

COUNTY OF SCOTT, IOWA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

As of and for the Year Ended June 30, 2018

Prepared by

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INTRODUCTORY

County of Scott, Iowa

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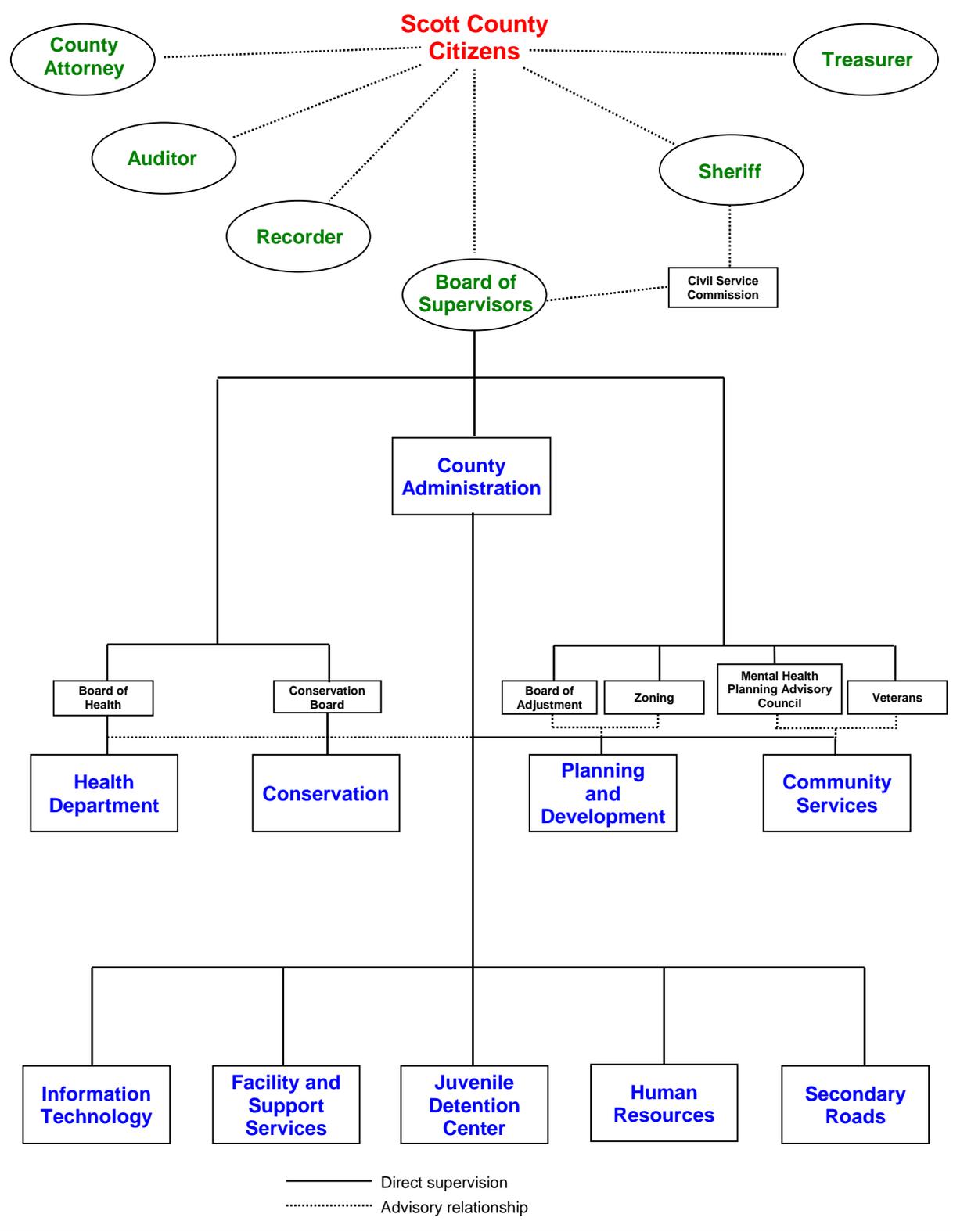
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County of Scott, Iowa

County Officials

Official Title	Official	Term Expiration Date of Elected Officials
Elected Officials		
Supervisor, Chairperson	Tony Knobbe	2021
Supervisor, Vice-Chair	Ken Beck	2021
Supervisor	Carol Earnhardt	2019
Supervisor	Diane Holst	2019
Supervisor	Brinson Kinzer	2019
Attorney	Mike Walton	2019
Auditor	Roxanna Moritz	2021
Recorder	Rita Vargas	2019
Sheriff	Tim Lane	2021
Treasurer	Bill Fennelly	2019
Administration		
County Administrator	Mahesh Sharma	
Department Heads		
Budget and Administrative Services	David Farmer	
Community Services	Lori Elam	
Conservation	Roger Kean	
Facility and Support Services	Tammy Speidel	
Health	Ed Rivers	
Human Resources	Mary Thee	
Information Technology	Matt Hirst	
Juvenile Detention Center	Jeremy Kaiser	
Planning and Development	Tim Huey	
Secondary Roads	John Burgstrum	

Scott County Government Organizational Chart





Government Finance Officers Association

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

Presented to

County of Scott

Iowa

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO



OFFICE OF THE COUNTY ADMINISTRATOR

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December 11, 2018

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, 2018.

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, 2018. 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, 1838. 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 2018 population estimate is 172,509.

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 86,100 in 2017 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 August of 2018 the Scott County rate was 2.1%, while the MSA was 3.9% 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 3.7%.

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 \$56,454.

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, 242 in 2016, and 593 in 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 \$208,000 in September of 2018 which is up from \$199,500 in June of 2017. On the Illinois side of the river the average sales price was \$129,700 in June of 2018, in increase from \$118,000 in June of 2017. The average home value in north Scott County (Eldridge and unincorporated Scott County) for 2018 was \$265,900. In the last five years home prices have risen 11.30% 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 2018 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 2018 ended with an increase in the unassigned general fund balance of approximately \$347,000. 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

In fiscal year 2017, 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 County continued those efforts in fiscal year 2018. 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 preparing for a lake restoration at West Lake Park with the help of state funding, capital maintenance projects including elevators and HVAC, and technology upgrades in computer infrastructure and equipment.

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, 2017. This was the thirty-first consecutive year that Scott County has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both general accepted accounting principles and applicable legal requirements.

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

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, 2017. 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. This is the second year for receiving the award.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, 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. 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, 2018. 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, 2018, 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, 2018 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 16, the County of Scott adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective July 1, 2017. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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 which includes the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

To the Board of Supervisors
County of Scott

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Scott's basic financial statements. The "Introductory Section" and "Statistical Section" listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2018 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 11, 2018

County of Scott, Iowa

Management's Discussion and Analysis (Unaudited) As of and For the Year Ended June 30, 2018

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, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

The County implemented *GASB Statement No 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* as of July 1, 2017. The implementation of this standard requires the recognizing of deferred outflows of resources related to other postemployment obligations, deferred inflows of resources related to other postemployment obligations, and other post employment obligations (restated). As a result, the County restated the June 30, 2017 net position, however, comparative information for 2017 was not restated.

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, 2018 and 2017 by \$106,663,112 and \$105,388,482 (net position), respectively. Of this amount, \$9,164,342 and \$8,864,402, respectively, may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net position increased by \$1,984,339 during the year ended June 30, 2018 and increased by \$5,858,717 during the year ended June 30, 2017.

As of June 30, 2018, the County of Scott's governmental funds reported combined ending fund balances of \$43,612,783, an increase of \$3,120,512 in comparison with 2017. Approximately 25 percent of this total amount, \$10,821,990 is available for spending at the government's discretion (unassigned). The increase between 2018 and 2017 is due to the setting aside equity for future capital improvement within the capital fund, and the buildup of resources for future secondary roads improvement. As of June 30, 2017, the County of Scott's governmental funds reported combined ending fund balances of \$40,492,271, a 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, 2018, unassigned fund balance for the General Fund was \$10,821,990 or 20.0 percent of total General Fund expenditures including transfers to blended component units and \$10,474,822 or 20.0 percent for 2017.

The County's total long-term debt, excluding compensated absences, net pension liability, other postemployment benefits and claims payable, decreased by \$2,965,000 during fiscal year June 30, 2018 and decreased by \$3,385,000 during fiscal year June 30, 2017. The decrease in balance from 2017 to 2018 was attributable to payment of scheduled debt service. The decrease in balance from 2016 to 2017 was attributable to payment of scheduled debt service.

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.

County of Scott, Iowa

Management's Discussion and Analysis (Unaudited) As of and For the Year Ended June 30, 2018

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

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

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

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

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

The government-wide financial statements can be found on pages 16 through 19 of this report.

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

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

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, 2018

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 \$286,373,274 and \$275,362,925 for the years ended June 30, 2018 and 2017, 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, schedule of the County's proportionate share of the net pension liability, schedule of the County's contributions, and schedule of the County's total OPEB liability, related ratios and notes. This information can be found on pages 74 through 83 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, 2018

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 \$102,734,064 to \$106,663,112. This is due to the net effect of the increase in net position for the 2018 activity.

Of the County of Scott's net position, 81 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 \$85,925,037 for 2018 and \$86,957,666 for 2017. 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	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 97,495,444	\$ 90,108,207	\$ 614,909	\$ 723,859	\$ 98,110,353	\$ 90,832,066
Capital assets, net	110,473,111	114,273,645	2,279,412	2,161,236	112,752,523	116,434,881
Other noncurrent assets	7,540,000	7,880,000	-	-	7,540,000	7,880,000
Total assets	215,508,555	212,261,852	2,894,321	2,885,095	218,402,876	215,146,947
Deferred outflows of resources	8,245,198	6,967,164	99,071	90,635	8,344,269	7,057,799
Current liabilities	10,521,648	9,832,269	130,333	116,312	10,651,981	9,948,581
Noncurrent liabilities outstanding	54,422,216	54,798,437	185,989	201,263	54,608,205	54,999,700
Total liabilities	64,943,864	64,630,706	316,322	317,575	65,260,186	64,948,281
Deferred inflows of resources	54,818,112	51,864,246	5,735	3,737	54,823,847	51,867,983
Net position:						
Net investment in capital assets	83,682,338	84,867,870	2,242,699	2,089,796	85,925,037	86,957,666
Restricted	11,573,733	9,566,414	-	-	11,573,733	9,566,414
Unrestricted	8,735,706	8,299,780	428,636	564,622	9,164,342	8,864,402
Total net position	\$ 103,991,777	\$ 102,734,064	\$ 2,671,335	\$ 2,654,418	\$ 106,663,112	\$ 105,388,482

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 2018 and 2017 consist of \$3,390,905 and \$2,754,062 for debt service, \$660,764 and \$977,859 for mental health, \$6,646,225 and \$4,972,038 for secondary roads, \$735,036 and \$724,052 for other statutory programs, and \$140,803 and \$138,403 for rural services, respectively. The remaining balance of unrestricted net position, \$9,164,342 for 2018 and \$8,864,402 for 2017, 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 \$1,984,339 during the current fiscal year as compared to an increase of \$5,858,717 in 2017. The governmental-type activities' net position increased by \$1,964,191 in 2018 and increased by \$5,754,836 in 2017. Operating grants decreased by \$1.2 million due to decrease pass-through funding related to the Women's Infant and Child Nutrition Grant, \$470,000, and no contribution from the Eastern Iowa Mental Health Region of \$866,000. Capital contributions decreased by \$1.0 million related to state contributions for road improvements. General revenues increased \$1.7 million due to property taxes \$1.5 million and investment earnings,

County of Scott, Iowa

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\$575,000. Expenses increased \$4.1 million from the prior year due to salary and wage adjustments, \$802,000, benefit adjustments of \$870,000, increased juvenile detention services including out of county placement \$240,000, and increased depreciation on newly acquired assets, \$500,000. The total business-type activities' net position increased by \$20,148 in 2018 and increased by \$103,881 in 2017. The increase in 2018 and 2017 was due to normal operating activities. In 2017, this was also supplemented with a transfer of \$164,712.

Table 2 highlights the County's revenues and expenses for the fiscal year ended June 30, 2018 and 2017. 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.

	Governmental Activities		Business-Type Activities		Total County	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 6,975,749	\$ 6,500,021	\$ 974,321	\$ 907,586	\$ 7,950,070	\$ 7,407,607
Operating grants and contributions	4,681,612	5,877,692	-	-	4,681,612	5,877,692
Capital grants and contributions	542,580	1,466,522	-	-	542,580	1,466,522
General revenues:						
Taxes:						
Property taxes	46,927,152	45,413,623	-	-	46,927,152	45,413,623
Local option sales tax	4,504,711	4,685,617	-	-	4,504,711	4,685,617
Gaming	678,633	693,456	-	-	678,633	693,456
Other taxes	67,391	67,761	-	-	67,391	67,761
Utility tax replacements	1,764,932	1,793,615	-	-	1,764,932	1,793,615
Penalties, interest and costs on taxes	577,759	611,959	-	-	577,759	611,959
State tax replacement credits	3,840,813	3,825,047	-	-	3,840,813	3,825,047
State shared revenues	4,110,946	4,267,366	-	-	4,110,946	4,267,366
Payments in lieu of taxes	7,784	7,273	-	-	7,784	7,273
Investment earnings	742,625	167,158	8,203	1,978	750,828	169,136
Miscellaneous	1,443,060	1,424,218	-	-	1,443,060	1,424,218
Total revenues	76,865,747	76,801,328	982,524	909,564	77,848,271	77,710,892
Expenses:						
Public safety and legal services	25,159,172	23,652,149	-	-	25,159,172	23,652,149
Public safety and legal services - SECC	8,457,924	8,253,613	-	-	8,457,924	8,253,613
Physical health and social services	6,222,569	6,380,863	-	-	6,222,569	6,380,863
Mental health	4,245,808	3,943,078	-	-	4,245,808	3,943,078
County environment and education	5,724,941	5,376,513	-	-	5,724,941	5,376,513
Roads and transportation	9,634,295	8,361,816	-	-	9,634,295	8,361,816
Government services to residents	2,590,622	2,500,771	-	-	2,590,622	2,500,771
Administration	11,828,111	11,154,664	-	-	11,828,111	11,154,664
Interest on long-term debt	1,038,114	1,258,313	-	-	1,038,114	1,258,313
Golf course	-	-	962,376	970,395	962,376	970,395
Total expenses	74,901,556	70,881,780	962,376	970,395	75,863,932	71,852,175
Excess (deficiency) before transfers	1,964,191	5,919,548	20,148	(60,831)	1,984,339	5,858,717
Transfers	-	(164,712)	-	164,712	-	-
Increase (decrease) in net position	1,964,191	5,754,836	20,148	103,881	1,984,339	5,858,717
Net position, beginning (restated)	102,027,586	96,979,228	2,651,187	2,550,537	104,678,773	99,529,765
Net position, ending	\$ 103,991,777	\$ 102,734,064	\$ 2,671,335	\$ 2,654,418	\$ 106,663,112	\$ 105,388,482

County of Scott, Iowa

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

Table 3 - County of Scott's Governmental Activities

Programs	Total Cost of 2018	Total Cost of 2017	Net (Expense) of Services 2018	Net (Expense) of Services 2017
Public safety and legal services	\$ 25,159,172	\$ 23,652,149	\$ (22,978,841)	\$ (21,470,625)
Public safety and legal services - SECC	8,457,924	8,253,613	(8,441,594)	(8,252,837)
Physical health and social services	6,222,569	6,380,863	(4,241,471)	(3,952,017)
Mental health	4,245,808	3,943,078	(4,103,794)	(2,927,682)
County environment and education	5,724,941	5,376,513	(3,949,909)	(3,931,383)
Roads and transportation	9,634,295	8,361,816	(8,871,404)	(6,784,355)
Government services to residents	2,590,622	2,500,771	645,162	532,286
Administration	11,828,111	11,154,664	(11,358,573)	(10,683,387)
Debt service, interest	1,038,114	1,258,313	598,809	432,455
Total	\$ 74,901,556	\$ 70,881,780	\$ (62,701,615)	\$ (57,037,545)

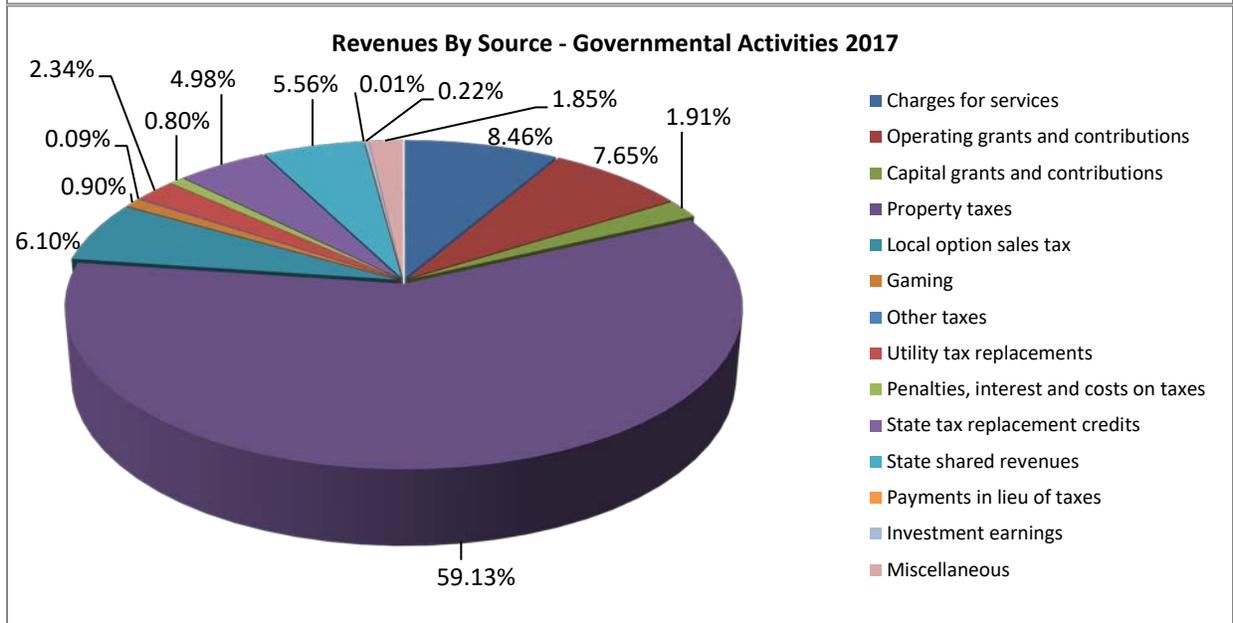
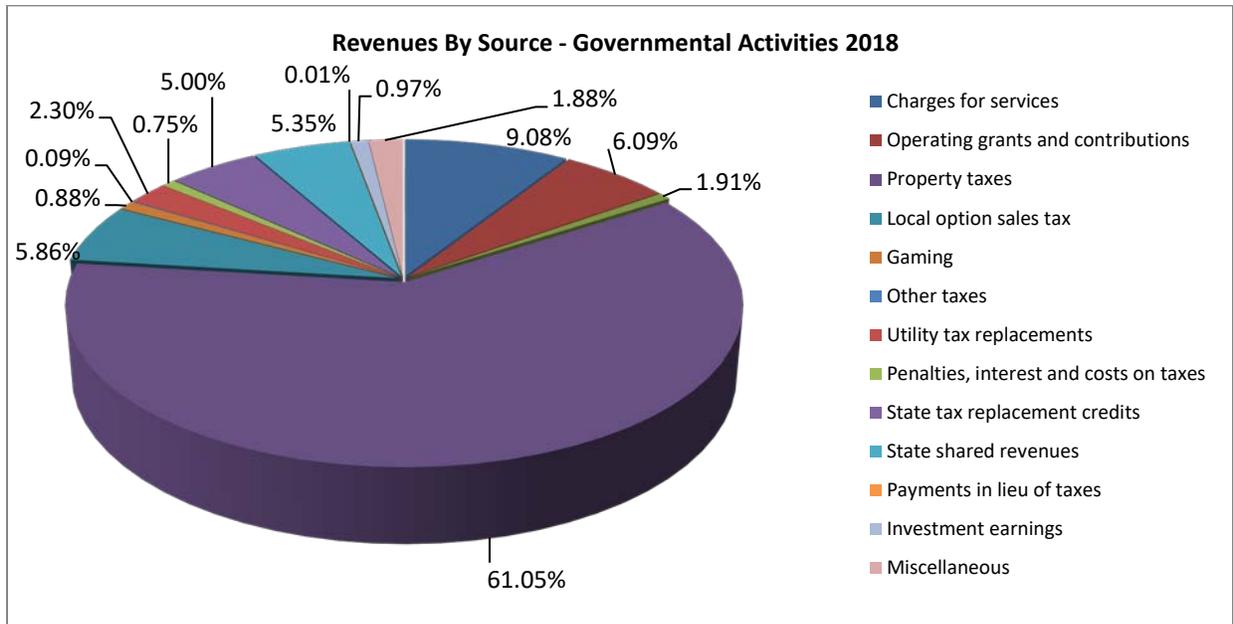
Net cost of services is 84 percent of total cost of services in 2018 and 80 percent in 2017. The change in net cost was significantly impacted by the county not receiving a draw down of equity from the mental health region and capital contributions for Road and Transportation being reduced, and increased depreciation expense. Mental health services increased \$300,000, while the net cost of the county increased by \$1.2 million. Road and Transportation costs increased \$1.3 million, while contributed capital decreased \$1.0 million. Public Safety and Legal Services experienced \$300,000 more in depreciation due to recent capital improvements in the area. The remaining programs net expense is related to changes in general program revenue.

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Governmental Activities

The graphs below show the percentage of the total governmental activities revenues allocated by each revenue type for 2018 and 2017.



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Total business-type activities' operating revenue for the fiscal years ended June 30, 2018 and 2017 was \$974,321 and \$907,586, 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 2018 and 2017. The golf course experienced a 0.4% decrease in rounds played, while operating revenue increased to \$974,321 or 7.4% increase. The increase in revenue is attributable to general green fees realized. The fund expended more on personnel expenses, less on other expenses such as unemployment costs and did not receive transfer in from the general fund in fiscal year 2018.



County of Scott, Iowa

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Business-type activities: Business-type activities increased net position by \$20,148 in the government's net position in fiscal year ended June 30, 2018 compared to an increase of \$103,881 in fiscal year ended June 30, 2017.

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 \$43,612,783, an increase of \$3,120,512 in comparison with the prior year fund balance of \$40,492,271. Approximately 25 percent of the 2018 total amount or \$10,821,990 constitutes unassigned fund balance. Approximately \$10,474,822, or 26 percent, for 2017 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 increased \$1.2 million to funding capital improvements in future years.

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 \$10,821,990 for 2018. The amount unassigned was \$10,474,822 for 2017 while total fund balance was \$14,034,487 for 2018 and \$14,064,211 for 2017. Fund balance decreased due to revenues increasing 2.9% to \$60,121,230, expenditures increasing 2.8% to \$46,544,143 and a \$0.8 million less 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 2018, while the unassigned fund balance represented 20.0 percent of total General Fund expenditures including transfers to blended component units for 2017. Total fund balance also represents approximately 26 and 27 percent of expenditures including transfers to blended component units for 2018 and 2017, respectively.

The fund balance of the County's General Fund decreased by \$29,724 during the year ended June 30, 2018. Property tax revenues increased approximately \$1.8 million due to property tax reassessments and new property provided additional revenue when the County maintained the overall urban property tax rate and gained 2.1% assessment growth. Local option sales taxes decreased by \$380,000 due to a state mandated decreased in taxability of goods used in the manufacturing process and changing consumer habits. Intergovernmental grants decreased \$550,000, mostly through the Women Infant Child Nutrition grant decreasing by \$470,000, local election reimbursements increasing \$137,000, Public Health Preparedness Grant decreasing \$142,000, and Justice Assistance Grants decreasing \$141,000. Due to national litigation the reimbursement for a Justice Assistance Grant in the amount of \$80,000 was delayed to fiscal year 2019. Net charges for services increased by \$490,000, mostly due to vehicle registration fees, sheriff service fees and conservation usage fees. The County's General Fund expenditures were \$46,544,143 in fiscal year 2018, compared to \$45,266,053 in fiscal year 2017 or an increase of approximately \$1.3 million. Salary and benefit expenditures across all departments increased \$1.2 million or 3.8% from the prior fiscal period.

County of Scott, Iowa

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The fund balance of the County's Mental Health / Development Disabilities fund decreased by \$317,095 in 2018 compared to an increase of \$617,926 in 2017. The key factor in the decrease is the lack of distribution from the Eastern Iowa Mental Health and Disabilities Services Region in 2018. In 2016, 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 in fiscal year 2017. During the 2017 legislative session, the State enacted Senate File 504 which mandated 20% fund balance for the region by 2020, regardless of equity within the county or fiscal agent fund. As such, the Region did not distribute or ask for funding from the member counties in fiscal year 2018.

The Secondary Roads fund increase \$1,674,187 in 2018 compared to an increase of \$1,496,518 in 2017. 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 and 2018. 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 2018 roads maintenance, roadway construction and equipment operation expenditures were lower than expected.

The Debt Service fund increased \$285,579 in 2018 compared to an increase of \$188,977 in 2017. The increase in 2018 and 2017 is related to the 911 surcharge fee revenue exceeding the amount necessary to pay for the 2009 Emergency equipment bonds.

The Scott Emergency Communication Center increased fund balance by \$323,109 in 2018 compared to \$235,443 decrease in 2017. Transferred contributions from the County tax levy increased by \$495,000, while expenditures decreased by \$177,000. The center through the City of Davenport refinanced the Build America Bond debt which reduced the Build America Bond Interest credit by \$130,000, but also reduced debt services by \$160,000. Additionally, the center planned on capital investment in the radio infrastructure but the project did not move as quickly in fiscal 2018 as planned.

The Capital Projects fund increased fund balance by \$1,177,048 compared to \$3,507,847 decrease in the prior year. The transfers in from the County's general fund decreased by \$0.8 million to \$4,929,506. 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 Conservation facility improvements and West Lake Park restoration, elevator renovations, and HVAC renewals. Many of these projects are ongoing.

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 \$76,000,136 was increased to \$76,561,450 (an increase of \$561,314) mainly due to increased charges for services and investment earnings to actual projections. Actual revenues received were \$76,732,422.
- The total original expenditure budget of \$78,461,500 was increased to \$81,380,856 (an increase of \$2,919,356) mainly for of capital outlay expenditures (\$1,814,539), an increase in public safety and legal services (\$256,445) for contracted services, for state coded capital improvements and salary and benefit estimates. Actual expenditures were \$74,006,398.

County of Scott, Iowa

Management's Discussion and Analysis (Unaudited) As of and For the Year Ended June 30, 2018

- The total original budget for transfers to governmental funds in and out of \$14,317,925 was increased to \$15,382,955 (an increase of \$1,065,030).

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, 2018 and 2017, amounts to \$112,752,523 and \$116,434,881 (net of accumulated depreciation), respectively. This investment in capital assets includes land, buildings and improvements, equipment, infrastructure and construction-in-progress. The total decrease in capital assets for 2018 was 3.2 percent (a 3.3 percent decrease for governmental activities and a 5.4 percent increase for business-type activities). 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).

Major capital asset events during the current fiscal year ended June 30, 2018 included placing in service the courthouse remodeling, Sheriff patrol headquarters, planning and development office relocation. Additionally the Conservation department completed two cabins for rental, equipment purchases, road resurfacing, and general building improvements.

Capital Assets

Table 4 - County of Scott's Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 4,714,211	\$ 4,714,211	\$ 1,556,336	\$ 1,556,336	\$ 6,270,547	\$ 6,270,547
Construction-in-progress	2,275,183	11,068,386	-	-	2,275,183	11,068,386
Buildings	94,156,729	83,199,497	577,483	577,483	94,734,212	83,776,980
Improvements other than buildings	9,007,674	8,004,013	307,632	307,632	9,315,306	8,311,645
Infrastructure	99,831,576	99,370,720	-	-	99,831,576	99,370,720
Intangible-software	4,569,323	4,121,573	-	-	4,569,323	4,121,573
Machinery and equipment	34,761,619	34,368,993	1,420,702	1,259,283	36,182,321	35,628,276
Accumulated depreciation	(138,843,204)	(130,573,748)	(1,582,741)	(1,539,498)	(140,425,945)	(132,113,246)
Total	\$ 110,473,111	\$ 114,273,645	\$ 2,279,412	\$ 2,161,236	\$ 112,752,523	\$ 116,434,881

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

Debt: As of June 30, 2018, the County of Scott, Iowa had general obligation bonds outstanding totaling \$14,245,000, revenue bonds for the jail facility for \$12,745,000, and notes payable of \$6,890,000. In the fiscal year 2018, all planned debt service payments were funded and paid.

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.

County of Scott, Iowa

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

	2018	2017	Maturity
Governmental activities:			
General obligation bonds	\$ 14,245,000	\$ 15,090,000	2035
Revenue bonds	12,745,000	14,410,000	2025
Notes payable	6,890,000	7,345,000	2029
Total governmental activities	<u>\$ 33,880,000</u>	<u>\$ 36,845,000</u>	

Additional information about the County's long-term debt can be found in Note 5 of 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 FY19 in property taxes rates. The rural county levy rate decreased by \$0.02 to \$8.75 for the budget year ending June 30, 2019 due to the legal requirement of Road Use Tax (RUT) local effort match. The tax base for the County of Scott increased 5.7 percent over the previous year and 6.5 percent in total assessment.
- 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 \$161.68 or 10.09 percent was approved by the board in October 2018 for the calendar year 2019. 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 five bargaining units up for negotiation in the fall of 2018, pending recertification by the unions. The next contract, effective July 1, 2019, will be the first under the State of Iowa's new collective bargaining law which changes mandatory items subject to bargaining.
- The County's revenues are stable but are dependent on property tax revenue growth. 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, 2019 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, 2018

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Current assets:				
Cash and investments	\$ 40,624,915	\$ 602,732	\$ 41,227,647	\$ 653,136
Restricted cash and investments	196	-	196	-
Receivables:				
Property taxes, net of allowance for collection losses	54,070,987	-	54,070,987	-
Accounts	670,257	-	670,257	-
Interest	43,047	501	43,548	597
Due from other governmental agencies	1,767,314	-	1,767,314	61,500
Prepays	318,728	-	318,728	25,645
Inventories	-	11,676	11,676	-
Total current assets	97,495,444	614,909	98,110,353	740,878
Noncurrent assets:				
Receivables:				
Loans	7,540,000	-	7,540,000	-
Capital assets:				
Not depreciated or amortized:				
Land	4,714,211	1,556,336	6,270,547	16,600
Construction-in-progress	2,275,183	-	2,275,183	-
Depreciated or amortized:				
Buildings	94,156,729	577,483	94,734,212	1,131,866
Improvements other than buildings	9,007,674	307,632	9,315,306	-
Infrastructure	99,831,576	-	99,831,576	-
Intangible - software	4,569,323	-	4,569,323	-
Machinery and equipment	34,761,619	1,420,702	36,182,321	845,500
Less accumulated depreciation and amortization	(138,843,204)	(1,582,741)	(140,425,945)	(1,215,754)
Total capital assets	110,473,111	2,279,412	112,752,523	778,212
Total noncurrent assets	118,013,111	2,279,412	120,292,523	778,212
Total assets	215,508,555	2,894,321	218,402,876	1,519,090
Deferred Outflows of Resources				
OPEB related deferred outflows	165,626	818	166,444	1,384
Pension related deferred outflows	8,079,572	98,253	8,177,825	174,350
Total deferred outflows of resources	8,245,198	99,071	8,344,269	175,734
Total assets and deferred outflows of resources	\$ 223,753,753	\$ 2,993,392	\$ 226,747,145	\$ 1,694,824

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	\$ 3,161,147	\$ 33,552	\$ 3,194,699	\$ 14,252
Current portion of claims payable	803,527	-	803,527	-
Accrued liabilities	1,610,462	35,341	1,645,803	43,792
Interest payable	82,102	2,099	84,201	-
Unearned revenue	25,448	7,418	32,866	-
Compensated absences	1,758,962	15,210	1,774,172	38,352
Current portion of capital lease	-	36,713	36,713	-
Current portion of general obligation bonds	865,000	-	865,000	-
Current portion of notes payable	510,000	-	510,000	-
Current portion of revenue bonds	1,705,000	-	1,705,000	-
Total current liabilities	10,521,648	130,333	10,651,981	96,396
Noncurrent liabilities:				
Claims payable	66,000	-	66,000	-
Compensated absences	1,290,438	31,797	1,322,235	53,528
Total OPEB liability	1,445,030	7,136	1,452,166	12,069
Net pension liability	20,615,136	147,056	20,762,192	571,864
General obligation bonds payable, net bond premium	13,457,809	-	13,457,809	-
Note payable	6,380,000	-	6,380,000	-
Revenue bonds payable, net bond premium	11,167,803	-	11,167,803	-
Total noncurrent liabilities	54,422,216	185,989	54,608,205	637,461
Total liabilities	64,943,864	316,322	65,260,186	733,857
Deferred inflows of resources:				
Pension related deferred inflows	901,088	5,735	906,823	14,326
Unavailable property tax revenue	53,917,024	-	53,917,024	-
Total deferred inflows of resources	54,818,112	5,735	54,823,847	14,326
Net position:				
Net investment in capital assets	83,682,338	2,242,699	85,925,037	778,212
Restricted for:				
Debt service	3,390,905	-	3,390,905	-
Other statutory programs	735,036	-	735,036	-
Mental health	660,764	-	660,764	-
Secondary roads	6,646,225	-	6,646,225	-
Rural services	140,803	-	140,803	-
Unrestricted	8,735,706	428,636	9,164,342	168,429
Total net position	103,991,777	2,671,335	106,663,112	946,641
Total liabilities, deferred inflows of resources, and net position	\$ 223,753,753	\$ 2,993,392	\$ 226,747,145	\$ 1,694,824

County of Scott, Iowa

Statement of Activities
For the Year Ended June 30, 2018

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	\$ 25,159,172	\$ 1,504,387	\$ 675,944	\$ -
Public safety and legal services - SECC	8,457,924	-	16,330	-
Physical health and social services	6,222,569	419,873	1,560,072	1,153
Mental health	4,245,808	142,014	-	-
County environment and education	5,724,941	1,579,497	49,658	145,877
Roads and transportation	9,634,295	53,071	314,270	395,550
Government services to residents	2,590,622	2,915,865	319,919	-
Administration	11,828,111	361,042	108,496	-
Interest on long-term debt	1,038,114	-	1,636,923	-
Total governmental activities	74,901,556	6,975,749	4,681,612	542,580
Business-Type activities, golf	962,376	974,321	-	-
Total primary government	\$ 75,863,932	\$ 7,950,070	\$ 4,681,612	\$ 542,580
Component Units				
Emergency Management Agency	\$ 296,300	\$ 58,220	\$ 183,082	\$ -
County Library	1,239,873	11,267	1,192,897	-
Total component units	\$ 1,536,173	\$ 69,487	\$ 1,375,979	\$ -

General Revenues

Taxes:

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

Total general revenues

- Changes in net position
- Net position, beginning of year, as restated
- Net position, end of year

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
\$ (22,978,841)	\$ -	\$ (22,978,841)	\$ -
(8,441,594)	-	(8,441,594)	-
(4,241,471)	-	(4,241,471)	-
(4,103,794)	-	(4,103,794)	-
(3,949,909)	-	(3,949,909)	-
(8,871,404)	-	(8,871,404)	-
645,162	-	645,162	-
(11,358,573)	-	(11,358,573)	-
598,809	-	598,809	-
(62,701,615)	-	(62,701,615)	-
-	11,945	11,945	-
(62,701,615)	11,945	(62,689,670)	-
			(54,998)
			(35,709)
			(90,707)
46,927,152	-	46,927,152	-
4,504,711	-	4,504,711	-
678,633	-	678,633	-
67,391	-	67,391	-
1,764,932	-	1,764,932	-
577,759	-	577,759	-
3,840,813	-	3,840,813	-
4,110,946	-	4,110,946	-
7,784	-	7,784	-
742,625	8,203	750,828	8,598
1,443,060	-	1,443,060	10,209
64,665,806	8,203	64,674,009	18,807
1,964,191	20,148	1,984,339	(71,900)
102,027,586	2,651,187	104,678,773	1,018,541
\$ 103,991,777	\$ 2,671,335	\$ 106,663,112	\$ 946,641

County of Scott, Iowa

Balance Sheet
 Governmental Funds
 As of June 30, 2018

	General	Mental Health/ Development Disabilities
Assets		
Cash and investments	\$ 15,043,107	\$ 1,199,534
Restricted cash and investments	-	-
Receivables		
Property taxes, net of allowance for collection losses	44,810,394	4,121,479
Accounts	170,429	8,834
Interest	19,250	1,115
Loans	-	-
Due from other governmental agencies	1,284,729	138,927
Prepays	187,308	-
Total assets	\$ 61,515,217	\$ 5,469,889
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities:		
Accounts payable	\$ 1,031,916	\$ 656,406
Claims payable	9,893	-
Accrued liabilities	1,305,315	32,034
Unearned revenue	25,448	-
Total liabilities	2,372,572	688,440
Deferred Inflows of Resources:		
Unavailable revenue	431,125	8,633
Unavailable property tax revenue	44,677,033	4,112,052
Total deferred resources of inflows	45,108,158	4,120,685
Fund balances:		
Nonspendable	187,308	-
Restricted	771,661	660,764
Assigned	2,253,528	-
Unassigned	10,821,990	-
Total fund balances	14,034,487	660,764
Total liabilities, deferred inflows of resources, and fund balances	\$ 61,515,217	\$ 5,469,889

See Notes to Basic Financial Statements

Secondary Roads	Scott Emergency Communication Center	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
\$ 6,784,263	\$ 2,102,274	\$ 9,982,641	\$ 3,186,099	\$ 237,006	\$ 38,534,924
-	-	-	-	196	196
-	-	-	1,953,953	3,185,161	54,070,987
-	17,301	145,877	326,645	-	669,086
6,302	1,913	9,319	2,975	221	41,095
-	-	-	7,540,000	-	7,540,000
342,098	-	1,560	-	-	1,767,314
-	-	-	-	-	187,308
<u>\$ 7,132,663</u>	<u>\$ 2,121,488</u>	<u>\$ 10,139,397</u>	<u>\$ 13,009,672</u>	<u>\$ 3,422,584</u>	<u>\$ 102,810,910</u>
\$ 343,051	\$ 99,194	\$ 1,024,300	\$ -	\$ -	\$ 3,154,867
-	-	-	-	-	9,893
112,336	160,777	-	-	-	1,610,462
-	-	-	-	-	25,448
<u>455,387</u>	<u>259,971</u>	<u>1,024,300</u>	<u>-</u>	<u>-</u>	<u>4,800,670</u>
31,051	-	-	5,522	4,102	480,433
-	-	-	1,948,018	3,179,921	53,917,024
<u>31,051</u>	<u>-</u>	<u>-</u>	<u>1,953,540</u>	<u>3,184,023</u>	<u>54,397,457</u>
-	-	-	-	-	187,308
6,646,225	1,861,517	-	11,056,132	238,561	21,234,860
-	-	9,115,097	-	-	11,368,625
-	-	-	-	-	10,821,990
<u>6,646,225</u>	<u>1,861,517</u>	<u>9,115,097</u>	<u>11,056,132</u>	<u>238,561</u>	<u>43,612,783</u>
\$ 7,132,663	\$ 2,121,488	\$ 10,139,397	\$ 13,009,672	\$ 3,422,584	\$ 102,810,910

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County of Scott, Iowa

Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
As of June 30, 2018

Total governmental fund balances		\$ 43,612,783
Amounts reported for governmental activities are not financial resources and, therefore, are not reported in the funds:		
Land	\$ 4,714,211	
Construction-in-progress	2,275,183	
Buildings	94,156,729	
Improvements other than buildings	9,007,674	
Infrastructure	99,831,576	
Intangibles - software	4,569,323	
Machinery and equipment	34,761,619	
Accumulated depreciation and amortization	<u>(138,843,204)</u>	110,473,111
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds:		
Delinquent tax		142,135
Local Option Sales tax		220,000
Operating grants		118,298
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:		
		1,613,094
OPEB related deferred outflows of resources are not due and payable in the current year and, therefore, are not reported in the funds:		
		165,626
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		8,079,572
Deferred inflows of resources		(901,088)
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	(254,474)	
Compensated absences	(3,049,400)	
Total OPEB liability	(1,445,030)	
Accrued interest payable	(82,102)	
Notes payable	(6,890,000)	
Bond premium	(205,612)	
Net pension liability - cost sharing plan	(20,615,136)	
Revenue bonds payable	(12,745,000)	
General obligation bonds payable	<u>(14,245,000)</u>	(59,531,754)
Net position of governmental activities		<u><u>\$ 103,991,777</u></u>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2018

	General	Mental Health/ Development Disabilities
Revenues:		
Property taxes	\$ 39,267,398	\$ 3,038,802
Local option sales tax	4,404,685	-
Other taxes	1,568,324	119,612
Interest and penalties on taxes	577,759	-
Intergovernmental	5,913,752	254,531
Charges for services	6,220,483	-
Investment earnings	443,009	21,406
Licenses and permits	672,468	-
Rentals and fees	135,622	-
Other	917,730	211,081
Total revenues	60,121,230	3,645,432
Expenditures:		
Current:		
Public safety and legal services	22,659,788	-
Physical health and social services	5,969,023	-
Mental health	225,757	3,960,747
County environment and education	4,296,296	-
Roads and transportation	-	-
Government services to residents	2,471,843	-
Administration	10,810,879	-
Capital outlay	110,557	1,780
Debt service		
Principal	-	-
Interest and fees	-	-
Total Expenditures	46,544,143	3,962,527
Excess (deficiency) of revenues over expenditures	13,577,087	(317,095)
Other financing sources (uses):		
Transfers in	20,000	-
Transfers out	(13,626,811)	-
Proceeds from sale of capital assets	-	-
Total other financing sources (uses)	(13,606,811)	-
Net change in fund balances	(29,724)	(317,095)
Fund balances, beginning of year	14,064,211	977,859
Fund balances, end of year	\$ 14,034,487	\$ 660,764

See Notes to Basic Financial Statements.

Secondary Roads	Scott Emergency Communication Center	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
\$ -	\$ -	\$ -	\$ 1,786,460	\$ 2,816,816	\$ 46,909,476
-	-	-	-	-	4,404,685
-	-	678,633	66,558	77,828	2,510,955
-	-	-	-	-	577,759
4,789,715	16,330	158,547	1,783,789	150,618	13,067,282
5,233	-	-	-	29,727	6,255,443
79,592	25,947	102,565	39,894	3,383	715,796
47,838	-	-	-	-	720,306
-	7,000	-	-	-	142,622
28,013	28,156	38,103	-	-	1,223,083
4,950,391	77,433	977,848	3,676,701	3,078,372	76,527,407
-	6,302,665	-	-	-	28,962,453
-	-	-	-	-	5,969,023
-	-	-	-	-	4,186,504
-	-	-	-	574,741	4,871,037
5,527,111	-	-	-	-	5,527,111
-	-	-	-	-	2,471,843
-	-	-	-	-	10,810,879
1,074,093	89,050	4,807,661	-	-	6,083,141
-	455,000	-	845,000	1,665,000	2,965,000
-	224,914	-	617,027	270,318	1,112,259
6,601,204	7,071,629	4,807,661	1,462,027	2,510,059	72,959,250
(1,650,813)	(6,994,196)	(3,829,813)	2,214,674	568,313	3,568,157
3,325,000	7,317,305	4,929,506	-	1,929,095	17,520,906
-	-	-	(1,929,095)	(2,490,000)	(18,045,906)
-	-	77,355	-	-	77,355
3,325,000	7,317,305	5,006,861	(1,929,095)	(560,905)	(447,645)
1,674,187	323,109	1,177,048	285,579	7,408	3,120,512
4,972,038	1,538,408	7,938,049	10,770,553	231,153	40,492,271
\$ 6,646,225	\$ 1,861,517	\$ 9,115,097	\$ 11,056,132	\$ 238,561	\$ 43,612,783

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, 2018**

Net change in fund balances - governmental funds	\$	3,120,512
<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		5,443,830
Depreciation		
Public safety and legal services	\$ (1,735,052)	
Public safety and legal services - SECC	(2,012,994)	
Physical health and social services	(26,384)	
Mental health	(2,589)	
County environment and education	(738,960)	
Roads and transportation	(3,916,380)	
Governmental services to residents	(109,901)	
Administration	<u>(611,524)</u>	(9,153,784)
Book value of capital assets retired		(90,580)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		234,156
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		206,815
<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 principal		2,965,000
Interest expense		42,056
Amortization of bond premium		68,673
<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		18,585
Change in compensated absences		(151,669)
Change in net pension liability		(1,762,312)
Change in net pension related deferred inflows		(51,889)
Change in net pension related deferred outflows		1,112,408
Change in total OPEB liability		(203,236)
Change in OPEB related deferred outflows		165,626
Change in net position of governmental activities	\$	<u>1,964,191</u>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Net Position
 Proprietary Funds
 As of June 30, 2018

	Nonmajor Business-Type Activities Enterprise Fund - Golf Course	Governmental Activities Internal Service Funds
Assets		
Current assets:		
Cash and investments	\$ 602,732	\$ 2,089,991
Receivables:		
Accounts	-	1,171
Interest	501	1,952
Prepays	-	131,420
Inventories	11,676	-
Total current assets	<u>614,909</u>	<u>2,224,534</u>
Noncurrent assets:		
Capital assets:		
Land	1,556,336	-
Buildings	577,483	-
Improvements other than buildings	307,632	-
Machinery and equipment	1,420,702	-
Less accumulated depreciation	(1,582,741)	-
Total capital assets	<u>2,279,412</u>	<u>-</u>
Total assets	<u>2,894,321</u>	<u>2,224,534</u>
Deferred Outflows of Resources		
OPEB related deferred outflows	818	-
Pension related deferred outflows	98,253	-
Total deferred outflows of resources	<u>99,071</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 2,993,392</u>	<u>\$ 2,224,534</u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 33,552	\$ 6,280
Claims payable	-	605,160
Accrued liabilities	35,341	-
Interest payable	2,099	-
Unearned revenue	7,418	-
Capital lease	36,713	-
Compensated absences	15,210	-
Total current liabilities	<u>130,333</u>	<u>611,440</u>
Noncurrent liabilities		
Compensated absences	31,797	-
Total OPEB liability	7,136	-
Net pension liability	147,056	-
Total noncurrent liabilities	<u>185,989</u>	<u>-</u>
Total liabilities	<u>316,322</u>	<u>611,440</u>
Deferred Inflows of Resources		
Pension related deferred inflows	5,735	-
Net Position:		
Net investment in capital assets	2,242,699	-
Unrestricted	428,636	1,613,094
Total net position	<u>2,671,335</u>	<u>1,613,094</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 2,993,392</u>	<u>\$ 2,224,534</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, 2018

	Nonmajor Business-Type Activities <u>Enterprise Fund - Golf Course</u>	Governmental Activities <u>Internal Service Funds</u>
Operating revenues:		
Charges for services	\$ 857,025	\$ 7,495,011
Sales, net of cost of goods sold of \$67,310	115,375	-
Other	1,921	99,539
Total operating revenues	<u>974,321</u>	<u>7,594,550</u>
Operating expenses:		
Personnel	646,259	-
Depreciation	61,068	-
Claims and administrative charges	-	7,939,563
Other	247,739	-
Total operating expenses	<u>955,066</u>	<u>7,939,563</u>
Operating income (loss)	<u>19,255</u>	<u>(345,013)</u>
Nonoperating revenues (expenses):		
Loss on assets disposed	(5,211)	-
Investment earnings	8,203	26,828
Interest expense	(2,099)	-
Total nonoperating revenues (expenses)	<u>893</u>	<u>26,828</u>
Income (loss) before transfers	20,148	(318,185)
Transfers in	<u>-</u>	<u>525,000</u>
Change in net position	20,148	206,815
Total net position, beginning of year, as restated	2,651,187	1,406,279
Total net position, end of year	<u>\$ 2,671,335</u>	<u>\$ 1,613,094</u>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended June 30, 2018

	Business-Type Activities Enterprise Fund - Golf Course	Governmental Activities Internal Service Funds
Cash flows from operating activities:		
Cash received from customers	\$ 974,321	\$ 7,495,042
Customer deposits (released)	866	-
Refunds from outside sources	-	107,055
Cash payments to suppliers for goods and services	(221,771)	(7,897,054)
Cash payments to employees for services	(646,259)	-
Net cash from operating activities	107,157	(294,957)
Cash flows from capital and related financing activities:		
Payments on capital lease	(34,727)	-
Payment on financing interest	(4,084)	-
Purchase of capital assets	(184,455)	-
Net cash from capital and related financing activities	(223,266)	-
Cash flows from noncapital financing activities		
Transfers	-	525,000
Net cash from noncapital financing activities	-	525,000
Cash flows from investing activities, interest received	7,702	24,876
Net increase (decrease) in cash and cash equivalents	(108,407)	254,919
Cash and cash equivalents:		
Beginning	711,139	1,835,072
Ending	<u>\$ 602,732</u>	<u>\$ 2,089,991</u>
Reconciliation of operating income (loss) to net cash from operating activities:		
Operating income (loss)	\$ 19,255	\$ (345,013)
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Depreciation	61,068	-
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Receivables	-	7,547
Prepays	-	(1,597)
Inventories	1,044	-
Accounts payable	7,839	1,677
Claims payable	-	42,429
Accrued compensation	1,896	-
Compensated absences	3,171	-
Total OPEB liability and deferrals	(7,433)	-
Net pension liability and deferrals	19,451	-
Customer deposits	866	-
Net cash from operating activities	\$ 107,157	\$ (294,957)

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Assets and Liabilities

Agency Funds

As of June 30, 2018

Assets

Cash and investments	\$	18,672,569
Receivables:		
Property taxes		267,553,890
Interest		9,644
Prepays		137,171
Total assets	\$	286,373,274

Liabilities

Accounts payable	\$	432,598
Due to other governmental agencies		285,337,713
Due to private individuals		602,963
Total liabilities	\$	286,373,274

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Net Position
Discretely Presented Component Units
As of June 30, 2018

	Emergency Management		
	Agency	County Library	Total
Assets			
Current assets:			
Cash and investments	\$ 274,859	\$ 378,277	\$ 653,136
Receivables:			
Accrued Interest	254	343	597
Due from other governmental agencies	61,500	-	61,500
Prepaid Items	-	25,645	25,645
Total current assets	336,613	404,265	740,878
Noncurrent assets:			
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	(608,079)	(607,675)	(1,215,754)
Total capital assets, net	14,987	763,225	778,212
Total noncurrent assets	14,987	763,225	778,212
Total assets	351,600	1,167,490	1,519,090
Deferred Outflows of Resources			
OPEB related deferred outflows	717	667	1,384
Pension related deferred outflows	34,242	140,108	174,350
Total deferred outflows of resources	34,959	140,775	175,734
Total assets and deferred outflows of assets	\$ 386,559	\$ 1,308,265	\$ 1,694,824
Liabilities, Deferred Inflows of Resources and Net Position			
Current liabilities:			
Accounts payable	\$ 7,677	\$ 6,575	\$ 14,252
Accrued liabilities	10,931	32,861	43,792
Compensated absences	9,812	28,540	38,352
Total current liabilities	28,420	67,976	96,396
Noncurrent liabilities:			
Compensated absences	33,282	20,246	53,528
Net pension liability	72,245	499,619	571,864
Total OPEB liability	6,257	5,812	12,069
Total noncurrent liabilities	111,784	525,677	637,461
Total liabilities	140,204	593,653	733,857
Deferred Inflows of Resources			
Pension related deferred inflows	2,643	11,683	14,326
Net Position:			
Net investment in capital assets	14,987	763,225	778,212
Unrestricted (deficit)	228,725	(60,296)	168,429
Total net position	243,712	702,929	946,641
Total liabilities, deferred inflows of resources, and net position	\$ 386,559	\$ 1,308,265	\$ 1,694,824

See Notes to Basic Financial Statements.

County of Scott, Iowa

Combining Statement of Activities
Discretely Presented Component Units
For the Year Ended June 30, 2018

	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	\$ 296,300	\$ 58,220	\$ 183,082	\$ (54,998)	\$ -	\$ (54,998)
County Library						
County environment and education	1,239,873	11,267	1,192,897	-	(35,709)	(35,709)
Total component units	\$ 1,536,173	\$ 69,487	\$ 1,375,979	(54,998)	(35,709)	(90,707)
General Revenues						
Investment earnings				3,327	5,271	8,598
Miscellaneous				-	10,209	10,209
Total general revenues				3,327	15,480	18,807
Changes in net position				(51,671)	(20,229)	(71,900)
Net Position, beginning of year, as restated				295,383	723,158	1,018,541
Net Position, end of year				\$ 243,712	\$ 702,929	\$ 946,641

See Notes to Basic Financial Statements

County of Scott, Iowa

Notes To Basic Financial Statements

As of and for the Year Ended June 30, 2018

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, 2018**

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 SECC 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 Commission 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, 2018

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, 2018

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.

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.

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.

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

Debt Service Fund: To account for 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.

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2018

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, 2018

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 cities within the county.

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.

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2018

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 2017, based on the 2016 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, 2018

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 investment 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, 2018

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, 2018

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, 2018

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, 2018, the Secondary Roads Fund had fund balance at 101% 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, 2018**

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, 2018 and May, 2018.

Scott Emergency Communications Center did not amend its budget in 2018. The legal level of control is at the organization level. The Public Safety Authority did not adopt a budget in fiscal year 2018.

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2018

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, 2018, the County's cash and investments were as follows:

Cash on hand, deposits and investments with financial institutions	\$ 41,227,647
Restricted Cash and Investments with financial institutions	196
Cash on hand and deposits with financial institutions, discretely presented component units	653,136
Cash on hand, deposits and investments with financial institutions, agency funds	<u>18,672,569</u>
	<u>\$ 60,553,548</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, 2018, the County had the following investments subject to interest rate risk:

Type	0 - 6 Months	7 - 12 Months	Total
Certificates of Deposit	\$ 8,042,554	\$ 2,026,763	\$ 10,069,317
Federal Home Loan Bank Notes	18,964,108	-	18,964,108
Federal National Mortgage Association Notes	999,950	-	999,950
US Treasury Note	5,978,460	-	5,978,460
Commercial Paper	4,982,870	-	4,982,870
Total	<u>\$ 38,967,942</u>	<u>\$ 2,026,763</u>	<u>\$ 40,994,705</u>

County of Scott, Iowa

Notes To Basic Financial Statements As of and for the Year Ended June 30, 2018

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, 2018, the investment in the Federal Home Loan Bank Discount Notes are rated Aaa by Moody's and AA+ by Standard & Poor's; the investment in the Federal National Mortgage Association is rated AA+ by Standard and Poor's and Aaa by Moody's. The County's investments in Commercial Paper are rated A-1 by Standard & Poor's, P-1 by Moody's, and F-1 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. The County's bank account deposits at June 30, 2018 were entirely covered by Federal depository insurance, or by a collateral pool in accordance with Chapter 12C of the Code of Iowa. The County's credit union deposits were entirely covered by Federal depository insurance and a letter of credit held by the County's agent in the County's name. As of June 30, 2018, the County did not have any deposits or investments 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, 2018, the County had 46% of its investment portfolio in Federal Home Loan Bank Discount Notes; and 12% of its investment portfolio in Commercial Paper.

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, 2018 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	\$ -	\$ 18,964,108	\$ -	\$ 18,964,108
Federal National Mortgage Association Notes	-	999,950	-	999,950
US Treasury Note	5,978,460	-	-	5,978,460
Commercial Paper	-	4,982,870	-	4,982,870
Total	<u>\$ 5,978,460</u>	<u>\$ 24,946,928</u>	<u>\$ -</u>	<u>\$ 30,925,388</u>

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2018

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	\$ 13,626,811
Scott emergency communication center	7,317,305	-
Capital projects	4,929,506	-
Secondary roads	3,325,000	-
Debt service	-	1,929,095
Nonmajor governmental funds:		
Rural services	-	2,470,000
Recorders management fees	-	20,000
Public safety authority	1,929,095	-
Internal service fund		
Health insurance	525,000	-
Total governmental activities	<u>18,045,906</u>	<u>18,045,906</u>
 Total Transfers	 <u>\$ 18,045,906</u>	 <u>\$ 18,045,906</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, 2018

Note 4. Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2018:

Governmental Activities	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Capital assets not being depreciated				
Land	\$ 4,714,211	\$ -	\$ -	\$ 4,714,211
Construction in progress	11,068,386	3,562,158	(12,355,361)	2,275,183
Total Capital Assets Not Being Depreciated and Amortized	15,782,597	3,562,158	(12,355,361)	6,989,394
Capital assets being depreciated and amortized				
Buildings	83,199,497	10,957,232	-	94,156,729
Improvements other than buildings	8,004,013	1,003,661	-	9,007,674
Infrastructure	99,370,720	460,856	-	99,831,576
Intangible - software	4,121,573	447,750	-	4,569,323
Machinery and equipment	34,368,993	1,367,534	(974,908)	34,761,619
Total Capital Assets Being Depreciated and Amortized	229,064,796	14,237,033	(974,908)	242,326,921
Less: accumulated depreciation and amortization for				
Buildings	34,268,405	2,092,731	-	36,361,136
Improvements other than buildings	4,426,701	362,762	-	4,789,463
Infrastructure	67,907,789	3,107,082	-	71,014,871
Intangible - software	3,211,025	1,367,645	-	4,578,670
Machinery and equipment	20,759,828	2,223,564	(884,328)	22,099,064
Total Accumulated Depreciation and Amortization	130,573,748	9,153,784	(884,328)	138,843,204
Total Capital Assets Being Depreciated and Amortized	98,491,048	5,083,249	(90,580)	103,483,717
Governmental Activities Capital Assets, Net of Depreciation and Amortization	\$ 114,273,645	\$ 8,645,407	\$ (12,445,941)	\$ 110,473,111

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2018

Note 4. Capital Assets (Continued)

Business-Type Activities	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
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	1,259,283	184,455	(23,036)	1,420,702
Total Capital Assets Being Depreciated	<u>2,144,398</u>	<u>184,455</u>	<u>(23,036)</u>	<u>2,305,817</u>
Less: accumulated depreciation for				
Buildings	311,530	10,302	-	321,832
Improvements other than buildings	280,988	4,441	-	285,429
Machinery and equipment	946,980	46,325	(17,825)	975,480
Total Accumulated Depreciation	<u>1,539,498</u>	<u>61,068</u>	<u>(17,825)</u>	<u>1,582,741</u>
Total Capital Assets Being Depreciated	<u>604,900</u>	<u>123,387</u>	<u>(5,211)</u>	<u>723,076</u>
Business-Type Activities				
Capital Assets, Net of Depreciation	<u>\$ 2,161,236</u>	<u>\$ 123,387</u>	<u>\$ (5,211)</u>	<u>\$ 2,279,412</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, 2017	Additions	Deletions	Balance June 30, 2018
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	845,500	-	-	845,500
Total Capital Assets Being Depreciated	<u>1,977,366</u>	<u>-</u>	<u>-</u>	<u>1,977,366</u>
Less: accumulated depreciation for				
Buildings	385,086	20,744	-	405,830
Machinery and equipment	762,905	47,019	-	809,924
Total Accumulated Depreciation	<u>1,147,991</u>	<u>67,763</u>	<u>-</u>	<u>1,215,754</u>
Total Capital Assets Being Depreciated	<u>829,375</u>	<u>(67,763)</u>	<u>-</u>	<u>761,612</u>
Total Governmental Activities				
Capital Assets, Net of Depreciation	<u>\$ 845,975</u>	<u>\$ (67,763)</u>	<u>\$ -</u>	<u>\$ 778,212</u>

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2018

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	\$ 1,735,052
Public safety and legal services - SECC	2,012,994
Physical health and social services	26,384
Mental health	2,589
County environment and education	738,960
Roads and transportation	3,916,380
Governmental services to residents	109,901
Administration	611,524
Total Governmental Activities Depreciation and Amortization Expense	<u>\$ 9,153,784</u>
Business-Type activities, golf course	<u>\$ 61,068</u>
Discretely Presented Component Units:	
Emergency Management Agency	\$ 40,958
County Library	26,805
Total Discretely Presented Component Units Depreciation Expense	<u>\$ 67,763</u>

Note 5. Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2018:

	Balance June 30, 2017*	Additions	Deletions	Balance June 30, 2018	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 15,090,000	\$ -	\$ 845,000	\$ 14,245,000	\$ 865,000
Revenue bonds	14,410,000	-	1,665,000	12,745,000	1,705,000
Deferred amount for:					
Premium	274,285	-	68,673	205,612	-
Subtotal for bonds	<u>29,774,285</u>	<u>-</u>	<u>2,578,673</u>	<u>27,195,612</u>	<u>2,570,000</u>
Other Liabilities:					
Compensated absences	2,897,871	2,331,165	2,179,636	3,049,400	1,758,962
Note payable	7,345,000	-	455,000	6,890,000	510,000
Net pension liability	18,852,824	1,762,312	-	20,615,136	-
Total OPEB liability	1,241,794	203,236	-	1,445,030	-
Claims payable	<u>865,598</u>	<u>7,599,588</u>	<u>7,595,659</u>	<u>869,527</u>	<u>803,527</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 60,977,372</u>	<u>\$ 11,896,301</u>	<u>\$ 12,808,968</u>	<u>\$ 60,064,705</u>	<u>\$ 5,642,489</u>

* Restated

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2018

Note 5. Long-Term Liabilities (Continued)

	Balance June 30, 2017*	Additions	Retirements	Balance June 30, 2018	Due Within One Year
Business-Type Activities:					
Other Liabilities:					
Compensated absences	\$ 43,836	\$ 10,298	\$ 7,127	\$ 47,007	\$ 15,210
Capital lease	71,440	-	34,727	36,713	36,713
Net pension liability	129,603	17,453	-	147,056	-
Total OPEB liability	<u>6,133</u>	<u>1,003</u>	<u>-</u>	<u>7,136</u>	<u>-</u>
Total Business Type Activities	<u>\$ 251,012</u>	<u>\$ 28,754</u>	<u>\$ 41,854</u>	<u>\$ 237,912</u>	<u>\$ 51,923</u>
	Balance June 30, 2017*	Additions	Deletions	Balance June 30, 2018	Due Within One Year
Discretely Presented Component Units Activities:					
Other Liabilities:					
Compensated absences	\$ 90,444	\$ 71,772	\$ 70,336	\$ 91,880	\$ 38,352
Net pension liability	530,180	41,684	-	571,864	-
Total OPEB liability	<u>10,372</u>	<u>1,697</u>	<u>-</u>	<u>12,069</u>	<u>-</u>
Total Discretely Presented Component Units Long-Term Liabilities	<u>\$ 630,996</u>	<u>\$ 115,153</u>	<u>\$ 70,336</u>	<u>\$ 675,813</u>	<u>\$ 38,352</u>

* Restated

General Obligation Bonds

General obligation bonds outstanding as of June 30, 2018 consist of \$6,705,000 of general obligation emergency equipment bonds with interest at rates ranging from 4.6 percent to 5.8 percent, and \$7,540,000 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 \$515,000 to \$720,000 through 2029 at interest rates from 4.6 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 \$350,000 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, 2018

Note 5. Long-Term Liabilities (Continued)

General Obligation Bonds (Continued)

The debt service requirements on the general obligation bonds outstanding as of June 30, 2018 are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	980,000	419,237	1,399,237
2024-2028	5,410,000	1,409,144	6,819,144
2029-2033	3,160,000	415,649	3,575,649
2034-2035	1,075,000	48,600	1,123,600
Total	<u>\$ 14,245,000</u>	<u>\$ 4,353,965</u>	<u>\$ 18,598,965</u>

Revenue Bonds

Revenue bonds outstanding as of June 30, 2018 consist of \$12,745,000 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, 2018 there was \$9,400,000 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, 2018 there was \$3,345,000 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.

The debt service requirements on the revenue bonds outstanding as of June 30, 2018 are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,850,000	95,418	1,945,418
2024-2025	3,815,000	99,505	3,914,505
Total	<u>\$ 12,745,000</u>	<u>\$ 934,093</u>	<u>\$ 13,679,093</u>

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2018

Note 5. Long-Term Liabilities (Continued)

Revenue Bonds (Continued)

The County has pledged as security for bonds issued by the Public Safety Authority, a blended component unit, a portion of the County's property taxes. The bonds issued by the Public Safety Authority in February 2006 in the amount of \$29,700,000 for the purpose of renovation and construction additions to existing jail facilities are payable through 2025. The bonds issued by the Public Safety Authority in December 2012 and January 2013 in the amount of \$9,750,000 and \$7,925,000, respectively, for the purposes of crossover refunding the 2006 bond issue. The County has committed to appropriate each year, from the property taxes, amount sufficient to cover the principal and interest requirements on the Public Safety Authority's debt. The Public Safety Authority has pledged as sole security for the bonds the appropriation from the County. Annual principal and interest payment on the bonds are expected to require 100% of lease payments received. Total principal and interest remaining on the debt is \$13,679,093 with annual requirements ranging from \$1,941,618 to \$1,967,918. Property taxes, from which the appropriations will be made, have been equal to the principal and interest amount owed per year before consideration of restricted assets for the cross over refunding. For the current year, principal and interest paid by the Public Safety Authority totaled \$1,935,318 and property taxes recognized by the County were \$1,929,095 each.

Legal Debit Margin

The computation of the County's legal margin as of June 30, 2018 is as follows:

2016 assessed valuation	\$ 13,706,151,420
Less military exemption	<u>(15,725,332)</u>
Total assessed value	<u>\$ 13,690,426,088</u>
Debt limit, 5% of assessed valuation (Iowa statutory limitation)	\$ 684,521,304
Total amount of debt applicable to debt margin	<u>(26,990,000)</u>
Legal debt margin	<u>\$ 657,531,304</u>

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2018

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 SECC has issued a note payable to the City of Davenport with terms for repayment identical to the bonds. In 2017, 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 debt service requirements on the notes payable outstanding as of June 30, 2018 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>
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	590,000	136,000	726,000
2024-2028	3,380,000	427,350	3,807,350
2029	<u>760,000</u>	<u>22,800</u>	<u>782,800</u>
Total	<u>\$ 6,890,000</u>	<u>\$ 1,240,150</u>	<u>\$ 8,130,150</u>

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, 2018 are as follows:

<u>Year Ending June 30</u>	<u>Annual Payments</u>
2019	\$ <u>38,812</u>
Total	38,812
Less Interest	<u>(2,099)</u>
Total	<u>\$ 36,713</u>

County of Scott, Iowa

**Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2018**

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 data, an agency fund.

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

- A multiplier (based on years of service).
- The member's highest five-year average salary, except 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, 2018**

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 2018, 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 9.38 percent of pay for a total rate of 18.76 percent. Protection occupation members contributed 6.56 percent of pay and the County contributed 9.84 percent for a total rate of 16.40 percent.

The County's, including all pension reporting units, contributions to IPERS for the year ended June 30, 2018 were \$2,857,155.

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2018

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, 2018, the County, including all pension reporting units, reported a liability of \$21,711,318 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, 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, 2017, the County's collective proportion was 0.3259338%, which was an increase of 0.010236% from its collective proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$3,586,326. At June 30, 2018 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	\$ 184,965	\$ 174,554	\$ 84,331	\$ 87,940
Changes in assumptions	3,500,541	-	683,270	41,889
Net difference between projected and actual earnings on pension plan investments	-	210,423	-	49,354
Changes in proportion and difference between County contributions and proportionate share of contributions	399,155	197,839	12,669	34,174
County contributions subsequent to the measurement dates	<u>2,020,969</u>	<u>-</u>	<u>309,780</u>	<u>-</u>
Total	<u>\$ 6,105,630</u>	<u>\$ 582,816</u>	<u>\$ 1,090,050</u>	<u>\$ 213,357</u>

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2018

Note 6. Retirement System (Continued)

	Protection Occupation		Total - All Groups	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 16,719	\$ 66,927	\$ 286,015	\$ 329,421
Changes in assumptions	722,673	779	4,906,484	42,668
Net difference between projected and actual earnings on pension plan investments	-	59,979	-	319,756
Changes in proportion and difference between County contributions and proportionate share of contributions	447	4,994	412,271	237,007
County contributions subsequent to the measurement dates	<u>526,406</u>	<u>-</u>	<u>2,857,155</u>	<u>-</u>
Total	<u>\$ 1,266,245</u>	<u>\$ 132,679</u>	<u>\$ 8,461,925</u>	<u>\$ 928,852</u>

\$2,857,155 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 June 30	Total
2019	\$ 512,650
2020	2,213,618
2021	1,376,676
2022	200,726
2023	<u>372,248</u>
Total	<u>\$ 4,675,918</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, 2018

Note 6. Retirement System (Continued)

Actuarial Assumptions - The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2017)	2.6 percent per annum
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25 percent average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00 percent compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25 percent per annum, based on 2.60 percent inflation and 0.65 percent real wage inflation

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience study dated March 24, 2017.

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>
Domestic equity	24%	6.25%
International equity	16%	6.71
Core-plus fixed income	27%	2.25
Public credit	3%	3.46
Public real assets	7%	3.27
Cash	1%	(0.31)
Private equity	11%	11.15
Private real assets	8%	4.18
Private credit	3%	4.25
Total	<u>100%</u>	

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2018

Note 6. Retirement System (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.0 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 7.0 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 (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate.

	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
Regular Membership Group	\$ 33,193,425	\$ 20,146,545	\$ 9,184,660
Sheriffs and Deputies	4,039,990	1,285,031	(1,017,811)
Protection Occupation	3,426,634	279,742	(2,361,102)
Total	<u>\$ 40,660,049</u>	<u>\$ 21,711,318</u>	<u>\$ 5,805,747</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, 2018, the County reported payables to the defined benefit pension plan of \$355,531 for legally required employer contributions and \$267,090 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, 2018

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. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The benefits are offered to Scott County, primary government; Scott Emergency Communication Center, blended component unit; Emergency Management Agency, discrete component unit; and County Library, discrete component unit. The medical and dental benefits are liquidated by each the self-insurance fund of the County. The vision insurance is a premium insurance funded by each fund with payroll or 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 data, an agency fund.

OPEB Benefits: Individuals who are employed by Scott County or related reporting units, 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 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. Retirees under age 65 pay the same premium as active employees, which results in an implicit rate subsidy and an OPEB liability. The plan does not issue a stand-alone financial report.

As of January 1, 2017, the following employees were covered by the benefit terms:

	Number of Members
Active	471
Inactive	14
Total	<u>485</u>

Total OPEB Liability: The County and reporting unit's total OPEB liability of \$1,464,235 was measured as of June 30, 2018, and was determined by an actuarial valuation as of January 1, 2017.

County of Scott, Iowa

Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2018

Note 7. Other Postemployment Benefits (Continued)

Actuarial Assumptions: The total OPEB liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Measure date	June 30, 2018
Actuarial valuation date	January 1, 2017
Rate of inflation (effective June 30, 2018)	3.0 percent per year
Rates of salary increase (effective June 30, 2018)	4.0 percent per year
Discount rate (effective June 30, 2018)	3.44 percent per year
Healthcare cost trend rate (effective June 30, 2018)	5.0 percent per year

Discount Rate: The discount rate used to measure the total OPEB liability was 3.44 percent which reflects the index rate for the 20-year tax-exempt general obligation municipal bonds with an average rate of AA/ Aa or higher as of the January 1, 2018.

Mortality rates are from the RP2014 Annuitant distinct mortality table adjusted to 2016 with MP 2016 generational projection of future mortality improvement.

The actuarial assumption used in the June 30, 2018 valuation were based on the results of an actuarial experience study as of January 1, 2017.

Changes in the Total OPEB Liability:

Total OPEB Liability beginning of year, as restated	\$	1,258,299
Service cost		77,835
Expected interest		49,637
Changes in benefit terms		-
Difference between expected and actual experience		47,262
Changes of assumptions		135,160
Benefit payments		(103,958)
Total OPEB liability - end of year	\$	<u>1,464,235</u>

Changes of assumptions reflect a change in the discount rate from 4.50 percent in fiscal year 2017 to 3.44 percent in fiscal year 2018.

County of Scott, Iowa

Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2018

Note 7. Other Postemployment Benefits (Continued)

Sensitivity of the County's Total OPEB Liability to Changes in the Discount Rate - The following presents the County's proportionate share of the total OPEB liability calculated, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (2.44 percent) or 1 percent higher (4.44 percent) than the current discount rate.

	1% Decrease 2.44%	Discount Rate 3.44%	1% Increase 4.44%
Total OPEB Liability	\$ 1,624,147	\$ 1,464,235	\$ 1,325,109

Sensitivity of the County's Total OPEB Liability to Changes in the Healthcare Cost Trend Rate - The following presents the County's proportionate share of the total OPEB liability calculated, as well as what the County's total OPEB liability would be if it were calculated using a health care costs trend rate that is 1 percent lower (4.00 percent) or 1 percent higher (6.00 percent) than the current discount rate.

	1% Decrease 4.00%	Discount Rate 5.00%	1% Increase 6.00%
Total OPEB Liability	\$ 1,303,785	\$ 1,464,235	\$ 1,653,789

OPEB Expense and Deferred Outflows of Resources Related to OPEB - For the year ended June 30, 2018, the County recognized OPEB expense of \$142,066. At June 30, 2018, the County reported deferred outflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 43,481
Changes in assumptions	124,347
	<u>\$ 167,828</u>

The amount of deferred outflows of resources related to OPEB will be recognized as OPEB expense as follows:

	Year Ending June 30	Total
2019	\$ 14,594	14,594
2020		14,594
2021		14,594
2022		14,594
2023		14,594
Thereafter		94,858
Total		<u>\$ 167,828</u>

County of Scott, Iowa

**Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2018**

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 2018.

As of June 30, 2018, the amount of liabilities recorded for estimated claim settlements for general, automobile, property and workers' compensation liability claims was \$264,367 of which \$9,893 was recorded in the General Fund. The County has assigned \$254,474 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, 2018

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:

	2018	2017
Claims payable, beginning of year	\$ 302,867	\$ 314,666
Claims expense and change in reserve	242,945	337,550
Claims payments	<u>(281,445)</u>	<u>(349,349)</u>
Claims payable, end of year	<u>\$ 264,367</u>	<u>\$ 302,867</u>

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

	2018	2017
Claims payable, beginning of year	\$ 562,731	\$ 540,168
Claims expense and change in reserve	7,356,643	6,673,672
Claims payments	<u>(7,314,214)</u>	<u>(6,651,109)</u>
Claims payable, end of year	<u>\$ 605,160</u>	<u>\$ 562,731</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, 2018, there were three series of revenue bonds outstanding. The aggregate principal balance of the revenue bonds outstanding is \$13,503,000.

County of Scott, Iowa

**Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2018**

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, 2018 is \$7,540,000.

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 \$7,540,000 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, 2018

Note 11. Fund Balances

Governmental fund balances reported on the fund financial statements at June 30, 2018 are:

	General	Mental Health/ Development Disability	Secondary Roads	Scott Emergency Communication Center
Fund Balances:				
Nonspendable				
Prepays	\$ 187,308	\$ -	\$ -	\$ -
Restricted				
Debt service	-	-	-	-
Secondary roads	-	-	6,646,225	-
Mental health	-	660,764	-	-
Emergency services	-	-	-	1,861,517
Records management fee	-	-	-	-
Rural services	-	-	-	-
Other statutory programs	771,661	-	-	-
Subtotal Restricted	<u>771,661</u>	<u>660,764</u>	<u>6,646,225</u>	<u>1,861,517</u>
Assigned				
Capital projects	1,184,554	-	-	-
Claim liabilities	254,474	-	-	-
Strategic planning initiatives	349,500	-	-	-
Health claim liability	465,000	-	-	-
Subtotal Assigned	<u>2,253,528</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned	10,821,990	-	-	-
Total Fund Balances	<u>\$ 14,034,487</u>	<u>\$ 660,764</u>	<u>\$ 6,646,225</u>	<u>\$ 1,861,517</u>

County of Scott, Iowa

Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2018

Note 11. Fund Balances (Continued)

	Capital Projects	Debt Service	Nonmajor Governmental	Total
Fund Balances:				
Nonspendable				
Prepays	\$ -	\$ -	\$ -	\$ 187,308
Restricted				
Debt Service	-	11,056,132	196	11,056,328
Secondary Roads	-	-	-	6,646,225
Emergency Services	-	-	-	1,861,517
Mental health	-	-	-	660,764
Records management fee	-	-	97,562	97,562
Rural services	-	-	140,803	140,803
Other statutory programs	-	-	-	771,661
Subtotal Restricted	-	11,056,132	238,561	21,234,860
Assigned				
Capital projects	9,115,097	-	-	10,299,651
Claim liabilities	-	-	-	254,474
Strategic planning initiatives	-	-	-	349,500
Health claim liability	-	-	-	465,000
Subtotal Assigned	9,115,097	-	-	11,368,625
Unassigned	-	-	-	10,821,990
Total Fund Balances	\$ 9,115,097	\$ 11,056,132	\$ 238,561	\$ 43,612,783

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.

County of Scott, Iowa

**Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2018**

Note 13. Commitments and Contingency

The County has financial commitments relating to future purchases of \$75,546, payable from the General fund, \$1,479,249, payable from the Capital Projects fund, and \$313,644 payable from the Secondary Roads fund.

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

County of Scott, Iowa

Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2018

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, 2018 as follows:

Revenues:		
Property tax		\$ 3,038,802
Other tax		119,612
Intergovernmental revenues:		
State tax credits and replacements		254,531
Investment earnings		21,406
Reimbursements and miscellaneous - from fiscal agent		139,315
Reimbursements and miscellaneous		<u>71,766</u>
Total revenues		3,645,432
Expenditures		
Services to persons with:		
Mental illness	2,883,241	
Intellectual disability	752,064	
Other developmental disabilities	<u>88,721</u>	3,724,026
County provided services		673
General administration		
Direct administration		<u>237,828</u>
Total expenditures		3,962,527
Excess of expenditures over revenues		(317,095)
Fund balances beginning of the year		<u>977,859</u>
Fund balance end of the year		<u>\$ 660,764</u>

County of Scott, Iowa

Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2018

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, 2018, 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, 2018 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Bettendorf	Economic development and / or other benefits	\$ 239,969
City of Blue Grass	Economic development and / or other benefits	15,172
City of Davenport	Economic development and / or other benefits	420,833
City of Eldridge	Economic development and / or other benefits	57,971
City of LeClaire	Economic development and / or other benefits	445,698
City of Princeton	Economic development and / or other benefits	<u>25,479</u>
Total		<u>\$ 1,205,122</u>

Note 16. Governmental Accounting Standards Board (GASB) Statements

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

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, issued June 2015, is 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). See Note 17.
- GASB Statement, No 81, *Irrevocable Split-Interest Agreements*, issued March 2016, is 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. The implementation of this statement did not have a material effect on the County's financial statements.

County of Scott, Iowa

Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2018

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

- GASB Statement, No 82, *Pension Issues – An Amendment of GASB Statements No. 67, No 68, and No 73*, Issued March 2016, is 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 85, *Omnibus 2017*, issued March 2017, is 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.
- GASB Statement No 86, *Certain Debt Extinguishment Issues*, issued May 2017, is 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. The implementation of this statement did not have a material effect on the County's financial statements.

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

- GASB Statement No 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.

County of Scott, Iowa

Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2018

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

- 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.
- GASB Statement No 88, *Certain Disclosure Related to Debt, Including Direct Borrowings and Direct Placements*, issued April 2018 will be effective for the County beginning with the year June 30, 2019. This statement is to improve the information that is disclosed in notes to the government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.
- GASB Statement No 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, issued June 2018 will be effective for the County beginning with the year June 30, 2021. This statement is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest costs incurred before the end of a construction period.
- GASB Statement No 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*, issued August 2018 will be effective for the County beginning with the year June 30, 2020. This statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

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

Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2018

Note 17. Accounting Change – Restatement

Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (OPEB), was implemented during fiscal year 2018. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with OPEB benefits, including additional note disclosure and required supplementary information. In addition, GASB Statement No. 75 requires a state or local government employer to use the entry age normal actuarial cost method, and requires deferred outflows of resources and deferred inflows of resources which arise from other types of events related to OPEB to be recognized. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources are not reported. Beginning net position for governmental activities was restated to retroactively report the change in valuation of the beginning total OPEB liability, as follows:

	Governmental Activities	Business Type Activities Enterprise Fund - Golf Course		
Net position June 30, 2017, as previously reported	\$ 102,734,064	\$ 2,654,418		
OPEB obligation measured under previous standards	535,316	2,902		
Total OPEB liability at June 30, 2017, as restated	<u>(1,241,794)</u>	<u>(6,133)</u>		
Net position July 1, 2017, as restated	<u>\$ 102,027,586</u>	<u>\$ 2,651,187</u>		
	Emergency Management Agency	County Library	Total Discretely Presented Component Units	
Net position June 30, 2017, as previously reported	\$ 296,683	\$ 729,734	\$ 1,026,417	
OPEB obligation measured under previous standards	4,077	(1,581)	2,496	
Total OPEB liability at June 30, 2017, as restated	<u>(5,377)</u>	<u>(4,995)</u>	<u>(10,372)</u>	
Net position July 1, 2017, as restated	<u>\$ 295,383</u>	<u>\$ 723,158</u>	<u>\$ 1,018,541</u>	

County of Scott, Iowa

Required Supplementary Information
Budgetary Comparison Schedule (Non-GAAP)
All Governmental Funds - Primary Government
For the Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance with Final Budget
	Original	Final		Favorable (Unfavorable)
Revenues:				
Property taxes	\$ 47,112,580	\$ 47,112,580	\$ 46,909,476	\$ (203,104)
Local option sales tax	4,750,000	4,750,000	4,404,685	(345,315)
Other taxes	2,405,718	2,490,718	2,510,955	20,237
Interest and penalties on taxes	580,000	585,000	577,759	(7,241)
Intergovernmental	13,606,716	12,980,510	13,333,647	353,137
Charges for services	5,781,212	6,192,997	6,255,443	62,446
Investment earnings	172,491	566,491	689,602	123,111
Licenses and permits	670,105	758,030	720,306	(37,724)
Rentals and fees	135,454	135,454	135,622	168
Other	785,860	989,670	1,194,927	205,257
Total revenues	76,000,136	76,561,450	76,732,422	170,972
Expenditures				
Current:				
Public safety and legal services	31,247,900	31,504,345	30,259,788	1,244,557
Physical health and social services	6,236,276	6,338,510	5,969,023	369,487
Mental health	4,745,428	4,448,333	4,186,504	261,829
County environment and education	4,958,041	5,002,041	4,871,037	131,004
Roads and transportation	6,814,000	7,031,000	5,527,111	1,503,889
Government services to residents	2,576,624	2,613,336	2,471,843	141,493
Nonprogram Current	-	525,000	525,000	-
Administration	11,430,905	11,642,126	10,810,879	831,247
Capital outlay	7,062,376	8,876,915	5,994,091	2,882,824
Debt service	3,389,950	3,399,250	3,391,122	8,128
Total expenditures	78,461,500	81,380,856	74,006,398	7,374,458
Excess (deficiency) of revenues over expenditures	(2,461,364)	(4,819,406)	2,726,024	7,545,430
Other financing sources (uses):				
Transfers in	14,317,925	15,382,955	15,094,401	(288,554)
Transfers out	(14,317,925)	(15,382,955)	(15,094,401)	288,554
Proceeds from sale of capital assets	137,000	88,795	77,355	(11,440)
Total other financing sources (uses)	137,000	88,795	77,355	(11,440)
Net change in fund balances	\$ (2,324,364)	\$ (4,730,611)	\$ 2,803,379	\$ 7,533,990

See page 77 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, 2018

	Budget		Actual - GAAP Basis
	Original	Final	
Revenues:			
Intergovernmental	\$ 7,727,000	\$ 7,727,000	\$ 16,330
Investment earnings	-	-	25,947
Rental & Fees	-	-	7,000
Other	250	250	28,156
Total revenues	7,727,250	7,727,250	77,433
Expenditures			
Current:			
Public safety and legal services	7,270,010	7,270,010	6,302,665
Capital outlay	338,000	138,000	89,050
Debt service	845,257	845,257	679,914
Total expenditures	8,453,267	8,253,267	7,071,629
Excess (deficiency) of revenues over expenditures	(726,017)	(526,017)	(6,994,196)
Other financing sources:			
Transfers in	-	-	7,317,305
Total other financing sources	-	-	7,317,305
Net change in fund balances	\$ (726,017)	\$ (526,017)	\$ 323,109

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

Reclassifications	Actual - Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
\$ 7,600,000	\$ 7,616,330	\$ (110,670)
-	25,947	25,947
-	7,000	7,000
-	28,156	27,906
<u>7,600,000</u>	<u>7,677,433</u>	<u>(49,817)</u>
282,695	6,585,360	684,650
-	89,050	48,950
-	679,914	165,343
<u>282,695</u>	<u>7,354,324</u>	<u>898,943</u>
7,317,305	323,109	849,126
(7,317,305)	-	-
<u>(7,317,305)</u>	<u>-</u>	<u>-</u>
\$ -	\$ 323,109	\$ 849,126

County of Scott, Iowa

Schedule of Comparison
 Budgetary Comparison Schedule
 All Governmental Funds to Primary Government Budgeted Funds
 For the Year Ended June 30, 2018

	Governmental Fund Types Actual	Scott Emergency Communications Center Component Unit	Public Safety Authority Component Unit	Reclassifications	Actual - Budgetary Basis
Revenues:					
Property taxes	\$ 46,909,476	\$ -	\$ -	\$ -	\$ 46,909,476
Local option sales tax	4,404,685	-	-	-	4,404,685
Other taxes	2,510,955	-	-	-	2,510,955
Interest and penalties on taxes	577,759	-	-	-	577,759
Intergovernmental	13,067,282	(16,330)	-	282,695	13,333,647
Charges for services	6,255,443	-	-	-	6,255,443
Investment earnings	715,796	(25,947)	(247)	-	689,602
Licenses and permits	720,306	-	-	-	720,306
Rentals and fees	142,622	(7,000)	-	-	135,622
Other	1,223,083	(28,156)	-	-	1,194,927
Total revenues	76,527,407	(77,433)	(247)	282,695	76,732,422
Expenditures					
Current:					
Public safety and legal services	28,962,453	(6,302,665)	-	7,600,000	30,259,788
Physical health and social services	5,969,023	-	-	-	5,969,023
Mental health	4,186,504	-	-	-	4,186,504
County environment and education	4,871,037	-	-	-	4,871,037
Roads and transportation	5,527,111	-	-	-	5,527,111
Government services to residents	2,471,843	-	-	-	2,471,843
Nonprogram current	-	-	-	525,000	525,000
Administration	10,810,879	-	-	-	10,810,879
Capital outlay	6,083,141	(89,050)	-	-	5,994,091
Debt service	4,077,259	(679,914)	(1,935,318)	1,929,095	3,391,122
Total expenditures	72,959,250	(7,071,629)	(1,935,318)	10,054,095	74,006,398
Excess (deficiency) of revenues over expenditures	3,568,157	6,994,196	1,935,071	(9,771,400)	2,726,024
Other financing sources (uses):					
Transfers in	17,520,906	(7,317,305)	(1,929,095)	6,819,895	15,094,401
Transfers out	(18,045,906)	-	-	2,951,505	(15,094,401)
Proceeds from sale of capital assets	77,355	-	-	-	77,355
Total other financing sources (uses)	(447,645)	(7,317,305)	(1,929,095)	9,771,400	77,355
Net change in fund balances	\$ 3,120,512	\$ (323,109)	\$ 5,976	\$ -	\$ 2,803,379

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	2018
County's proportion of net pension liability	0.274511%	0.293765%	0.315698%	0.325938%
County's proportionate share of net pension liability	\$ 10,886,862	\$ 14,513,418	\$ 19,867,842	\$ 21,711,318
County's covered-employee payroll	\$ 28,172,699	\$ 28,766,876	\$ 29,388,451	\$ 31,387,807
County's proportionate share of net pension liability as a percentage of its covered-employee payroll	38.64%	50.45%	67.60%	69.17%
Plan fiduciary net position as a percentage of the total pension liability	87.61%	85.19%	81.82%	82.21%

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

Net Pension data is provided by the State for major employer. Specific allocation between the County and discretely presented component units is not possible. As such, the entire amount is reported as RSI.

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

	2009	2010	2011	2012
Statutorily required contribution	\$ 1,562,197	\$ 1,696,095	\$ 1,985,400	\$ 2,299,215
Contributions in relation to the statutorily required contribution	1,562,197	1,696,095	1,985,400	2,299,215
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
County's covered - employee payroll	21,827,721	23,400,557	25,753,487	26,725,226
Contributions as a percentage of covered-employee payroll	7.16%	7.25%	7.71%	8.60%

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

2013	2014	2015	2016	2017	2018
\$ 2,516,323	\$ 2,605,252	\$ 2,660,923	\$ 2,701,309	\$ 2,876,113	\$ 2,857,155
2,516,323	2,605,252	2,660,923	2,701,309	2,876,113	2,857,155
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27,682,627	28,172,699	28,766,876	29,388,451	31,387,807	31,282,997
9.09%	9.25%	9.25%	9.19%	9.16%	9.13%

County of Scott, Iowa

Schedule of the County's Total OPEB Liability, Related Ratios and Notes
For the Current Year

	<u>2018</u>
Service cost	\$ 77,835
Interest costs	49,637
Difference between expected and actual experiences	47,262
Change in assumptions	135,160
Benefit payments	<u>(103,958)</u>
Net change in total OPEB liability	205,936
Total OPEB liability beginning of year, as restated	<u>1,258,299</u>
Total OPEB liability end of year	<u>\$ 1,464,235</u>
Covered-employee payroll	\$ 28,385,184
Total OPEB liability as a percentage of covered-employee payroll	5.16%

Notes to Schedule of Changes in The County's Total OPEB Liability and Related Ratios

The County implemented GASB Statement No. 75 in fiscal year 2018. Information prior to 2018 is not available.

There are no significant changes in benefit terms.

The above table represents all reporting units.

Changes in assumptions and other inputs reflect the effect of changes in the discount rate each period.

The following are the discount rates used in each period.

Year ended June 30, 2018	3.44%
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See Independent Auditors' Report and Notes to Required Supplementary Information.

County of Scott, Iowa

Notes to Required Supplementary Information As of and For the Year Ended June 30, 2018

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 \$2,919,356. The budget amendment was adjusted estimates of current year activity.

The Public Safety Authority did not adopt a budget in fiscal year 2018.

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.

Changes of assumptions:

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00 percent to 2.60 percent.
- Decreased the assumed rate of interest on member accounts from 3.75 percent to 3.50 percent per year.
- Decreased the discount rate from 7.50 percent to 7.00 percent.
- Decreased the wage growth assumption from 4.00 percent to 3.25 percent.
- Decreased the payroll growth assumption from 4.00 percent to 3.25 percent.

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.

County of Scott, Iowa

**Notes to Required Supplementary Information
As of and For the Year Ended June 30, 2018**

Note 2. Net Pension Liability (Continued)

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

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

See Independent Auditors' Report.

County of Scott, Iowa

Combining Balance Sheet
 Nonmajor Governmental Funds
 As of June 30, 2018

	Special Revenue		Debt Service		Total
	Rural Services Fund	Recorders Management Fees Fund	Public Safety Authority		
Assets					
Cash and investments	\$ 139,535	\$ 97,471	\$ -	\$ -	\$ 237,006
Restricted Cash and Investments	-	-	196		196
Receivables:					
Property taxes, net of allowance for collection losses	3,185,161	-	-		3,185,161
Accrued interest	130	91	-		221
Total assets	\$ 3,324,826	\$ 97,562	\$ 196	\$ -	\$ 3,422,584
Deferred Inflows of Resources and Fund Balance					
Deferred Inflows of Resources					
Unavailable revenue	\$ 4,102	\$ -	\$ -	\$ -	\$ 4,102
Unearned revenue	3,179,921	-	-		3,179,921
Total deferred inflows of resources	3,184,023	-	-		3,184,023
Fund balances					
Restricted	140,803	97,562	196		238,561
Total fund balance	140,803	97,562	196		238,561
Total deferred inflows of resources and fund balances	\$ 3,324,826	\$ 97,562	\$ 196	\$ -	\$ 3,422,584

County of Scott, Iowa

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2018

	Special Revenue		Debt Service		Total
	Rural Services Fund	Recorders Management Fees Fund	Public Safety Authority		
Revenues:					
Property taxes	\$ 2,816,816	\$ -	\$ -	\$ -	\$ 2,816,816
Other taxes	77,828	-	-	-	77,828
Intergovernmental	150,618	-	-	-	150,618
Charges for services	-	29,727	-	-	29,727
Investment earnings	1,879	1,257	247	-	3,383
Total revenues	3,047,141	30,984	247	-	3,078,372
Expenditures:					
Current:					
County environment and education	574,741	-	-	-	574,741
Debt Service					
Principal	-	-	1,665,000	-	1,665,000
Interest and fees	-	-	270,318	-	270,318
Total Expenditures	574,741	-	1,935,318	-	2,510,059
Excess (deficiency) of revenue over expenditures	2,472,400	30,984	(1,935,071)	-	568,313
Other financing sources (uses):					
Transfers In	-	-	1,929,095	-	1,929,095
Transfers Out	(2,470,000)	(20,000)	-	-	(2,490,000)
Total Other Financing Sources (Uses)	(2,470,000)	(20,000)	1,929,095	-	(560,905)
Net change in fund balances	2,400	10,984	(5,976)	-	7,408
Fund balances, beginning of year	138,403	86,578	6,172	-	231,153
Fund balances, end of year	\$ 140,803	\$ 97,562	\$ 196	\$ -	\$ 238,561

County of Scott, Iowa

Combining Statement of Net Position
Internal Service Funds
As of June 30, 2018

	Internal Service Funds		
	Dental Insurance Fund	Health Insurance Fund	Total
Assets			
Current assets:			
Cash and investments	\$ 279,134	\$ 1,810,857	\$ 2,089,991
Accounts receivable	62	1,109	1,171
Interest receivable	261	1,691	1,952
Prepays	-	131,420	131,420
Total current assets	279,457	1,945,077	2,224,534
Total assets	\$ 279,457	\$ 1,945,077	\$ 2,224,534
Liabilities and Net Position			
Current liabilities:			
Accounts payable	\$ 2,626	\$ 3,654	\$ 6,280
Claims payable	75,125	530,035	605,160
Total liabilities	77,751	533,689	611,440
Net Position:			
Unrestricted	201,706	1,411,388	1,613,094
Total net position	201,706	1,411,388	1,613,094
Total liabilities and net position	\$ 279,457	\$ 1,945,077	\$ 2,224,534

County of Scott, Iowa

Combining Statement of Revenues, Expenses, and Changes in Net Position
 Internal Service Funds
 For the Year Ended June 30, 2018

	Internal Service Funds		
	Dental Insurance Fund	Health Insurance Fund	Total
Operating revenues:			
Charges for services	\$ 437,564	\$ 7,057,447	\$ 7,495,011
Other	-	99,539	99,539
Total operating revenues	437,564	7,156,986	7,594,550
Operating expenses:			
Administrative charges	30,411	594,938	625,349
Claims	399,697	6,914,517	7,314,214
Total operating expenses	430,108	7,509,455	7,939,563
Operating income (loss)	7,456	(352,469)	(345,013)
Nonoperating revenues:			
Investment earnings	3,718	23,110	26,828
Total nonoperating revenues	3,718	23,110	26,828
Income (loss) before transfers	11,174	(329,359)	(318,185)
Transfers in	-	525,000	525,000
Change in Net Position	11,174	195,641	206,815
Total Net Position, beginning of year	190,532	1,215,747	1,406,279
Total Net Position, end of year	\$ 201,706	\$ 1,411,388	\$ 1,613,094

County of Scott, Iowa

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2018

	Internal Service Funds		
	Dental Insurance	Health Insurance	Total
	Fund	Fund	
Cash flows from operating activities:			
Cash received from customers	\$ 437,595	\$ 7,057,447	\$ 7,495,042
Refunds from outside sources	-	107,055	107,055
Cash payments to suppliers for goods and services	(431,045)	(7,466,009)	(7,897,054)
Net cash from operating activities	6,550	(301,507)	(294,957)
Cash flows from noncapital financing activities,			
Transfer from other funds	-	525,000	525,000
Cash flows from investing activities, interest received	3,457	21,419	24,876
Net increase (decrease) in cash and cash equivalents	10,007	244,912	254,919
Cash and cash equivalents:			
Beginning	269,127	1,565,945	1,835,072
Ending	\$ 279,134	\$ 1,810,857	\$ 2,089,991
Reconciliation of operating income (loss) to net cash			
from operating activities:			
Operating income (loss)	\$ 7,456	\$ (352,469)	\$ (345,013)
Adjustments to reconcile operating income (loss) to net cash			
from operating activities:			
Changes in assets and liabilities:			
Prepays	-	(1,597)	(1,597)
Accounts receivable	31	7,516	7,547
Accounts payable	156	1,521	1,677
Claims payable	(1,093)	43,522	42,429
Net cash from operating activities	\$ 6,550	\$ (301,507)	\$ (294,957)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities
 All Agency Funds
 For the Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Agricultural Extension Service Fund				
Assets				
Cash and investments	\$ 3,861	\$ 572,551	\$ 572,749	\$ 3,663
Receivables, property taxes	556,382	572,219	556,958	571,643
Total assets	\$ 560,243	\$ 1,144,770	\$ 1,129,707	\$ 575,306
Liabilities, due to other government funds	\$ 560,243	\$ 1,144,770	\$ 1,129,707	\$ 575,306
Bangs Eradication Fund				
Assets				
Cash and investments	\$ 12,834	\$ 26,338	\$ 39,003	\$ 169
Receivables, property taxes	24,685	25,316	24,686	25,315
Total assets	\$ 37,519	\$ 51,654	\$ 63,689	\$ 25,484
Liabilities				
Accounts payable	\$ 12,677	\$ 26,327	\$ 39,004	\$ -
Due to other governmental funds	24,842	52,268	51,626	25,484
Total liabilities	\$ 37,519	\$ 78,595	\$ 90,630	\$ 25,484
City Taxing Districts Fund				
Assets				
Cash and investments	\$ 796,990	\$ 124,487,840	\$ 124,365,081	\$ 919,749
Receivables, property taxes	120,360,655	126,366,802	120,456,902	126,270,555
Total assets	\$ 121,157,645	\$ 250,854,642	\$ 244,821,983	\$ 127,190,304
Liabilities, due to other government funds	\$ 121,157,645	\$ 250,854,642	\$ 244,821,983	\$ 127,190,304
Community College Taxing District Fund				
Assets				
Cash and investments	\$ 58,082	\$ 8,851,670	\$ 8,852,534	\$ 57,218
Receivables, property taxes	8,604,070	9,097,272	8,612,700	9,088,642
Total assets	\$ 8,662,152	\$ 17,948,942	\$ 17,465,234	\$ 9,145,860
Liabilities, due to other government funds	\$ 8,662,152	\$ 17,948,942	\$ 17,465,234	\$ 9,145,860
Fire Taxing District Fund				
Assets				
Cash and investments	\$ 2,844	\$ 412,897	\$ 412,860	\$ 2,881
Receivables, property taxes	410,840	436,335	411,964	435,211
Total assets	\$ 413,684	\$ 849,232	\$ 824,824	\$ 438,092
Liabilities, due to other government funds	\$ 413,684	\$ 849,232	\$ 824,824	\$ 438,092

(continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities
 All Agency Funds (Continued)
 For the Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
School Taxing District Fund				
Assets				
Cash and investments	\$ 852,747	\$ 127,695,129	\$ 127,709,143	\$ 838,733
Receivables, property taxes	124,086,096	128,739,380	124,211,116	128,614,360
Total assets	\$ 124,938,843	\$ 256,434,509	\$ 251,920,259	\$ 129,453,093
Liabilities, due to other government funds	\$ 124,938,843	\$ 256,434,509	\$ 251,920,259	\$ 129,453,093
Township Taxing District Fund				
Assets				
Cash and investments	\$ 2,650	\$ 240,727	\$ 241,336	\$ 2,041
Receivables, property taxes	239,564	251,976	239,925	251,615
Total assets	\$ 242,214	\$ 492,703	\$ 481,261	\$ 253,656
Liabilities, due to other government funds	\$ 242,214	\$ 492,703	\$ 481,261	\$ 253,656
Other Holding Accounts Fund				
Assets				
Cash and investments	\$ 4,115,355	\$ 398,639,761	\$ 397,526,494	\$ 5,228,622
Receivables, property taxes	44,296	203,465	233,840	13,921
Total assets	\$ 4,159,651	\$ 398,843,226	\$ 397,760,334	\$ 5,242,543
Liabilities				
Accounts payable	\$ 12,409	\$ 165,763	\$ 156,206	\$ 21,966
Due to other governmental agencies	4,147,242	398,677,463	397,604,128	5,220,577
Total liabilities	\$ 4,159,651	\$ 398,843,226	\$ 397,760,334	\$ 5,242,543
City Special Assessments Fund				
Assets, cash and investments	\$ 313,637	\$ 3,669,442	\$ 3,698,754	\$ 284,325
Liabilities, due to other governmental agencies	\$ 313,637	\$ 3,669,442	\$ 3,698,754	\$ 284,325
County Recorder Agency Fund				
Assets, cash and investments	\$ 88,712	\$ 1,904,148	\$ 1,929,813	\$ 63,047
Liabilities, due to other governmental agencies	\$ 88,712	\$ 1,904,148	\$ 1,929,813	\$ 63,047

(continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities
 All Agency Funds (Continued)
 For the Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
County Sheriff Agency Fund				
Assets, cash and investments	\$ 99,088	\$ 7,047,508	\$ 6,945,233	\$ 201,363
Liabilities				
Accounts Payable	\$ 83,384	\$ 6,683,054	\$ 6,680,804	\$ 85,634
Due from other government agencies	15,704	390,969	290,944	115,729
Total Liabilities	\$ 99,088	\$ 7,074,023	\$ 6,971,748	\$ 201,363
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	\$ 568,212	\$ -	\$ 59,659	\$ 508,553
Liabilities, due to private individuals	\$ 568,212	\$ -	\$ 59,659	\$ 508,553
County Assessor Fund				
Assets				
Cash and investments	\$ 838,041	\$ 990,275	\$ 831,132	\$ 997,184
Receivables, property taxes	945,182	852,380	945,944	851,618
Receivables, interest	-	926	-	926
Prepaid	-	25,922	-	25,922
Total assets	\$ 1,783,223	\$ 1,869,503	\$ 1,777,076	\$ 1,875,650
Liabilities				
Accounts payable	\$ 4,485	\$ 222,045	\$ 220,675	\$ 5,855
Due to other governmental agencies	1,778,738	1,706,865	1,615,808	1,869,795
Total liabilities	\$ 1,783,223	\$ 1,928,910	\$ 1,836,483	\$ 1,875,650

(continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities
 All Agency Funds (Continued)
 For the Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
City Assessor Fund				
Assets				
Cash and investments	\$ 761,200	\$ 1,425,255	\$ 1,227,891	\$ 958,564
Receivables, property taxes	1,358,761	1,432,544	1,360,295	1,431,010
Receivables, interest	-	894	-	894
Total assets	\$ 2,119,961	\$ 2,858,693	\$ 2,588,186	\$ 2,390,468
Liabilities				
Accounts payable	\$ 122,045	\$ 1,284,943	\$ 1,227,684	\$ 179,304
Due to other governmental agencies	1,997,916	1,573,498	1,360,250	2,211,164
Total liabilities	\$ 2,119,961	\$ 2,858,441	\$ 2,587,934	\$ 2,390,468
Eastern Iowa Mental Health and Disabilities Services Region				
Assets				
Cash and investments	\$ 9,911,896	\$ 114,749	\$ 1,646,378	\$ 8,380,267
Receivables, accrued interest	-	7,824	-	7,824
Prepaid	5,613	98,973	5,613	98,973
Total assets	\$ 9,917,509	\$ 221,546	\$ 1,651,991	\$ 8,487,064
Liabilities				
Accounts payable	\$ 4,275	\$ 1,793,161	\$ 1,657,597	\$ 139,839
Due to other governmental agencies	9,913,234	-	1,566,009	8,347,225
Total liabilities	\$ 9,917,509	\$ 1,793,161	\$ 3,223,606	\$ 8,487,064
Jail Inmate Fund				
Assets, cash and investments				
	\$ 161,238	\$ -	\$ 66,828	\$ 94,410
Liabilities, due to private individuals				
	\$ 161,238	\$ -	\$ 66,828	\$ 94,410
Rivershare Fund				
Assets				
Cash and investments	\$ 35,038	\$ 123,273	\$ 130,632	\$ 27,679
Prepaid	255	12,276	255	12,276
Total assets	\$ 35,293	\$ 135,549	\$ 130,887	\$ 39,955
Liabilities				
Accounts payable	\$ 224	\$ 115,712	\$ 115,936	\$ -
Due to other government agencies	35,069	4,886	-	39,955
Total liabilities	\$ 35,293	\$ 120,598	\$ 115,936	\$ 39,955

(continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities
 All Agency Funds (Continued)
 For the Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
E 911 Funds				
Assets, cash and investments	\$ -	\$ 1,236,543	\$ 1,236,543	\$ -
Liabilities, due to other governmental agencies	\$ -	\$ 1,236,543	\$ 1,236,543	\$ -
Total Combined Funds				
Assets				
Cash and investments	\$ 18,726,526	\$ 677,438,106	\$ 677,492,063	\$ 18,672,569
Receivables:				
Property taxes	256,630,531	267,977,689	257,054,330	267,553,890
Interest	-	9,644	-	9,644
Prepaid	5,868	137,171	5,868	137,171
Total Assets	\$ 275,362,925	\$ 945,562,610	\$ 934,552,261	\$ 286,373,274
Liabilities				
Accounts payable	\$ 239,499	\$ 10,291,005	\$ 10,097,906	\$ 432,598
Due to other governmental agencies	274,393,976	936,940,880	925,997,143	285,337,713
Due to private individuals	729,450	-	126,487	602,963
Total Liabilities	\$ 275,362,925	\$ 947,231,885	\$ 936,221,536	\$ 286,373,274

County of Scott, Iowa

Combining Balance Sheet and Reconciliation to Statement of Net Position
Discretely Presented Component Units
As of June 30, 2018

	Emergency Management Agency	County Library	Total
Assets			
Cash and investments	\$ 274,859	\$ 378,277	\$ 653,136
Receivables:			
Accrued interest	254	343	597
Due from other governmental agencies	61,500	-	61,500
Prepaid Items	-	25,645	25,645
Total assets	\$ 336,613	\$ 404,265	\$ 740,878
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	\$ 7,677	\$ 6,575	\$ 14,252
Accrued liabilities	10,931	32,861	43,792
Total liabilities	18,608	39,436	58,044
Deferred Inflows of Resources			
Liabilities:			
Unavailable Revenue	39,000	-	39,000
Total deferred inflows of resources	39,000	-	39,000
Fund balances:			
Nonspendable	-	25,645	25,645
Assigned	-	12,000	12,000
Unassigned	279,005	327,184	606,189
Total fund balances	279,005	364,829	643,834
Total liabilities, deferred inflows of resources, and fund balances	\$ 336,613	\$ 404,265	\$ 740,878
Reconciliation to statement of net position			
Total component unit fund balances	\$ 279,005	\$ 364,829	\$ 643,834
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	(608,079)	(607,675)	(1,215,754)
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:			
Pension Deferred outflows of resources	34,242	140,108	174,350
OPEB Deferred outflows of resources	717	667	1,384
Deferred inflows of resources	(2,643)	(11,683)	(14,326)
Liabilities not due and payable in the current period are not reported in the funds:			
Compensated absences	(43,094)	(48,786)	(91,880)
Net pension liability	(72,245)	(499,619)	(571,864)
Other post employment benefits obligation	(6,257)	(5,812)	(12,069)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	39,000	-	39,000
Total net position	\$ 243,712	\$ 702,929	\$ 946,641

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, 2018**

	Emergency Management		
	Agency	County Library	Total
Revenues:			
Intergovernmental			
Operating	\$ 194,452	\$ 1,192,897	\$ 1,387,349
Charges for services	58,220	11,267	69,487
Investment earnings	3,327	5,271	8,598
Other	-	10,209	10,209
Total revenues	255,999	1,219,644	1,475,643
Expenditures:			
Current:			
Public safety and legal services	246,981	-	246,981
County environment and education	-	1,207,836	1,207,836
Total expenditures	246,981	1,207,836	1,454,817
Net change in fund balances	9,018	11,808	20,826
Fund balances, beginning of year	269,987	353,021	623,008
Fund balances, end of year	\$ 279,005	\$ 364,829	\$ 643,834

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, 2018

	Emergency Management Agency	County Library	Total
Reconciliation to statement of activities,			
Net change in fund balances	\$ 9,018	\$ 11,808	\$ 20,826
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(11,370)	-	(11,370)
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:			
Depreciation	(40,958)	(26,805)	(67,763)
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	(5,234)	3,797	(1,437)
Change in other post employment benefits obligation	(163)	(150)	(313)
Change in pension expense	(2,964)	(8,879)	(11,843)
Changes in Net Position of component units	\$ (51,671)	\$ (20,229)	\$ (71,900)

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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	98
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	110
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	118
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	124
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	128
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)

	2009	2010	2011
Governmental activities:			
Net investment in capital assets	\$ 70,017,361	\$ 73,643,761	\$ 64,874,432
Restricted for:			
Debt service	3,229,346	2,849,754	2,503,008
County conservation sewage treatment	222,551	209,483	210,592
Mental health	1,713,646	1,499,167	1,221,960
Other statutory programs	-	663,173	783,546
Rural services	-	-	57,929
Scott Emergency Communication Center	-	-	-
Secondary roads	273,409	370,604	885,011
Unrestricted	6,205,472	6,934,776	10,009,511
Total governmental activities net position	\$ 81,661,785	\$ 86,170,718	\$ 80,545,989
Business-Type activities			
Net investment in capital assets	\$ 1,011,730	\$ 1,201,240	\$ 1,640,815
Restricted for lease purchase contract	324,400	324,407	324,407
Unrestricted	(3,623,282)	(3,921,629)	(4,233,323)
Total business-type activities net position	\$ (2,287,152)	\$ (2,395,982)	\$ (2,268,101)
Primary government:			
Net investment in capital assets	\$ 71,029,091	\$ 74,845,001	\$ 66,515,247
Restricted for:			
Debt service	3,229,346	2,849,754	2,503,008
County conservation sewage treatment	222,551	209,483	210,592
Lease purchase contract	324,400	324,407	324,407
Mental health	1,713,646	1,499,167	1,221,960
Other statutory programs	-	663,173	783,546
Rural services	-	-	57,929
Scott Emergency Communication Center	-	-	-
Secondary roads	273,409	370,604	885,011
Unrestricted	2,582,190	3,013,147	5,776,188
Total primary government net position	\$ 79,374,633	\$ 83,774,736	\$ 78,277,888

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.

Note: A restatement of OPEB liability incurred as of June 30, 2017 was recorded to Fiscal Year 2018, prior years were not restated.

Source: County records.

Fiscal Year							
2012	2013	2014	2015	2016	2017	2018	
\$ 74,766,566	\$ 71,325,134	\$ 69,647,344	\$ 73,242,465	\$ 76,525,390	\$ 84,867,870	\$ 83,682,338	
2,160,323	1,491,035	1,802,355	1,936,389	2,217,903	2,754,062	3,390,905	
212,459	212,430	212,430	208,552	-	-	-	
343,637	-	1,966,913	5,116,780	359,933	977,859	660,764	
786,943	968,492	979,625	955,941	923,278	724,052	735,036	
70,995	154,168	150,016	148,630	154,804	138,403	140,803	
2,762,297	2,689,733	3,049,339	120,370	-	-	-	
1,839,278	2,320,739	3,149,287	3,830,301	3,475,520	4,972,038	6,646,225	
14,045,782	15,050,677	20,624,047	11,928,034	13,322,400	8,299,780	8,735,706	
\$ 96,988,280	\$ 94,212,408	\$ 101,581,356	\$ 97,487,462	\$ 96,979,228	\$ 102,734,064	\$ 103,991,777	
\$ 2,226,682	\$ 2,214,625	\$ 2,168,898	\$ 2,167,093	\$ 2,088,255	\$ 2,089,796	\$ 2,242,699	
-	-	-	-	-	-	-	
(4,447,949)	93,780	173,029	290,861	462,282	564,622	428,636	
\$ (2,221,267)	\$ 2,308,405	\$ 2,341,927	\$ 2,457,954	\$ 2,550,537	\$ 2,654,418	\$ 2,671,335	
\$ 76,993,248	\$ 73,539,759	\$ 71,816,242	\$ 75,409,558	\$ 78,613,645	\$ 86,957,666	\$ 85,925,037	
2,160,323	1,491,035	1,802,355	1,936,389	2,217,903	2,754,062	3,390,905	
212,459	212,430	212,430	208,552	-	-	-	
-	-	-	-	-	-	-	
343,637	-	1,966,913	5,116,780	359,933	977,859	660,764	
786,943	968,492	979,625	955,941	923,278	724,052	735,036	
70,995	154,168	150,016	148,630	154,804	138,403	140,803	
2,762,297	2,689,733	3,049,339	120,370	-	-	-	
1,839,278	2,320,739	3,149,287	3,830,301	3,475,520	4,972,038	6,646,225	
9,597,833	15,144,457	20,797,076	12,218,895	13,784,682	8,864,402	9,164,342	
\$ 94,767,013	\$ 96,520,813	\$ 103,923,283	\$ 99,945,416	\$ 99,529,765	\$ 105,388,482	\$ 106,663,112	

County of Scott, Iowa

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

	2009	2010	2011
Expenses:			
Governmental activities:			
Public safety and legal services	\$ 20,925,221	\$ 27,972,373	\$ 36,474,619
Public safety and legal services -SECC	-	-	-
Physical health and social services	6,180,832	6,238,358	5,695,818
Mental health	14,605,242	14,484,152	15,279,397
County environment and education	4,882,023	4,044,619	4,893,713
Roads and transportation	7,461,585	6,219,535	7,863,504
Governmental services to residents	2,821,526	2,167,664	2,117,384
Administration	10,135,767	8,294,027	11,500,872
Interest on long-term debt	1,393,678	1,457,291	1,674,554
Total governmental activities expenses	68,405,874	70,878,019	85,499,861
Business-Type activities, golf course	1,144,254	1,021,548	949,850
Total government expenses	\$ 69,550,128	\$ 71,899,567	\$ 86,449,711
Program revenues:			
Governmental activities			
Charges for services			
Public safety and legal services	\$ 1,182,577	\$ 992,171	\$ 1,457,575
Physical health and social services	358,704	355,941	376,158
Mental health	31,633	31,902	50,250
County environment and education	891,352	988,522	1,017,239
Roads and transportation	21,109	32,893	20,863
Governmental services to residents	2,307,783	2,343,094	2,469,734
Administration	228,445	271,056	267,955
Operating grants and contributions	12,233,452	11,912,913	12,882,216
Capital grants and contributions	1,184,458	6,674,252	2,567,522
Total governmental activities program revenues	18,439,513	23,602,744	21,109,512
Business-Type activities, golf course	949,445	912,712	900,741
Total government program revenues	\$ 19,388,958	\$ 24,515,456	\$ 22,010,253
Net (expense)/revenue:			
Governmental activities	\$ (49,966,361)	\$ (47,275,275)	\$ (64,390,349)
Business-Type activities	(194,809)	(108,836)	(49,109)
Total government net expense	\$ (50,161,170)	\$ (47,384,111)	\$ (64,439,458)

(Continued)

		Fiscal Year											
		2012	2013	2014	2015	2016	2017	2018					
\$	20,806,047	\$	21,551,072	\$	21,994,460	\$	21,575,674	\$	22,496,478	\$	23,652,149	\$	25,159,172
	6,785,573		7,650,488		7,755,245		8,263,625		8,990,086		8,253,613		8,457,924
	5,439,626		5,293,759		5,387,800		5,632,413		5,989,809		6,380,863		6,222,569
	17,508,289		8,256,862		7,075,477		6,009,778		8,609,386		3,943,078		4,245,808
	5,045,765		5,063,295		5,374,619		5,378,738		5,887,071		5,376,513		5,724,941
	9,171,403		8,296,547		8,862,285		8,252,046		8,545,470		8,361,816		9,634,295
	2,262,947		2,236,126		2,204,779		2,060,111		2,336,652		2,500,771		2,590,622
	10,131,539		10,869,732		10,071,070		10,483,274		10,702,812		11,154,664		11,828,111
	2,090,153		2,281,028		2,074,927		1,895,452		1,332,866		1,258,313		1,038,114
	79,241,342		71,498,909		70,800,662		69,551,111		74,890,630		70,881,780		74,901,556
	1,168,516		976,713		1,013,810		947,995		947,360		970,395		962,376
\$	80,409,858	\$	72,475,622	\$	71,814,472	\$	70,499,106	\$	75,837,990	\$	71,852,175	\$	75,863,932
\$	1,622,292	\$	1,413,724	\$	1,633,110	\$	1,860,399	\$	1,462,328	\$	1,276,141	\$	1,504,387
	399,182		392,116		398,670		404,322		420,561		417,911		419,873
	74,244		176,661		203,301		162,920		145,831		148,816		142,014
	1,145,202		1,131,480		1,466,769		1,537,819		1,598,171		1,374,814		1,579,497
	18,900		20,531		35,159		17,551		42,480		46,344		53,071
	2,588,909		2,893,332		2,576,380		2,616,710		2,750,040		2,867,386		2,915,865
	267,800		289,722		178,279		316,678		415,863		368,609		361,042
	12,358,943		7,988,482		10,336,825		9,490,079		4,687,936		5,877,692		4,681,612
	1,111,863		459,141		1,124,208		3,343,518		465,967		1,466,522		542,580
	19,587,335		14,765,189		17,952,701		19,749,996		11,989,177		13,844,235		12,199,941
	1,002,459		890,259		901,872		926,316		939,155		907,586		974,321
\$	20,589,794	\$	15,655,448	\$	18,854,573	\$	20,676,312	\$	12,928,332	\$	14,751,821	\$	13,174,262
\$	(59,654,007)	\$	(56,733,720)	\$	(52,847,961)	\$	(49,801,115)	\$	(62,901,453)	\$	(57,037,545)	\$	(62,701,615)
	(166,057)		(86,454)		(111,938)		(21,679)		(8,205)		(62,809)		11,945
\$	(59,820,064)	\$	(56,820,174)	\$	(52,959,899)	\$	(49,822,794)	\$	(62,909,658)	\$	(57,100,354)	\$	(62,689,670)

County of Scott, Iowa

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

	2009	2010	2011
General revenues and other changes in net position:			
Governmental activities:			
Taxes:			
Property taxes	\$ 34,113,141	\$ 36,228,794	\$ 43,052,682
Local option sales tax	3,602,230	3,637,825	3,863,574
Gaming	748,920	676,255	584,582
Other taxes	66,852	63,470	68,512
Utility tax replacements	1,348,776	1,395,383	1,539,020
Penalties, interest and costs on taxes	847,456	790,006	791,685
State tax replacement credits	5,183,554	4,826,563	4,930,224
Payments in lieu of taxes	9,046	6,828	6,782
State shared revenues	2,743,735	3,101,887	2,775,120
Investment earnings	674,859	188,207	228,038
Miscellaneous	702,537	868,990	1,102,391
Total General Revenues	50,041,106	51,784,208	58,942,610
Transfers (out)	-	-	(176,990)
Total governmental activities	50,041,106	51,784,208	58,765,620
Business-Type activities:			
Investment earnings	1,276	6	-
Transfers	-	-	176,990
Total Business-Type Activities	1,276	6	176,990
Total primary government	\$ 50,042,382	\$ 51,784,214	\$ 58,942,610
Change in net position:			
Governmental activities	\$ 74,745	\$ 4,508,933	\$ (5,624,729)
Business-Type activities	(193,533)	(108,830)	127,881
Total primary government	\$ (118,788)	\$ 4,400,103	\$ (5,496,848)

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						
2012	2013	2014	2015	2016	2017	2018
\$ 44,980,224	\$ 46,156,117	\$ 46,924,802	\$ 46,038,682	\$ 45,202,178	\$ 45,413,623	\$ 46,927,152
4,052,754	4,049,552	4,285,414	4,413,667	4,390,854	4,685,617	4,504,711
596,840	579,504	527,014	528,381	569,059	693,456	678,633
68,374	70,286	4,658,521	71,501	68,619	67,761	67,391
1,625,295	1,598,817	1,558,330	1,891,293	1,887,781	1,793,615	1,764,932
789,143	816,474	930,986	715,763	725,336	611,959	577,759
4,898,515	1,205,628	1,450,873	2,598,044	3,848,505	3,825,047	3,840,813
6,682	6,521	7,306	3,438,603	4,085,495	4,267,366	4,110,946
3,146,564	3,156,344	3,200,405	7,058	7,980	7,273	7,784
162,822	125,127	147,401	150,728	122,472	167,158	742,625
1,380,103	1,274,786	1,263,537	1,860,536	1,584,940	1,424,218	1,443,060
61,707,316	59,039,156	64,954,589	61,714,256	62,493,219	62,957,093	64,665,806
(212,891)	(4,616,126)	(145,460)	(223,361)	(100,000)	(164,712)	-
61,494,425	54,423,030	64,809,129	61,490,895	62,393,219	62,792,381	64,665,806
-	-	-	363	788	1,978	8,203
212,891	4,616,126	145,460	223,361	100,000	164,712	-
212,891	4,616,126	145,460	223,724	100,788	166,690	8,203
\$ 61,707,316	\$ 59,039,156	\$ 64,954,589	\$ 61,714,619	\$ 62,494,007	\$ 62,959,071	\$ 64,674,009
\$ 1,840,418	\$ (2,310,690)	\$ 11,961,168	\$ 11,689,780	\$ (508,234)	\$ 5,754,836	\$ 1,964,191
46,834	4,529,672	33,522	202,045	92,583	103,881	20,148
\$ 1,887,252	\$ 2,218,982	\$ 11,994,690	\$ 11,891,825	\$ (415,651)	\$ 5,858,717	\$ 1,984,339

County of Scott, Iowa

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

	2009	2010	2011 *	2012
General Fund:				
Reserved:				
Notes receivable	\$ 116,175	\$ 113,358	\$ -	\$ -
Advances	3,207,314	3,397,314	-	-
County conservation sewage treatment	222,551	213,843	-	-
Other statutory programs	-	663,173	-	-
Unreserved, designated claim liabilities	589,331	522,407	-	-
Unreserved, undesignated	5,956,480	7,613,701	-	-
Nonspendable:				
Notes receivable	-	-	113,358	81,428
Advances	-	-	3,720,324	4,041,594
Prepays	-	-	109,106	109,906
Restricted:				
County conservation sewage treatment	-	-	210,592	212,459
Other statutory programs	-	-	783,546	786,943
Assigned:				
Capital projects	-	-	-	1,500,000
Health claim liabilities	-	-	-	340,000
Strategic plan elements	-	-	-	-
Future budgetary reductions	-	-	-	560,257
Claim liabilities	-	-	694,052	398,656
Unassigned	-	-	9,247,282	9,477,799
Total general fund	\$ 10,091,851	\$ 12,523,796	\$ 14,878,260	\$ 17,509,042
All other governmental funds:				
Reserved for:				
Debt service	\$ 3,229,346	\$ 2,908,690	\$ -	\$ -
Unreserved, undesignated reported in:				
Special revenue funds:				
Mental health/development disabilities	1,713,646	1,499,167	-	-
Secondary Roads	273,409	370,604	-	-
Rural services	117,451	137,271	-	-
Recorders management fees	139,496	90,270	-	-
Capital projects funds, capital projects	4,053,819	8,310,749	-	-
Nonspendable:				
Prepays	-	-	-	-
Restricted:				
Debt service	-	-	2,558,322	2,053,084
Secondary Roads	-	-	885,011	1,839,278
Rural services	-	-	57,929	70,995
Mental health/development disabilities	-	-	-	-
Other statutory programs	-	-	-	343,637
Records management fee	-	-	72,687	48,418
Capital projects	-	-	1,712,860	1,252,027
Scott Emergency Communications Center	-	-	-	2,762,297
Assigned:				
Mental health/development disabilities	-	-	1,221,960	-
Other capital projects	-	-	1,473,162	2,578,797
Unassigned (Deficit)	-	-	-	(75,318)
Total all other governmental funds	\$ 9,527,167	\$ 13,316,751	\$ 7,981,931	\$ 10,873,215

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.

2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
58,777	58,777	58,777	-	-	-
-	-	-	-	-	-
131,406	131,406	140,244	553,834	93,657	187,308
212,430	207,617	208,552	-	-	-
926,297	945,547	902,614	849,023	637,475	771,661
3,150,000	3,850,000	2,350,000	2,500,000	1,070,198	1,184,554
150,000	150,000	270,000	500,000	515,000	465,000
-	-	-	-	1,000,000	349,500
-	-	-	-	-	-
383,941	330,680	407,715	308,160	273,059	254,474
10,041,990	9,832,639	10,098,835	10,212,287	10,474,822	10,821,990
\$ 15,054,841	\$ 15,506,666	\$ 14,436,737	\$ 14,923,304	\$ 14,064,211	\$ 14,034,487

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	18,979	15,719	-	-
19,541,476	19,518,523	1,980,550	10,587,713	10,776,725	11,056,132
2,320,739	3,149,287	3,830,301	3,475,520	4,972,038	6,646,225
154,168	150,016	148,630	154,804	138,403	140,803
-	1,966,913	5,116,780	359,933	977,859	660,764
-	-	-	-	-	-
42,194	53,327	63,714	74,255	86,578	97,562
-	-	-	-	-	-
2,689,733	3,085,355	2,393,687	1,758,132	1,538,408	1,861,517
-	-	-	-	-	-
5,494,375	9,019,502	12,476,234	11,445,896	7,938,049	9,115,097
(388,176)	-	-	-	-	-
\$ 29,854,509	\$ 36,942,923	\$ 26,028,875	\$ 27,871,972	\$ 26,428,060	\$ 29,578,100

County of Scott, Iowa

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

	2009	2010	2011	2012*
Revenues:				
Property taxes	\$ 34,082,776	\$ 36,232,900	\$ 43,098,556	\$ 44,978,360
Local option sales tax	3,691,392	3,637,825	3,863,574	4,052,754
Other taxes	2,164,548	2,135,108	2,192,115	2,290,508
Interest and penalty on taxes	847,456	790,006	791,685	789,143
Intergovernmental	20,369,088	19,848,192	20,595,340	20,410,705
Charges for services	4,516,303	4,490,155	4,993,149	5,463,130
Investment earnings	674,859	186,708	221,853	155,838
Licenses and permits	505,300	525,427	666,627	653,399
Rentals and fees	165,676	186,492	188,240	222,959
Other	536,861	642,792	598,716	937,286
Total revenues	67,554,259	68,675,605	77,209,855	79,954,082
Expenditures:				
Public safety and legal services	19,768,037	19,942,386	26,494,923	25,163,609
Physical health and social services	6,075,938	6,595,222	6,511,764	5,395,364
Mental health	14,560,838	14,492,698	15,221,435	17,466,386
County environment and education	4,378,787	4,197,866	4,338,106	4,450,578
Roads and transportation	4,680,676	4,604,129	4,540,049	5,111,168
Governmental services to residents	2,134,299	2,052,707	2,022,332	2,210,614
Administration	8,711,784	8,342,657	9,094,998	9,203,859
Capital outlay	4,369,892	9,072,467	7,748,371	2,916,473
Debt service:				
Principal	2,065,000	2,140,000	2,680,000	3,145,000
Interest and fees	1,398,136	1,562,013	1,675,660	2,050,550
Total expenditures	68,143,387	73,002,145	80,327,638	77,113,601
Excess of revenues over (under) expenditures	(589,128)	(4,326,540)	(3,117,783)	2,840,481
Other financing sources (uses):				
Transfers in	8,616,899	8,007,463	8,433,584	11,825,251
Transfers out	(8,616,899)	(8,007,463)	(8,610,574)	(12,038,142)
Proceeds from sale of capital assets	27,450	39,705	157,209	339,441
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)	27,450	10,548,069	(19,781)	126,550
Net Change in fund balances	(561,678)	6,221,529	(3,137,564)	2,967,031
Fund balances, beginning of year	20,180,696	19,619,018	25,840,547	25,415,226
Fund balances, end of year	\$ 19,619,018	\$ 25,840,547	\$ 22,702,983	\$ 28,382,257
Debt service as a percentage of noncapital expenditures				
	5.39%	5.54%	5.71%	6.97%

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

Source: County records.

Fiscal Year						
2013*	2014	2015	2016	2017	2018	
\$ 46,158,852	\$ 46,920,952	\$ 46,024,012	\$ 45,210,754	\$ 45,414,065	\$ 46,909,476	
4,098,552	4,268,291	4,403,167	4,390,604	4,786,393	4,404,685	
2,248,606	2,151,644	2,491,175	2,525,458	2,554,833	2,510,955	
816,474	930,986	715,763	725,336	611,959	577,759	
12,290,563	15,163,356	15,654,761	12,904,819	13,975,531	13,067,282	
5,562,494	5,710,597	6,164,147	5,994,739	5,770,914	6,255,443	
120,569	143,039	146,338	118,916	160,690	715,796	
772,296	781,072	752,254	833,144	729,106	720,306	
176,562	80,591	85,462	89,743	93,799	142,622	
1,011,563	1,102,063	1,690,480	1,232,794	1,245,049	1,223,083	
73,256,531	77,252,591	78,127,559	74,026,307	75,342,339	76,527,407	
26,258,655	26,708,744	27,252,039	27,467,752	28,181,904	28,962,453	
5,256,671	5,381,859	5,461,001	5,922,900	6,247,529	5,969,023	
8,216,389	7,030,247	6,037,145	8,424,829	3,904,502	4,186,504	
4,510,564	4,388,314	4,467,281	4,750,264	4,622,713	4,871,037	
4,969,030	4,528,796	4,696,791	4,723,640	4,433,237	5,527,111	
2,178,373	2,202,471	2,141,186	2,334,861	2,429,984	2,471,843	
9,341,135	9,598,011	10,030,585	9,976,262	10,303,922	10,810,879	
4,464,108	4,017,248	6,646,807	11,746,853	12,236,254	6,083,141	
3,331,240	3,461,240	3,712,442	3,230,000	3,350,000	2,965,000	
2,088,389	2,180,845	2,060,981	1,329,164	1,355,957	1,112,259	
70,614,554	69,497,775	72,506,258	79,906,525	77,066,002	72,959,250	
2,641,977	7,754,816	5,621,301	(5,880,218)	(1,723,663)	3,568,157	
16,347,711	17,961,921	18,867,438	17,212,770	17,780,640	17,520,906	
(20,809,984)	(18,257,381)	(19,240,799)	(17,582,770)	(18,445,352)	(18,045,906)	
113,638	80,883	83,083	265,425	85,370	77,355	
17,675,000	-	-	8,215,000	-	-	
-	-	(17,315,000)	-	-	-	
-	-	-	-	-	-	
558,751	-	-	99,457	-	-	
-	-	-	-	-	-	
13,885,116	(214,577)	(17,605,278)	8,209,882	(579,342)	(447,645)	
16,527,093	7,540,239	(11,983,977)	2,329,664	(2,303,005)	3,120,512	
28,382,257	44,909,350	52,449,589	40,465,612	42,795,276	40,492,271	
\$ 44,909,350	\$ 52,449,589	\$ 40,465,612	\$ 42,795,276	\$ 40,492,271	\$ 43,612,783	
8.14%	8.47%	8.71%	6.56%	7.22%	6.04%	

County of Scott, Iowa

Program Revenues by Function/Program

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

Function / Program	2009	2010	2011
Governmental activities:			
Public safety and legal services	\$ 3,080,316	\$ 2,285,735	\$ 2,603,842
Public safety and legal services - SECC	-	-	-
Physical health and social services	2,222,418	2,984,594	2,449,219
Mental health	8,163,582	6,969,490	7,753,736
County environment and education	1,301,062	1,415,324	1,094,796
Roads and transportation	154,581	6,744,340	2,645,043
Governmental services and residents	3,063,718	2,704,150	2,656,916
Administration	453,836	499,111	1,502,699
Interest on long-term debt	-	-	403,261
Total governmental activities	18,439,513	23,602,744	21,109,512
Business-Type activities, Glynn's Creek Golf Course	949,445	912,712	900,741
Total government	\$ 19,388,958	\$ 24,515,456	\$ 22,010,253

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	2018
\$ 2,790,937	\$ 2,659,176	\$ 2,690,456	\$ 2,714,412	\$ 2,469,186	\$ 2,181,524	\$ 2,180,331
-	-	127	98,125	1,313	776	16,330
1,835,979	1,675,662	1,650,038	1,577,835	1,986,817	2,428,846	1,981,098
8,547,369	4,094,415	5,910,035	5,696,143	145,831	1,015,396	142,014
1,223,753	1,177,856	1,530,559	1,608,436	1,663,520	1,445,130	1,775,032
1,083,772	527,378	1,182,305	3,417,400	632,869	1,577,461	762,891
2,859,866	3,076,697	2,957,422	2,855,609	3,108,436	3,033,057	3,235,784
693,626	916,371	575,570	423,280	543,309	471,277	469,538
552,033	637,634	1,456,189	1,358,756	1,437,896	1,690,768	1,636,923
19,587,335	14,765,189	17,952,701	19,749,996	11,989,177	13,844,235	12,199,941
1,002,459	890,259	901,872	926,316	939,155	907,586	974,321
\$ 20,589,794	\$ 15,655,448	\$ 18,854,573	\$ 20,676,312	\$ 12,928,332	\$ 14,751,821	\$ 13,174,262

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
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
2018	46,909,476	4,404,685	2,510,955	577,759	13,067,282
Change 2009-2018	37.63%	19.32%	16.00%	-31.82%	-35.85%

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
\$ 4,516,303	\$ 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
6,255,443	715,796	720,306	142,622	1,223,083	76,527,407
38.51%	6.07%	42.55%	-13.92%	127.82%	13.28%

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
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
2018	7,852,430,879	13,094,122,976	374,014,313	612,028,444	8,226,445,192	13,706,151,420

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
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
60.0%	449,518,457	6.19

County of Scott, Iowa

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

Taxpayer	2009		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Isle of Capri Bettendorf	\$ 85,002,320	1	1.41%
SDG Macerich Properties	63,972,785	2	1.06%
Aluminum Company of America	40,858,880	3	0.68%
Gulf Investments LLC	24,522,800	4	0.41%
Deere & Company, Inc.	22,600,000	5	0.38%
Davenport-Durler Family Trust	20,554,200	6	0.34%
LaFarge Corporation	20,291,260	7	0.34%
Northbrook Housing Partners	19,374,430	8	0.32%
National Amusement Inc	19,015,000	9	0.32%
THF Davenport North Development	17,364,800	10	0.29%
Total	\$ 316,191,675		5.26%

Taxpayer	2018		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
MidAmerican Energy	\$ 228,784,305	1	2.63%
Iowa American Water Company	62,467,148	2	0.72%
Rhythm City Casino LLC	61,757,127	3	0.71%
Isle of Capri, Bettendorf LC	58,812,552	4	0.68%
Macerich North Park Mall LLC	53,135,388	5	0.61%
Arconic Inc.	38,127,098	6	0.44%
John Deere Construction	28,918,473	7	0.33%
THF Davenport North Development	24,656,361	8	0.28%
Continental Cement Company LLC	21,838,156	9	0.25%
Putnam Landlord LLC	21,426,291	10	0.25%
Total	\$ 599,922,899		6.90%

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
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%
2018	296,707,046	296,406,357	99.90%	83,670	296,490,027	99.93%

Source: County records

County of Scott, Iowa

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

	2009	2010	2011	2012
County direct rates:				
Scott County Urban Rate	\$ 5.33791	\$ 5.47607	\$ 6.37607	\$ 6.37759
Scott County Rural Rate	8.35745	8.49561	9.39561	9.51525
City and town rates:				
Bettendorf	12.85000	12.85000	12.60000	12.60000
Blue Grass	11.07291	10.98600	11.18972	11.30132
Buffalo	8.09999	8.17628	8.17540	9.12078
Davenport	15.57584	15.58000	15.53000	15.53000
Dixon	8.10000	8.10000	8.10000	8.10000
Donahue	5.96370	5.96079	7.21883	7.22080
Durant	15.56203	14.95411	15.70846	15.70847
Eldridge	6.64880	6.64916	6.74852	6.75418
LeClaire	14.69998	16.08173	16.00434	15.07379
Long Grove	9.76863	11.15854	11.03125	10.90085
Maysville	5.16100	5.16094	5.16962	5.16951
McCausland	8.10000	8.10000	9.25982	9.21668
New Liberty	2.93849	2.92797	3.96650	3.12506
Panorama Park	5.64940	5.55117	5.56196	5.51713
Princeton	8.94763	9.58243	9.58242	9.58242
Riverdale	2.70103	2.70103	3.37602	7.00244
Walcott	10.00000	10.00000	9.99999	10.00000
School District Rates:				
Bennett Schools	11.01374	11.25066	11.23830	12.47240
Bettendorf Schools	14.84626	14.85367	15.00820	15.00244
Davenport Schools	17.08731	17.09334	17.11276	17.05061
Durant Schools	12.60365	13.34659	11.84246	13.62815
North Scott Schools	14.76476	14.51584	14.75964	14.75525
Pleasant Valley Schools	13.98720	13.99319	14.74116	14.73829
Area IX CC	0.60635	0.87714	0.92444	1.01724
Other:				
Scott County Assessor	0.28870	0.33733	0.28465	0.28110
Davenport City Assessor	0.27680	0.25789	0.23892	0.25171
Ag. Extension - BANGS	0.06892	0.06845	0.06946	0.06891

Source: County records - Auditor's Office.

Year Taxes are Payable					
2013	2014	2015	2016	2017	2018
\$ 6.30156	\$ 6.23534	\$ 6.13204	\$ 6.00377	\$ 5.82228	\$ 5.82167
9.43922	9.28021	9.17153	9.01072	8.78518	8.76857
12.55000	12.55000	12.55000	12.55000	12.55000	12.50000
11.57130	11.64547	11.65175	11.79368	11.85288	11.22612
9.12604	9.12332	9.03935	9.12879	9.12833	9.13413
16.78000	16.78000	16.78000	16.78000	16.78000	16.78000
8.10000	8.10000	8.09989	8.10000	8.37000	8.37000
7.22267	7.22420	7.22152	7.22036	7.22091	7.21575
17.07103	13.47399	15.06085	15.11071	15.14000	15.12765
6.75396	6.75436	6.75442	6.82817	6.74841	6.74820
14.69999	14.47264	14.47264	14.29804	14.29798	13.92602
10.74199	10.60442	10.52099	10.45768	10.29541	10.21368
5.16957	5.57674	5.99993	5.99988	5.99003	6.00002
9.22504	8.10000	8.10000	8.10000	8.10000	8.10000
7.88563	3.61168	3.61588	3.65483	3.71455	3.58165
5.47320	5.26743	5.26355	5.79870	5.80468	5.80424
10.26832	10.27159	10.27158	10.27158	10.25069	10.02797
10.55647	10.55525	12.21629	11.90048	11.99199	11.99735
9.99999	9.99999	10.12000	10.12002	10.12001	10.08258
12.05990	11.09204	12.09305	12.69625	13.85580	11.64665
15.00292	14.54629	14.01636	14.01633	13.84477	13.86592
17.04996	16.66333	15.83747	15.67601	15.37043	15.90267
12.39188	13.10599	13.21664	11.80029	11.45621	10.65976
14.50592	14.18910	14.19507	14.01459	13.85580	13.82050
14.64092	14.74093	14.49409	14.34409	14.14425	13.95589
0.91511	0.92043	0.92782	0.96863	1.00909	1.03000
0.28081	0.27996	0.27068	0.27052	0.23792	0.22975
0.31490	0.37452	0.37409	0.34691	0.31859	0.32839
0.06865	0.06890	0.07009	0.07135	0.07089	0.07057

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
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	-
2018	14,323	12,872	6,890	-

*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*
\$ 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	0.48%	236.56
71	-	37,190	N/A	215.58
37	-	34,122	N/A	197.80

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		
2009	\$ 7,765,000	\$	3,229,346	\$	0.05%	\$ 27.36
2010	17,190,000		2,908,690		0.13%	85.47
2011	15,660,000		2,558,322		0.11%	78.02
2012	14,080,000		2,053,084		0.10%	71.26
2013	12,491,845		1,644,097		0.09%	63.95
2014	10,797,620		1,909,227		0.07%	51.79
2015	9,348,254		1,974,416		0.06%	42.75
2016	16,454,038		10,581,576		0.05%	34.05
2017	15,176,372		10,770,553		0.03%	25.54
2018	14,322,809		11,056,328		0.02%	18.94

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

Accumulated resources restricted to repaying the principal of general obligation debt represents debt service fund balance of accumulated resources including note receivable for general obligation debt.

Source: County records.

County of Scott, Iowa

Direct and Overlapping Governmental Activities Debt
As of June 30, 2018
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct Debt:			
Scott County	\$ 34,085,612	100.00%	\$ <u>34,085,612</u>
Overlapping Debt:			
School Districts:			
Durant Community	455,000	25.18%	114,569
Eastern Iowa Community College	42,990,000	59.30%	25,493,070
Subtotal, School Districts			<u>25,607,639</u>
Cities:			
Bettendorf	118,700,000	100.00%	118,700,000
Blue Grass	1,886,588	95.20%	1,796,032
Buffalo	407,720	100.00%	407,720
Davenport	204,275,000	100.00%	204,275,000
Donahue	130,000	100.00%	130,000
Durant	3,330,000	3.66%	121,878
Eldridge	2,285,000	100.00%	2,285,000
LeClaire	8,085,384	100.00%	8,085,384
Long Grove	623,000	100.00%	623,000
New Liberty	245,587	100.00%	245,587
Princeton	510,000	100.00%	510,000
Riverdale	960,000	100.00%	960,000
Subtotal, Cities			<u>338,139,601</u>
Overlapping Debt:			<u>363,747,240</u>
Total direct and overlapping debt:			<u>\$ 397,832,852</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, 2018
(Unaudited)

	2009	2010	2011	2012
Debt limit	\$ 558,544,692	\$ 571,861,865	\$ 584,366,273	\$ 595,431,703
Total net debt applicable to limit	32,435,000	40,750,000	38,070,000	35,290,000
Legal debt margin	\$ 526,109,692	\$ 531,111,865	\$ 546,296,273	\$ 560,141,703
Total net debt applicable to the limit as a percentage of debt limit	5.81%	7.13%	6.51%	5.93%

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

Source: County records.

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed value, net of military exemption	<u>\$ 13,690,426,088</u>
Debt limit (5% of assessed value)	<u>\$ 684,521,304</u>
Debt applicable to limit:	
General obligation bonds	14,245,000
Revenue Bonds	<u>12,745,000</u>
Total net applicable to limit	<u>26,990,000</u>
Legal debt margin	<u>\$ 657,531,304</u>

	2013	2014	2015	2016	2017	2018
\$	610,756,097	\$ 616,290,777	\$ 631,566,151	\$ 638,067,587	\$ 670,621,287	\$ 684,521,304
	50,095,000	47,110,000	27,005,000	32,410,000	29,500,000	26,990,000
\$	<u>560,661,097</u>	\$ <u>569,180,777</u>	\$ <u>604,561,151</u>	\$ <u>605,657,587</u>	\$ <u>641,121,287</u>	\$ <u>657,531,304</u>
	8.20%	7.64%	4.28%	5.08%	4.40%	3.94%

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
2009	163,582	\$ 6,942,723	\$ 42,442	850	26,843	6.9
2010	165,759	7,332,919	44,233	N/A	26,755	7.1
2011	167,095	7,861,586	47,026	N/A	26,979	6.8
2012	167,924	8,137,008	48,205	759	27,180	6.3
2013	168,771	8,023,456	47,090	N/A	27,195	5.9
2014	169,630	8,164,378	47,637	N/A	27,230	6.0
2015	171,616	8,424,293	48,943	N/A	27,238	4.9
2016	172,045	8,455,137	49,023	N/A	27,468	4.5
2017	172,509	N/A	N/A	N/A	27,432	3.7
2018	172,509	N/A	N/A	N/A	27,291	4.0

Sources:

¹ **US Census Bureau**

Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2017

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**

<https://www.iowaworkforcedevelopment.gov/labor-market-information-division>

Date accessed: 10/1/2018

County of Scott, Iowa

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

Employer	2009		
	Employees	Rank	Percentage of Total County Employment
Genesis Health System	4,900	1	5.8%
Alcoa	2,030	2	2.4%
Oscar Mayer	1,650	3	1.9%
Isle of Capri	1,050	4	1.2%
MidAmerican Energy	1,025	5	1.2%
Eastern Iowa Community College District	1,005	6	1.2%
APAC Customer Service Inc.	900	7	1.1%
St. Ambrose University	636	8	0.7%
AT & T	610	9	0.7%
Sears Manufacturing	600	10	0.7%
Rhythm City Casino	600	10	0.7%

Employer	2018		
	Employees	Rank	Percentage of Total County Employment
Genesis Medical Ctr (all Scott Co Locations)	2,976	1	3.5%
Davenport Community School District	2,500	2	2.9%
Arconic	2,000	3	2.3%
John Deere Davenport Works	2,000	4	2.3%
HyVee (all Scott Co Locations)	1,975	5	2.3%
Kraft / Oscar Mayer Foods Corp	1,600	6	1.9%
Tri City Electric	1,200	7	1.4%
Rhythm City Casino	1,000	8	1.2%
City of Davenport	800	9	0.9%
Cobham Mission Equipment	800	10	0.9%

Sources:

2009 - Dunn and Bradstreet Marketplace 2nd Qtr 2009 and responses from individual organizations, compiled by Bi-State Regional Commission

2018 Financial Statements

Bi-State Regional Commission

Date accessed: 10/19/18

County of Scott, Iowa

Full-Time Equivalent County Government Employees by Function/Program

Last Ten Fiscal Years

(Unaudited)

Function / Program	2009	2010	2011	2012
Public safety and legal services:				
Attorney	30.00	31.00	31.00	31.00
Health	11.15	11.15	11.15	11.15
Juvenile Detention Center	14.20	14.20	14.20	14.20
Sheriff	166.35	167.35	167.35	154.35
Physical health and social services:				
Community Services	8.70	7.70	7.70	7.00
Health	31.85	31.85	31.85	32.10
Mental Health, Mental Retardation & Developmental Disabilities:				
Community Services	3.80	3.80	3.80	3.00
County Environment and Education				
Conservation	49.71	49.85	51.87	48.62
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	35.40
Governmental services to residents:				
Auditor	6.00	5.00	5.00	5.00
Recorder	11.50	11.50	11.50	11.00
Treasurer	12.20	12.20	12.20	12.40
Administration:				
Administration	3.50	3.50	3.50	3.50
Auditor	9.40	9.40	9.40	9.05
Facility & Support Services	29.04	30.04	31.04	30.55
Human Resources	4.50	4.50	4.50	4.50
Information Technology	12.00	12.00	15.00	15.40
Non-Departmental				
Supervisors, Board of	5.00	5.00	5.00	5.00
Treasurer	15.40	15.40	15.40	15.60
Total	482.88	484.02	490.04	472.25

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

Fiscal Year					
2013	2014	2015	2016	2017	2018
32.50	32.50	32.50	33.50	33.50	33.50
11.80	11.80	11.80	11.80	11.80	11.80
14.20	14.20	15.00	15.00	16.40	16.40
156.80	158.80	157.80	157.80	159.00	158.80
7.00	7.00	7.00	7.00	7.00	7.50
32.10	32.57	33.14	33.72	34.72	35.12
3.00	3.00	3.00	3.00	3.00	3.00
49.24	49.24	48.85	48.85	48.85	48.85
17.98	17.98	17.98	17.98	16.98	16.98
4.08	4.08	3.83	4.33	4.33	4.58
34.40	34.40	34.10	35.45	37.15	37.15
5.00	5.00	5.00	5.00	5.00	5.00
11.00	11.00	10.50	10.50	10.50	10.50
12.40	12.40	12.40	12.40	12.40	12.40
3.50	3.50	4.50	4.90	5.90	5.90
9.05	9.05	9.05	9.05	9.05	9.05
30.55	30.50	29.50	28.50	28.70	29.87
3.50	3.50	3.50	3.50	3.50	3.50
15.40	15.40	15.40	15.40	15.00	16.00
5.00	5.00	5.00	5.00	5.00	5.00
15.60	15.60	15.60	15.60	15.60	15.60
474.10	476.52	475.45	478.28	483.38	486.50

County of Scott, Iowa

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

<u>Function / Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Public Safety and Legal Services				
Attorney:				
# of felonies/aggravated field cases filed	4,752	4,782	4,664	4,256
# of new felony cases	N/A	1,005	998	1,040
Sheriff:				
# of civil papers received	14,002	13,491	11,284	10,674
# of jail bookings	9,011	8,245	8,283	N/A
Inmate instances of programming attendance	N/A	N/A	N/A	22,231
# of traffic citations written	2,802	2,678	4,028	N/A
# of traffic contacts	N/A	N/A	N/A	2,195
# of 9-1-1 calls	12,442	10,672	N/A	N/A
Physical Health and Social Services				
Community Services:				
# of applications for general assistance	8,105	8,907	7,294	1,428
# of applications approved for general assist	3,829	4,660	4,065	756
# of requests for veteran services	880	1,204	1,134	1,160
# of invol commit filed for substance abuse	210	214	246	N/A
Health Department:				
# of health related inmate contacts within jail	10,617	10,817	12,618	13,888
# of comm disease requiring investigation	360	338	442	276
# of environmental health inspections conducted	4,198	4,389	4,141	4,773
# of public health nuisance complaints received	N/A	N/A	N/A	167
Mental Health, HR & DD				
Community Services:				
# of invol commit filed for mental health	361	312	450	405
# of persons with MH/CMI served	1,537	1,505	1,516	N/A
# of juvenile MH commitments	N/A	N/A	N/A	91
# of persons with MR/DD served	384	380	409	N/A
# of adult MH commitments	N/A	N/A	N/A	246
# of protective payee cases	367	339	384	313
County Environment and Education				
Conservation:				
# of camp sites available	788	788	788	N/A
# of acres managed	N/A	N/A	N/A	2,509
# of rounds of golf course	28,549	29,258	28,553	30,476
Planning & Development:				
# of building permits issued	643	583	728	735

(Continued)

Source: County records - Year-end Indicator Report

Fiscal Year					
2013	2014	2015	2016	2017	2018
4,140	4,317	3,850	4,077	4,004	4,258
1,044	1,164	1,053	1,112	991	1,119
11,755	12,591	11,668	11,441	11,232	11,319
N/A	N/A	N/A	N/A	N/A	N/A
26,686	29,188	28,033	29,812	26,028	24,953
N/A	N/A	N/A	N/A	N/A	N/A
2,481	2,965	1,851	1,472	3,492	3,922
N/A	N/A	N/A	N/A	N/A	N/A
1,076	1,155	920	929	806	792
479	606	453	416	292	409
1,164	1,399	1,459	1,614	1,212	1,143
N/A	210	224	182	149	176
12,466	16,426	29,046	31,005	35,538	29,966
317	300	388	335	258	293
4,409	4,277	4,153	4,182	3,649	4,129
174	240	222	84	42	42
340	434	423	341	342	336
N/A	N/A	N/A	N/A	N/A	N/A
88	104	64	78	56	41
N/A	N/A	N/A	N/A	N/A	N/A
340	311	345	243	255	269
304	358	394	398	408	420
N/A	N/A	N/A	N/A	N/A	N/A
2,509	2,509	2,509	2,509	2,509	2,509
26,175	26,480	26,814	27,858	26,456	26,350
933	865	849	877	910	799

County of Scott, Iowa

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

Function / Program	2009	2010	2011	2012
Roads and Transportation:				
Secondary Roads:				
# of miles of road paved	183	183	183	219
# of bridges/culverts repaired/replaced	79	94	89	89
# of bridges/culverts maintained	N/A	N/A	N/A	N/A
# of bridges/culverts/driveway culverts maint.	N/A	N/A	N/A	N/A
Governmental Services to Residents				
Auditor:				
# of elections	5	26	3	4
# of registered voters	118,641	120,962	123,115	124,263
Recorder:				
# of real estate transactions recorded	40,010	37,856	38,493	31,385
# of vital statistics registered/issued	20,196	20,450	20,776	20,313
# of passport applications accepted	1,134	1,280	1,151	1,142
# of conservation licenses - ATV/Snow boat reg, titles and liens and privileges issued	4,291	14,612	5,852	6,611
Treasurer:				
# of title and security interest trans processed	66,597	67,777	71,883	69,904
Administration				
Auditor:				
# of real estate transactions processed	6,689	7,303	6,663	N/A
# invoices processed	N/A	N/A	N/A	25,035
Facility & Support Service:				
# of service calls	4,579	3,045	2,197	N/A
# hours spent in safety training				83
# of purchase requisitions received	1,011	N/A	N/A	N/A
# of pieces of outgoing mail	534,148	479,814	446,405	N/A
# of square feet of hard surface floors maintained	N/A	N/A	N/A	728,940
# of files imaged	899,403	792,379	698,680	N/A
# of hours spend on imaging	N/A	N/A	N/A	2,744
Information Technology:				
# of network users	899	929	1,094	724
# of network connections supported	N/A	N/A	N/A	2,680
# of 3rd party applications maintained	55	61	67	95
# of users supported	N/A	N/A	N/A	724
Treasurer:				
# of prop tax/spec assessment statutes issued	181,657	191,493	198,053	195,415
# of tax certifications issued	2,592	2,151	1,691	2,144

Fiscal Year					
2013	2014	2015	2016	2017	2018
221	223	223	223	221	226
120	N/A	N/A	36	29	41
N/A	2,123	2,123	2,123	2,123	NA
N/A	N/A	N/A	N/A	N/A	4,969
3	4	1	4	1	3
124,356	126,182	121,231	124,844	123,849	125,578
34,697	26,954	34,188	35,161	27,630	34,681
22,863	21,509	13,976	13,313	12,086	12,919
1,177	1,300	2,041	1,124	1,588	1,479
12,494	8,221	4,562	12,109	5,276	4,548
69,097	65,465	70,031	80,842	83,091	91,217
N/A	N/A	N/A	N/A	N/A	N/A
22,453	20,148	23,066	23,982	24,902	24,644
N/A	N/A	N/A	N/A	N/A	N/A
24	24	24	74	330	122
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
559,100	107,473	568,367	527,450	560,208	560,208
N/A	N/A	N/A	N/A	N/A	N/A
2,489	2,830	2,023	2,059	1,603	2,912
915	938	938	910	897	971
2,776	2,776	2,776	3,144	3,210	3,370
99	101	96	98	100	N/A
915	938	838	910	897	971
197,579	195,586	191,036	188,783	189,687	198,118
1,728	1,659	2,396	1,037	989	1,015

County of Scott, Iowa

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

<u>Function / Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Public safety and legal services:			
Sheriff:			
# of patrol cars	42	45	46
# 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	2,509	2,509	2,509
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	6
# of buildings maintained	12	12	11
Non-Departmental (Risk Management)			
# of vehicles	1	1	1

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

Fiscal Year						
2012	2013	2014	2015	2016	2017	2018
44	53	48	52	28	26	27
N/A	N/A	N/A	11	35	32	33
13	13	13	14	13	13	13
N/A	N/A	N/A	N/A	1	1	1
2,509	2,509	2,509	2,509	2,509	2,509	2,509
2	2	2	2	2	2	2
60	60	60	60	65	59	59
10	10	10	11	11	11	11
6	7	7	7	8	12	14
11	11	11	12	12	11	11
1	1	1	1	0	0	0

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COMPLIANCE

County of Scott, Iowa

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

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	\$ 33,993	\$ -
<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	780	-
Summer Food Health Inspection	10.559	33518	700	-
Association of Food and Drug Officials	10.559	G-T-1709-05405	3,000	-
Total 10.559			<u>4,480</u>	<u>-</u>
Total Child Nutrition Cluster			<u>38,473</u>	<u>-</u>
<i>(Passed through Iowa Department of Health)</i>				
WIC-Farmer's Market	10.576	5887AO54	1,351	1,351
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	5887AO54	212,808	211,996
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	5887AO96	7,371	7,371
Total 10.557			<u>220,179</u>	<u>219,367</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	70,262	-
Total U.S. Department of Agriculture			<u>330,265</u>	<u>220,718</u>
U.S. Department of Justice				
<i>(Direct Program)</i>				
Bullet Proof Vest Program	16.607	OMB#1121-0235	3	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-DJ-BX-0996	84,249	34,193
<i>(Passed through the Governor's Office of Drug Control Policy)</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15-JAG-200099	54,927	26,503
Total 16.738			<u>139,176</u>	<u>60,696</u>
State Criminal Alien Assistance Program				
<i>(Passed through Governor's Alliance on Substance Abuse)</i>				
State Criminal Alien Assistance Program	16.606	2013-SP-BX-0333	410	-
State Criminal Alien Assistance Program	16.606	2014-AP-BX-0714	2,838	-
Total 16.606			<u>3,248</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-18-10-CJ	59,848	59,848
Total U.S. Department of Justice			<u>202,276</u>	<u>120,544</u>

(Continued)

County of Scott, Iowa

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2018

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				
National Highway Traffic Safety Administration				
Highway Planning and Construction Cluster				
<i>(Passed through Iowa Department of Transportation)</i>				
Highway Planning and Construction	20.205	82-C-082-055	\$ 395,549	\$ -
Highway Safety Cluster				
<i>(Passed through Iowa Department of Public Safety-Governor's Traffic Safety Division)</i>				
State and Community Highway Safety	20.600	PAP 18-402-MOOP, Task 09-00-00	40,097	-
Total U.S. Department of Transportation			<u>435,646</u>	<u>-</u>
U.S. Department of Health and Human Services				
<i>(Passed through the Iowa Department of Health)</i>				
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative	93.074	5885BT03	61,134	-
Well-Integrated Screening and Evaluation for Women Across the Nation	93.094	5887NB21WW	176	176
Well-Integrated Screening and Evaluation for Women Across the Nation	93.094	5888NB21WW	21,735	21,735
Total 93.094			<u>21,911</u>	<u>21,911</u>
Grants to States to Support Oral Health Workforce Activities	93.283	SERV5888DH08	630	-
Immunization Cooperative Agreements				
Immunization Billing Implementation	93.539	5886I468	20,705	-
Integrated HIV&Viral Help CTR	93.917	5887AP29	101,324	-
Integrated HIV&Viral Help CTR	93.940	5887AP29	10,000	-
Integrated HIV&Viral Help CTR	93.940	5886AP29	73,768	-
Total 93.940			<u>83,768</u>	<u>-</u>
Maternal and Child Health Services Block Grant to the States				
I-Smile Silver	93.236	5887DH33	5,166	5,166
I-Smile Silver	93.236	5888DH33	13,025	9,319
Total 93.236			<u>18,191</u>	<u>14,485</u>
Hawk-i	93.767	5887MH17	2,343	-
Hawk-i	93.767	5888MH17	19,652	-
Total 93.767			<u>21,995</u>	<u>-</u>
EPSDT	93.994	5887MH17	1,148	-
EPSDT	93.994	5888MH17	46,499	-
Maternal Health	93.994	5887MH17	7,959	344
Maternal Health	93.994	5888MH17	16,878	1,884
CA & DH FFS	93.994	5887MH17	19,566	-
Dental Health Grant	93.994	5887MH17	3,041	-
Total 93.994			<u>95,091</u>	<u>2,228</u>
The Affordable Care Act: Centers for Disease Control and Prevention Investigations and Technical Assistance and Technical Assistance				
Mosquito Surveillance Project	93.323	MOU-2019-ELC	1,200	-
Mosquito Surveillance Project	93.521	MOU-2018-ELC09	3,600	-
Centers for Disease Control and Prevention Investigations and Technical Assistance / Care for Yourself	93.898	5888NB21	15,022	15,022

(Continued)

County of Scott, Iowa

**Schedule of Expenditures of Federal Awards (Concluded)
For the Year Ended June 30, 2018**

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	\$ 95	\$ -
Refugee and Entrant Assistance / Child Care Development Fund	93.596	N/A	18,844	-
ARRA - Foster Care Title IV-E	93.658	N/A	24,940	-
ARRA - Adoption Assistance	93.659	N/A	7,829	-
Social Service Block Grant - Indirect	93.667	N/A	20,377	-
Children's Health Insurance Program - Expansion Title XXI	93.767	N/A	492	-
Medicaid Cluster				
<i>(Passed through the Iowa Department of Health)</i>				
Medical Assistance Program				
CA FFS & MH FFS	93.778	5888MH17	43,234	-
I-Smile	93.778	5887MH17	16,429	-
I-Smile	93.778	5888MH17	15,990	-
Maternal and Child Health Services Block Grant to the States				
MH FFS	93.778	5887MH17	118	-
MH FFS	93.778	5888MH17	139	-
<i>(Passed through Iowa Department of Human Services)</i>				
Medical Assistance (Title XIX)	93.778	N/A	112,477	-
Total Medicaid Cluster			<u>188,386</u>	<u>-</u>
Total U.S. Dept of Health and Human Services			<u>705,532</u>	<u>53,646</u>
Total expenditures of federal awards			<u>\$ 1,673,719</u>	<u>\$ 394,909</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, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the County of Scott, Iowa, it is not intended to and does not present the financial position, changes in net position or cash flows of the County of Scott, Iowa.

Note 2. Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual or modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. 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.

County of Scott, Iowa

**Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2018**

There were no findings relative to federal awards reported in the County of Scott's single audit report for the year ended June 30, 2017.

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, 2018, 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 11, 2018.

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, 2018, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County of Scott. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Purpose of this Report

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

Baker Tilly Virchow Krause, LLP

Milwaukee, Wisconsin
December 11, 2018

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
County of Scott, Iowa
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, 2018. 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, 2018.

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.



Milwaukee, Wisconsin
December 11, 2018

County of Scott, Iowa

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

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)
20.205

Name of Federal Program or Cluster
Highway Planning and Construction

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

County of Scott, Iowa

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2018

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

There were no findings in 2018.

Section III: Federal Awards Findings and Questioned Costs

There were no findings in 2018.

(Continued)

County of Scott, Iowa

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2018**

Section IV: Other Findings Related to Required Statutory Reporting

2018-IV-A Certified Budget

Disbursements during the year ended June 30, 2018 did not exceed the amounts budgeted.

2018-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.

2018-IV-C Travel Expense

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

2018-IV-D Business Transactions

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

2018-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.

2018-IV-F Board Minutes

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

2018-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.

2018-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).

2018-IV-I Capital Lease Purchase Agreements

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

2018-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, 2018 for the County Extension Office did not exceed the amount budgeted.

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