881 and \$111,915,381 (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 2017 was 4.0 percent (a 4.1 percent increase for governmental activities and a 1.4 percent decrease for business-type activities). 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).

Major capital asset events during the current fiscal year ended June 30, 2017 included courthouse remodeling Sheriff patrol headquarters, planning and development office relocation, juvenile detention center improvements 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	
	2017	2016	2017	2016	2017	2016
Land	\$ 4,714,211	\$ 4,714,211	\$ 1,556,336	\$ 1,556,336	\$ 6,270,547	\$ 6,270,547
Construction-in-progress	11,068,386	4,339,812	-	-	11,068,386	4,339,812
Buildings	83,199,497	82,449,567	577,483	577,483	83,776,980	83,027,050
Improvements other than buildings	8,004,013	7,845,733	307,632	307,632	8,311,645	8,153,365
Infrastructure	99,370,720	96,928,158	-	-	99,370,720	96,928,158
Intangible-software	4,121,573	3,767,526	-	-	4,121,573	3,767,526
Machinery and equipment	34,368,993	33,815,335	1,259,283	1,243,340	35,628,276	35,058,675
Accumulated depreciation	(130,573,748)	(124,137,506)	(1,539,498)	(1,492,246)	(132,113,246)	(125,629,752)
Total	\$ 114,273,645	\$ 109,722,836	\$ 2,161,236	\$ 2,192,545	\$ 116,434,881	\$ 111,915,381

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

Debt: As of June 30, 2017, the County of Scott, Iowa had general obligation bonds outstanding totaling \$15,090,000, revenue bonds for the jail facility for \$14,410,000, and notes payable of \$7,345,000. In the fiscal year 2017, all planned debt service payments were funded and paid. The City of Davenport refinanced their bond payable which reduced the note payable between the County and the City. The change in future debt service was recognized as an economic gain.

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.

County of Scott, Iowa

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

	2017	2016	Maturity
Governmental activities:			
General obligation bonds	\$ 15,090,000	\$ 16,350,000	2035
Revenue bonds	14,410,000	16,060,000	2025
Notes payable	7,345,000	7,820,000	2029
Total governmental activities	<u>\$ 36,845,000</u>	<u>\$ 40,230,000</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 is to remain at \$5.82 for FY18 in property taxes rates. The rural county levy rate decreased by \$0.02 to \$8.77 for the budget year ending June 30, 2018 due to the legal requirement of Road Use Tax (RUT) local effort match. The tax base for the County of Scott increased 3.0 percent over the previous year and 2.1 percent in total.
- 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 premium rate increase for family insurance of \$118.15 or 7.4 percent was approved by the board in October 2017 for the calendar year 2018. Additionally, beginning in July, 2018 a \$25 single employee premium will be enacted for four employee groups. The county dental plan premium did not increase. The county has one bargaining unit up for negotiation in the fall of 2017.
- 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 percent each year for two years. Additionally multi-family residences will be reclassified to residential property from commercial property. The state is discussing the retirement of the commercial and industrial back fill dollars which is about \$1.6 million to the County operating budget. The first installment has been received by the county, however the second installment and future funding is in doubt. The County continues to work through funding options to create a stable tax base. 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, 2018 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 David Farmer, Director of Budget and Administrative Services, Scott County Administrative Center, 600 West 4th Street, Davenport, Iowa 52801-1003.

County of Scott, Iowa

Statement of Net Position
As of June 30, 2017

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Current assets:				
Cash and investments	\$ 36,491,811	\$ 711,139	\$ 37,202,950	\$ 706,927
Restricted cash and investments	6,172	-	6,172	-
Receivables:				
Property taxes, net of allowance for collection losses	51,142,690	-	51,142,690	-
Accounts	391,342	-	391,342	-
Interest	776	-	776	-
Due from other governmental agencies	1,851,936	-	1,851,936	50,370
Prepays	223,480	-	223,480	7,521
Inventories	-	12,720	12,720	-
Total current assets	90,108,207	723,859	90,832,066	764,818
Noncurrent assets:				
Receivables:				
Loans	7,880,000	-	7,880,000	-
Other post employment benefits	-	-	-	1,581
Capital assets:				
Not depreciated or amortized:				
Land	4,714,211	1,556,336	6,270,547	16,600
Construction-in-progress	11,068,386	-	11,068,386	-
Depreciated or amortized:				
Buildings	83,199,497	577,483	83,776,980	1,131,866
Improvements other than buildings	8,004,013	307,632	8,311,645	-
Infrastructure	99,370,720	-	99,370,720	-
Intangible - software	4,121,573	-	4,121,573	-
Machinery and equipment	34,368,993	1,259,283	35,628,276	845,500
Less accumulated depreciation	(130,573,748)	(1,539,498)	(132,113,246)	(1,147,991)
Total capital assets	114,273,645	2,161,236	116,434,881	845,975
Total noncurrent assets	122,153,645	2,161,236	124,314,881	847,556
Total assets	212,261,852	2,885,095	215,146,947	1,612,374
Deferred Outflows of Resources				
Pension related deferred outflows	6,967,164	90,635	7,057,799	141,156
Total assets and deferred outflows of resources	\$ 219,229,016	\$ 2,975,730	\$ 222,204,746	\$ 1,753,530

See Notes to Basic Financial Statements

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Liabilities, Deferred Inflows of Resources, and Net Position				
Liabilities:				
Accounts payable	\$ 2,615,497	\$ 25,713	\$ 2,641,210	\$ 43,678
Current portion of claims payable	789,598	-	789,598	-
Accrued liabilities	1,594,305	33,445	1,627,750	47,762
Interest payable	124,158	4,084	128,242	-
Unearned revenue	25,852	6,552	32,404	-
Compensated absences	1,717,859	11,791	1,729,650	41,957
Current portion of capital lease	-	34,727	34,727	-
Current portion of general obligation bonds	845,000	-	845,000	-
Current portion of notes payable	455,000	-	455,000	-
Current portion of revenue bonds	1,665,000	-	1,665,000	-
Total current liabilities	9,832,269	116,312	9,948,581	133,397
Noncurrent liabilities:				
Claims payable	76,000	-	76,000	-
Capital lease	-	36,713	36,713	-
Compensated absences	1,180,012	32,045	1,212,057	48,487
Other post employment benefits obligation	535,316	2,902	538,218	4,077
Net pension liability	18,852,824	129,603	18,982,427	530,180
General obligation bonds payable, net bond premium	14,331,372	-	14,331,372	-
Note payable	6,890,000	-	6,890,000	-
Revenue bonds payable, net bond premium	12,932,913	-	12,932,913	-
Total noncurrent liabilities	54,798,437	201,263	54,999,700	582,744
Total liabilities	64,630,706	317,575	64,948,281	716,141
Deferred inflows of resources:				
Pension related deferred inflows	849,199	3,737	852,936	10,972
Unearned revenue	51,015,047	-	51,015,047	-
Total deferred inflows of resources	51,864,246	3,737	51,867,983	10,972
Net position:				
Net investment in capital assets	84,867,870	2,089,796	86,957,666	845,975
Restricted for:				
Debt service	2,754,062	-	2,754,062	-
Other statutory programs	724,052	-	724,052	-
Mental health	977,859	-	977,859	-
Secondary roads	4,972,038	-	4,972,038	-
Rural services	138,403	-	138,403	-
Unrestricted	8,299,780	564,622	8,864,402	180,442
Total net position	102,734,064	2,654,418	105,388,482	1,026,417
Total liabilities, deferred inflows of resources, and net position	\$ 219,229,016	\$ 2,975,730	\$ 222,204,746	\$ 1,753,530

County of Scott, Iowa

Statement of Activities
For the Year Ended June 30, 2017

Functions / Programs	Program Revenues			
	Expenses	Charges for Sales and Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
Public safety and legal services	\$ 23,652,149	\$ 1,276,141	\$ 905,383	\$ -
Public safety and legal services - SECC	8,253,613	-	776	-
Physical health and social services	6,380,863	417,911	2,010,935	-
Mental health	3,943,078	148,816	866,580	-
County environment and education	5,376,513	1,374,814	70,316	-
Roads and transportation	8,361,816	46,344	64,595	1,466,522
Government services to residents	2,500,771	2,867,386	165,671	-
Administration	11,154,664	368,609	102,668	-
Interest on long-term debt	1,258,313	-	1,690,768	-
Total governmental activities	70,881,780	6,500,021	5,877,692	1,466,522
Business-Type activities, golf	970,395	907,586	-	-
Total primary government	\$ 71,852,175	\$ 7,407,607	\$ 5,877,692	\$ 1,466,522
Component Units				
Emergency Management Agency	\$ 263,453	\$ 57,078	\$ 185,677	\$ -
County Library	1,180,884	12,439	1,183,763	-
Total component units	\$ 1,444,337	\$ 69,517	\$ 1,369,440	\$ -

General Revenues

Taxes:

- Property taxes
- Local option sales tax
- Gaming
- Other taxes
- Utility tax replacements
- Penalties, interest and costs on taxes
- State tax replacement credits, unrestricted
- State shared revenues, unrestricted
- Payments in lieu of taxes
- Investment earnings
- Miscellaneous

Total general revenues

Transfers

- Changes in net position
- Net position, beginning of year
- 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
\$ (21,470,625)	\$ -	\$ (21,470,625)	\$ -
(8,252,837)	-	(8,252,837)	-
(3,952,017)	-	(3,952,017)	-
(2,927,682)	-	(2,927,682)	-
(3,931,383)	-	(3,931,383)	-
(6,784,355)	-	(6,784,355)	-
532,286	-	532,286	-
(10,683,387)	-	(10,683,387)	-
432,455	-	432,455	-
(57,037,545)	-	(57,037,545)	-
-	(62,809)	(62,809)	-
(57,037,545)	(62,809)	(57,100,354)	-
			(20,698)
			15,318
			(5,380)
45,413,623	-	45,413,623	-
4,685,617	-	4,685,617	-
693,456	-	693,456	-
67,761	-	67,761	-
1,793,615	-	1,793,615	-
611,959	-	611,959	-
3,825,047	-	3,825,047	-
4,267,366	-	4,267,366	-
7,273	-	7,273	-
167,158	1,978	169,136	2,267
1,424,218	-	1,424,218	19,900
62,957,093	1,978	62,959,071	22,167
(164,712)	164,712	-	-
5,754,836	103,881	5,858,717	16,787
96,979,228	2,550,537	99,529,765	1,009,630
\$ 102,734,064	\$ 2,654,418	\$ 105,388,482	\$ 1,026,417

County of Scott, Iowa

Balance Sheet
 Governmental Funds
 As of June 30, 2017

	General	Mental Health/ Development Disabilities
Assets		
Cash and investments	\$ 15,008,253	\$ 1,533,934
Restricted cash and investments	-	-
Receivables		
Property taxes, net of allowance for collection losses	42,850,335	3,316,578
Accounts	70,769	4,513
Interest	776	-
Loans	-	-
Due from other governmental agencies	1,386,823	-
Prepays	93,657	-
Total assets	\$ 59,410,613	\$ 4,855,025
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities:		
Accounts payable	\$ 1,025,399	\$ 534,171
Claims payable	29,808	-
Accrued liabilities	1,295,777	26,629
Compensated absences	140	-
Unearned revenue	25,852	-
Total liabilities	2,376,976	560,800
Deferred Inflows of Resources:		
Unavailable revenue	226,559	8,334
Unearned revenue	42,742,867	3,308,032
Total deferred resources of inflows	42,969,426	3,316,366
Fund balances:		
Nonspendable	93,657	-
Restricted	637,475	977,859
Assigned	2,858,257	-
Unassigned	10,474,822	-
Total fund balances	14,064,211	977,859
Total liabilities, deferred inflows of resources, and fund balances	\$ 59,410,613	\$ 4,855,025

See Notes to Basic Financial Statements

Secondary Roads	Scott Emergency Communication Center	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
\$ 4,828,514	\$ 1,734,912	\$ 8,709,979	\$ 2,616,294	\$ 224,853	\$ 34,656,739
-	-	-	-	6,172	6,172
-	-	-	1,947,384	3,028,393	51,142,690
-	33,200	-	274,142	-	382,624
-	-	-	-	-	776
-	-	-	7,880,000	-	7,880,000
410,684	-	54,429	-	-	1,851,936
-	-	-	-	-	93,657
<u>\$ 5,239,198</u>	<u>\$ 1,768,112</u>	<u>\$ 8,764,408</u>	<u>\$ 12,717,820</u>	<u>\$ 3,259,418</u>	<u>\$ 96,014,594</u>
\$ 157,202	\$ 67,763	\$ 826,359	\$ -	\$ -	\$ 2,610,894
-	-	-	-	-	29,808
109,958	161,941	-	-	-	1,594,305
-	-	-	-	-	140
-	-	-	-	-	25,852
<u>267,160</u>	<u>229,704</u>	<u>826,359</u>	<u>-</u>	<u>-</u>	<u>4,260,999</u>
-	-	-	5,949	5,435	246,277
-	-	-	1,941,318	3,022,830	51,015,047
-	-	-	<u>1,947,267</u>	<u>3,028,265</u>	<u>51,261,324</u>
-	-	-	-	-	93,657
4,972,038	1,538,408	-	10,770,553	231,153	19,127,486
-	-	7,938,049	-	-	10,796,306
-	-	-	-	-	10,474,822
<u>4,972,038</u>	<u>1,538,408</u>	<u>7,938,049</u>	<u>10,770,553</u>	<u>231,153</u>	<u>40,492,271</u>
\$ 5,239,198	\$ 1,768,112	\$ 8,764,408	\$ 12,717,820	\$ 3,259,418	\$ 96,014,594

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County of Scott, Iowa

**Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
As of June 30, 2017**

Total governmental fund balances		\$	40,492,271
Amounts reported for governmental activities are not financial resources and, therefore, are not reported in the funds:			
Land	\$	4,714,211	
Construction-in-progress		11,068,386	
Buildings		83,199,497	
Improvements other than buildings		8,004,013	
Infrastructure		99,370,720	
Intangibles - software		4,121,573	
Machinery and equipment		34,368,993	
Accumulated depreciation and amortization		<u>(130,573,748)</u>	114,273,645
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds:			
Delinquent tax			124,456
Local Option Sales tax			119,974
Operating Grant			1,847
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:			
			1,406,279
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			6,967,164
Deferred inflows of resources			(849,199)
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		(273,059)	
Compensated absences		(2,897,731)	
Other post employment benefits obligation		(535,316)	
Accrued interest payable		(124,158)	
Notes payable		(7,345,000)	
Bond premium		(274,285)	
Net pension liability - cost sharing plan		(18,852,824)	
Revenue bonds payable		(14,410,000)	
General obligation bonds payable		(15,090,000)	(59,802,373)
Net position of governmental activities			<u>\$ 102,734,064</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, 2017

	General	Mental Health/ Development Disabilities
Revenues:		
Property taxes	\$ 37,439,796	\$ 3,026,674
Local option sales tax	4,786,393	-
Other taxes	1,575,143	125,688
Interest and penalties on taxes	611,959	-
Intergovernmental	6,466,266	1,127,695
Charges for services	5,729,123	5,043
Investment earnings	95,093	3,630
Licenses and permits	687,458	-
Rentals and fees	93,799	-
Other	965,964	43,153
Total revenues	58,450,994	4,331,883
Expenditures:		
Current:		
Public safety and legal services	21,864,988	-
Physical health and social services	6,247,529	-
Mental health	208,667	3,695,835
County environment and education	4,055,691	-
Roads and transportation	-	-
Government services to residents	2,429,984	-
Administration	10,303,922	-
Capital outlay	155,272	18,122
Debt service		
Principal	-	-
Interest and fees	-	-
Total Expenditures	45,266,053	3,713,957
Excess (deficiency) of revenues over expenditures	13,184,941	617,926
Other financing sources (uses):		
Transfers in	20,000	-
Transfers out	(14,064,034)	-
Proceeds from sale of capital assets	-	-
Total other financing sources (uses)	(14,044,034)	-
Net change in fund balances	(859,093)	617,926
Fund balances, beginning of year	14,923,304	359,933
Fund balances, end of year	\$ 14,064,211	\$ 977,859

See Notes to Basic Financial Statements.

Secondary Roads	Scott Emergency Communication		Debt Service	Nonmajor Governmental Funds		Total
	Center	Capital Projects				
\$ -	\$ -	\$ -	\$ 2,209,910	\$ 2,737,685	\$	45,414,065
-	-	-	-	-	-	4,786,393
-	-	693,456	87,089	73,457	-	2,554,833
-	-	-	-	-	-	611,959
4,331,962	132,120	23,659	1,746,844	146,985	-	13,975,531
4,696	-	-	-	32,052	-	5,770,914
13,971	6,570	32,613	8,013	800	-	160,690
41,648	-	-	-	-	-	729,106
-	-	-	-	-	-	93,799
100,609	53,228	82,095	-	-	-	1,245,049
4,492,886	191,918	831,823	4,051,856	2,990,979	-	75,342,339
-	6,316,916	-	-	-	-	28,181,904
-	-	-	-	-	-	6,247,529
-	-	-	-	-	-	3,904,502
-	-	-	-	567,022	-	4,622,713
4,433,237	-	-	-	-	-	4,433,237
-	-	-	-	-	-	2,429,984
-	-	-	-	-	-	10,303,922
1,806,131	75,367	10,181,362	-	-	-	12,236,254
-	440,000	-	1,260,000	1,650,000	-	3,350,000
-	403,078	-	649,561	303,318	-	1,355,957
6,239,368	7,235,361	10,181,362	1,909,561	2,520,340	-	77,066,002
(1,746,482)	(7,043,443)	(9,349,539)	2,142,295	470,639	-	(1,723,663)
3,243,000	6,808,000	5,756,322	-	1,953,318	-	17,780,640
-	-	-	(1,953,318)	(2,428,000)	-	(18,445,352)
-	-	85,370	-	-	-	85,370
3,243,000	6,808,000	5,841,692	(1,953,318)	(474,682)	-	(579,342)
1,496,518	(235,443)	(3,507,847)	188,977	(4,043)	-	(2,303,005)
3,475,520	1,773,851	11,445,896	10,581,576	235,196	-	42,795,276
\$ 4,972,038	\$ 1,538,408	\$ 7,938,049	\$ 10,770,553	\$ 231,153	\$	40,492,271

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, 2017**

Net change in fund balances - governmental funds	\$	(2,303,005)
<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		11,878,787
Depreciation		
Public safety and legal services	\$ (1,423,774)	
Public safety and legal services - SECC	(2,085,702)	
Physical health and social services	(29,311)	
Mental health	(1,726)	
County environment and education	(706,381)	
Roads and transportation	(3,852,796)	
Governmental services to residents	(15,958)	
Administration	<u>(577,150)</u>	(8,692,798)
Book value of capital assets retired, net of \$85,370 proceeds		(101,702)
Capital contribution		1,466,522
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(99,370)
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		(113,820)
<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>		
Repayment of bond principal		3,350,000
Interest expense		23,188
Amortization of bond premium		91,533
<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		35,099
Change in compensated absences		107,648
Change in net pension liability and related deferred inflows / outflows		123,732
Change in other post employment benefits obligation		(10,978)
Change in net position of governmental activities	\$	<u>5,754,836</u>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Net Position
 Proprietary Funds
 As of June 30, 2017

	Nonmajor Business-Type Activities Enterprise Fund - Golf Course	Governmental Activities Internal Service Funds
Assets		
Current assets:		
Cash and investments	\$ 711,139	\$ 1,835,072
Receivables, accounts	-	8,718
Prepays	-	129,823
Inventories	12,720	-
Total current assets	<u>723,859</u>	<u>1,973,613</u>
Noncurrent assets:		
Capital assets:		
Land	1,556,336	-
Buildings	577,483	-
Improvements other than buildings	307,632	-
Machinery and equipment	1,259,283	-
Less accumulated depreciation	(1,539,498)	-
Total capital assets	<u>2,161,236</u>	<u>-</u>
Total noncurrent assets	<u>2,161,236</u>	<u>-</u>
Total assets	<u>2,885,095</u>	<u>1,973,613</u>
Deferred Outflows of Resources		
Pension related deferred outflows	90,635	-
Total assets and deferred outflows of resources	<u>\$ 2,975,730</u>	<u>\$ 1,973,613</u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 25,713	\$ 4,603
Claims payable	-	562,731
Accrued liabilities	33,445	-
Interest payable	4,084	-
Unearned revenue	6,552	-
Capital lease	34,727	-
Compensated absences	11,791	-
Total current liabilities	<u>116,312</u>	<u>567,334</u>
Noncurrent liabilities		
Capital lease	36,713	-
Compensated absences	32,045	-
Other post employment benefits obligation	2,902	-
Net pension liability	129,603	-
Total noncurrent liabilities	<u>201,263</u>	<u>-</u>
Total liabilities	<u>317,575</u>	<u>567,334</u>
Deferred Inflows of Resources		
Pension related deferred inflows	3,737	-
Net Position:		
Net investment in capital assets	2,089,796	-
Unrestricted	564,622	1,406,279
Total net position	<u>2,654,418</u>	<u>1,406,279</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 2,975,730</u>	<u>\$ 1,973,613</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, 2017

	Nonmajor Business-Type Activities <u>Enterprise Fund - Golf Course</u>	Governmental Activities <u>Internal Service Funds</u>
Operating revenues:		
Charges for services	\$ 785,903	\$ 6,628,051
Sales, net of cost of goods sold of \$68,547	120,608	-
Other	1,075	80,156
Total operating revenues	<u>907,586</u>	<u>6,708,207</u>
Operating expenses:		
Personnel	627,384	-
Depreciation	61,854	-
Claims and administrative charges	-	7,328,492
Other	277,074	-
Total operating expenses	<u>966,312</u>	<u>7,328,492</u>
Operating income (loss)	<u>(58,726)</u>	<u>(620,285)</u>
Nonoperating revenues (expenses):		
Investment earnings	1,978	6,465
Interest expense	(4,083)	-
Total nonoperating revenues (expenses)	<u>(2,105)</u>	<u>6,465</u>
Income (loss) before transfers	(60,831)	(613,820)
Transfers in	<u>164,712</u>	<u>500,000</u>
Change in net position	103,881	(113,820)
Total net position, beginning of year	2,550,537	1,520,099
Total net position, end of year	<u>\$ 2,654,418</u>	<u>\$ 1,406,279</u>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended June 30, 2017

	Business-Type Activities Enterprise Fund - Golf Course	Governmental Activities Internal Service Funds
Cash flows from operating activities:		
Cash received from customers	\$ 976,193	\$ 6,627,958
Customer deposits (released)	(23,617)	-
Refunds from outside sources	-	184,320
Cash payments to suppliers for goods and services	(372,329)	(7,304,577)
Cash payments to employees for services	(626,748)	-
Net cash from operating activities	(46,501)	(492,299)
Cash flows from capital and related financing activities:		
Payments on capital lease	(32,850)	-
Payment on financing interest	(5,961)	-
Purchase of capital assets	(30,545)	-
Net cash from capital and related financing activities	(69,356)	-
Cash flows from noncapital financing activities		
Transfers	164,712	500,000
Net cash from noncapital financing activities	164,712	500,000
Cash flows from investing activities, interest received		
	1,978	6,465
Net increase (decrease) in cash and cash equivalents	50,833	14,166
Cash and cash equivalents:		
Beginning	660,306	1,820,906
Ending	<u>\$ 711,139</u>	<u>\$ 1,835,072</u>
Reconciliation of operating income (loss) to net cash from operating activities:		
Operating income (loss)	\$ (58,726)	\$ (620,285)
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Depreciation	61,854	-
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Receivables	60	104,071
Prepays	-	2,241
Inventories	(3,085)	-
Accounts payable	(5,974)	(889)
Claims payable	-	22,563
Accrued compensation	(15,729)	-
Compensated absences	3,371	-
Other post employment benefits obligation	636	-
Net pension liability and deferrals	(5,291)	-
Customer deposits	(23,617)	-
Net cash from operating activities	\$ (46,501)	\$ (492,299)

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Assets and Liabilities

Agency Funds

As of June 30, 2017

Assets

Cash and investments	\$	18,726,526
Receivables:		
Property taxes		256,630,531
Prepays		5,868
Total assets	\$	275,362,925

Liabilities

Accounts payable	\$	239,499
Due to other governmental agencies		274,393,976
Due to private individuals		729,450
Total liabilities	\$	275,362,925

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Net Position
Discretely Presented Component Units
As of June 30, 2017

	Emergency Management		
	Agency	County Library	Total
Assets			
Current assets:			
Cash and investments	\$ 284,991	\$ 421,936	\$ 706,927
Due from other governmental agencies	50,370	-	50,370
Prepaid Items	-	7,521	7,521
Total current assets	335,361	429,457	764,818
Noncurrent assets:			
Other post employment benefits asset	-	1,581	1,581
Capital assets:			
Land	-	16,600	16,600
Buildings	-	1,131,866	1,131,866
Machinery and equipment	623,066	222,434	845,500
Accumulated depreciation	(567,121)	(580,870)	(1,147,991)
Total capital assets, net	55,945	790,030	845,975
Total noncurrent assets	55,945	791,611	847,556
Total assets	391,306	1,221,068	1,612,374
Deferred Outflows of Resources			
Pension related deferred outflows	29,019	112,137	141,156
Total assets and deferred outflows of assets	\$ 420,325	\$ 1,333,205	\$ 1,753,530
Liabilities, Deferred Inflows of Resources and Net Position			
Current liabilities:			
Accounts payable	\$ 7,866	\$ 35,812	\$ 43,678
Accrued liabilities	7,138	40,624	47,762
Compensated absences	11,624	30,333	41,957
Total current liabilities	26,628	106,769	133,397
Noncurrent liabilities:			
Compensated absences	26,237	22,250	48,487
Net pension liability	64,620	465,560	530,180
Other post employment benefits obligation	4,077	-	4,077
Total noncurrent liabilities	94,934	487,810	582,744
Total liabilities	121,562	594,579	716,141
Deferred Inflows of Resources			
Pension related deferred inflows	2,080	8,892	10,972
Net Position:			
Net investment in capital assets	55,945	790,030	845,975
Unrestricted (deficit)	240,738	(60,296)	180,442
Total net position	296,683	729,734	1,026,417
Total liabilities, deferred inflows of resources, and net position	\$ 420,325	\$ 1,333,205	\$ 1,753,530

See Notes to Basic Financial Statements.

County of Scott, Iowa

Combining Statement of Activities
Discretely Presented Component Units
For the Year Ended June 30, 2017

	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	\$ 263,453	\$ 57,078	\$ 185,677	\$ (20,698)	\$ -	\$ (20,698)
County Library						
County environment and education	1,180,884	12,439	1,183,763	-	15,318	15,318
Total component units	\$ 1,444,337	\$ 69,517	\$ 1,369,440	(20,698)	15,318	(5,380)
General Revenues						
Investment earnings				921	1,346	2,267
Miscellaneous				5,932	13,968	19,900
Total general revenues				6,853	15,314	22,167
Changes in net position				(13,845)	30,632	16,787
Net Position, beginning of year				310,528	699,102	1,009,630
Net Position, end of year				\$ 296,683	\$ 729,734	\$ 1,026,417

See Notes to Basic Financial Statements

County of Scott, Iowa

Notes To Basic Financial Statements

As of and for the Year Ended June 30, 2017

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, 2017**

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, 2017

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, 2017

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/deferred outflows of resources, and liabilities/deferred inflows of resources, 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, 2017

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 non-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, 2017

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.

E 911 Fee Fund: To account for assets and liabilities for the E 911 Board.

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, 2017**

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 2016, based on the 2015 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, 2017

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 acquisition 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, 2017

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, 2017

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, 2017

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, 2017, the Secondary Roads Fund had fund balance at 79.7% of annual operating expenses. The Secondary Roads Fund exceeded the policy due to unanticipated intergovernmental revenue through the motor fuel tax and operating expenditures running smaller than expected. 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, 2017**

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, 2017 and May, 2017.

Scott Emergency Communications Center did not amend its budget in 2017. The legal level of control is at the organization level. The Public Safety Authority did not adopt a budget in fiscal year 2017.

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2017

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, 2017, the County's cash and investments were as follows:

Cash on hand, deposits and investments with financial institutions	\$ 37,202,950
Restricted Cash and Investments with financial institutions	6,172
Cash on hand and deposits with financial institutions, discretely presented component units	706,927
Cash on hand, deposits and investments with financial institutions, agency funds	<u>18,726,526</u>
	<u>\$ 56,642,575</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, 2017, the County had the following investments subject to interest rate risk:

Type	<u>0 - 6 Months</u>	<u>7 - 12 Months</u>	<u>Total</u>
Certificates of Deposit	\$ 4,916,737	\$ 1,507,553	\$ 6,424,290
Federal Home Loan Bank Notes	21,204,319	-	21,204,319
Federal Home Loan Mortgage Corporation Notes	1,743,055	-	1,743,055
Federal National Mortgage Association Notes	2,242,160	-	2,242,160
US Treasury Note	498,815	-	498,815
Total	<u>\$ 30,605,086</u>	<u>\$ 1,507,553</u>	<u>\$ 32,112,639</u>

County of Scott, Iowa

Notes To Basic Financial Statements As of and for the Year Ended June 30, 2017

Note 2. Deposits and Investments

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, 2017, the investment in the Federal Home Loan Bank Discount Notes are rated Aaa by Moody's; the investment in the Federal National Mortgage Association - Short-term Senior debt is rated A-1+ by Standard and Poor's, P-1 by Moody's and F1+ by Fitch; and the investment in Federal Home Loan Mortgage Loan Corporation notes - Short-term Debt is rated A-1+ by Standard and Poor's, P-1 by Moody's and F1+ by Fitch.

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, 2017, 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, 2017, the County had 66% of its investment portfolio in Federal Home Loan Bank Discount Notes; 5% of its investment portfolio in Federal Home Loan Mortgage Corporation Notes; and 5% of its investment portfolio in Federal National Mortgage Association 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, 2017 for recurring fair value measurements follows the market approach using quoted market prices.

Type	Level 1	Level 2	Level 3	Total
Federal Home Loan Bank Notes	\$ 21,204,319	\$ -	\$ -	\$ 21,204,319
Federal Home Loan Mortgage Corporation Notes	1,743,055	-	-	1,743,055
Federal National Mortgage Association Notes	2,242,160	-	-	2,242,160
US Treasury Note	498,815	-	-	498,815
Total	<u>\$ 25,688,349</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,688,349</u>

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2017

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	\$ 20,000	\$ 14,064,034
Scott emergency communication center	6,808,000	-
Capital projects	5,756,322	-
Secondary roads	3,243,000	-
Debt service	-	1,953,318
Nonmajor governmental funds:		
Rural services	-	2,408,000
Recorders management fees	-	20,000
Public safety authority	1,953,318	-
Internal service fund		
Health insurance	500,000	-
Total governmental activities	<u>18,280,640</u>	<u>18,445,352</u>
Business-type activities		
Nonmajor enterprise fund:		
Golf course	164,712	-
Total Transfers	<u>\$ 18,445,352</u>	<u>\$ 18,445,352</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, 2017

Note 4. Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2017:

Governmental Activities	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Capital assets not being depreciated				
Land	\$ 4,714,211	\$ -	\$ -	\$ 4,714,211
Construction in progress	<u>4,339,812</u>	<u>9,537,731</u>	<u>(2,809,157)</u>	<u>11,068,386</u>
Total Capital Assets Not Being Depreciated and Amortized	<u>9,054,023</u>	<u>9,537,731</u>	<u>(2,809,157)</u>	<u>15,782,597</u>
Capital assets being depreciated and amortized				
Buildings	82,449,567	874,768	(124,838)	83,199,497
Improvements other than buildings	7,845,733	158,280	-	8,004,013
Infrastructure	96,928,158	2,442,562	-	99,370,720
Intangible - software	3,767,526	354,047	-	4,121,573
Machinery and equipment	<u>33,815,335</u>	<u>2,787,078</u>	<u>(2,233,420)</u>	<u>34,368,993</u>
Total Capital Assets Being Depreciated and Amortized	<u>224,806,319</u>	<u>6,616,735</u>	<u>(2,358,258)</u>	<u>229,064,796</u>
Less: accumulated depreciation and amortization for				
Buildings	32,538,731	1,824,435	(94,761)	34,268,405
Improvements other than buildings	4,103,978	322,723	-	4,426,701
Infrastructure	64,825,150	3,082,639	-	67,907,789
Intangible - software	1,773,819	1,437,206	-	3,211,025
Machinery and equipment	<u>20,895,828</u>	<u>2,025,795</u>	<u>(2,161,795)</u>	<u>20,759,828</u>
Total Accumulated Depreciation and Amortization	<u>124,137,506</u>	<u>8,692,798</u>	<u>(2,256,556)</u>	<u>130,573,748</u>
Total Capital Assets Being Depreciated and Amortized	<u>100,668,813</u>	<u>(2,076,063)</u>	<u>(101,702)</u>	<u>98,491,048</u>
Governmental Activities Capital Assets, Net of Depreciation and Amortization	<u>\$ 109,722,836</u>	<u>\$ 7,461,668</u>	<u>\$ (2,910,859)</u>	<u>\$ 114,273,645</u>

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2017

Note 4. Capital Assets (Continued)

Business-Type Activities	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Capital assets not being depreciated				
Land	\$ 1,556,336	\$ -	\$ -	\$ 1,556,336
Total Capital Assets Not Being Depreciated	<u>1,556,336</u>	<u>-</u>	<u>-</u>	<u>1,556,336</u>
Capital assets being depreciated				
Buildings	577,483	-	-	577,483
Improvements other than buildings	307,632	-	-	307,632
Machinery and equipment	1,243,340	30,545	(14,602)	1,259,283
Total Capital Assets Being Depreciated	<u>2,128,455</u>	<u>30,545</u>	<u>(14,602)</u>	<u>2,144,398</u>
Less: accumulated depreciation for				
Buildings	301,228	10,302	-	311,530
Improvements other than buildings	276,547	4,441	-	280,988
Machinery and equipment	914,471	47,111	(14,602)	946,980
Total Accumulated Depreciation	<u>1,492,246</u>	<u>61,854</u>	<u>(14,602)</u>	<u>1,539,498</u>
Total Capital Assets Being Depreciated	<u>636,209</u>	<u>(31,309)</u>	<u>-</u>	<u>604,900</u>
Business-Type Activities				
Capital Assets, Net of Depreciation	<u>\$ 2,192,545</u>	<u>\$ (31,309)</u>	<u>\$ -</u>	<u>\$ 2,161,236</u>

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

Discretely Presented Component Units	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Capital assets not being depreciated				
Land	\$ 16,600	\$ -	\$ -	\$ 16,600
Total Capital Assets Not Being Depreciated	<u>16,600</u>	<u>-</u>	<u>-</u>	<u>16,600</u>
Capital assets being depreciated				
Buildings	1,131,866	-	-	1,131,866
Machinery and equipment	829,061	16,439	-	845,500
Total Capital Assets Being Depreciated	<u>1,960,927</u>	<u>16,439</u>	<u>-</u>	<u>1,977,366</u>
Less: accumulated depreciation for				
Buildings	364,342	20,744	-	385,086
Machinery and equipment	715,278	47,627	-	762,905
Total Accumulated Depreciation	<u>1,079,620</u>	<u>68,371</u>	<u>-</u>	<u>1,147,991</u>
Total Capital Assets Being Depreciated	<u>881,307</u>	<u>(51,932)</u>	<u>-</u>	<u>829,375</u>
Total Governmental Activities				
Capital Assets, Net of Depreciation	<u>\$ 897,907</u>	<u>\$ (51,932)</u>	<u>\$ -</u>	<u>\$ 845,975</u>

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2017

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	\$ 1,423,774
Public safety and legal services - SECC	2,085,702
Physical health and social services	29,311
Mental health	1,726
County environment and education	706,381
Roads and transportation	3,852,796
Governmental services to residents	15,958
Administration	577,150
Total Governmental Activities Depreciation and Amortization Expense	\$ 8,692,798
Business-Type activities, golf course	\$ 61,854
Discretely Presented Component Units:	
Emergency Management Agency	\$ 43,914
County Library	24,457
Total Discretely Presented Component Units Depreciation Expense	\$ 68,371

Note 5. Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2017:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 16,350,000	\$ -	\$ 1,260,000	\$ 15,090,000	\$ 845,000
Revenue bonds	16,060,000	-	1,650,000	14,410,000	1,665,000
Deferred amount for:					
Premium	365,818	-	91,533	274,285	-
Subtotal for bonds	<u>32,775,818</u>	<u>-</u>	<u>3,001,533</u>	<u>29,774,285</u>	<u>2,510,000</u>
Other Liabilities:					
Compensated absences	3,006,938	1,890,670	1,999,737	2,897,871	1,717,859
Note payable	7,820,000	-	475,000	7,345,000	455,000
Net pension liability	13,674,145	5,178,679	-	18,852,824	-
Other post employment benefits	524,338	129,321	118,343	535,316	-
Claims payable	<u>854,834</u>	<u>7,011,222</u>	<u>7,000,458</u>	<u>865,598</u>	<u>789,598</u>
Total Governmental Activities Long-Term Liabilities	\$ 58,656,073	\$ 14,209,892	\$ 12,595,071	\$ 60,270,894	\$ 5,472,457

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2017

Note 5. Long-Term Liabilities (Continued)

	Balance June 30, 2016	Additions	Retirements	Balance June 30, 2017	Due Within One Year
Business-Type Activities:					
Other Liabilities:					
Compensated absences	\$ 40,466	\$ 14,937	\$ 11,567	\$ 43,836	\$ 11,791
Capital lease	104,290	-	32,850	71,440	34,727
Net pension liability	92,335	37,268	-	129,603	-
Other post employment benefits	2,266	636	-	2,902	-
Total Business Type Activities	<u>\$ 239,357</u>	<u>\$ 52,841</u>	<u>\$ 44,417</u>	<u>\$ 247,781</u>	<u>\$ 46,518</u>
	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017	Due Within One Year
Discretely Presented Component					
Units Activities:					
Other Liabilities:					
Compensated absences	\$ 92,243	\$ 67,585	\$ 69,384	\$ 90,444	\$ 41,957
Net pension liability	442,125	88,055	-	530,180	-
Other post employment benefits	1,151	1,345	-	2,496	-
Total Discretely Presented Component					
Units Long-Term Liabilities	<u>\$ 535,519</u>	<u>\$ 156,985</u>	<u>\$ 69,384</u>	<u>\$ 623,120</u>	<u>\$ 41,957</u>

General Obligation Bonds

General obligation bonds outstanding as of June 30, 2017 consist of \$7,210,000 of general obligation emergency equipment bonds with interest at rates ranging from 4.4 percent to 5.8 percent, and \$7,880,000 general obligation solid waste disposal bonds with interest rates ranging from 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 \$500,000 to \$720,000 through 2029 at interest rates from 4.4 percent to 5.8 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 \$340,000 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, 2017

Note 5. Long-Term Liabilities (Continued)

General Obligation Bonds (Continued)

The debt service requirements on the general obligation bonds outstanding as of June 30, 2017 are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	945,000	459,451	1,404,451
2023-2027	5,240,000	1,637,231	6,877,231
2028-2032	3,795,000	559,099	4,354,099
2033-2035	1,590,000	96,300	1,686,300
Total	<u>\$ 15,090,000</u>	<u>\$ 4,955,396</u>	<u>\$ 20,045,396</u>

The computation of the County's legal margin as of June 30, 2017 is as follows:

2015 assessed valuation	\$ 13,428,604,820
Less military exemption	<u>(16,179,072)</u>
Total assessed value	<u>\$ 13,412,425,748</u>
Debt limit, 5% of assessed valuation (Iowa statutory limitation)	\$ 670,621,287
Total amount of debt applicable to debt margin	<u>(29,500,000)</u>
Legal debt margin	<u>\$ 641,121,287</u>

Revenue Bonds

Revenue bonds outstanding as of June 30, 2017 consist of \$14,410,000 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, 2017 there was \$9,520,000 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, 2017 there was \$4,890,000 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, 2017

Note 5. Long-Term Liabilities (Continued)

Revenue Bonds (Continued)

The debt service requirements on the revenue bonds outstanding as of June 30, 2017 are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,810,000	131,618	1,941,618
2023-2025	<u>5,665,000</u>	<u>194,922</u>	<u>5,859,922</u>
Total	<u><u>\$ 14,410,000</u></u>	<u><u>\$ 1,204,410</u></u>	<u><u>\$ 15,614,410</u></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 \$15,614,410 with annual requirements ranging from \$1,935,318 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 \$1,953,318 and property taxes recognized by the County were \$1,953,318 each.

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2017

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. During the year, the City refinanced the bond issuance and subsequently the note payable to the City of Davenport was adjusted. The City's General Obligation Refunding Bonds, Series 2017B was issued March 21, 2017 in the amount of \$7,345,000. The bonds were issued with interest rates ranging from 2.0% to 3.0%. The SECC and County recognized a gain on the change in principal due of \$35,000 in the current year.

The debt service requirements on the notes payable outstanding as of June 30, 2017 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>
2018	\$ 455,000	\$ 224,914	\$ 679,914
2019	510,000	179,200	689,200
2020	530,000	169,000	699,000
2021	550,000	158,400	708,400
2022	570,000	147,400	717,400
2023-2027	3,235,000	518,500	3,753,500
2028-2029	1,495,000	67,650	1,562,650
Total	\$ 7,345,000	\$ 1,465,064	\$ 8,810,064

Capital Lease Payable

On July 27, 2015, the County issued a capital lease in the amount of \$143,101. 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, 2017 are as follows:

<u>Year Ending June 30</u>	<u>Annual Payments</u>
2018	\$ 38,811
2019	38,812
Total	77,623
Less Interest	(6,183)
Total	<u>\$ 71,440</u>

County of Scott, Iowa

**Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2017**

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.

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. The net pension liability is liquidated by each fund that includes payroll and benefit expense. The footnote information includes the actuarial data for all reporting units, while the government-wide financial statements does not include the County Assessor, agency fund, data.

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.

County of Scott, Iowa

**Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2017**

Note 6. Retirement System (Continued)

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.

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 - Contribution rates are established by IPERS following the annual actuarial valuation which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires 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 2017, 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 9.63 percent of pay for a total rate of 19.26 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, 2017 were \$2,876,113.

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2017

Note 6. Retirement System (Continued)

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2017, the County, including all pension reporting units, reported a liability of \$19,867,842 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, 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, 2016, the County's collective proportion was 0.3156975%, which was an increase of 0.021932% from its collective proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized pension expense of \$2,702,810. At June 30, 2017, 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	\$ 163,080	\$ 220,218	\$ -	\$ 127,433
Changes in assumptions	281,521	-	-	72,543
Net difference between projected and actual earnings on pension plan investments	2,628,838	-	606,779	-
Changes in proportion and difference between County contributions and proportionate share of contributions	-	290,388	-	48,918
County contributions subsequent to the measurement dates	<u>2,015,941</u>	<u>-</u>	<u>324,307</u>	<u>-</u>
Total	<u>\$ 5,089,380</u>	<u>\$ 510,606</u>	<u>\$ 931,086</u>	<u>\$ 248,894</u>

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2017

Note 6. Retirement System (Continued)

	<u>Protection Occupation</u>		<u>Total - All Groups</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 105,012	\$ 163,080	\$ 452,663
Changes in assumptions	-	1,371	281,521	73,914
Net difference between projected and actual earnings on pension plan investments	735,228	-	3,970,845	-
Changes in proportion and difference between County contributions and proportionate share of contributions	645	4,258	645	343,564
County contributions subsequent to the measurement dates	<u>535,865</u>	<u>-</u>	<u>2,876,113</u>	<u>-</u>
Total	<u>\$ 1,271,738</u>	<u>\$ 110,641</u>	<u>\$ 7,292,204</u>	<u>\$ 870,141</u>

\$2,876,113 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, 2018. 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 <u>June 30</u>	<u>Total</u>
2017	\$ 268,848
2018	268,847
2019	1,925,673
2020	1,116,351
2021	<u>(33,771)</u>
Total	<u>\$ 3,545,948</u>

There were no non-employer contributing entities at IPERS.

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2017

Note 6. Retirement System (Continued)

Actuarial Assumptions - The total pension liability in the June 30, 2016 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
Wage growth (effective June 30, 1990)	4.00 percent per annum, based on 3.00 percent inflation and 1.00 percent real wage inflation

The actuarial assumptions used in the June 30, 2016 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%	1.90
Domestic equity	24%	5.85
International equity	16%	6.32
Private equity / debt	11%	10.31
Real estate	8%	3.87
Credit Opportunities	5%	4.48
U.S. TIPS	5%	1.36
Other Real Assets	2%	6.42
Cash	1%	(0.26)
Total	<u>100%</u>	

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2017

Note 6. Retirement System (Continued)

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.

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	\$ 29,852,958	\$ 18,452,073	\$ 8,829,578
Sheriffs and Deputies	3,461,502	1,103,105	(877,647)
Protection Occupation	3,063,779	312,660	(2,006,026)
Total	<u>\$ 36,378,239</u>	<u>\$ 19,867,838</u>	<u>\$ 5,945,905</u>

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

Payables to the Pension Plan - At June 30, 2017, the County reported payables to the defined benefit pension plan of \$381,240 for legally required employer contributions and \$217,443 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, 2017**

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 2017, the County contributed \$118,343. Retiree and active members receiving benefits have required monthly contributions of:

	Single	Family
Health	\$ 554	\$ 1,506
Dental	31	93
Vision	8	17

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

Annual required contribution	\$ 139,953
Interest on net OPEB obligation	23,748
Adjustment to annual required contribution	(32,399)
Annual OPEB cost	131,302
Contributions and payments made	(118,343)
Change in net OPEB obligation	12,959
Net OPEB obligation - beginning of year	527,755
Net OPEB obligation - end of year	<u>\$ 540,714</u>

County of Scott, Iowa

**Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2017**

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>
2015	\$ 110,201	36.3%	\$ 443,297
2016	110,220	23.3%	527,755
2017	131,302	90.1%	540,714

Funded status and funding progress: As of January 1, 2017, the most recent valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$1,191,146 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UML) of \$1,191,146. The covered payroll (annual payroll of active employees covered by the plan) was \$26,763,425 and the ratio of the UML to the covered payroll was 4.5 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, 2017 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-2016, 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, 2017**

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, \$128,400,177 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 \$175,000 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 2017.

As of June 30, 2017, the amount of liabilities recorded for estimated claim settlements for general, automobile, property and workers' compensation liability claims was \$302,867 of which \$29,808 was recorded in the General Fund. The County has assigned \$273,059 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, 2017**

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:

	2017	2016
Claims payable, beginning of year	\$ 314,666	\$ 504,471
Claims expense and change in reserve	337,550	89,055
Claims payments	<u>(349,349)</u>	<u>(278,860)</u>
Claims payable, end of year	<u>\$ 302,867</u>	<u>\$ 314,666</u>

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

	2017	2016
Claims payable, beginning of year	\$ 540,168	\$ 388,874
Claims expense and change in reserve	6,673,672	7,675,036
Claims payments	<u>(6,651,109)</u>	<u>(7,523,742)</u>
Claims payable, end of year	<u>\$ 562,731</u>	<u>\$ 540,168</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, 2017, there were three series of revenue bonds outstanding. The aggregate principal balance of the revenue bonds outstanding is \$14,637,000.

County of Scott, Iowa

**Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2017**

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, 2017 is \$7,880,000.

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 \$7,880,000 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, 2017

Note 11. Fund Balances

Governmental fund balances reported on the fund financial statements at June 30, 2017 are:

	<u>General</u>	<u>Mental Health/ Development Disability</u>	<u>Secondary Roads</u>	<u>Scott Emergency Communication Center</u>
Fund Balances:				
Nonspendable				
Prepays	\$ 93,657	\$ -	\$ -	\$ -
Restricted				
Debt service	-	-	-	-
Secondary roads	-	-	4,972,038	-
Mental health	-	977,859	-	-
Emergency services	-	-	-	1,538,408
Records management fee	-	-	-	-
Rural services	-	-	-	-
Other statutory programs	637,475	-	-	-
Subtotal Restricted	<u>637,475</u>	<u>977,859</u>	<u>4,972,038</u>	<u>1,538,408</u>
Assigned				
Capital projects	1,070,198	-	-	-
Claim liabilities	273,059	-	-	-
Strategic Planning Initiatives	1,000,000	-	-	-
Health claim liability	515,000	-	-	-
Subtotal Assigned	<u>2,858,257</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned	10,474,822	-	-	-
Total Fund Balances	<u>\$ 14,064,211</u>	<u>\$ 977,859</u>	<u>\$ 4,972,038</u>	<u>\$ 1,538,408</u>

County of Scott, Iowa

**Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2017**

Note 11. Fund Balances (Continued)

	Capital Projects	Debt Service	Nonmajor Governmental	Total
Fund Balances:				
Nonspendable				
Prepays	\$ -	\$ -	\$ -	\$ 93,657
Restricted				
Debt Service	-	10,770,553	6,172	10,776,725
Secondary Roads	-	-	-	4,972,038
Emergency Services	-	-	-	1,538,408
Mental health	-	-	-	977,859
Records management fee	-	-	86,578	86,578
Rural services	-	-	138,403	138,403
Other statutory programs	-	-	-	637,475
Subtotal Restricted	-	10,770,553	231,153	19,127,486
Assigned				
Capital projects	7,938,049	-	-	9,008,247
Claim liabilities	-	-	-	273,059
Strategic Planning Elements	-	-	-	1,000,000
Health claim liability	-	-	-	515,000
Subtotal Assigned	7,938,049	-	-	10,796,306
Unassigned	-	-	-	10,474,822
Total Fund Balances	\$ 7,938,049	\$ 10,770,553	\$ 231,153	\$ 40,492,271

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 \$3,603, payable from the General fund, \$340,243, payable from the Capital Projects fund, \$302,206 payable from the Secondary Roads fund, \$447 payable from the Golf fund, and \$600 payable from the Emergency Management Agency, discrete component unit.

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, 2017

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, 2017 as follows:

Revenues:

Property tax		\$	3,026,674
Other tax			125,688
Intergovernmental revenues:			
State tax credits and replacements			261,115
Transfer from fiscal agent			866,580
Charges for services - care keep			5,043
Investment earnings			3,630
Reimbursements and miscellaneous			43,153
Total revenues			<u>4,331,883</u>

Expenditures

Services to persons with:			
Mental illness	2,644,863		
Intellectual disability	779,037		
Other developmental disabilities	<u>137,384</u>		3,561,284
County provided services			2,427
General administration			
Direct administration			<u>150,246</u>
Total expenditures			<u>3,713,957</u>

Excess of revenues over expenditures 617,926

Fund balances beginning of the year 359,933

Fund balance end of the year \$ 977,859

County of Scott, Iowa

**Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2017**

Note 15. Tax Abatements

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

For the year ended June 30, 2017, the County did not abate any property tax under the urban renewal and economic development projects.

Tax Abatements of Other Entities

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2017 under agreements entered into by the following entities:

<u>Entity</u>	<u>Tax Abatement Program</u>	<u>Amount of Tax Abated</u>
City of Bettendorf	Economic development and / or other benefits	\$ 973,817
City of Davenport	Economic development and / or other benefits	247,872
City of LeClaire	Economic development and / or other benefits	412,288
City of Princeton	Economic development and / or other benefits	23,275
City of Walcott	Economic development and / or other benefits	7,096
Total		<u>\$ 1,664,348</u>

Note 16. Governmental Accounting Standards Board (GASB) Statements

The County adopted the following statements as of July 1, 2017:

- GASB Statement No. 77, *Tax Abatement Issues*, issued August 2015, is 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 make these transactions more transparent to financial statement users.

County of Scott, Iowa

Notes To Basic Financial Statements As of and For the Year Ended June 30, 2017

Note 16. Governmental Accounting Standards Board (GASB) Statements (Continued)

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

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, issued June 2015, will be effective for the County beginning with the year ending June 30, 2018. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB).
- GASB Statement, No 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, 2018. 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.
- GASB Statement No 83, *Certain Asset Retirement Obligations*, Issued November 2016, will be effective for the County beginning with the year June 30, 2019. This statement will enhance comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain asset retirement obligations, including obligations that may not have been previously reported. This statement will enhance the decision-usefulness of the information provided to financial statement users by requiring disclosures related to asset retirement obligations.
- GASB Statement No 84, *Fiduciary Activities*, Issued January 2017, will be effective for the County beginning with the year June 30, 2020. This statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by information reported in financial statements for assessing government accountability and stewardship.
- GASB Statement No 85, *Omnibus 2017*, issued March 2017, will be effective for the County beginning with the year June 30, 2018. The requirements of this statement will enhance consistency in the application of account and financial reporting requirements related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. Consistent reporting will improve the usefulness of information for users of state and local government financial statements.

County of Scott, Iowa

**Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2017**

Note 16. Governmental Accounting Standards Board (GASB) Statements (Continued)

- GASB Statement No 86, *Certain Debt Extinguishment Issues*, issued May 2017, will be effective for the County beginning with the year June 30, 2018. The requirements of this statement will increase consistency in accounting and financial reporting for debt extinguishments by establishing uniform guidance for derecognizing debt that is defeased in substance, regardless of how cash and other monetary assets placed in an irrevocable trust for the purpose of extinguishing that debt were acquired.
- GASB Statement No 87, *Leases*, issued June 2017 will be effective for the County beginning with the year June 30, 2021. This statement will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model.

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, 2017**

Actuarial Valuation Date	Actuarial Value of Net Position (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll [(b-a) / c]
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%
1/1/2017	-	1,191,146	1,191,146	0.00%	26,763,425	4.45%

The information presented in the required supplementary schedules was determined as part of the actuarial valuation date as of January 1, 2017. Additional information follows:

- a. The cost method used to determine the ARC is the Entry Age 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-2016, 6) retiree participation rate of 50 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 Notes 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, 2017

	Budget		Actual - Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Property taxes	\$ 45,691,478	\$ 45,691,478	\$ 45,414,065	\$ (277,413)
Local option sales tax	4,475,000	4,750,000	4,786,393	36,393
Other taxes	2,466,122	2,576,122	2,554,833	(21,289)
Interest and penalties on taxes	780,000	580,000	611,959	31,959
Intergovernmental	13,720,825	13,572,184	14,139,941	567,757
Charges for services	5,469,719	5,857,137	5,770,914	(86,223)
Investment earnings	196,430	156,780	154,085	(2,695)
Licenses and permits	630,330	760,845	729,106	(31,739)
Rentals and fees	86,949	107,534	93,799	(13,735)
Other	795,000	988,998	1,191,821	202,823
Total revenues	74,311,853	75,041,078	75,446,916	405,838
Expenditures				
Current:				
Public safety and legal services	29,723,373	30,312,227	28,969,518	1,342,709
Physical health and social services	6,559,546	6,773,579	6,247,529	526,050
Mental health	5,070,706	4,725,758	3,904,502	821,256
County environment and education	4,845,056	4,920,149	4,622,713	297,436
Roads and transportation	6,198,523	5,869,500	4,433,237	1,436,263
Government services to residents	2,431,520	2,570,204	2,429,984	140,220
Nonprogram Current	-	500,000	500,000	-
Administration	11,039,710	11,224,457	10,303,922	920,535
Capital outlay	9,780,100	15,325,485	12,160,887	3,164,598
Debt service	3,866,579	3,874,029	3,862,879	11,150
Total expenditures	79,515,113	86,095,388	77,435,171	8,660,217
Excess (deficiency) of revenues over expenditures	(5,203,260)	(11,054,310)	(1,988,255)	9,066,055
Other financing sources (uses):				
Transfers in	13,042,109	16,199,094	15,483,401	(715,693)
Transfers out	(13,042,109)	(16,199,094)	(15,648,113)	550,981
Proceeds from sale of capital assets	150,000	75,100	85,370	10,270
Total other financing sources (uses)	150,000	75,100	(79,342)	(154,442)
Net change in fund balances	\$ (5,053,260)	\$ (10,979,210)	\$ (2,067,597)	\$ 8,911,613

See page 75 for reconciliation to GAAP.

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

County of Scott, Iowa

Required Supplementary Information
 Budgetary Comparison Schedule
 Scott Emergency Communication Center
 For the Year Ended June 30, 2017

	Budget		Actual - GAAP Basis
	Original	Final	
Revenues:			
Intergovernmental	\$ 7,337,950	\$ 7,337,950	\$ 132,120
Investment earnings	-	-	6,570
Other	250	250	53,228
Total revenues	7,338,200	7,338,200	191,918
Expenditures			
Current:			
Public safety and legal services	6,513,122	6,513,122	6,316,916
Capital outlay	368,000	368,000	75,367
Debt service	843,078	843,078	843,078
Total expenditures	7,724,200	7,724,200	7,235,361
Excess (deficiency) of revenues over expenditures	(386,000)	(386,000)	(7,043,443)
Other financing sources:			
Transfers in	-	-	6,808,000
Total other financing sources	-	-	6,808,000
Net change in fund balances	\$ (386,000)	\$ (386,000)	\$ (235,443)

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

Reclassifications	Actual - Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
\$ 7,104,530	\$ 7,236,650	\$ (101,300)
-	6,570	6,570
-	53,228	52,978
<u>7,104,530</u>	<u>7,296,448</u>	<u>(41,752)</u>
296,530	6,613,446	(100,324)
-	75,367	292,633
-	843,078	-
<u>296,530</u>	<u>7,531,891</u>	<u>192,309</u>
<u>6,808,000</u>	<u>(235,443)</u>	<u>150,557</u>
<u>(6,808,000)</u>	-	-
<u>(6,808,000)</u>	-	-
<u>\$ -</u>	<u>\$ (235,443)</u>	<u>\$ 150,557</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, 2017**

	Governmental Fund Types Actual	Scott Emergency Communications Center Component Unit	Public Safety Authority Component Unit	Reclassifications	Actual - Budgetary Basis
Revenues:					
Property taxes	\$ 45,414,065	\$ -	\$ -	\$ -	\$ 45,414,065
Local option sales tax	4,786,393	-	-	-	4,786,393
Other taxes	2,554,833	-	-	-	2,554,833
Interest and penalties on taxes	611,959	-	-	-	611,959
Intergovernmental	13,975,531	(132,120)	-	296,530	14,139,941
Charges for services	5,770,914	-	-	-	5,770,914
Investment earnings	160,690	(6,570)	(35)	-	154,085
Licenses and permits	729,106	-	-	-	729,106
Rentals and fees	93,799	-	-	-	93,799
Other	1,245,049	(53,228)	-	-	1,191,821
Total revenues	75,342,339	(191,918)	(35)	296,530	75,446,916
Expenditures					
Current:					
Public safety and legal services	28,181,904	(6,316,916)	-	7,104,530	28,969,518
Physical health and social services	6,247,529	-	-	-	6,247,529
Mental health	3,904,502	-	-	-	3,904,502
County environment and education	4,622,713	-	-	-	4,622,713
Roads and transportation	4,433,237	-	-	-	4,433,237
Government services to residents	2,429,984	-	-	-	2,429,984
Nonprogram current	-	-	-	500,000	500,000
Administration	10,303,922	-	-	-	10,303,922
Capital outlay	12,236,254	(75,367)	-	-	12,160,887
Debt service	4,705,957	(843,078)	(1,953,318)	1,953,318	3,862,879
Total expenditures	77,066,002	(7,235,361)	(1,953,318)	9,557,848	77,435,171
Excess (deficiency) of revenues over expenditures	(1,723,663)	7,043,443	1,953,283	(9,261,318)	(1,988,255)
Other financing sources (uses):					
Transfers in	17,780,640	(6,808,000)	(1,953,318)	6,464,079	15,483,401
Transfers out	(18,445,352)	-	-	2,797,239	(15,648,113)
Proceeds from sale of capital assets	85,370	-	-	-	85,370
Total other financing sources (uses)	(579,342)	(6,808,000)	(1,953,318)	9,261,318	(79,342)
Net change in fund balances	\$ (2,303,005)	\$ 235,443	\$ (35)	\$ -	\$ (2,067,597)

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

County of Scott, Iowa

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

	2015	2016	2017
County's proportion of net pension liability	0.274511%	0.293765%	0.315698%
County's proportionate share of net pension liability	\$ 10,886,862	\$ 14,513,418	\$ 19,867,842
County's covered-employee payroll	\$ 28,172,699	\$ 28,766,876	\$ 29,388,451
County's proportionate share of net pension liability as a percentage of its covered-employee payroll	38.64%	50.45%	67.60%
Plan fiduciary net position as a percentage of the total pension liability	87.61%	85.19%	81.82%

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

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

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

	2008	2009	2010	2011
Statutorily required contribution	\$ 1,360,924	\$ 1,562,197	\$ 1,696,095	\$ 1,985,400
Contributions in relation to the statutorily required contribution	1,360,924	1,562,197	1,696,095	1,985,400
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
County's covered - employee payroll	21,605,531	21,827,721	23,400,557	25,753,487
Contributions as a percentage of covered-employee payroll	6.30%	7.16%	7.25%	7.71%

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

2012	2013	2014	2015	2016	2017
\$ 2,299,215	\$ 2,516,323	\$ 2,605,252	\$ 2,660,923	\$ 2,701,309	\$ 2,876,113
2,299,215	2,516,323	2,605,252	2,660,923	2,701,309	2,876,113
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26,725,226	27,682,627	28,172,699	28,766,876	29,388,451	31,387,807
8.60%	9.09%	9.25%	9.25%	9.19%	9.16%

County of Scott, Iowa

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

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 \$6,580,275. The budget amendment was adjusted estimates of current year activity. During the year nonprogram current expenditures exceeded the budget due to reclassifications of interfund transfers to the functional area.

The Public Safety Authority did not adopt a budget in fiscal year 2017.

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.

Changes of assumptions:

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

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

County of Scott, Iowa

**Notes to Required Supplementary Information
As of and For the Year Ended June 30, 2016**

Note 2. Net Pension Liability (Continued)

- 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.

See Independent Auditors' Report.

County of Scott, Iowa

Combining Balance Sheet
 Nonmajor Governmental Funds
 As of June 30, 2017

	Special Revenue		Debt Service		Total
	Rural Services Fund	Recorders	Public Safety Authority		
		Management Fees Fund			
Assets					
Cash and investments	\$ 138,275	\$ 86,578	\$ -	\$ -	\$ 224,853
Restricted Cash and Investments	-	-	6,172		6,172
Receivables:					
Property taxes, net of allowance for collection losses	3,028,393	-	-		3,028,393
Total assets	\$ 3,166,668	\$ 86,578	\$ 6,172	\$ -	\$ 3,259,418
Deferred Inflows of Resources and Fund Balance					
Deferred Inflows of Resources					
Unavailable revenue	\$ 5,435	\$ -	\$ -	\$ -	\$ 5,435
Unearned revenue	3,022,830	-	-		3,022,830
Total deferred inflows of resources	3,028,265	-	-		3,028,265
Fund balances					
Restricted	138,403	86,578	6,172		231,153
Total fund balance	138,403	86,578	6,172		231,153
Total deferred inflows of resources and fund balances	\$ 3,166,668	\$ 86,578	\$ 6,172	\$ -	\$ 3,259,418

County of Scott, Iowa

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2017

	Special Revenue		Debt Service		Total
	Rural Services Fund	Recorders		Public Safety Authority	
		Management Fees Fund			
Revenues:					
Property taxes	\$ 2,737,685	\$ -	\$ -	\$ -	\$ 2,737,685
Other taxes	73,457	-	-	-	73,457
Intergovernmental	146,985	-	-	-	146,985
Charges for services	-	32,052	-	-	32,052
Investment earnings	494	271	35	-	800
Total revenues	2,958,621	32,323	35	-	2,990,979
Expenditures:					
Current:					
County environment and education	567,022	-	-	-	567,022
Debt Service					
Principal	-	-	1,650,000	-	1,650,000
Interest and fees	-	-	303,318	-	303,318
Total Expenditures	567,022	-	1,953,318	-	2,520,340
Excess (deficiency) of revenue over expenditures	2,391,599	32,323	(1,953,283)	-	470,639
Other financing sources (uses):					
Transfers In	-	-	1,953,318	-	1,953,318
Transfers Out	(2,408,000)	(20,000)	-	-	(2,428,000)
Total Other Financing Sources (Uses)	(2,408,000)	(20,000)	1,953,318	-	(474,682)
Net change in fund balances	(16,401)	12,323	35	-	(4,043)
Fund balances, beginning of year	154,804	74,255	6,137	-	235,196
Fund balances, end of year	\$ 138,403	\$ 86,578	\$ 6,172	\$ -	\$ 231,153

County of Scott, Iowa

Combining Statement of Net Position
Internal Service Funds
As of June 30, 2017

	Internal Service Funds		
	Dental Insurance Fund	Health Insurance Fund	Total
Assets			
Current assets:			
Cash and investments	\$ 269,127	\$ 1,565,945	\$ 1,835,072
Accounts receivable	93	8,625	8,718
Prepays	-	129,823	129,823
Total current assets	269,220	1,704,393	1,973,613
Total assets	\$ 269,220	\$ 1,704,393	\$ 1,973,613
Liabilities and Net Position			
Current liabilities:			
Accounts payable	\$ 2,470	\$ 2,133	\$ 4,603
Claims payable	76,218	486,513	562,731
Total liabilities	78,688	488,646	567,334
Net Position:			
Unrestricted	190,532	1,215,747	1,406,279
Total net position	190,532	1,215,747	1,406,279
Total liabilities and net position	\$ 269,220	\$ 1,704,393	\$ 1,973,613

County of Scott, Iowa

Combining Statement of Revenues, Expenses, and Changes in Net Position
 Internal Service Funds
 For the Year Ended June 30, 2017

	Internal Service Funds		
	Dental Insurance Fund	Health Insurance Fund	Total
Operating revenues:			
Charges for services	\$ 406,182	\$ 6,221,869	\$ 6,628,051
Other	-	80,156	80,156
Total operating revenues	406,182	6,302,025	6,708,207
Operating expenses:			
Administrative charges	29,291	648,092	677,383
Claims	371,742	6,279,367	6,651,109
Total operating expenses	401,033	6,927,459	7,328,492
Operating income (loss)	5,149	(625,434)	(620,285)
Nonoperating revenues:			
Investment earnings	863	5,602	6,465
Total nonoperating revenues	863	5,602	6,465
Income (loss) before transfers	6,012	(619,832)	(613,820)
Transfers in	-	500,000	500,000
Change in Net Position	6,012	(119,832)	(113,820)
Total Net Position, beginning of year	184,520	1,335,579	1,520,099
Total Net Position, end of year	\$ 190,532	\$ 1,215,747	\$ 1,406,279

County of Scott, Iowa

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2017

	Internal Service Funds		
	Dental Insurance Fund	Health Insurance Fund	Total
Cash flows from operating activities:			
Cash received from customers	\$ 406,089	\$ 6,221,869	\$ 6,627,958
Refunds from outside sources	-	184,320	184,320
Cash payments to suppliers for goods and services	(380,180)	(6,924,397)	(7,304,577)
Net cash from operating activities	25,909	(518,208)	(492,299)
Cash flows from noncapital financing activities,			
Transfer from other funds	-	500,000	500,000
Cash flows from investing activities, interest received	863	5,602	6,465
Net increase (decrease) in cash and cash equivalents	26,772	(12,606)	14,166
Cash and cash equivalents:			
Beginning	242,355	1,578,551	1,820,906
Ending	\$ 269,127	\$ 1,565,945	\$ 1,835,072
Reconciliation of operating income (loss) to net cash from operating activities:			
Operating income (loss)	\$ 5,149	\$ (625,434)	\$ (620,285)
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Changes in assets and liabilities:			
Prepays	-	2,241	2,241
Accounts receivable	(93)	104,164	104,071
Accounts payable	20	(909)	(889)
Claims payable	20,833	1,730	22,563
Net cash from operating activities	\$ 25,909	\$ (518,208)	\$ (492,299)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities
 All Agency Funds
 For the Year Ended June 30, 2017

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Agricultural Extension Service Fund				
Assets				
Cash and investments	\$ 3,243	\$ 557,212	\$ 556,594	\$ 3,861
Receivables, property taxes	541,423	1,111,878	1,096,919	556,382
Total assets	\$ 544,666	\$ 1,669,090	\$ 1,653,513	\$ 560,243
Liabilities, due to other government funds	\$ 544,666	\$ 1,669,090	\$ 1,653,513	\$ 560,243
Bangs Eradication Fund				
Assets				
Cash and investments	\$ 12,525	\$ 27,205	\$ 26,896	\$ 12,834
Receivables, property taxes	25,444	49,290	50,049	24,685
Total assets	\$ 37,969	\$ 76,495	\$ 76,945	\$ 37,519
Liabilities				
Accounts payable	\$ 12,399	\$ 27,174	\$ 26,896	\$ 12,677
Due to other governmental funds	25,570	76,495	77,223	24,842
Total liabilities	\$ 37,969	\$ 103,669	\$ 104,119	\$ 37,519
City Taxing Districts Fund				
Assets				
Cash and investments	\$ 642,256	\$ 120,237,898	\$ 120,083,164	\$ 796,990
Receivables, property taxes	116,595,306	240,498,586	236,733,237	120,360,655
Total assets	\$ 117,237,562	\$ 360,736,484	\$ 356,816,401	\$ 121,157,645
Liabilities, due to other government funds	\$ 117,237,562	\$ 360,736,484	\$ 356,816,401	\$ 121,157,645
Community College Taxing District Fund				
Assets				
Cash and investments	\$ 46,565	\$ 8,424,855	\$ 8,413,338	\$ 58,082
Receivables, property taxes	8,188,680	17,194,095	16,778,705	8,604,070
Total assets	\$ 8,235,245	\$ 25,618,950	\$ 25,192,043	\$ 8,662,152
Liabilities, due to other government funds	\$ 8,235,245	\$ 25,618,950	\$ 25,192,043	\$ 8,662,152
Fire Taxing District Fund				
Assets				
Cash and investments	\$ 2,764	\$ 398,422	\$ 398,342	\$ 2,844
Receivables, property taxes	396,754	822,075	807,989	410,840
Total assets	\$ 399,518	\$ 1,220,497	\$ 1,206,331	\$ 413,684
Liabilities, due to other government funds	\$ 399,518	\$ 1,220,497	\$ 1,206,331	\$ 413,684

(continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities
 All Agency Funds (Continued)
 For the Year Ended June 30, 2017

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
School Taxing District Fund				
Assets				
Cash and investments	\$ 723,651	\$ 122,117,839	\$ 121,988,743	\$ 852,747
Receivables, property taxes	118,671,286	247,963,719	242,548,909	124,086,096
Total assets	\$ 119,394,937	\$ 370,081,558	\$ 364,537,652	\$ 124,938,843
Liabilities, due to other government funds	\$ 119,394,937	\$ 370,081,558	\$ 364,537,652	\$ 124,938,843
Township Taxing District Fund				
Assets				
Cash and investments	\$ 2,030	\$ 233,133	\$ 232,513	\$ 2,650
Receivables, property taxes	232,264	478,775	471,475	239,564
Total assets	\$ 234,294	\$ 711,908	\$ 703,988	\$ 242,214
Liabilities, due to other government funds	\$ 234,294	\$ 711,908	\$ 703,988	\$ 242,214
Other Holding Accounts Fund				
Assets				
Cash and investments	\$ 4,340,105	\$ 382,199,910	\$ 382,424,660	\$ 4,115,355
Receivables, property taxes	21,867	396,748	374,319	44,296
Total assets	\$ 4,361,972	\$ 382,596,658	\$ 382,798,979	\$ 4,159,651
Liabilities				
Accounts payable	\$ 11,465	\$ 141,839	\$ 140,895	\$ 12,409
Due to other governmental agencies	4,350,507	374,091,580	374,294,845	4,147,242
Total liabilities	\$ 4,361,972	\$ 374,233,419	\$ 374,435,740	\$ 4,159,651
City Special Assessments Fund				
Assets, cash and investments	\$ 272,013	\$ 3,393,399	\$ 3,351,775	\$ 313,637
Liabilities, due to other governmental agencies	\$ 272,013	\$ 3,393,399	\$ 3,351,775	\$ 313,637
County Recorder Agency Fund				
Assets, cash and investments	\$ 121,941	\$ 1,825,224	\$ 1,858,453	\$ 88,712
Liabilities, due to other governmental agencies	\$ 121,941	\$ 1,825,224	\$ 1,858,453	\$ 88,712

(continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities
 All Agency Funds (Continued)
 For the Year Ended June 30, 2017

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
County Sheriff Agency Fund				
Assets, cash and investments	\$ 123,434	\$ 5,958,377	\$ 5,982,723	\$ 99,088
Liabilities				
Accounts Payable	\$ 111,882	\$ 5,767,360	\$ 5,795,858	\$ 83,384
Due from other government agencies	11,552	223,537	219,385	15,704
Total Liabilities	\$ 123,434	\$ 5,990,897	\$ 6,015,243	\$ 99,088
Motor Vehicle Tax Fund				
Assets, cash and investments	\$ 26,764	\$ -	\$ -	\$ 26,764
Liabilities, due to other governmental agencies	\$ 26,764	\$ -	\$ -	\$ 26,764
Tax Sale Redemption Fund				
Assets, cash and investments	\$ 77,337	\$ -	\$ -	\$ 77,337
Liabilities, due to other governmental agencies	\$ 77,337	\$ -	\$ -	\$ 77,337
Community Services Fund				
Assets, cash and investments	\$ 463,773	\$ 104,439	\$ -	\$ 568,212
Liabilities, due to private individuals	\$ 463,773	\$ 104,439	\$ -	\$ 568,212
County Assessor Fund				
Assets				
Cash and investments	\$ 1,164,426	\$ 982,248	\$ 1,308,633	\$ 838,041
Receivables, property taxes	941,671	1,885,894	1,882,383	945,182
Prepaid	15,090	-	15,090	-
Total assets	\$ 2,121,187	\$ 2,868,142	\$ 3,206,106	\$ 1,783,223
Liabilities				
Accounts payable	\$ 26,074	\$ 777,040	\$ 798,629	\$ 4,485
Due to other governmental agencies	2,095,113	2,515,314	2,831,689	1,778,738
Total liabilities	\$ 2,121,187	\$ 3,292,354	\$ 3,630,318	\$ 1,783,223

(continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities
 All Agency Funds (Continued)
 For the Year Ended June 30, 2017

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
City Assessor Fund				
Assets				
Cash and investments	\$ 730,193	\$ 1,341,934	\$ 1,310,927	\$ 761,200
Receivables, property taxes	1,290,943	2,718,024	2,650,206	1,358,761
Total assets	\$ 2,021,136	\$ 4,059,958	\$ 3,961,133	\$ 2,119,961
Liabilities				
Accounts payable	\$ 124,325	\$ 1,308,647	\$ 1,310,927	\$ 122,045
Due to other governmental agencies	1,896,811	2,751,162	2,650,057	1,997,916
Total liabilities	\$ 2,021,136	\$ 4,059,809	\$ 3,960,984	\$ 2,119,961
Eastern Iowa Mental Health and Disabilities Services Region				
Assets				
Cash and investments	\$ 9,181,283	\$ 2,452,403	\$ 1,721,790	\$ 9,911,896
Prepaid	5,613	-	-	5,613
Total assets	\$ 9,186,896	\$ 2,452,403	\$ 1,721,790	\$ 9,917,509
Liabilities				
Accounts payable	\$ 1,650	\$ 863,251	\$ 860,626	\$ 4,275
Due to other governmental agencies	9,185,246	739,213	11,225	9,913,234
Total liabilities	\$ 9,186,896	\$ 1,602,464	\$ 871,851	\$ 9,917,509
Jail Inmate Fund				
Assets, cash and investments	\$ 85,424	\$ 75,814	\$ -	\$ 161,238
Liabilities, due to private individuals	\$ 85,424	\$ 75,814	\$ -	\$ 161,238
Rivershare Fund				
Assets				
Cash and investments	\$ 43,272	\$ 124,443	\$ 132,677	\$ 35,038
Prepaid	-	255	-	255
Total assets	\$ 43,272	\$ 124,698	\$ 132,677	\$ 35,293
Liabilities				
Accounts payable	\$ 3,487	\$ 121,782	\$ 125,045	\$ 224
Due to other government agencies	39,785	-	4,716	35,069
Total liabilities	\$ 43,272	\$ 121,782	\$ 129,761	\$ 35,293

(continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities
 All Agency Funds (Continued)
 For the Year Ended June 30, 2017

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
E 911 Funds				
Assets, cash and investments	\$ -	\$ 1,157,065	\$ 1,157,065	\$ -
Liabilities, due to other governmental agencies	\$ -	\$ 1,157,065	\$ 1,157,065	\$ -
Total Combined Funds				
Assets				
Cash and investments	\$ 18,062,999	\$ 651,611,820	\$ 650,948,293	\$ 18,726,526
Receivables:				
Property taxes	246,905,638	513,119,084	503,394,191	256,630,531
Prepaid	20,703	255	15,090	5,868
Total Assets	\$ 264,989,340	\$ 1,164,731,159	\$ 1,154,357,574	\$ 275,362,925
Liabilities				
Accounts payable	\$ 291,282	\$ 9,035,591	\$ 3,263,138	\$ 239,499
Due to other governmental agencies	264,148,861	1,146,807,324	1,136,566,361	274,393,976
Due to private individuals	549,197	180,253	-	729,450
Total Liabilities	\$ 264,989,340	\$ 1,156,023,168	\$ 1,139,829,499	\$ 275,362,925

County of Scott, Iowa

Combining Balance Sheet and Reconciliation to Statement of Net Position
Discretely Presented Component Units
As of June 30, 2017

	Emergency Management Agency	County Library	Total
Assets			
Cash and investments	\$ 284,991	\$ 421,936	\$ 706,927
Due from other governmental agencies	50,370	-	50,370
Prepaid Items	-	7,521	7,521
Total assets	\$ 335,361	\$ 429,457	\$ 764,818
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	\$ 7,866	\$ 35,812	\$ 43,678
Accrued liabilities	7,138	40,624	47,762
Total liabilities	15,004	76,436	91,440
Deferred Inflows of Resources			
Liabilities:			
Unavailable Revenue	50,370	-	50,370
Total deferred inflows of resources	50,370	-	50,370
Fund balances:			
Nonspendable	-	7,521	7,521
Assigned	-	10,000	10,000
Unassigned	269,987	335,500	605,487
Total fund balances	269,987	353,021	623,008
Total liabilities, deferred inflows of resources, and fund balances	\$ 335,361	\$ 429,457	\$ 764,818
Reconciliation to statement of net position			
Total component unit fund balances	\$ 269,987	\$ 353,021	\$ 623,008
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	222,434	845,500
Accumulated depreciation	(567,121)	(580,870)	(1,147,991)
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	29,019	112,137	141,156
Deferred inflows of resources	(2,080)	(8,892)	(10,972)
Liabilities not due and payable in the current period are not reported in the funds:			
Compensated absences	(37,861)	(52,583)	(90,444)
Net pension liability	(64,620)	(465,560)	(530,180)
Other post employment benefits obligation	(4,077)	1,581	(2,496)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
	50,370	-	50,370
Total net position	\$ 296,683	\$ 729,734	\$ 1,026,417

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, 2017

	Emergency Management		
	Agency	County Library	Total
Revenues:			
Intergovernmental			
Operating	\$ 135,307	\$ 1,183,763	\$ 1,319,070
Charges for services	57,078	12,439	69,517
Investment earnings	921	1,346	2,267
Other	5,932	13,968	19,900
Total revenues	199,238	1,211,516	1,410,754
Expenditures:			
Current:			
Public safety and legal services	219,116	-	219,116
County environment and education	-	1,188,647	1,188,647
Total expenditures	219,116	1,188,647	1,407,763
Net change in fund balances	(19,878)	22,869	2,991
Fund balances, beginning of year	289,865	330,152	620,017
Fund balances, end of year	\$ 269,987	\$ 353,021	\$ 623,008

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, 2017

	Emergency Management		
	Agency	County Library	Total
Reconciliation to statement of activities,			
Net change in fund balances	\$ (19,878)	\$ 22,869	\$ 2,991
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	50,370	-	50,370
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures.			
However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the detail of the amount by which capital outlays exceeded depreciation in the current year:			
Capital outlay capitalized	-	16,439	16,439
Depreciation	(43,914)	(24,457)	(68,371)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the component unit:			
Change in compensated absences	(2,423)	4,222	1,799
Change in other post employment benefits obligation	(403)	(942)	(1,345)
Change in pension expense	2,403	12,501	14,904
Changes in Net Position of component units	\$ (13,845)	\$ 30,632	\$ 16,787

STATISTICAL

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County of Scott, Iowa

Statistical Section Contents

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

Contents	Page
Financial Trends	95
These schedules contain trend information to help the reader understand how the County's financial performance and well being have changed over time.	
Revenue Capacity	107
These schedules contain information to help the reader assess the County's most significant local revenue sources, the property tax (or sales tax).	
Debt Capacity	115
These schedules present information to help the reader assess the affordability of the County's current level of outstanding debt and the County's ability to issue additional debt in the future.	
Demographic and Economic Information	121
These schedule offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
Operating Information	123
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)

	2008	2009	2010
Governmental activities:			
Net investment in capital assets	\$ 70,527,812	\$ 70,017,361	\$ 73,643,761
Restricted for:			
Debt service	3,728,760	3,229,346	2,849,754
County conservation sewage treatment	206,674	222,551	209,483
Mental health	572,242	1,713,646	1,499,167
Other statutory programs	-	-	663,173
Rural services	-	-	-
Scott Emergency Communication Center	-	-	-
Secondary roads	486,405	273,409	370,604
Unrestricted	6,065,147	6,205,472	6,934,776
Total governmental activities net position	\$ 81,587,040	\$ 81,661,785	\$ 86,170,718
Business-Type activities			
Net investment in capital assets	\$ 807,121	\$ 1,011,730	\$ 1,201,240
Restricted for lease purchase contract	325,166	324,400	324,407
Unrestricted	(3,225,906)	(3,623,282)	(3,921,629)
Total business-type activities net position	\$ (2,093,619)	\$ (2,287,152)	\$ (2,395,982)
Primary government:			
Net investment in capital assets	\$ 71,334,933	\$ 71,029,091	\$ 74,845,001
Restricted for:			
Debt service	3,728,760	3,229,346	2,849,754
County conservation sewage treatment	206,674	222,551	209,483
Lease purchase contract	325,166	324,400	324,407
Mental health	572,242	1,713,646	1,499,167
Other statutory programs	-	-	663,173
Rural services	-	-	-
Scott Emergency Communication Center	-	-	-
Secondary roads	486,405	273,409	370,604
Unrestricted	2,839,241	2,582,190	3,013,147
Total primary government net position	\$ 79,493,421	\$ 79,374,633	\$ 83,774,736

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						
2011	2012	2013	2014	2015	2016	2017
\$ 64,874,432	\$ 74,766,566	\$ 71,325,134	\$ 69,647,344	\$ 73,242,465	\$ 76,525,390	\$ 84,867,870
2,503,008	2,160,323	1,491,035	1,802,355	1,936,389	2,217,903	2,754,062
210,592	212,459	212,430	212,430	208,552	-	-
1,221,960	343,637	-	1,966,913	5,116,780	359,933	977,859
783,546	786,943	968,492	979,625	955,941	923,278	724,052
57,929	70,995	154,168	150,016	148,630	154,804	138,403
-	2,762,297	2,689,733	3,049,339	120,370	-	-
885,011	1,839,278	2,320,739	3,149,287	3,830,301	3,475,520	4,972,038
10,009,511	14,045,782	15,050,677	20,624,047	11,928,034	13,322,400	8,299,780
\$ 80,545,989	\$ 96,988,280	\$ 94,212,408	\$ 101,581,356	\$ 97,487,462	\$ 96,979,228	\$ 102,734,064
\$ 1,640,815	\$ 2,226,682	\$ 2,214,625	\$ 2,168,898	\$ 2,167,093	\$ 2,088,255	\$ 2,089,796
324,407	-	-	-	-	-	-
(4,233,323)	(4,447,949)	93,780	173,029	290,861	462,282	564,622
\$ (2,268,101)	\$ (2,221,267)	\$ 2,308,405	\$ 2,341,927	\$ 2,457,954	\$ 2,550,537	\$ 2,654,418
\$ 66,515,247	\$ 76,993,248	\$ 73,539,759	\$ 71,816,242	\$ 75,409,558	\$ 78,613,645	\$ 86,957,666
2,503,008	2,160,323	1,491,035	1,802,355	1,936,389	2,217,903	2,754,062
210,592	212,459	212,430	212,430	208,552	-	-
324,407	-	-	-	-	-	-
1,221,960	343,637	-	1,966,913	5,116,780	359,933	977,859
783,546	786,943	968,492	979,625	955,941	923,278	724,052
57,929	70,995	154,168	150,016	148,630	154,804	138,403
-	2,762,297	2,689,733	3,049,339	120,370	-	-
885,011	1,839,278	2,320,739	3,149,287	3,830,301	3,475,520	4,972,038
5,776,188	9,597,833	15,144,457	20,797,076	12,218,895	13,784,682	8,864,402
\$ 78,277,888	\$ 94,767,013	\$ 96,520,813	\$ 103,923,283	\$ 99,945,416	\$ 99,529,765	\$ 105,388,482

County of Scott, Iowa

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

	2008	2009	2010
Expenses:			
Governmental activities:			
Public safety and legal services	\$ 20,289,680	\$ 20,925,221	\$ 27,972,373
Public safety and legal services -SECC	-	-	-
Physical health and social services	5,956,132	6,180,832	6,238,358
Mental health	15,211,596	14,605,242	14,484,152
County environment and education	4,410,086	4,882,023	4,044,619
Roads and transportation	6,712,511	7,461,585	6,219,535
Governmental services to residents	2,151,064	2,821,526	2,167,664
Administration	10,980,111	10,135,767	8,294,027
Interest on long-term debt	1,471,972	1,393,678	1,457,291
Total governmental activities expenses	67,183,152	68,405,874	70,878,019
Business-Type activities, golf course	1,178,367	1,144,254	1,021,548
Total government expenses	\$ 68,361,519	\$ 69,550,128	\$ 71,899,567
Program revenues:			
Governmental activities			
Charges for services			
Public safety and legal services	\$ 939,874	\$ 1,182,577	\$ 992,171
Physical health and social services	330,296	358,704	355,941
Mental health	42,261	31,633	31,902
County environment and education	920,315	891,352	988,522
Roads and transportation	11,268	21,109	32,893
Governmental services to residents	2,382,447	2,307,783	2,343,094
Administration	251,070	228,445	271,056
Operating grants and contributions	11,847,705	12,233,452	11,912,913
Capital grants and contributions	153,469	1,184,458	6,674,252
Total governmental activities program revenues	16,878,705	18,439,513	23,602,744
Business-Type activities, golf course	947,487	949,445	912,712
Total government program revenues	\$ 17,826,192	\$ 19,388,958	\$ 24,515,456
Net (expense)/revenue:			
Governmental activities	\$ (50,304,447)	\$ (49,966,361)	\$ (47,275,275)
Business-Type activities	(230,880)	(194,809)	(108,836)
Total government net expense	\$ (50,535,327)	\$ (50,161,170)	\$ (47,384,111)

(Continued)

		Fiscal Year											
		2011	2012	2013	2014	2015	2016	2017					
\$	36,474,619	\$	20,806,047	\$	21,551,072	\$	21,994,460	\$	21,575,674	\$	22,496,478	\$	23,652,149
	-		6,785,573		7,650,488		7,755,245		8,263,625		8,990,086		8,253,613
	5,695,818		5,439,626		5,293,759		5,387,800		5,632,413		5,989,809		6,380,863
	15,279,397		17,508,289		8,256,862		7,075,477		6,009,778		8,609,386		3,943,078
	4,893,713		5,045,765		5,063,295		5,374,619		5,378,738		5,887,071		5,376,513
	7,863,504		9,171,403		8,296,547		8,862,285		8,252,046		8,545,470		8,361,816
	2,117,384		2,262,947		2,236,126		2,204,779		2,060,111		2,336,652		2,500,771
	11,500,872		10,131,539		10,869,732		10,071,070		10,483,274		10,702,812		11,154,664
	1,674,554		2,090,153		2,281,028		2,074,927		1,895,452		1,332,866		1,258,313
	85,499,861		79,241,342		71,498,909		70,800,662		69,551,111		74,890,630		70,881,780
	949,850		1,168,516		976,713		1,013,810		947,995		947,360		970,395
\$	86,449,711	\$	80,409,858	\$	72,475,622	\$	71,814,472	\$	70,499,106	\$	75,837,990	\$	71,852,175
\$	1,457,575	\$	1,622,292	\$	1,413,724	\$	1,633,110	\$	1,860,399	\$	1,462,328	\$	1,276,141
	376,158		399,182		392,116		398,670		404,322		420,561		417,911
	50,250		74,244		176,661		203,301		162,920		145,831		148,816
	1,017,239		1,145,202		1,131,480		1,466,769		1,537,819		1,598,171		1,374,814
	20,863		18,900		20,531		35,159		17,551		42,480		46,344
	2,469,734		2,588,909		2,893,332		2,576,380		2,616,710		2,750,040		2,867,386
	267,955		267,800		289,722		178,279		316,678		415,863		368,609
	12,882,216		12,358,943		7,988,482		10,336,825		9,490,079		4,687,936		5,877,692
	2,567,522		1,111,863		459,141		1,124,208		3,343,518		465,967		1,466,522
	21,109,512		19,587,335		14,765,189		17,952,701		19,749,996		11,989,177		13,844,235
	900,741		1,002,459		890,259		901,872		926,316		939,155		907,586
\$	22,010,253	\$	20,589,794	\$	15,655,448	\$	18,854,573	\$	20,676,312	\$	12,928,332	\$	14,751,821
\$	(64,390,349)	\$	(59,654,007)	\$	(56,733,720)	\$	(52,847,961)	\$	(49,801,115)	\$	(62,901,453)	\$	(57,037,545)
	(49,109)		(166,057)		(86,454)		(111,938)		(21,679)		(8,205)		(62,809)
\$	(64,439,458)	\$	(59,820,064)	\$	(56,820,174)	\$	(52,959,899)	\$	(49,822,794)	\$	(62,909,658)	\$	(57,100,354)

County of Scott, Iowa

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

	2008	2009	2010
General revenues and other changes in net position:			
Governmental activities:			
Taxes:			
Property taxes	\$ 33,138,131	\$ 34,113,141	\$ 36,228,794
Local option sales tax	3,867,941	3,602,230	3,637,825
Gaming	815,524	748,920	676,255
Other taxes	65,253	66,852	63,470
Utility tax replacements	1,341,669	1,348,776	1,395,383
Penalties, interest and costs on taxes	731,456	847,456	790,006
State tax replacement credits	5,194,016	5,183,554	4,826,563
Payments in lieu of taxes	8,226	9,046	6,828
State shared revenues	2,866,918	2,743,735	3,101,887
Investment earnings	1,447,577	674,859	188,207
Miscellaneous	859,093	702,537	868,990
Total General Revenues	50,335,804	50,041,106	51,784,208
Transfers (out)	-	-	-
Total governmental activities	50,335,804	50,041,106	51,784,208
Business-Type activities:			
Investment earnings	9,827	1,276	6
Transfers	-	-	-
Total Business-Type Activities	9,827	1,276	6
Total primary government	\$ 50,345,631	\$ 50,042,382	\$ 51,784,214
Change in net position:			
Governmental activities	\$ 31,357	\$ 74,745	\$ 4,508,933
Business-Type activities	(221,053)	(193,533)	(108,830)
Total primary government	\$ (189,696)	\$ (118,788)	\$ 4,400,103

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						
2011	2012	2013	2014	2015	2016	2017
\$ 43,052,682	\$ 44,980,224	\$ 46,156,117	\$ 46,924,802	\$ 46,038,682	\$ 45,202,178	\$ 45,413,623
3,863,574	4,052,754	4,049,552	4,285,414	4,413,667	4,390,854	4,685,617
584,582	596,840	579,504	527,014	528,381	569,059	693,456
68,512	68,374	70,286	4,658,521	71,501	68,619	67,761
1,539,020	1,625,295	1,598,817	1,558,330	1,891,293	1,887,781	1,793,615
791,685	789,143	816,474	930,986	715,763	725,336	611,959
4,930,224	4,898,515	1,205,628	1,450,873	2,598,044	3,848,505	3,825,047
6,782	6,682	6,521	7,306	3,438,603	4,085,495	4,267,366
2,775,120	3,146,564	3,156,344	3,200,405	7,058	7,980	7,273
228,038	162,822	125,127	147,401	150,728	122,472	167,158
1,102,391	1,380,103	1,274,786	1,263,537	1,860,536	1,584,940	1,424,218
58,942,610	61,707,316	59,039,156	64,954,589	61,714,256	62,493,219	62,957,093
(176,990)	(212,891)	(4,616,126)	(145,460)	(223,361)	(100,000)	(164,712)
58,765,620	61,494,425	54,423,030	64,809,129	61,490,895	62,393,219	62,792,381
-	-	-	-	363	788	1,978
176,990	212,891	4,616,126	145,460	223,361	100,000	164,712
176,990	212,891	4,616,126	145,460	223,724	100,788	166,690
\$ 58,942,610	\$ 61,707,316	\$ 59,039,156	\$ 64,954,589	\$ 61,714,619	\$ 62,494,007	\$ 62,959,071
\$ (5,624,729)	\$ 1,840,418	\$ (2,310,690)	\$ 11,961,168	\$ 11,689,780	\$ (508,234)	\$ 5,754,836
127,881	46,834	4,529,672	33,522	202,045	92,583	103,881
\$ (5,496,848)	\$ 1,887,252	\$ 2,218,982	\$ 11,994,690	\$ 11,891,825	\$ (415,651)	\$ 5,858,717

County of Scott, Iowa

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

	2008	2009	2010	2011 *
General Fund:				
Reserved:				
Notes receivable	\$ 116,175	\$ 116,175	\$ 113,358	\$ -
Advances	2,702,314	3,207,314	3,397,314	-
County conservation sewage treatment	206,674	222,551	213,843	-
Other statutory programs	-	-	663,173	-
Unreserved, designated claim liabilities	718,847	589,331	522,407	-
Unreserved, undesignated	5,849,553	5,956,480	7,613,701	-
Nonspendable:				
Notes receivable	-	-	-	113,358
Advances	-	-	-	3,720,324
Prepays	-	-	-	109,106
Restricted:				
County conservation sewage treatment	-	-	-	210,592
Other statutory programs	-	-	-	783,546
Assigned:				
Capital projects	-	-	-	-
Health claim liabilities	-	-	-	-
Strategic plan elements	-	-	-	-
Future budgetary reductions	-	-	-	-
Claim liabilities	-	-	-	694,052
Unassigned	-	-	-	9,247,282
Total general fund	\$ 9,593,563	\$ 10,091,851	\$ 12,523,796	\$ 14,878,260
All other governmental funds:				
Reserved for:				
Debt service	\$ 3,728,760	\$ 3,229,346	\$ 2,908,690	\$ -
Unreserved, undesignated reported in:				
Special revenue funds:				
Mental health/development disabilities	572,242	1,713,646	1,499,167	-
Secondary Roads	486,405	273,409	370,604	-
Rural services	118,672	117,451	137,271	-
Recorders management fees	139,847	139,496	90,270	-
Capital projects funds, capital projects	5,541,207	4,053,819	8,310,749	-
Nonspendable:				
Prepays	-	-	-	-
Restricted:				
Debt service	-	-	-	2,558,322
Secondary Roads	-	-	-	885,011
Rural services	-	-	-	57,929
Mental health/development disabilities	-	-	-	-
Other statutory programs	-	-	-	-
Records management fee	-	-	-	72,687
Capital projects	-	-	-	1,712,860
Scott Emergency Communications Center	-	-	-	-
Assigned:				
Mental health/development disabilities	-	-	-	1,221,960
Other capital projects	-	-	-	1,473,162
Unassigned (Deficit)	-	-	-	-
Total all other governmental funds	\$ 10,587,133	\$ 9,527,167	\$ 13,316,751	\$ 7,981,931

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.

2012 *	2013 *	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
81,428	58,777	58,777	58,777	-	-
4,041,594	-	-	-	-	-
109,906	131,406	131,406	140,244	553,834	93,657
212,459	212,430	207,617	208,552	-	-
786,943	926,297	945,547	902,614	849,023	637,475
1,500,000	3,150,000	3,850,000	2,350,000	2,500,000	1,070,198
340,000	150,000	150,000	270,000	500,000	515,000
-	-	-	-	-	1,000,000
560,257	-	-	-	-	-
398,656	383,941	330,680	407,715	308,160	273,059
9,477,799	10,041,990	9,832,639	10,098,835	10,212,287	10,474,822
<u>\$ 17,509,042</u>	<u>\$ 15,054,841</u>	<u>\$ 15,506,666</u>	<u>\$ 14,436,737</u>	<u>\$ 14,923,304</u>	<u>\$ 14,064,211</u>

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	18,979	15,719	-
2,053,084	19,541,476	19,518,523	1,980,550	10,587,713	10,776,725
1,839,278	2,320,739	3,149,287	3,830,301	3,475,520	4,972,038
70,995	154,168	150,016	148,630	154,804	138,403
-	-	1,966,913	5,116,780	359,933	977,859
343,637	-	-	-	-	-
48,418	42,194	53,327	63,714	74,255	86,578
1,252,027	-	-	-	-	-
2,762,297	2,689,733	3,085,355	2,393,687	1,758,132	1,538,408
-	-	-	-	-	-
2,578,797	5,494,375	9,019,502	12,476,234	11,445,896	7,938,049
(75,318)	(388,176)	-	-	-	-
<u>\$ 10,873,215</u>	<u>\$ 29,854,509</u>	<u>\$ 36,942,923</u>	<u>\$ 26,028,875</u>	<u>\$ 27,871,972</u>	<u>\$ 26,428,060</u>

County of Scott, Iowa

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	2008	2009	2010	2011
Revenues:				
Property taxes	\$ 33,120,748	\$ 34,082,776	\$ 36,232,900	\$ 43,098,556
Local option sales tax	3,860,101	3,691,392	3,637,825	3,863,574
Other taxes	2,222,446	2,164,548	2,135,108	2,192,115
Interest and penalty on taxes	731,456	847,456	790,006	791,685
Intergovernmental	19,873,049	20,369,088	19,848,192	20,595,340
Charges for services	4,337,361	4,516,303	4,490,155	4,993,149
Investment earnings	1,447,577	674,859	186,708	221,853
Licenses and permits	540,170	505,300	525,427	666,627
Rentals and fees	157,323	165,676	186,492	188,240
Other	701,770	536,861	642,792	598,716
Total revenues	66,992,001	67,554,259	68,675,605	77,209,855
Expenditures:				
Public safety and legal services	19,214,446	19,768,037	19,942,386	26,494,923
Physical health and social services	5,915,796	6,075,938	6,595,222	6,511,764
Mental health	15,182,707	14,560,838	14,492,698	15,221,435
County environment and education	4,099,548	4,378,787	4,197,866	4,338,106
Roads and transportation	4,493,009	4,680,676	4,604,129	4,540,049
Governmental services to residents	2,012,787	2,134,299	2,052,707	2,022,332
Administration	8,238,360	8,711,784	8,342,657	9,094,998
Capital outlay	5,832,465	4,369,892	9,072,467	7,748,371
Debt service:				
Principal	1,925,000	2,065,000	2,140,000	2,680,000
Interest and fees	1,503,745	1,398,136	1,562,013	1,675,660
Total expenditures	68,417,863	68,143,387	73,002,145	80,327,638
Excess of revenues over (under) expenditures	(1,425,862)	(589,128)	(4,326,540)	(3,117,783)
Other financing sources (uses):				
Transfers in	8,516,222	8,616,899	8,007,463	8,433,584
Transfers out	(8,516,222)	(8,616,899)	(8,007,463)	(8,610,574)
Proceeds from sale of capital assets	49,757	27,450	39,705	157,209
Proceeds from issuance of long-term debt	-	-	13,200,000	-
Distribution of advance crossover refunding	-	-	-	-
Bond discount	-	-	(17,392)	-
Bond premium	-	-	70,756	-
Payment to refunded bond escrow agent	-	-	(2,745,000)	-
Total other financing sources (uses)	49,757	27,450	10,548,069	(19,781)
Net Change in fund balances	(1,376,105)	(561,678)	6,221,529	(3,137,564)
Fund balances, beginning of year	21,556,801	20,180,696	19,619,018	25,840,547
Fund balances, end of year	\$ 20,180,696	\$ 19,619,018	\$ 25,840,547	\$ 22,702,983
Debt service as a percentage of noncapital expenditures				
	5.39%	5.39%	5.54%	5.71%

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

Source: County records.

Fiscal Year						
2012*	2013*	2014	2015	2016	2017	
\$ 44,978,360	\$ 46,158,852	\$ 46,920,952	\$ 46,024,012	\$ 45,210,754	\$ 45,414,065	
4,052,754	4,098,552	4,268,291	4,403,167	4,390,604	4,786,393	
2,290,508	2,248,606	2,151,644	2,491,175	2,525,458	2,554,833	
789,143	816,474	930,986	715,763	725,336	611,959	
20,410,705	12,290,563	15,163,356	15,654,761	12,904,819	13,975,531	
5,463,130	5,562,494	5,710,597	6,164,147	5,994,739	5,770,914	
155,838	120,569	143,039	146,338	118,916	160,690	
653,399	772,296	781,072	752,254	833,144	729,106	
222,959	176,562	80,591	85,462	89,743	93,799	
937,286	1,011,563	1,102,063	1,690,480	1,232,794	1,245,049	
79,954,082	73,256,531	77,252,591	78,127,559	74,026,307	75,342,339	
25,163,609	26,258,655	26,708,744	27,252,039	27,467,752	28,181,904	
5,395,364	5,256,671	5,381,859	5,461,001	5,922,900	6,247,529	
17,466,386	8,216,389	7,030,247	6,037,145	8,424,829	3,904,502	
4,450,578	4,510,564	4,388,314	4,467,281	4,750,264	4,622,713	
5,111,168	4,969,030	4,528,796	4,696,791	4,723,640	4,433,237	
2,210,614	2,178,373	2,202,471	2,141,186	2,334,861	2,429,984	
9,203,859	9,341,135	9,598,011	10,030,585	9,976,262	10,303,922	
2,916,473	4,464,108	4,017,248	6,646,807	11,746,853	12,236,254	
3,145,000	3,331,240	3,461,240	3,712,442	3,230,000	3,350,000	
2,050,550	2,088,389	2,180,845	2,060,981	1,329,164	1,355,957	
77,113,601	70,614,554	69,497,775	72,506,258	79,906,525	77,066,002	
2,840,481	2,641,977	7,754,816	5,621,301	(5,880,218)	(1,723,663)	
11,825,251	16,347,711	17,961,921	18,867,438	17,212,770	17,780,640	
(12,038,142)	(20,809,984)	(18,257,381)	(19,240,799)	(17,582,770)	(18,445,352)	
339,441	113,638	80,883	83,083	265,425	85,370	
-	17,675,000	-	-	8,215,000	-	
-	-	-	(17,315,000)	-	-	
-	-	-	-	-	-	
-	558,751	-	-	99,457	-	
-	-	-	-	-	-	
126,550	13,885,116	(214,577)	(17,605,278)	8,209,882	(579,342)	
2,967,031	16,527,093	7,540,239	(11,983,977)	2,329,664	(2,303,005)	
25,415,226	28,382,257	44,909,350	52,449,589	40,465,612	42,795,276	
\$ 28,382,257	\$ 44,909,350	\$ 52,449,589	\$ 40,465,612	\$ 42,795,276	\$ 40,492,271	
6.97%	8.14%	8.47%	8.71%	6.56%	7.22%	

County of Scott, Iowa

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

Function / Program	2008	2009	2010
Governmental activities:			
Public safety and legal services	\$ 2,087,424	\$ 3,080,316	\$ 2,285,735
Public safety and legal services - SECC	-	-	-
Physical health and social services	2,179,694	2,222,418	2,984,594
Mental health	7,891,347	8,163,582	6,969,490
County environment and education	1,306,680	1,301,062	1,415,324
Roads and transportation	54,786	154,581	6,744,340
Governmental services and residents	2,926,459	3,063,718	2,704,150
Administration	432,315	453,836	499,111
Interest on long-term debt	-	-	-
Total governmental activities	16,878,705	18,439,513	23,602,744
Business-Type activities, Glynn's Creek Golf Course	947,487	949,445	912,712
Total government	\$ 17,826,192	\$ 19,388,958	\$ 24,515,456

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	2017
\$ 2,603,842	\$ 2,790,937	\$ 2,659,176	\$ 2,690,456	\$ 2,714,412	\$ 2,469,186	\$ 2,181,524
-	-	-	127	98,125	1,313	776
2,449,219	1,835,979	1,675,662	1,650,038	1,577,835	1,986,817	2,428,846
7,753,736	8,547,369	4,094,415	5,910,035	5,696,143	145,831	1,015,396
1,094,796	1,223,753	1,177,856	1,530,559	1,608,436	1,663,520	1,445,130
2,645,043	1,083,772	527,378	1,182,305	3,417,400	632,869	1,577,461
2,656,916	2,859,866	3,076,697	2,957,422	2,855,609	3,108,436	3,033,057
1,502,699	693,626	916,371	575,570	423,280	543,309	471,277
403,261	552,033	637,634	1,456,189	1,358,756	1,437,896	1,690,768
21,109,512	19,587,335	14,765,189	17,952,701	19,749,996	11,989,177	13,844,235
900,741	1,002,459	890,259	901,872	926,316	939,155	907,586
\$ 22,010,253	\$ 20,589,794	\$ 15,655,448	\$ 18,854,573	\$ 20,676,312	\$ 12,928,332	\$ 14,751,821

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
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
2017	45,414,065	4,786,393	2,554,833	611,959	13,975,531
Change 2008-2017	37.12%	24.00%	14.96%	-16.34%	-29.68%

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

Source: County records.

Charges for Services	Investment Earnings	Licenses & Permits	Rentals & Fees	Other	Total
\$ 4,337,361	\$ 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
5,770,914	160,690	729,106	93,799	1,245,049	75,342,339
33.05%	-88.90%	34.98%	-40.38%	77.42%	12.46%

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
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
2017	7,597,944,724	12,779,295,631	391,113,465	649,309,189	7,989,058,189	13,428,604,820

Source: Auditor's Office

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

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

Ratio Taxable to Assessed Value	Tax Increment Financing District Values	Weighted Average County Property Tax Rate
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
59.5%	413,836,841	6.19

County of Scott, Iowa

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

Taxpayer	2008		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Isle of Capri Bettendorf	\$ 85,283,690	1	1.42%
SDG Macerich Properties	68,877,000	2	1.14%
Aluminum Company of America	40,852,700	3	0.68%
Gulf Investments LLC	24,522,800	4	0.41%
Quanex Corporation	22,322,600	5	0.37%
Deere & Company, Inc.	22,375,800	6	0.37%
GenVentures Inc	21,067,347	7	0.35%
Davenport-Durler Family Trust	20,554,200	8	0.34%
National Amusement Inc	19,015,000	9	0.32%
The Davenport North Development	17,364,800	10	0.29%
Total	\$ 324,871,137		5.40%

Taxpayer	2017		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
MidAmerican Energy	\$ 233,866,263	1	2.84%
Iowa American Water Company	60,249,318	2	0.73%
Macerich North Park Mall LLC	52,525,080	3	0.64%
Isle of Capri	45,000,000	4	0.55%
Arconic, Inc.	38,111,243	5	0.46%
Deere & Company	23,985,124	6	0.29%
Qwest Corp	21,176,189	7	0.26%
Northern Border Pipeline Company	21,099,127	8	0.26%
Continental Cement Company LLC	20,385,547	9	0.25%
Continental 203 Fund LLC	19,050,314	10	0.23%
Total	\$ 535,448,205		6.51%

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
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%
2017	285,702,180	284,477,209	99.57%	100,395	284,577,604	99.61%

Source: County records

County of Scott, Iowa

**Direct and Overlapping Property Tax Rates
Last Ten Years
(rate per \$1,000 of assessed value)
(Unaudited)**

	2008	2009	2010	2011
County direct rates:				
Scott County Urban Rate	\$ 5.54040	\$ 5.33791	\$ 5.47607	\$ 6.37607
Scott County Rural Rate	8.62666	8.35745	8.49561	9.39561
City and town rates:				
Bettendorf	12.95000	12.85000	12.85000	12.60000
Blue Grass	11.65760	11.07291	10.98600	11.18972
Buffalo	8.10000	8.09999	8.17628	8.17540
Davenport	15.57515	15.57584	15.58000	15.53000
Dixon	8.10000	8.10000	8.10000	8.10000
Donahue	5.43025	5.96370	5.96079	7.21883
Durant	15.56203	15.56203	14.95411	15.70846
Eldridge	6.64797	6.64880	6.64916	6.74852
LeClaire	14.69188	14.69998	16.08173	16.00434
Long Grove	8.10000	9.76863	11.15854	11.03125
Maysville	5.16095	5.16100	5.16094	5.16962
McCausland	8.10000	8.10000	8.10000	9.25982
New Liberty	3.34915	2.93849	2.92797	3.96650
Panorama Park	6.74595	5.64940	5.55117	5.56196
Princeton	8.93821	8.94763	9.58243	9.58242
Riverdale	2.50485	2.70103	2.70103	3.37602
Walcott	10.00000	10.00000	10.00000	9.99999
School District Rates:				
Bennett Schools	10.72766	11.01374	11.25066	11.23830
Bettendorf Schools	15.00025	14.84626	14.85367	15.00820
Davenport Schools	17.10610	17.08731	17.09334	17.11276
Durant Schools	12.37027	12.60365	13.34659	11.84246
North Scott Schools	15.11048	14.76476	14.51584	14.75964
Pleasant Valley Schools	13.99385	13.98720	13.99319	14.74116
Area IX CC	0.60785	0.60635	0.87714	0.92444
Other:				
Scott County Assessor	0.28899	0.28870	0.33733	0.28465
Davenport City Assessor	0.30964	0.27680	0.25789	0.23892
Ag. Extension - BANGS	0.07079	0.06892	0.06845	0.06946

Source: County records - Auditor's Office.

Year Taxes are Payable					
2012	2013	2014	2015	2016	2017
\$ 6.37759	\$ 6.30156	\$ 6.23534	\$ 6.13204	\$ 6.00377	\$ 5.82228
9.51525	9.43922	9.28021	9.17153	9.01072	8.78518
12.60000	12.55000	12.55000	12.55000	12.55000	12.55000
11.30132	11.57130	11.64547	11.65175	11.79368	11.85288
9.12078	9.12604	9.12332	9.03935	9.12879	9.12833
15.53000	16.78000	16.78000	16.78000	16.78000	16.78000
8.10000	8.10000	8.10000	8.09989	8.10000	8.37000
7.22080	7.22267	7.22420	7.22152	7.22036	7.22091
15.70847	17.07103	13.47399	15.06085	15.11071	15.14000
6.75418	6.75396	6.75436	6.75442	6.82817	6.74841
15.07379	14.69999	14.47264	14.47264	14.29804	14.29798
10.90085	10.74199	10.60442	10.52099	10.45768	10.29541
5.16951	5.16957	5.57674	5.99993	5.99988	5.99003
9.21668	9.22504	8.10000	8.10000	8.10000	8.10000
3.12506	7.88563	3.61168	3.61588	3.65483	3.71455
5.51713	5.47320	5.26743	5.26355	5.79870	5.80468
9.58242	10.26832	10.27159	10.27158	10.27158	10.25069
7.00244	10.55647	10.55525	12.21629	11.90048	11.99199
10.00000	9.99999	9.99999	10.12000	10.12002	10.12001
12.47240	12.05990	11.09204	12.09305	12.69625	13.85580
15.00244	15.00292	14.54629	14.01636	14.01633	13.84477
17.05061	17.04996	16.66333	15.83747	15.67601	15.37043
13.62815	12.39188	13.10599	13.21664	11.80029	11.45621
14.75525	14.50592	14.18910	14.19507	14.01459	13.85580
14.73829	14.64092	14.74093	14.49409	14.34409	14.14425
1.01724	0.91511	0.92043	0.92782	0.96863	1.00909
0.28110	0.28081	0.27996	0.27068	0.27052	0.23792
0.25171	0.31490	0.37452	0.37409	0.34691	0.31859
0.06891	0.06865	0.06890	0.07009	0.07135	0.07089

County of Scott, Iowa

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

Fiscal Year	Governmental Activities			
	General Obligation Bonds	Revenue Bonds	Notes Payable	Capital Lease
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	-
2017	15,176	14,598	7,345	-

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

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

Source: County records.

N/A - Not Available

Business-Type Activities

Capital Lease	Purchase Contract	Total Government	Percentage of Personal Income*	Per Capita*
\$ 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	0.42%	206.48
104	-	40,699	N/A	235.98
71	-	37,190	N/A	215.63

County of Scott, Iowa

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

Fiscal Year	General Bonded Debt Outstanding		Accumulated Resources Restricted to Repaying the Principal of General Bonded Debt		Percent of Debt to Assessed Value	Per Capita*
	General Obligation Bonds		Net General Bonded Debt			
2008	\$ 8,760,000	\$ 3,728,760	5,031,240	0.09%	\$ 31.09	
2009	7,765,000	3,229,346	4,535,654	0.05%	27.73	
2010	17,190,000	2,908,690	14,281,310	0.13%	86.16	
2011	15,660,000	2,558,322	13,101,678	0.11%	78.41	
2012	14,080,000	2,053,084	12,026,916	0.10%	71.62	
2013	12,491,845	1,644,097	10,847,748	0.09%	64.27	
2014	10,797,620	1,909,227	8,888,393	0.07%	52.40	
2015	9,348,254	1,974,416	7,373,838	0.06%	42.97	
2016	16,454,038	10,581,576	5,872,462	0.05%	34.05	
2017	15,176,372	10,770,553	4,405,819	0.03%	25.54	

*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, 2017
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct Debt:			
Scott County	\$ 37,119,285	100.00%	\$ <u>37,119,285</u>
Overlapping Debt:			
School Districts:			
Durant Community	1,076,582	25.16%	270,868
Eastern Iowa Community College	46,185,000	59.18%	<u>27,332,283</u>
Subtotal, School Districts			<u><u>27,603,151</u></u>
Cities:			
Bettendorf	128,410,000	100.00%	128,410,000
Blue Grass	1,955,523	95.33%	1,864,200
Buffalo	372,895	100.00%	372,895
Davenport	212,415,000	100.00%	212,415,000
Donahue	140,000	100.00%	140,000
Durant	3,756,000	3.98%	149,489
Eldridge	2,500,000	100.00%	2,500,000
LeClaire	13,258,525	100.00%	13,258,525
Long Grove	676,000	100.00%	676,000
New Liberty	258,023	100.00%	258,023
Princeton	620,000	100.00%	620,000
Riverdale	1,515,000	100.00%	<u>1,515,000</u>
Subtotal, Cities			<u><u>362,179,132</u></u>
			<u><u>389,782,283</u></u>
			<u><u>\$ 426,901,568</u></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.

The note payable with the City of Davenport has been reclassified from the City of Davenport to Scott County.

County of Scott, Iowa

Legal Debt Margin Information
As of June 30, 2017
(Unaudited)

	2008	2009	2010	2011
Debt limit	\$ 497,083,535	\$ 558,544,692	\$ 571,861,865	\$ 584,366,273
Total net debt applicable to limit	34,500,000	32,435,000	40,750,000	38,070,000
Legal debt margin	\$ 462,583,535	\$ 526,109,692	\$ 531,111,865	\$ 546,296,273
Total net debt applicable to the limit as a percentage of debt limit	6.94%	5.81%	7.13%	6.51%

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

Source: County records.

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed value, net of military exemption	<u>\$ 13,412,425,748</u>
Debt limit (5% of assessed value)	<u>\$ 670,621,287</u>
Debt applicable to limit:	
General obligation bonds	15,090,000
Revenue Bonds	<u>14,410,000</u>
Total net applicable to limit	<u>29,500,000</u>
Legal debt margin	<u>\$ 641,121,287</u>

	2012	2013	2014	2015	2016	2017
\$	595,431,703	\$ 610,756,097	\$ 616,290,777	\$ 631,566,151	\$ 638,067,587	\$ 670,621,287
	35,290,000	50,095,000	47,110,000	27,005,000	32,410,000	29,500,000
\$	560,141,703	\$ 560,661,097	\$ 569,180,777	\$ 604,561,151	\$ 605,657,587	\$ 641,121,287
	5.93%	8.20%	7.64%	4.28%	5.08%	4.40%

County of Scott, Iowa

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

Year	Population ¹	Personal Income (000's) ²	Per Capita Personal Income ²	Farm Proprietors ³	School Enrollment ⁴	Unemployment Rate ⁵
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	47,637	N/A	28,626	6.0
2015	171,616	8,424,293	48,943	N/A	26,062	4.9
2016	172,469	N/A	N/A	N/A	26,062	4.6
2017	172,474	N/A	N/A	N/A	N/A	4.0

Sources:

¹ Woods & Poole Economics, Inc.

Note: Woods & Poole data are projections

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

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

⁴ 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)

⁵ Iowa Workforce Development

Date accessed: 9/11/2017

County of Scott, Iowa

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

Employer	2008		
	Employees	Rank	Percentage of Total County Employment
Genesis Health System	2,900	1	3.3%
Davenport Community Schools	2,537	2	2.9%
Alcoa	2,500	3	2.9%
Oscar Mayer	1,660	4	1.9%
City of Davenport	1234	5	1.4%
President Reiverboard Casino and Blackhawk Hotel	1000	6	1.2%
Eastern Iowa Community College District	902	7	1.0%
MidAmerican	900	8	1.0%
Deere & Compan (Davenport Works)	N/A	9	N/A
APAC Customer Service Inc.	550	10	0.6%

Employer	2017		
	Employees	Rank	Percentage of Total County Employment
Genesis Medical Ctr	2,978	1	3.6%
Davenport Community School District	2,560	2	3.1%
Arconic	2,194	3	2.7%
HyVee (all Scott Co Locations)	2,025	4	2.5%
John Deere Davenport Works	2,000	5	2.4%
Kraft / Oscar Mayer Foods Corp	1,600	6	2.4%
Isle Casino Hotel Bettendor	1,250	7	1.5%
Tri City Electric	1,200	8	1.2%
City of Davenport	959	9	1.2%
St. Ambrose University	543	10	0.6%

Sources:

2007 Financial Statements

Infogroup, ReferenceUSA GOV and Individual Employers (Fall 2017)

Date accessed: 10/12/17

County of Scott, Iowa

Full-Time Equivalent County Government Employees by Function/Program

Last Ten Fiscal Years

(Unaudited)

Function / Program	2008	2009	2010	2011
Public safety and legal services:				
Attorney	31.00	30.00	31.00	31.00
Health	8.30	11.15	11.15	11.15
Juvenile Court Services	14.20	14.20	14.20	14.20
Sheriff	166.10	166.35	167.35	167.35
Physical health and social services:				
Community Services	8.70	8.70	7.70	7.70
Health	30.85	31.85	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	48.71	49.71	49.85	51.87
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	5.00	5.00
Recorder	11.50	11.50	11.50	11.50
Treasurer	14.20	12.20	12.20	12.20
Administration:				
Administration	3.10	3.50	3.50	3.50
Auditor	9.90	9.40	9.40	9.40
Facility & Support Services	28.69	29.04	30.04	31.04
Human Resources	4.50	4.50	4.50	4.50
Information Technology	11.00	12.00	12.00	15.00
Non-Departmental				
Supervisors, Board of	5.00	5.00	5.00	5.00
Treasurer	14.40	15.40	15.40	15.40
Total	478.53	482.88	484.02	490.04

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

Fiscal Year					
2012	2013	2014	2015	2016	2017
31.00	32.50	32.50	32.50	33.50	33.50
11.15	11.80	11.80	11.80	11.80	11.80
14.20	14.20	14.20	15.00	15.00	15.40
154.35	156.80	158.80	157.80	157.80	158.60
7.00	7.00	7.00	7.00	7.00	7.00
32.10	32.10	32.57	33.14	33.72	34.72
3.00	3.00	3.00	3.00	3.00	3.00
48.62	49.24	49.24	48.85	48.85	48.85
19.35	17.98	17.98	17.98	17.98	16.98
4.08	4.08	4.08	3.83	4.33	4.33
35.40	34.40	34.40	34.10	35.45	37.15
5.00	5.00	5.00	5.00	5.00	5.00
11.00	11.00	11.00	10.50	10.50	10.50
12.40	12.40	12.40	12.40	12.40	12.40
3.50	3.50	3.50	4.50	4.90	5.90
9.05	9.05	9.05	9.05	9.05	9.05
30.55	30.55	30.50	29.50	28.50	28.70
4.50	3.50	3.50	3.50	3.50	3.50
15.40	15.40	15.40	15.40	15.40	15.00
5.00	5.00	5.00	5.00	5.00	5.00
15.60	15.60	15.60	15.60	15.60	15.60
472.25	474.10	476.52	475.45	478.28	481.98

County of Scott, Iowa

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

Function / Program	2008	2009	2010	2011
Public Safety and Legal Services				
Attorney:				
# of felonies/aggravated field cases filed	4,814	4,752	4,782	4,664
# of new felony cases	N/A	N/A	1,005	998
Sheriff:				
# of civil papers received	14,879	14,002	13,491	11,284
# of jail bookings	9,747	9,011	8,245	8,283
Inmate instances of programming attendance	N/A	N/A	N/A	N/A
# of traffic citations written	2,233	2,802	2,678	4,028
# of traffic contacts	N/A	N/A	N/A	N/A
# of 9-1-1 calls	13,002	12,442	10,672	N/A
Physical Health and Social Services				
Community Services:				
# of applications for general assistance	7,544	8,105	8,907	7,294
# of applications approved for general assist	3,797	3,829	4,660	4,065
# of requests for veteran services	982	880	1,204	1,134
# of invol commit filed for substance abuse	260	210	214	246
Health Department:				
# of health related inmate contacts within jail	5,434	10,617	10,817	12,618
# of comm disease requiring investigation	285	360	338	442
# of environmental health inspections conducted	4,464	4,198	4,389	4,141
# of public health nuisance complaints received	N/A	N/A	N/A	N/A
Mental Health, HR & DD				
Community Services:				
# of invol commit filed for mental health	335	361	312	450
# of persons with MH/CMI served	4,078	1,537	1,505	1,516
# of juvenile MH commitments	N/A	N/A	N/A	N/A
# of persons with MR/DD served	570	384	380	409
# of adult MH commitments	N/A	N/A	N/A	N/A
# of protective payee cases	390	367	339	384
County Environment and Education				
Conservation:				
# of camp sites available	788	788	788	788
# of acres managed	N/A	N/A	N/A	N/A
# of rounds of golf course	27,765	28,549	29,258	28,553
Planning & Development:				
# of building permits issued	603	643	583	728

(Continued)

Source: County records - Year-end Indicator Report

Fiscal Year					
2012	2013	2014	2015	2016	2017
4,256	4,140	4,317	3,850	4,077	4,004
1,040	1,044	1,164	1,053	1,112	991
10,674	11,755	12,591	11,668	11,441	11,232
N/A	N/A	N/A	N/A	N/A	N/A
22,231	26,686	29,188	28,033	29,812	26,028
N/A	N/A	N/A	N/A	N/A	N/A
2,195	2,481	2,965	1,851	1,472	3,492
N/A	N/A	N/A	N/A	N/A	N/A
1,428	1,076	1,155	920	929	806
756	479	606	453	416	292
1,160	1,164	1,399	1,459	1,614	1,212
N/A	N/A	210	224	182	149
13,888	12,466	16,426	29,046	31,005	35,538
276	317	300	388	335	258
4,773	4,409	4,277	4,153	4,182	3,649
167	174	240	222	84	42
405	340	434	423	341	342
N/A	N/A	N/A	N/A	N/A	N/A
91	88	104	64	78	56
N/A	N/A	N/A	N/A	N/A	N/A
246	340	311	345	243	255
313	304	358	394	398	408
N/A	N/A	N/A	N/A	N/A	N/A
2,496	2,496	2,496	2,496	2,496	2,496
30,476	26,175	26,480	26,814	27,858	26,456
735	933	865	849	877	910

County of Scott, Iowa

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

Function / Program	2008	2009	2010	2011
Roads and Transportation:				
Secondary Roads:				
# of miles of road paved	176	183	183	183
# of bridges/culverts repaired/replaced	213	79	94	89
# of bridges/culverts maintained	N/A	N/A	N/A	N/A
Governmental Services to Residents				
Auditor:				
# of elections	27	5	26	3
# of registered voters	116,570	118,641	120,962	123,115
Recorder:				
# of real estate transactions recorded	40,493	40,010	37,856	38,493
# of vital statistics registered/issued	20,726	20,196	20,450	20,776
# of passport applications accepted	1,430	1,134	1,280	1,151
# of conservation licenses - ATV/Snow boat reg, titles and liens and privileges issued	6,505	4,291	14,612	5,852
Treasurer:				
# of title and security interest trans processed	60,342	66,597	67,777	71,883
Administration				
Auditor:				
# of real estate transactions processed	7,728	6,689	7,303	6,663
# invoices processed	N/A	N/A	N/A	N/A
Facility & Support Service:				
# of service calls	4,408	4,579	3,045	2,197
# hours spent in safety training				
# of purchase requisitions received	1,113	1,011	N/A	N/A
# of pieces of outgoing mail	491,571	534,148	479,814	446,405
# of square feet of hard surface floors maintained	N/A	N/A	N/A	N/A
# of files imaged	746,690	899,403	792,379	698,680
# of hours spend on imaging	N/A	N/A	N/A	N/A
Information Technology:				
# of network users	851	899	929	1,094
# of network connections supported	N/A	N/A	N/A	N/A
# of 3rd party applications maintained	54	55	61	67
# of users supported	N/A	N/A	N/A	N/A
Treasurer:				
# of prop tax/spec assessment statutes issued	176,450	181,657	191,493	198,053
# of tax certifications issued	2,116	2,592	2,151	1,691

Fiscal Year					
2012	2013	2014	2015	2016	2017
219	221	223	223	223	221
89	120	N/A	N/A	36	29
N/A	N/A	2,123	2,123	2,123	2,123
4	3	4	1	4	1
124,263	124,356	126,182	121,231	124,844	123,849
31,385	34,697	26,954	34,188	35,161	27,630
20,313	22,863	21,509	13,976	13,313	12,086
1,142	1,177	1,300	2,041	1,124	1,588
6,611	12,494	8,221	4,562	12,109	5,276
69,904	69,097	65,465	70,031	80,842	83,091
N/A	N/A	N/A	N/A	N/A	N/A
25,035	22,453	20,148	23,066	23,982	24,902
N/A	N/A	N/A	N/A	N/A	N/A
83	24	24	24	74	330
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
728,940	559,100	107,473	568,367	527,450	560,208
N/A	N/A	N/A	N/A	N/A	N/A
2,744	2,489	2,830	2,023	2,059	1,603
724	915	938	938	910	897
2,680	2,776	2,776	2,776	3,144	3,210
95	99	101	96	98	100
724	915	938	838	910	897
195,415	197,579	195,586	191,036	188,783	189,687
2,144	1,728	1,659	2,396	1,037	989

County of Scott, Iowa

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

(Unaudited)

<u>Function / Program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Public safety and legal services:			
Sheriff:			
# of patrol cars	55	42	45
# 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	5	5	5
# of buildings maintained	12	12	12
Non-Departmental (Risk Management)			
# of vehicles	1	1	1

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

Fiscal Year						
2011	2012	2013	2014	2015	2016	2017
46	44	53	48	52	28	26
N/A	N/A	N/A	N/A	11	35	32
13	13	13	13	14	13	13
N/A	N/A	N/A	N/A	N/A	1	1
2,795	2,795	2,795	2,795	2,795	2,795	2,795
2	2	2	2	2	2	2
61	60	60	60	60	65	59
10	10	10	10	11	11	11
6	6	7	7	7	8	12
11	11	11	11	12	12	11
1	1	1	1	1	0	0

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COMPLIANCE

County of Scott, Iowa

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Identifying Number	Federal Expenditures	Pass Through To Subrecipients
U.S. Department of Agriculture				
Child Nutrition Cluster				
<i>(Passed through the Iowa Department of Human Services)</i>				
National School Lunch Program	10.555	N/A	\$ 24,383	\$ -
<i>(Passed through Iowa Department of Education, Bureau/Division of Nutrition & Health)</i>				
Summer Food Service Program for Children	10.559	G-T-1611-04032	1,847	-
Total Child Nutrition Cluster			<u>26,230</u>	<u>-</u>
<i>(Passed through Iowa Department of Health)</i>				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	5886AO54	187,722	185,833
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	5887AO54	483,907	477,907
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	5886AO96	1,695	1,695
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	5887AO96	20,220	20,220
			<u>693,544</u>	<u>685,655</u>
SNAP Cluster				
<i>(Passed through Iowa Department of Human Services)</i>				
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	N/A	65,995	-
Total U.S. Department of Agriculture			<u>785,769</u>	<u>685,655</u>
U.S. Department of Justice				
<i>(Direct Program)</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-0681	137,524	20,722
<i>(Passed through the Governor's Office of Drug Control Policy)</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	13--JAG-116074	59,305	44,670
Total JAG Program Cluster			<u>196,829</u>	<u>65,392</u>
State Criminal Alien Assistance Program				
<i>(Passed through Governor's Alliance on Substance Abuse)</i>				
State Criminal Alien Assistance Program	16.606	2011-AP-BX-0700	5,408	-
State Criminal Alien Assistance Program	16.606	2012-AP-BX-0229	8,501	-
State Criminal Alien Assistance Program	16.606	2013-AP-BX-0333	3,757	-
			<u>17,666</u>	<u>-</u>
<i>(Passed through State of Iowa Department of Justice, Crime Victim Assistance Division)</i>				
ARRA-Violence Against Women Formula Grants Stop Violence Against Women	16.588	VW-15-23-CJ	59,848	-
Total U.S. Department of Justice			<u>274,343</u>	<u>65,392</u>

(Continued)

County of Scott, Iowa

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Identifying Number	Federal Expenditures	Pass Through To Subrecipients
U.S. Department of Transportation				
Highway Safety Cluster				
National Highway Traffic Safety Administration (Passed through Iowa Department of Public Safety-Governor's Traffic Safety Division)				
State and Community Highway Safety	20.600	PAP 15-402-MOPT, Task 20-00-00	\$ 39,684	\$ -
State and Community Highway Safety	20.600	PAP 16-402-MOOP, Task 11-00-00	17,919	-
Total Highway Safety Cluster			<u>57,603</u>	<u>-</u>
U.S. Department of Health and Human Services				
(Passed through the Iowa Department of Health)				
Immunization Cooperative Agreements				
Immunization Billing Implementation	93.539	5886I468	19,811	-
Integrated HIV&Viral Help CTR	93.940	5887AP29	60,770	-
Integrated HIV&Viral Help CTR	93.940	5886AP29	9,260	-
			<u>70,030</u>	<u>-</u>
Maternal and Child Health Services Block Grant to the States				
EPSDT	93.994	5887MH21	54,389	738
Dental Health Grant	93.994	5887MH21	1,994	-
Dental Health Grant	93.994	5886MH21	1,724	-
			<u>58,107</u>	<u>738</u>
Medicaid Cluster				
Medical Assistance Program				
CAH FFS & MH FFS	93.778	5887MH17	(1) 37,758	-
I-Smile	93.778	5887MH17	(1) 16,429	-
Hawk-i	93.778	5887MH17	(1) 13,116	-
Total Medicaid Cluster passes through the Iowa Department of Health			<u>67,303</u>	<u>-</u>
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative	93.074	5887BT53	149,520	34,326
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative	93.074	5885BT482	53,944	29,773
			<u>203,464</u>	<u>64,099</u>
Grants to States to Support Oral Health Workforce Activities	93.236	5887DH33	4,215	4,215
Centers for Disease Control and Prevention Investigations and Technical Assistance / Care for Yourself	93.283	5887NB21	21,104	21,104
Immunization Cooperative Agreements	93.268	5886I468	3,516	-
Well-Integrated Screening and Evaluation for Women Across the Nation	93.094	5887NB21WW	22,798	22,798
The Affordable Care Act: Centers for Disease Control and Prevention Investigations and Technical Assistance and Technical Assistance				
Mosquito Surveillance Project	93.283	MOU-2017-ELC09	1,320	-
Mosquito Surveillance Project	93.283	MOU-2018-ELC09	600	-
			<u>1,920</u>	<u>-</u>
Total passed through Iowa Department of Health			<u>472,268</u>	<u>112,954</u>

(Continued)

County of Scott, Iowa

Schedule of Expenditures of Federal Awards (Concluded)
For the Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Identifying Number	Federal Expenditures	Pass Through To Subrecipients
U.S. Department of Health and Human Services (continued)				
<i>(Passed through Iowa Department of Human Services)</i>				
Refugee and Entrant Assistance	93.566	N/A	\$ 205	\$ -
ARRA - Foster Care Title IV-E	93.658	N/A	24,510	-
ARRA - Adoption Assistance	93.659	N/A	7,586	-
Medicaid Cluster				
Medical Assistance (Title XIX)	93.778	(1) N/A	115,251	-
CCDF Cluster				
Refugee and Entrant Assistance / Child Care Development Fund	93.596	N/A	18,854	-
Children's Health Insurance Program - Expansion Title XXI	93.767	N/A	526	-
Social Service Block Grant - Indirect	93.667	N/A	19,460	-
Total passed through Iowa Department of Human Services			<u>186,392</u>	<u>-</u>
<i>(Passed through National Association of County and City Health Officials)</i>				
Infant Adoption Awareness Training	93.254	N/A	15,000	-
Total U.S. Dept of Health and Human Services			<u>673,660</u>	<u>112,954</u>
Total expenditures of federal awards			<u>\$ 1,791,375</u>	<u>\$ 864,001</u>
Total Medicaid Cluster		(1) .	<u>\$ 182,554</u>	

See Notes to Schedule of Expenditures of Federal Awards.

County of Scott, Iowa

Notes to Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County of Scott, Iowa under programs of the federal and state government for the year ended June 30, 2017. 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) and the State Single Audit Guidelines. 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. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. 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.

OFFICE OF THE COUNTY ADMINISTRATOR

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COUNTY OF SCOTT, IOWA

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2017

FINDING 2016-001: REVIEW OF PERFORMANCE REPORTS

Federal CFDA Number and Title: 16.738 Edward Byrne Memorial Justice Assistance Grant
Federal Grantor: United States 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.

Cause: There currently is no review of the performance reports and the monthly claims requests after the Grant Administrator prepares the reports.

Effect: Reports that are submitted could contain errors in the reported amounts.

Questioned Costs: None noted.

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: 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.

Current Status:

The importance of reviewing grant reports was discussed with the affected department in December 2016 upon notification of the finding. Additionally, the County held a training for all grant coordinators in June 2017 emphasizing the importance of program reports to be reviewed and documented.

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 the 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, 2017, 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 12, 2017.

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 opinion 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 a 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, 2017, 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.

A handwritten signature in black ink that reads "Baker Tilly Virchow Krause, LLP". The signature is written in a cursive, flowing style.

Milwaukee, Wisconsin
December 12, 2017

REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITORS' REPORT

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

Report on Compliance for the Major Federal Program

We have audited the County of Scott's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County of Scott's major federal program for the year ended June 30, 2017. The County of Scott's major federal program is identified in the summary of auditors' 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 program.

Auditors' Responsibility

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

To the Board of Supervisors
County of Scott, Iowa

Opinion on the 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 its major federal program for the year ended June 30, 2017.

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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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

Baker Tilly Virchow Krause, LLP

Milwaukee, Wisconsin
December 12, 2017

County of Scott, Iowa

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

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	<u> X </u> no	
Significant deficiency(ies) identified?	_____ yes	<u> X </u> none reported	
Noncompliance material to financial statements noted?	_____ yes	<u> X </u> no	

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	_____ yes	<u> X </u> no	
Significant deficiency(ies) identified?	_____ yes	<u> X </u> none reported	

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

Identification of major federal programs

CFDA NUMBER(S)
10.557

Name of Federal Program or Cluster
Special Supplemental Nutrition Program for Women, Infants, and Children

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

County of Scott, Iowa

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2017

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

There were no findings in 2017.

Section III: Federal Awards Findings and Questioned Costs

There were no findings in 2017.

(Continued)

County of Scott, Iowa

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2017**

Section IV: Other Findings Related to Required Statutory Reporting

2016-IV-A Certified Budget

Disbursements during the year ended June 30, 2017 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

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

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, 2017 for the County Extension Office did not exceed the amount budgeted.