

# **COUNTY OF SCOTT, IOWA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**As of and for the Year Ended June 30, 2019**

---

Prepared by

Wesley Rostenbach  
Accounting and Tax Manager  
Office of County Auditor

Megan Petersen, CPA  
Financial Management Supervisor  
Office of County Treasurer

David Farmer, CPA, MPA  
Director of Budget and  
Administrative Services  
Office of County Administrator

This page intentionally left blank

# INTRODUCTORY

# County of Scott, Iowa

## Table of Contents

---

<b>Introductory Section</b>	
Table of contents	i - ii
County officials	iii
Organizational chart	iv
Certificate of Achievement for Excellence in Financial Reporting	v
Transmittal letter	vi - x

---

<b>Financial Section</b>	
Independent auditors' report	1 – 3
Management's discussion and analysis (required supplementary information)	4 – 15
Basic financial statements:	
Government-wide financial statements:	
Statement of net position	16 – 17
Statement of activities	18 – 19
Fund financial statements:	
Balance sheet – governmental funds	20 – 21
Reconciliation of total governmental fund balances to net position of governmental activities	22
Statement of revenues, expenditures and changes in fund balances – governmental funds	23 – 24
Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities	25
Statement of net position – proprietary funds	26
Statement of revenues, expenses and changes in net position – proprietary funds	27
Statement of cash flows – proprietary funds	28
Statement of assets and liabilities – agency funds	29
Statement of net position – discretely presented component units	30
Statement of activities – discretely presented component units	31
Notes to basic financial statements	32 – 72
Required supplementary information:	
Budgetary comparison schedule – All Governmental Funds – Primary Government	73
Budgetary comparison schedule – Scott Emergency Communication Center	74 – 75
Budgetary comparison schedule – All Governmental Funds to Primary Government Budgeted Funds	76
Schedule of County's Proportionate Share of Net Pension Liability	77
Schedule of County Contributions	78 – 79
Schedule of the County's Total OPEB Liability, Related Ratios and Notes	80
Notes to required supplementary information	81 – 82
Supplementary information:	
Nonmajor governmental funds:	
Combining balance sheet	83
Combining statement of revenues, expenditures and changes in fund balances	84
Combining statement of net position – internal service funds	85
Combining statement of revenues, expenses, and changes in net position – internal service funds	86
Combining statement of cash flows – internal service funds	87

# County of Scott, Iowa

## Table of Contents

---

<b>Financial Section (continued)</b>	
Combining statement of changes in assets and liabilities – all agency funds	88 – 92
Combining balance sheet and reconciliation to statement of net position – discretely presented component units	93
Combining statement of revenues, expenditures and changes in fund balances and reconciliation to statement of activities – discretely presented component units	94 – 95

---

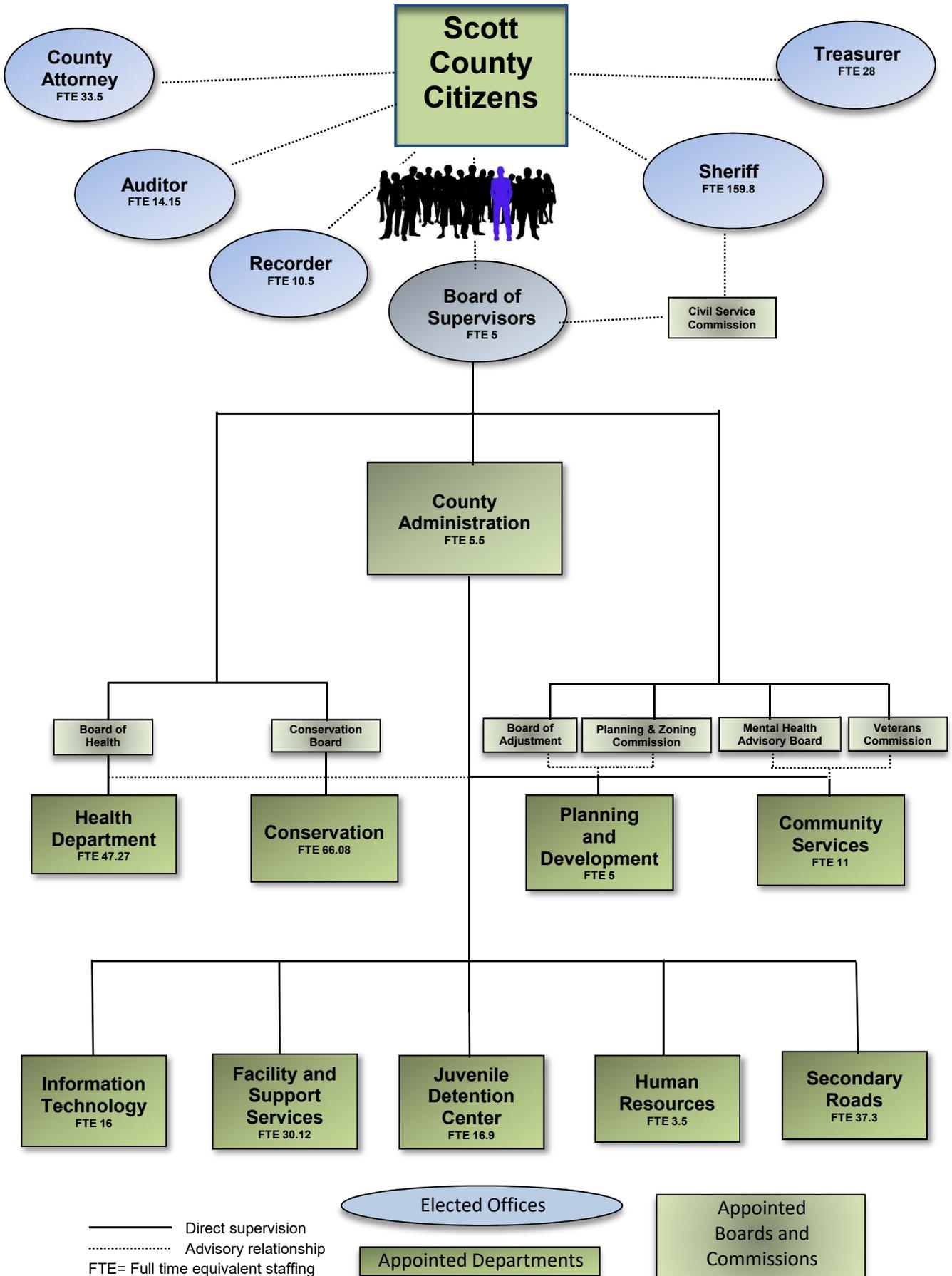
<b>Statistical Section</b>	
Statistical section contents	96
Net position by component	97 – 98
Changes in net position	99 – 102
Fund balances, governmental funds	103 – 104
Changes in fund balances, governmental funds	105 – 106
Program revenues by function/program	107 – 108
Revenues by source, governmental funds	109 – 110
Assessed value and actual value of taxable property	111 – 112
Principal property taxpayers	113
Property tax levies and collections	114
Direct and overlapping property tax rates	115 – 116
Ratios of outstanding debt by type	117 – 118
Ratios of general bonded debt outstanding	119
Direct and overlapping governmental activities debt	120
Legal debt margin information	121 – 122
Demographic and economic statistics	123
Principals employers	124
Full-time equivalent county government employees by function/program	125 – 126
Operating indicators by function/program	127 – 130
Capital asset statistics by function/program	131 – 132

---

<b>Compliance Section</b>	
Schedule of expenditures of federal awards (supplementary information)	133 – 135
Notes to schedule of expenditures of federal awards	136
Summary schedule of prior audit findings	137
Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	138 – 139
Report on compliance for each major program; and report on internal control over compliance required by the Uniform Guidance	140 – 141
Schedule of findings and questioned costs	142 – 144



# 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, 2018**

*Christopher P. Morill*

Executive Director/CEO



## OFFICE OF THE COUNTY ADMINISTRATOR

600 West Fourth Street  
Davenport, Iowa 52801-1003

---

Ph: (563) 326-8702 Fax: (563) 328-3285

[www.scottcountyiowa.com](http://www.scottcountyiowa.com)

E-Mail: [admin@scottcountyiowa.com](mailto:admin@scottcountyiowa.com)

December 10, 2019

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, 2019.

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, 2019. 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 15<sup>th</sup> prior to the beginning of the fiscal year. This annual budget serves as the foundation for Scott County's financial planning and control. The State of Iowa requires the passage of an annual budget of total County operating expenditures by major program service areas (i.e., public safety and legal services, physical health and social services, etc.). Activities of the general fund, special revenue funds, capital projects fund and debt service fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the total program service area level 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 2019 population estimate is 172,692.

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 86,900 in 2018 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 2019 the Scott County rate was 2.9%, while the MSA was 3.9% and the state rate was 2.5%. Decreasing unemployment is a consistent trend over the last nine 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 \$59,461.

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. New housing starts have dropped to 403 in 2018.

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 \$222,600 in June of 2019 which is up from \$201,700 in June of 2018. On the Illinois side of the river the average sales price was \$130,100 in June of 2019, the same as \$126,400 in June of 2018. The average home value in north Scott County (Eldridge and unincorporated Scott County) for 2019 was \$299,400. In the last five years home prices have risen 13.76% 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 2019 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 2019 ended with an increase in the unassigned general fund balance of approximately \$530,000. 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 increased reliance on 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 began the 2019 strategic plan after completing fiscal year 2019 and will focus on the same goals for fiscal years 2021-2022.

The County continues to implement initiatives of the capital master plan. The capital master plan is major projects including information technology infrastructure needs, adult and juvenile capacity planning and long term conservation capital projects. The County is midst of a lake restoration at West Lake Park with the help of state funding, capital maintenance projects including elevators and HVAC. New projects may develop after the completion of a continuity of government and continuing operations study to be completed in fiscal year 2020.

## ***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, 2018. This was the thirty-second 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, 2018. 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 third year for receiving the award.

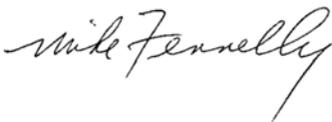
In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to a program standards of creativity, presentation, understandability and reader appeal.

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.

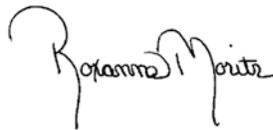
In addition, Scott County applied for the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2019. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial 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,



Mike Fennelly  
County Treasurer



Roxanna Moritz  
County Auditor



Mahesh Sharma  
County Administrator

This page intentionally left blank

**FINANCIAL**

This page intentionally left blank

## 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, 2019, 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, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Scott's basic financial statements. The supplementary information 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.

#### *Other Information*

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

To the Board of Supervisors  
County of Scott

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2019 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County of Scott's 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 10, 2019

## County of Scott, Iowa

### Management's Discussion and Analysis (Unaudited) As of and For the Year Ended June 30, 2019

---

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, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

#### Financial Highlights

The assets and deferred outflows of resources of the County of Scott exceeded its liabilities and deferred inflows of resources as of June 30, 2019 and 2018 by \$112,490,462 and \$106,663,112 (net position), respectively. Of this amount, \$8,576,423 and \$9,164,342, respectively, may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net position increased by \$5,827,350 during the year ended June 30, 2019 and increased by \$1,984,339 during the year ended June 30, 2018.

As of June 30, 2019, the County of Scott's governmental funds reported combined ending fund balances of \$42,825,624, a decrease of \$787,159 in comparison with 2018. Approximately 27 percent of this total amount, \$11,354,228 is available for spending at the government's discretion (unassigned). The decrease between 2019 and 2018 is due to unexpected costs related to jail and juvenile detainment costs, mental health services exceeding current revenues, and investment in long term capital projects including radio tower infrastructure, building improvements and West Lake Park lake restoration. 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, 2019, unassigned fund balance for the General Fund was \$11,354,228 or 20.0 percent of total General Fund expenditures including transfers to blended component units and \$10,821,990 or 20.0 percent of total General Fund expenditures including transfers to blended component units for 2018.

The County's total long-term debt, excluding compensated absences, net pension liability, other postemployment benefits and claims payable, decreased by \$3,080,000 during fiscal year June 30, 2019 and decreased by \$2,965,000 during fiscal year June 30, 2018. The decrease in balance from 2018 to 2019 was attributable to payment of scheduled debt service. The decrease in balance from 2017 to 2018 was attributable to payment of scheduled debt service. Subsequent to year end the County issued \$12,680,000 in general obligation and refunding bonds.

#### Overview of the Financial Statements

This Discussion and Analysis is intended to serve as an introduction to the County of Scott's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

## County of Scott, Iowa

### Management's Discussion and Analysis (Unaudited) As of and For the Year Ended June 30, 2019

---

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.

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

## County of Scott, Iowa

### Management's Discussion and Analysis (Unaudited) As of and For the Year Ended June 30, 2019

---

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 \$285,467,162 and \$286,373,274 for the years ended June 30, 2019 and 2018, 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 73 through 82 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, 2019

#### 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 \$106,663,112 to \$112,490,462. This is due to the net effect of the increase in net position for the 2019 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 \$91,480,044 for 2019 and \$85,925,037 for 2018. 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	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 102,618,243	\$ 97,495,444	\$ 502,631	\$ 614,909	\$ 103,120,874	\$ 98,110,353
Capital assets, net	113,585,521	110,473,111	2,229,785	2,279,412	115,815,306	112,752,523
Other noncurrent assets	7,190,000	7,540,000	-	-	7,190,000	7,540,000
<b>Total assets</b>	<b>223,393,764</b>	<b>215,508,555</b>	<b>2,732,416</b>	<b>2,894,321</b>	<b>226,126,180</b>	<b>218,402,876</b>
Deferred outflows of resources	<b>7,046,591</b>	<b>8,245,198</b>	<b>152,750</b>	<b>99,071</b>	<b>7,199,341</b>	<b>8,344,269</b>
Current liabilities	11,226,402	10,521,648	85,719	130,333	11,312,121	10,651,981
Noncurrent liabilities outstanding	48,869,084	54,422,216	209,492	185,989	49,078,576	54,608,205
<b>Total liabilities</b>	<b>60,095,486</b>	<b>64,943,864</b>	<b>295,211</b>	<b>316,322</b>	<b>60,390,697</b>	<b>65,260,186</b>
Deferred inflows of resources	<b>60,443,303</b>	<b>54,818,112</b>	<b>1,059</b>	<b>5,735</b>	<b>60,444,362</b>	<b>54,823,847</b>
Net position:						
Net investment in capital assets	89,250,258	83,682,338	2,229,786	2,242,699	91,480,044	85,925,037
Restricted	12,433,995	11,573,733	-	-	12,433,995	11,573,733
Unrestricted	8,217,313	8,735,706	359,110	428,636	8,576,423	9,164,342
<b>Total net position</b>	<b>\$ 109,901,566</b>	<b>\$ 103,991,777</b>	<b>\$ 2,588,896</b>	<b>\$ 2,671,335</b>	<b>\$ 112,490,462</b>	<b>\$ 106,663,112</b>

Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted through enabling legislation for 2019 and 2018 consist of \$3,993,594 and \$3,390,905 for debt service, \$433,125 and \$660,764 for mental health, \$7,062,383 and \$6,646,225 for secondary roads, \$801,945 and \$735,036 for other statutory programs, and \$142,948 and \$140,803 for rural services, respectively. The remaining balance of unrestricted net position, \$8,576,423 for 2019 and \$9,164,342 for 2018, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County of Scott, Iowa is able to report positive balances in all three categories of net position for governmental activities. The same situation held true for the prior fiscal year.

The County's total net position increase by \$5,827,350 during the current fiscal year as compared to an increase of \$1,984,339 in 2018. The governmental-type activities' net position increased by \$5,909,789 in 2019 and increased by \$1,964,191 in 2018. Operating grants decreased by \$700,000 due to decrease in Women, Infant Children (WIC) grants of \$221,000, election reimbursements of \$453,000 and reimbursable charges for services. Capital contributions increased by \$2.3 million related to state contributions for road improvements and the West Lake Park lake restoration. General revenues increased \$4.8 million due to property taxes of \$2.7 million, investment earnings,

## County of Scott, Iowa

### Management's Discussion and Analysis (Unaudited) As of and For the Year Ended June 30, 2019

\$740,000, and proceeds from sale of general capital assets and miscellaneous revenues. Expenses increased \$2.0 million from the prior year due to salary and wage adjustments of \$1.0 million, benefit adjustments of \$826,000, increased juvenile detention services including out of county placement \$213,000, and increase adult out of county placement of \$206,000. The total business-type activities' net position decreased by \$82,439 in 2019 and increased by \$20,148 in 2018. The decrease in 2019 and 2018 was due to normal operating activities, while the number of golf rounds played decreased 8.5% due to weather related events.

Table 2 highlights the County's revenues and expenses for the fiscal year ended June 30, 2019 and 2018. 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	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 6,799,906	\$ 6,975,749	\$ 882,268	\$ 974,321	\$ 7,682,174	\$ 7,950,070
Operating grants and contributions	3,898,150	4,681,612	-	-	3,898,150	4,681,612
Capital grants and contributions	2,831,623	542,580	-	-	2,831,623	542,580
<b>General revenues:</b>						
<b>Taxes:</b>						
Property taxes	49,636,074	46,927,152	-	-	49,636,074	46,927,152
Local option sales tax	4,535,941	4,504,711	-	-	4,535,941	4,504,711
Gaming	683,200	678,633	-	-	683,200	678,633
Other taxes	69,001	67,391	-	-	69,001	67,391
Utility tax replacements	1,796,259	1,764,932	-	-	1,796,259	1,764,932
Penalties, interest and costs on taxes	690,085	577,759	-	-	690,085	577,759
State tax replacement credits	3,925,518	3,840,813	-	-	3,925,518	3,840,813
State shared revenues	4,336,309	4,110,946	-	-	4,336,309	4,110,946
Payments in lieu of taxes	7,923	7,784	-	-	7,923	7,784
Investment earnings	1,479,711	742,625	10,669	8,203	1,490,380	750,828
Miscellaneous	2,200,841	1,443,060	-	-	2,200,841	1,443,060
<b>Total revenues</b>	<b>82,890,541</b>	<b>76,865,747</b>	<b>892,937</b>	<b>982,524</b>	<b>83,783,478</b>	<b>77,848,271</b>
<b>Expenses:</b>						
Public safety and legal services	27,031,854	25,159,172	-	-	27,031,854	25,159,172
Public safety and legal services - SECC	7,748,036	8,457,924	-	-	7,748,036	8,457,924
Physical health and social services	6,074,511	6,222,569	-	-	6,074,511	6,222,569
Mental health	4,485,813	4,245,808	-	-	4,485,813	4,245,808
County environment and education	5,799,730	5,724,941	-	-	5,799,730	5,724,941
Roads and transportation	9,900,614	9,634,295	-	-	9,900,614	9,634,295
Government services to residents	2,710,339	2,590,622	-	-	2,710,339	2,590,622
Administration	12,298,729	11,828,111	-	-	12,298,729	11,828,111
Interest on long-term debt	931,126	1,038,114	-	-	931,126	1,038,114
Golf course	-	-	975,376	962,376	975,376	962,376
<b>Total expenses</b>	<b>76,980,752</b>	<b>74,901,556</b>	<b>975,376</b>	<b>962,376</b>	<b>77,956,128</b>	<b>75,863,932</b>
<b>Increase (decrease) in net position</b>	<b>5,909,789</b>	<b>1,964,191</b>	<b>(82,439)</b>	<b>20,148</b>	<b>5,827,350</b>	<b>1,984,339</b>
Net position, beginning	103,991,777	102,027,586	2,671,335	2,651,187	106,663,112	104,678,773
<b>Net position, ending</b>	<b>\$ 109,901,566</b>	<b>\$ 103,991,777</b>	<b>\$ 2,588,896</b>	<b>\$ 2,671,335</b>	<b>\$ 112,490,462</b>	<b>\$ 106,663,112</b>

County of Scott, Iowa

Management's Discussion and Analysis (Unaudited)  
As of and For the Year Ended June 30, 2019

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 2019	Total Cost of 2018	Net (Expense) of Services 2019	Net (Expense) of Services 2018
Public safety and legal services	\$ 27,031,854	\$ 25,159,172	\$ (24,993,149)	\$ (22,978,841)
Public safety and legal services - SECC	7,748,036	8,457,924	(7,731,062)	(8,441,594)
Physical health and social services	6,074,511	6,222,569	(4,209,745)	(4,241,471)
Mental health	4,485,813	4,245,808	(4,326,493)	(4,103,794)
County environment and education	5,799,730	5,724,941	(4,095,182)	(3,949,909)
Roads and transportation	9,900,614	9,634,295	(7,218,716)	(8,871,404)
Government services to residents	2,710,339	2,590,622	327,830	645,162
Administration	12,298,729	11,828,111	(11,844,844)	(11,358,573)
Debt service, interest	931,126	1,038,114	640,288	598,809
<b>Total</b>	<b>\$ 76,980,752</b>	<b>\$ 74,901,556</b>	<b>\$ (63,451,073)</b>	<b>\$ (62,701,615)</b>

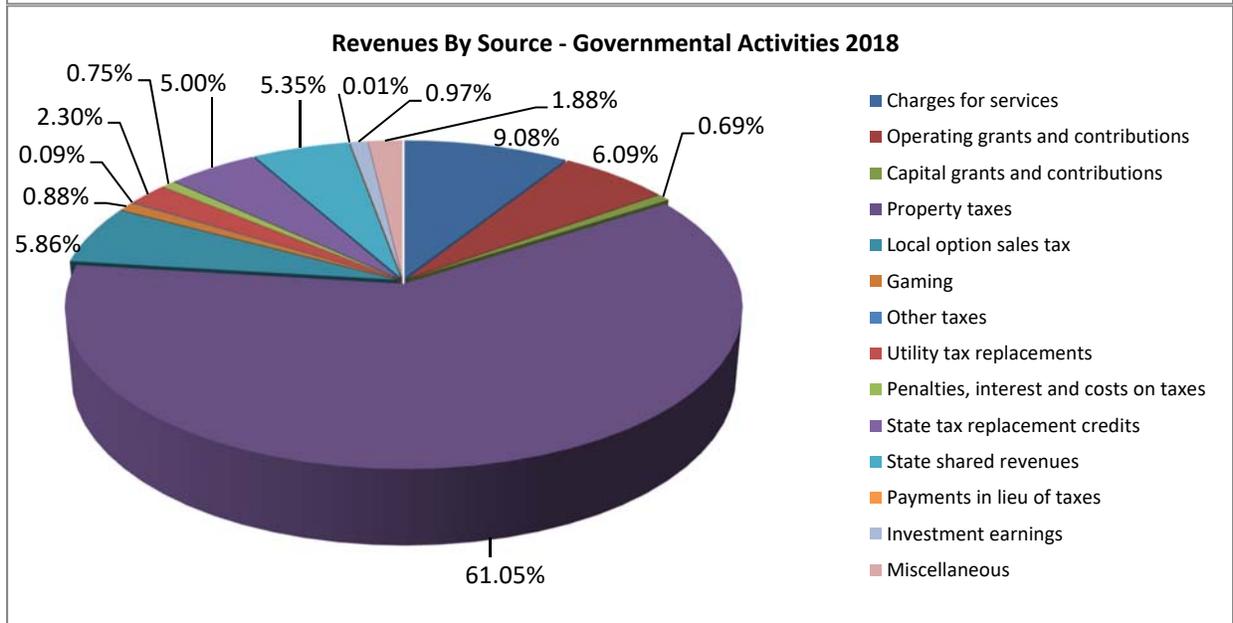
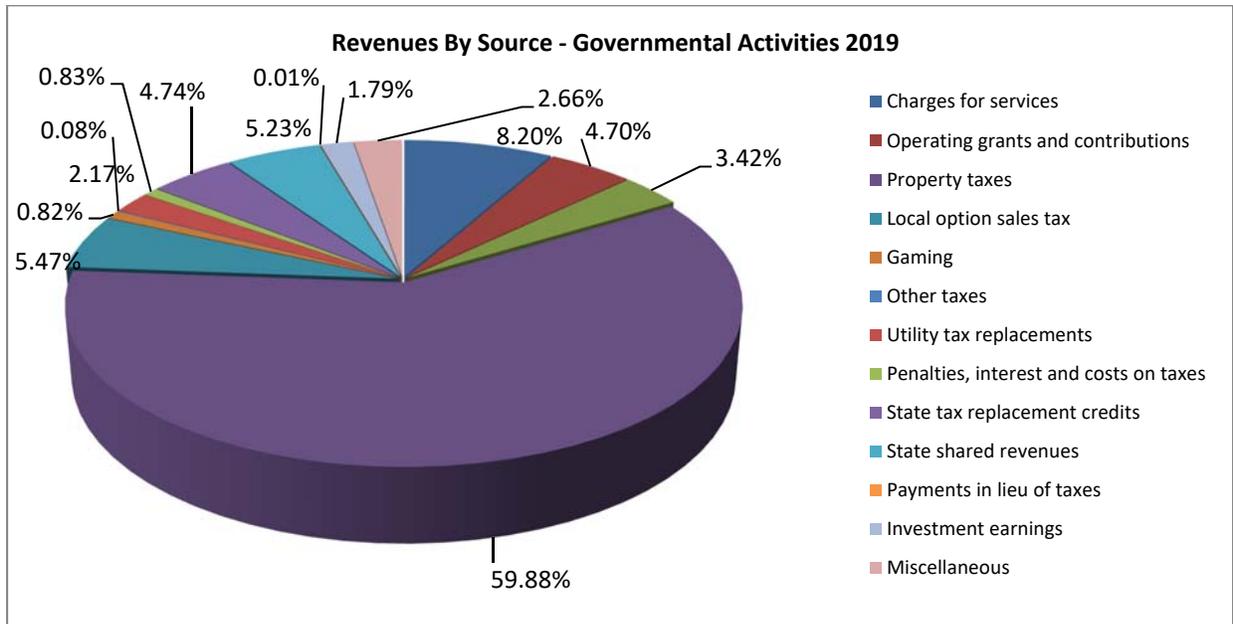
Net cost of services is 82 percent of total cost of services in 2019 and 84 percent in 2018. The change in net cost was significantly impacted by the county receiving capital related grants and donations related to secondary roads and West Lake Park lake restoration. Public Safety and Legal Services – SECC decreased expenditures related to decreased depreciation expenses. Mental health services increased \$240,000, while the net cost of the county increased by \$500,000, both related to a net increase in the utilization of services. Road and Transportation costs increased \$300,000 due to road rock maintenance, while contributed capital increased \$2.1 million. Public Safety and Legal Services experienced \$1.9 million more in expenses due to recent increased adult and juvenile care costs outside of the county and relates salaries and benefits. The remaining programs net expense is related to changes in general program revenue.

County of Scott, Iowa

Management's Discussion and Analysis (Unaudited)  
As of and For the Year Ended June 30, 2019

Governmental Activities

The graphs below show the percentage of the total governmental activities revenues allocated by each revenue type for 2019 and 2018.



County of Scott, Iowa

Management's Discussion and Analysis (Unaudited)  
As of and For the Year Ended June 30, 2019

Total business-type activities' operating revenue for the fiscal years ended June 30, 2019 and 2018 was \$882,268 and \$974,321, 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 2019 and 2018. The golf course experienced an 8.5% decrease in rounds played, while operating revenue decreased to \$882,268 or a 9.4% decrease. The decrease in revenue is attributable to general green fees realized after a rainy fall 2018 and spring 2019. The fund expended less on personnel expenses and more on other expenses such as maintenance and unemployment costs.



## County of Scott, Iowa

### Management's Discussion and Analysis (Unaudited) As of and For the Year Ended June 30, 2019

---

**Business-type activities:** Business-type activities decreased net position by \$82,439 in the government's net position in fiscal year ended June 30, 2019 compared to an increase of \$20,148 in fiscal year ended June 30, 2018.

#### Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the County of Scott, Iowa's governmental funds reported combined ending fund balances of \$42,825,624, a decrease of \$787,159 in comparison with the prior year fund balance of \$43,612,783. Approximately 27 percent of the 2019 total amount or \$11,354,228 constitutes unassigned fund balance. Approximately \$10,821,990, or 25 percent, for 2018 constitutes unassigned fund balance. Unassigned fund balance is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted or assigned to indicate that it is not available for new spending. Restricted fund balance decreased between years primarily due to the use of Scott Emergency Communication Center fund balance for the radio and infrastructure project. Additionally, the assigned fund balances decreased between years due to less funds being assigned for future capital projects and health claims.

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 \$11,354,228 for 2019. The amount unassigned was \$10,821,990 for 2018 while total fund balance was \$13,584,085 for 2019 and \$14,034,487 for 2018. Fund balance decreased due to revenues increasing 3.3% to \$62,118,981, expenditures increasing 4.6% to \$48,672,072 and a \$0.3 million more fund balance transferred to the other funds. 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 2019, while the unassigned fund balance represented 20.0 percent of total General Fund expenditures including transfers to blended component units for 2018. Total fund balance also represents approximately 24 and 26 percent of expenditures including transfers to blended component units for 2019 and 2018, respectively.

The fund balance of the County's General Fund decreased by \$450,402 during the year ended June 30, 2019. 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 5.7% assessment growth. Local option sales taxes increased by \$50,000 due to a net change in collections. Intergovernmental grants decreased \$217,000, mostly through the Women Infant Child Nutrition (WIC) grant decreasing by \$470,000, local election reimbursements decreasing \$147,000, Public Health Preparedness Grant decreasing \$221,000, and Justice Assistance Grants increasing \$175,000. Due to national litigation the reimbursement for a Justice Assistance Grant in the amount of \$80,000 from 2018 was delayed to fiscal year 2019. Net charges for services decreased by \$366,000, mostly due to sheriff service fees and conservation usage fees decreasing from the prior year. The County's General Fund expenditures were \$48,672,072 in fiscal year 2019, compared to \$46,544,143 in fiscal year 2018 or an increase of approximately \$2.1 million. Salary and benefit expenditures across all departments increased \$1.2 million or 2.6% from the prior fiscal period. Other expenditures increased in Public Safety and Legal Services due to placement of adults and juveniles out of county.

## County of Scott, Iowa

### Management's Discussion and Analysis (Unaudited) As of and For the Year Ended June 30, 2019

---

The fund balance of the County's Mental Health / Development Disabilities fund decreased by \$227,639 in 2019 compared to a decrease of \$317,095 in 2018. The key factor in the decrease is the increase in utilization of mental health services within the county and the placement of the protective payee programing within the fund.

The Secondary Roads fund increased \$416,158 in 2019 compared to an increase of \$1,674,187 in 2018. 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 2018 and 2019. The county chose not to plan projects until monies were realized for future work. Now that money from the 2015 Road Use Tax is being realized, long term bridge and road projects are planned for FY 2020 and 2021.

The Debt Service fund increased \$272,463 in 2019 compared to an increase of \$285,579 in 2018. The increase in 2019 and 2018 is related to the 911 surcharge fee revenue exceeding the amount necessary to pay for the 2009 Emergency Equipment bonds. The 2009 Emergency Equipment bonds were refinanced after fiscal year end.

The Scott Emergency Communication Center decreased fund balance by \$917,830 in 2019 compared to \$323,109 increase in 2019. The Center expended the first payment to the vendor for the radio and tower infrastructure system. The system will be a combined radio system between Scott County and Rock Island County, Illinois. Funding for the project will be reimbursed from the Scott County capital fund in fiscal year 2020 and 2021. Transferred contributions from the County tax levy increased by \$480,000, while expenditures increased by \$1.8 million.

The Capital Projects fund increased fund balance by \$130,468 compared to \$1,177,048 increase in the prior year. The transfers in from the County's general fund decreased by \$160,000 to \$4,763,724. 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 lake 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 \$79,232,066 was increased to \$79,390,094 (an increase of \$158,028) mainly due to increased other revenue and investment earnings to actual projections. Intergovernmental revenues were decreased due to grant funding. Actual revenues received were \$79,733,063.
- The total original expenditure budget of \$83,611,841 was increased to \$94,969,242 (an increase of \$12,357,401). Significant increases include capital outlay expenditures of \$2,439,974; an increase in public safety and legal services of \$1,330,739 for contracted services, for state coded capital improvements and salary and benefit estimates; \$1,302,647 for roads and transportation services, including state coded maintenance activities; and \$6,600,000 for anticipated debt refunding which did not occur until fiscal year 2020. Actual expenditures were \$79,879,476.
- The total original budget for transfers to governmental funds in and out of \$16,105,054 was increased to \$18,228,671 (an increase of \$2,133,617). Additionally, the County budgeted for the debt issuance of the radio tower and communication project and refunding of the 2009 bonds, however the transaction did not occur until August, 2019.

## County of Scott, Iowa

### Management's Discussion and Analysis (Unaudited) As of and For the Year Ended June 30, 2019

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, 2019 and 2018, amounts to \$115,815,306 and \$112,752,523 (net of accumulated depreciation), respectively. This investment in capital assets includes land, buildings and improvements, equipment, infrastructure and construction-in-progress. The total increased in capital assets for 2019 was 2.7 percent (a 2.8 percent increase for governmental activities and a 2.1 percent decrease for business-type activities). 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).

Major capital asset events during the current fiscal year ended June 30, 2019 included placing in service the courthouse roof replacement, Bald Eagle cabin, Tremont storage facility remodel and large and small vehicles. Additionally the county is in the midst of two long term construction projects related to the radio tower infrastructure project and West Lake Park lake restoration project, as well as the Incachias campground construction and elevator modernization project.

#### Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 4,701,961	\$ 4,714,211	\$ 1,556,336	\$ 1,556,336	\$ 6,258,297	\$ 6,270,547
Construction-in-progress	9,065,970	2,275,183	-	-	9,065,970	2,275,183
Buildings	94,908,581	94,156,729	577,483	577,483	95,486,064	94,734,212
Improvements other than buildings	9,537,661	9,007,674	307,632	307,632	9,845,293	9,315,306
Infrastructure	101,300,785	99,831,576	-	-	101,300,785	99,831,576
Intangible-software	4,606,926	4,569,323	-	-	4,606,926	4,569,323
Machinery and equipment	35,699,781	34,761,619	1,448,701	1,420,702	37,148,482	36,182,321
Accumulated depreciation	(146,236,144)	(138,843,204)	(1,660,367)	(1,582,741)	(147,896,511)	(140,425,945)
<b>Total</b>	<b>\$ 113,585,521</b>	<b>\$ 110,473,111</b>	<b>\$ 2,229,785</b>	<b>\$ 2,279,412</b>	<b>\$ 115,815,306</b>	<b>\$ 112,752,523</b>

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

**Debt:** As of June 30, 2019, the County of Scott, Iowa had general obligation bonds outstanding totaling \$13,380,000, revenue bonds for the jail facility for \$11,040,000, and notes payable of \$6,380,000. In the fiscal year 2019, all planned debt service payments were funded and paid. Subsequent to year end, the County issued \$12,680,000 in general obligation bonds for the refinancing of the 2009 general obligation debt and to finance the radio tower infrastructure and equipment project.

**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.

## County of Scott, Iowa

### Management's Discussion and Analysis (Unaudited) As of and For the Year Ended June 30, 2019

	2019	2018	Maturity
<b>Govenmental activities:</b>			
General obligation bonds	\$ 13,380,000	\$ 14,245,000	2035
Revenue bonds	11,040,000	12,745,000	2025
Notes payable	6,380,000	6,890,000	2029
<b>Total governmental activities</b>	<b>\$ 30,800,000</b>	<b>\$ 33,880,000</b>	

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 moved to \$5.99 for FY20 in property taxes rates, the first levy rate increase since fiscal year 2011. The increase was to finance additional mental health services, adult and juvenile care costs, the implementation of a salary and benefit study and additional staffing requests. The rural county levy rate increased \$8.91 for the budget year ending June 30, 2020 due to underlying increases within the urban levy rate. The tax base for the County of Scott increased 4.6 percent over the previous year and 3.0 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 \$85.89 or 4.6 percent was approved by the board in October 2018 for the calendar year 2019. The county dental plan premium did not increase. The county has one bargaining unit up for negotiation in the fall of 2019, pending recertification by the union.
- 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 was to be implemented over fiscal years 2014 – 2017. Beginning in 2015, taxable assessed valuations for commercial and industrial property were rolled back 5 percent each year for two years. Additionally multi-family residences are reclassified to residential property from commercial property, and the taxable value of the property is rolling back to meet the residential valuation over a number of years. The state is discussing the retirement of the commercial and industrial backfill 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. Additionally the state continues to discuss other property tax modifications ranging from a change in the budgeting process to a hard cap on property tax dollar growth. 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, 2020 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 4<sup>th</sup> Street, Davenport, Iowa 52801-1003.

County of Scott, Iowa

Statement of Net Position  
As of June 30, 2019

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 42,224,239	\$ 489,833	\$ 42,714,072	\$ 679,969
Restricted cash and investments	193	-	193	-
Receivables:				
Property taxes, net of allowance for collection losses	58,045,945	-	58,045,945	-
Accounts	466,794	-	466,794	-
Interest	149,032	1,359	150,391	2,080
Due from other governmental agencies	1,588,797	-	1,588,797	39,000
Prepays	143,243	-	143,243	36,168
Inventories	-	11,439	11,439	-
<b>Total current assets</b>	<b>102,618,243</b>	<b>502,631</b>	<b>103,120,874</b>	<b>757,217</b>
Noncurrent assets:				
Receivables:				
Loans	7,190,000	-	7,190,000	-
Capital assets:				
Not depreciated or amortized:				
Land	4,701,961	1,556,336	6,258,297	16,600
Construction-in-progress	9,065,970	-	9,065,970	-
Depreciated or amortized:				
Buildings	94,908,581	577,483	95,486,064	1,131,866
Improvements other than buildings	9,537,661	307,632	9,845,293	-
Infrastructure	101,300,785	-	101,300,785	-
Intangible - software	4,606,926	-	4,606,926	-
Machinery and equipment	35,699,781	1,448,701	37,148,482	879,903
Less accumulated depreciation and amortization	(146,236,144)	(1,660,367)	(147,896,511)	(1,245,233)
<b>Total capital assets</b>	<b>113,585,521</b>	<b>2,229,785</b>	<b>115,815,306</b>	<b>783,136</b>
<b>Total noncurrent assets</b>	<b>120,775,521</b>	<b>2,229,785</b>	<b>123,005,306</b>	<b>783,136</b>
<b>Total assets</b>	<b>223,393,764</b>	<b>2,732,416</b>	<b>226,126,180</b>	<b>1,540,353</b>
<b>Deferred Outflows of Resources</b>				
OPEB related deferred outflows	251,790	3,197	254,987	4,484
Pension related deferred outflows	6,794,801	149,553	6,944,354	247,144
<b>Total deferred outflows of resources</b>	<b>7,046,591</b>	<b>152,750</b>	<b>7,199,341</b>	<b>251,628</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 230,440,355</b>	<b>\$ 2,885,166</b>	<b>\$ 233,325,521</b>	<b>\$ 1,791,981</b>

See Notes to Basic Financial Statements

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>				
Liabilities:				
Accounts payable	\$ 3,832,905	\$ 26,076	\$ 3,858,981	\$ 36,993
Current portion of claims payable	822,392	-	822,392	-
Accrued liabilities	1,515,030	38,035	1,553,065	38,266
Interest payable	75,561	-	75,561	-
Unearned revenue	26,611	7,923	34,534	-
Compensated absences	1,768,903	13,685	1,782,588	33,787
Current portion of general obligation bonds	890,000	-	890,000	-
Current portion of notes payable	530,000	-	530,000	-
Current portion of revenue bonds	1,765,000	-	1,765,000	-
<b>Total current liabilities</b>	<b>11,226,402</b>	<b>85,719</b>	<b>11,312,121</b>	<b>109,046</b>
Noncurrent liabilities:				
Claims payable	21,000	-	21,000	-
Compensated absences	1,515,675	53,005	1,568,680	28,015
Total OPEB liability	1,501,679	19,069	1,520,748	26,746
Net pension liability	18,064,544	137,418	18,201,962	545,752
General obligation bonds payable, net bond premium	12,559,638	-	12,559,638	-
Note payable	5,850,000	-	5,850,000	-
Revenue bonds payable, net bond premium	9,356,548	-	9,356,548	-
<b>Total noncurrent liabilities</b>	<b>48,869,084</b>	<b>209,492</b>	<b>49,078,576</b>	<b>600,513</b>
<b>Total liabilities</b>	<b>60,095,486</b>	<b>295,211</b>	<b>60,390,697</b>	<b>709,559</b>
Deferred inflows of resources:				
OPEB related deferred inflows	74,544	947	75,491	1,327
Pension related deferred inflows	2,441,045	112	2,441,157	463
Deferred property tax revenue	57,927,714	-	57,927,714	-
<b>Total deferred inflows of resources</b>	<b>60,443,303</b>	<b>1,059</b>	<b>60,444,362</b>	<b>1,790</b>
Net position:				
Net investment in capital assets	89,250,258	2,229,786	91,480,044	783,136
Restricted for:				
Debt service	3,993,594	-	3,993,594	-
Other statutory programs	801,945	-	801,945	-
Mental health	433,125	-	433,125	-
Secondary roads	7,062,383	-	7,062,383	-
Rural services	142,948	-	142,948	-
Unrestricted	8,217,313	359,110	8,576,423	297,496
<b>Total net position</b>	<b>109,901,566</b>	<b>2,588,896</b>	<b>112,490,462</b>	<b>1,080,632</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 230,440,355</b>	<b>\$ 2,885,166</b>	<b>\$ 233,325,521</b>	<b>\$ 1,791,981</b>

County of Scott, Iowa

Statement of Activities  
For the Year Ended June 30, 2019

Functions / Programs	Program Revenues			
	Expenses	Charges for Sales and Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities:				
Public safety and legal services	\$ 27,031,854	\$ 1,473,229	\$ 565,476	\$ -
Public safety and legal services - SECC	7,748,036	-	16,974	-
Physical health and social services	6,074,511	476,818	1,387,948	-
Mental health	4,485,813	159,320	-	-
County environment and education	5,799,730	1,430,501	41,160	232,887
Roads and transportation	9,900,614	53,377	29,785	2,598,736
Government services to residents	2,710,339	2,840,479	197,690	-
Administration	12,298,729	366,182	87,703	-
Interest on long-term debt	931,126	-	1,571,414	-
<b>Total governmental activities</b>	<b>76,980,752</b>	<b>6,799,906</b>	<b>3,898,150</b>	<b>2,831,623</b>
Business-Type activities, golf	975,376	882,268	-	-
<b>Total primary government</b>	<b>\$ 77,956,128</b>	<b>\$ 7,682,174</b>	<b>\$ 3,898,150</b>	<b>\$ 2,831,623</b>
<b>Component Units</b>				
Emergency Management Agency	\$ 245,945	\$ 56,304	\$ 263,771	\$ -
County Library	1,200,303	15,400	1,205,170	-
<b>Total component units</b>	<b>\$ 1,446,248</b>	<b>\$ 71,704</b>	<b>\$ 1,468,941</b>	<b>\$ -</b>

**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
- 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	
\$ (24,993,149)	\$ -	\$ (24,993,149)	\$ -	
(7,731,062)	-	(7,731,062)	-	
(4,209,745)	-	(4,209,745)	-	
(4,326,493)	-	(4,326,493)	-	
(4,095,182)	-	(4,095,182)	-	
(7,218,716)	-	(7,218,716)	-	
327,830	-	327,830	-	
(11,844,844)	-	(11,844,844)	-	
640,288	-	640,288	-	
(63,451,073)	-	(63,451,073)	-	
-	(93,108)	(93,108)	-	
(63,451,073)	(93,108)	(63,544,181)	-	
			74,130	
			20,267	
			94,397	
49,636,074	-	49,636,074	-	
4,535,941	-	4,535,941	-	
683,200	-	683,200	-	
69,001	-	69,001	-	
1,796,259	-	1,796,259	-	
690,085	-	690,085	-	
3,925,518	-	3,925,518	-	
4,336,309	-	4,336,309	-	
7,923	-	7,923	-	
1,479,711	10,669	1,490,380	14,894	
2,200,841	-	2,200,841	24,700	
69,360,862	10,669	69,371,531	39,594	
5,909,789	(82,439)	5,827,350	133,991	
103,991,777	2,671,335	106,663,112	946,641	
\$ 109,901,566	\$ 2,588,896	\$ 112,490,462	\$ 1,080,632	

County of Scott, Iowa

Balance Sheet  
 Governmental Funds  
 As of June 30, 2019

	General	Mental Health/ Development Disabilities
<b>Assets</b>		
Cash and investments	\$ 14,581,069	\$ 1,023,497
Restricted cash and investments	-	-
Receivables		
Property taxes, net of allowance for collection losses	47,493,776	5,319,030
Accounts	124,106	11,643
Interest	61,875	3,232
Loans	-	-
Due from other governmental agencies	1,245,653	-
Prepays	127,290	-
<b>Total assets</b>	<b>\$ 63,633,769</b>	<b>\$ 6,357,402</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>		
Liabilities:		
Accounts payable	\$ 1,007,991	\$ 564,040
Claims payable	20,664	-
Accrued liabilities	1,206,314	41,915
Unearned revenue	26,611	-
<b>Total liabilities</b>	<b>2,261,580</b>	<b>605,955</b>
Deferred Inflows of Resources:		
Unavailable revenue	394,295	8,495
Unavailable property tax revenue	47,393,809	5,309,827
<b>Total deferred resources of inflows</b>	<b>47,788,104</b>	<b>5,318,322</b>
Fund balances:		
Nonspendable	127,290	-
Restricted	716,902	433,125
Assigned	1,385,665	-
Unassigned	11,354,228	-
<b>Total fund balances</b>	<b>13,584,085</b>	<b>433,125</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 63,633,769</b>	<b>\$ 6,357,402</b>

See Notes to Basic Financial Statements

Secondary Roads	Scott Emergency Communication Center	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
\$ 7,664,510	\$ 1,588,456	\$ 10,085,432	\$ 3,833,237	\$ 226,906	\$ 39,003,107
-	-	-	-	193	193
-	-	-	1,949,867	3,283,272	58,045,945
-	33	30,471	293,004	-	459,257
24,207	5,083	31,548	12,106	716	138,767
-	-	-	7,190,000	-	7,190,000
341,667	-	1,477	-	-	1,588,797
-	-	-	-	-	127,290
<u>\$ 8,030,384</u>	<u>\$ 1,593,572</u>	<u>\$ 10,148,928</u>	<u>\$ 13,278,214</u>	<u>\$ 3,511,087</u>	<u>\$ 106,553,356</u>
\$ 863,128	\$ 487,957	\$ 903,363	\$ -	\$ -	\$ 3,826,479
-	-	-	-	-	20,664
104,873	161,928	-	-	-	1,515,030
-	-	-	-	-	26,611
<u>968,001</u>	<u>649,885</u>	<u>903,363</u>	<u>-</u>	<u>-</u>	<u>5,388,784</u>
-	-	-	4,001	4,443	411,234
-	-	-	1,945,618	3,278,460	57,927,714
-	-	-	1,949,619	3,282,903	58,338,948
-	-	-	-	-	127,290
7,062,383	943,687	-	11,328,595	228,184	20,712,876
-	-	9,245,565	-	-	10,631,230
-	-	-	-	-	11,354,228
<u>7,062,383</u>	<u>943,687</u>	<u>9,245,565</u>	<u>11,328,595</u>	<u>228,184</u>	<u>42,825,624</u>
<u>\$ 8,030,384</u>	<u>\$ 1,593,572</u>	<u>\$ 10,148,928</u>	<u>\$ 13,278,214</u>	<u>\$ 3,511,087</u>	<u>\$ 106,553,356</u>

This page intentionally left blank



County of Scott, Iowa

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended June 30, 2019

	General	Mental Health/ Development Disabilities
Revenues:		
Property taxes	\$ 41,116,088	\$ 3,784,372
Local option sales tax	4,455,941	-
Other taxes	1,585,839	143,849
Interest and penalties on taxes	690,085	-
Intergovernmental	5,696,509	305,842
Charges for services	5,854,438	146,355
Investment earnings	894,458	28,737
Licenses and permits	711,222	-
Rentals and fees	120,588	-
Other	993,813	214,060
<b>Total revenues</b>	<b>62,118,981</b>	<b>4,623,215</b>
Expenditures:		
Current:		
Public safety and legal services	24,380,374	294,219
Physical health and social services	5,921,631	-
Mental health	9,262	4,408,012
County environment and education	4,369,564	-
Roads and transportation	-	-
Government services to residents	2,555,119	-
Administration	11,278,603	145,179
Capital outlay	157,519	3,444
Debt service		
Principal	-	-
Interest and fees	-	-
<b>Total Expenditures</b>	<b>48,672,072</b>	<b>4,850,854</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>13,446,909</b>	<b>(227,639)</b>
Other financing sources (uses):		
Transfers in	20,000	-
Transfers out	(13,917,311)	-
Proceeds from sale of capital assets	-	-
<b>Total other financing sources (uses)</b>	<b>(13,897,311)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(450,402)</b>	<b>(227,639)</b>
Fund balances, beginning of year	14,034,487	660,764
Fund balances, end of year	<b>\$ 13,584,085</b>	<b>\$ 433,125</b>

See Notes to Basic Financial Statements.

Secondary Roads	Scott Emergency Communication Center	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
\$ -	\$ -	\$ -	\$ 1,795,750	\$ 2,971,412	\$ 49,667,622
-	-	-	-	-	4,455,941
-	-	683,200	64,867	70,705	2,548,460
-	-	-	-	-	690,085
4,427,818	16,974	238,317	1,713,289	154,867	12,553,616
7,792	-	-	-	30,007	6,038,592
161,699	59,618	184,072	81,447	5,671	1,415,702
45,585	-	-	-	-	756,807
-	19,250	-	-	-	139,838
34,420	26,180	27,536	-	-	1,296,009
4,677,314	122,022	1,133,125	3,655,353	3,232,662	79,562,672
-	6,468,380	-	-	-	31,142,973
-	-	-	-	-	5,921,631
-	-	-	-	-	4,417,274
-	-	-	-	580,036	4,949,600
6,495,669	-	-	-	-	6,495,669
-	-	-	-	-	2,555,119
-	-	-	-	-	11,423,782
1,329,487	1,689,859	6,003,465	-	-	9,183,774
-	510,000	-	865,000	1,705,000	3,080,000
-	179,200	-	576,111	236,782	992,093
7,825,156	8,847,439	6,003,465	1,441,111	2,521,818	80,161,915
(3,147,842)	(8,725,417)	(4,870,340)	2,214,242	710,844	(599,243)
3,524,000	7,807,587	4,763,724	-	1,941,779	18,057,090
-	-	-	(1,941,779)	(2,663,000)	(18,522,090)
40,000	-	237,084	-	-	277,084
3,564,000	7,807,587	5,000,808	(1,941,779)	(721,221)	(187,916)
416,158	(917,830)	130,468	272,463	(10,377)	(787,159)
6,646,225	1,861,517	9,115,097	11,056,132	238,561	43,612,783
\$ 7,062,383	\$ 943,687	\$ 9,245,565	\$ 11,328,595	\$ 228,184	\$ 42,825,624

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, 2019**

Net change in fund balances - governmental funds	\$	(787,159)
<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		9,183,774
Items capitalized but not recorded in capital outlay		454,096
Contributed capital		2,568,062
Depreciation		
Public safety and legal services	\$ (1,681,119)	
Public safety and legal services - SECC	(1,647,298)	
Physical health and social services	(31,310)	
Mental health	(2,589)	
County environment and education	(735,789)	
Roads and transportation	(3,976,615)	
Governmental services to residents	(116,403)	
Administration	<u>(641,742)</u>	(8,832,865)
Book value of capital assets retired		(260,658)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(69,199)
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		1,094,324
<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		3,080,000
Interest expense		6,541
Amortization of bond premium		54,429
<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		(27,211)
Change in compensated absences		(235,180)
Change in net pension liability		2,550,592
Change in net pension related deferred inflows		(1,539,957)
Change in net pension related deferred outflows		(1,284,771)
Change in total OPEB liability		(56,649)
Change in OPEB related deferred inflows		(74,544)
Change in OPEB related deferred outflows		86,164
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>5,909,789</u></b>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Net Position  
 Proprietary Funds  
 As of June 30, 2019

	Nonmajor Business-Type Activities Enterprise Fund - Golf Course	Governmental Activities Internal Service Funds
<b>Assets</b>		
Current assets:		
Cash and investments	\$ 489,833	\$ 3,221,132
Receivables:		
Accounts	-	7,537
Interest	1,359	10,265
Prepays	-	15,953
Inventories	11,439	-
<b>Total current assets</b>	<u>502,631</u>	<u>3,254,887</u>
Noncurrent assets:		
Capital assets:		
Land	1,556,336	-
Buildings	577,483	-
Improvements other than buildings	307,632	-
Machinery and equipment	1,448,701	-
Less accumulated depreciation	(1,660,367)	-
<b>Total capital assets</b>	<u>2,229,785</u>	<u>-</u>
<b>Total assets</b>	<u>2,732,416</u>	<u>3,254,887</u>
<b>Deferred Outflows of Resources</b>		
OPEB related deferred outflows	3,197	-
Pension related deferred outflows	149,553	-
<b>Total deferred outflows of resources</b>	<u>152,750</u>	<u>-</u>
<b>Total assets and deferred outflows of resources</b>	<u>\$ 2,885,166</u>	<u>\$ 3,254,887</u>
<b>Liabilities and Net Position</b>		
Current liabilities:		
Accounts payable	\$ 26,076	\$ 6,426
Claims payable	-	541,043
Accrued liabilities	38,035	-
Unearned revenue	7,923	-
Compensated absences	13,685	-
<b>Total current liabilities</b>	<u>85,719</u>	<u>547,469</u>
Noncurrent liabilities		
Compensated absences	53,005	-
Total OPEB liability	19,069	-
Net pension liability	137,418	-
<b>Total noncurrent liabilities</b>	<u>209,492</u>	<u>-</u>
<b>Total liabilities</b>	<u>295,211</u>	<u>547,469</u>
<b>Deferred Inflows of Resources</b>		
OPEB related deferred inflows	947	-
Pension related deferred inflows	112	-
<b>Total deferred inflows</b>	<u>1,059</u>	<u>-</u>
<b>Net Position:</b>		
Investment in capital assets	2,229,786	-
Unrestricted	359,110	2,707,418
<b>Total net position</b>	<u>2,588,896</u>	<u>2,707,418</u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<u>\$ 2,885,166</u>	<u>\$ 3,254,887</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, 2019**

	Nonmajor Business-Type Activities <u>Enterprise Fund - Golf Course</u>	Governmental Activities <u>Internal Service Funds</u>
Operating revenues:		
Charges for services	\$ 759,511	\$ 8,191,886
Sales, net of cost of goods sold of \$61,875	121,856	-
Other	901	31,409
<b>Total operating revenues</b>	<u>882,268</u>	<u>8,223,295</u>
Operating expenses:		
Personnel	591,993	-
Depreciation	77,626	-
Administrative Charges	-	626,986
Claims	-	7,030,996
Other	305,757	-
<b>Total operating expenses</b>	<u>975,376</u>	<u>7,657,982</u>
<b>Operating income (loss)</b>	<u>(93,108)</u>	<u>565,313</u>
Nonoperating revenues (expenses):		
Investment earnings	10,669	64,011
<b>Total nonoperating revenues (expenses)</b>	<u>10,669</u>	<u>64,011</u>
<b>Income (loss) before transfers</b>	(82,439)	629,324
<b>Transfers in</b>	<u>-</u>	<u>465,000</u>
<b>Change in net position</b>	(82,439)	1,094,324
Total net position, beginning of year	2,671,335	1,613,094
Total net position, end of year	<u>\$ 2,588,896</u>	<u>\$ 2,707,418</u>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Cash Flows  
 Proprietary Funds  
 For the Year Ended June 30, 2019

	Business-Type Activities Enterprise Fund - Golf Course	Governmental Activities Internal Service Funds
Cash flows from operating activities:		
Cash received from customers	\$ 882,268	\$ 8,191,792
Customer deposits (released)	506	-
Refunds from outside sources	-	25,134
Cash payments to suppliers for goods and services	(312,998)	(7,606,483)
Cash payments to employees for services	(625,676)	-
<b>Net cash from operating activities</b>	<b>(55,900)</b>	<b>610,443</b>
Cash flows from capital and related financing activities:		
Payments on capital lease	(36,713)	-
Payment on financing interest	(2,098)	-
Purchase of capital assets	(27,999)	-
<b>Net cash from capital and related financing activities</b>	<b>(66,810)</b>	<b>-</b>
Cash flows from noncapital financing activities		
Transfers	-	465,000
<b>Net cash from noncapital financing activities</b>	<b>-</b>	<b>465,000</b>
Cash flows from investing activities, interest received		
	9,811	55,698
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(112,899)</b>	<b>1,131,141</b>
Cash and cash equivalents:		
Beginning	602,732	2,089,991
Ending	<u>\$ 489,833</u>	<u>\$ 3,221,132</u>
Reconciliation of operating income (loss) to net cash from operating activities:		
Operating income (loss)	\$ (93,108)	\$ 565,313
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Depreciation	77,626	-
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Receivables	-	115,469
Prepays	-	(6,367)
Inventories	236	-
Accounts payable	(7,475)	147
Claims payable	-	(64,119)
Accrued compensation	2,694	-
Compensated absences	19,683	-
Total OPEB liability and deferrals	10,501	-
Net pension liability and deferrals	(66,563)	-
Customer deposits	506	-
<b>Net cash from operating activities</b>	<b>\$ (55,900)</b>	<b>\$ 610,443</b>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Assets and Liabilities

Agency Funds

As of June 30, 2019

---

**Assets**

Cash and investments	\$	11,381,091
Receivables:		
Property taxes		274,044,278
Interest		11,371
Prepays		30,422
<b>Total assets</b>	<b>\$</b>	<b>285,467,162</b>

**Liabilities**

Accounts payable	\$	270,162
Due to other governmental agencies		284,465,745
Due to private individuals		731,255
<b>Total liabilities</b>	<b>\$</b>	<b>285,467,162</b>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Net Position  
Discretely Presented Component Units  
As of June 30, 2019

	Emergency Management		
	Agency	County Library	Total
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 305,277	\$ 374,692	\$ 679,969
Receivables:			
Accrued Interest	898	1,182	2,080
Due from other governmental agencies	39,000	-	39,000
Prepaid Items	-	36,168	36,168
<b>Total current assets</b>	<b>345,175</b>	<b>412,042</b>	<b>757,217</b>
Noncurrent assets:			
Capital assets:			
Land	-	16,600	16,600
Buildings	-	1,131,866	1,131,866
Machinery and equipment	638,969	240,934	879,903
Accumulated depreciation	(609,827)	(635,406)	(1,245,233)
<b>Total capital assets, net</b>	<b>29,142</b>	<b>753,994</b>	<b>783,136</b>
<b>Total noncurrent assets</b>	<b>29,142</b>	<b>753,994</b>	<b>783,136</b>
<b>Total assets</b>	<b>374,317</b>	<b>1,166,036</b>	<b>1,540,353</b>
<b>Deferred Outflows of Resources</b>			
OPEB related deferred outflows	190	4,294	4,484
Pension related deferred outflows	48,663	198,481	247,144
<b>Total deferred outflows of resources</b>	<b>48,853</b>	<b>202,775</b>	<b>251,628</b>
<b>Total assets and deferred outflows of assets</b>	<b>\$ 423,170</b>	<b>\$ 1,368,811</b>	<b>\$ 1,791,981</b>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>			
Current liabilities:			
Accounts payable	\$ 9,755	\$ 27,238	\$ 36,993
Accrued liabilities	8,973	29,293	38,266
Compensated absences	5,247	28,540	33,787
<b>Total current liabilities</b>	<b>23,975</b>	<b>85,071</b>	<b>109,046</b>
Noncurrent liabilities:			
Compensated absences	6,590	21,425	28,015
Net pension liability	67,090	478,662	545,752
Total OPEB liability	1,137	25,609	26,746
<b>Total noncurrent liabilities</b>	<b>74,817</b>	<b>525,696</b>	<b>600,513</b>
<b>Total liabilities</b>	<b>98,792</b>	<b>610,767</b>	<b>709,559</b>
<b>Deferred Inflows of Resources</b>			
OPEB related deferred inflows	56	1,271	1,327
Pension related deferred inflows	116	347	463
<b>Total deferred inflows of resources</b>	<b>172</b>	<b>1,618</b>	<b>1,790</b>
<b>Net Position:</b>			
Investment in capital assets	29,142	753,994	783,136
Unrestricted	295,064	2,432	297,496
<b>Total net position</b>	<b>324,206</b>	<b>756,426</b>	<b>1,080,632</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 423,170</b>	<b>\$ 1,368,811</b>	<b>\$ 1,791,981</b>

See Notes to Basic Financial Statements.

County of Scott, Iowa

**Combining Statement of Activities  
Discretely Presented Component Units  
For the Year Ended June 30, 2019**

	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	\$ 245,945	\$ 56,304	\$ 263,771	\$ 74,130	\$ -	\$ 74,130
County Library						
County environment and education	1,200,303	15,400	1,205,170	-	20,267	20,267
<b>Total component units</b>	<b>\$ 1,446,248</b>	<b>\$ 71,704</b>	<b>\$ 1,468,941</b>	<b>74,130</b>	<b>20,267</b>	<b>94,397</b>
<b>General Revenues</b>						
Investment earnings				6,364	8,530	14,894
Miscellaneous				-	24,700	24,700
<b>Total general revenues</b>				<b>6,364</b>	<b>33,230</b>	<b>39,594</b>
Changes in net position				80,494	53,497	133,991
Net Position, beginning of year				243,712	702,929	946,641
Net Position, end of year				<b>\$ 324,206</b>	<b>\$ 756,426</b>	<b>\$ 1,080,632</b>

See Notes to Basic Financial Statements

## County of Scott, Iowa

### Notes To Basic Financial Statements As of and for the Year Ended June 30, 2019

---

#### **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, 2019**

---

**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, which are payable almost entirely with the resources of Scott County. 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 which are payable almost entirely with the resources of Scott County. 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, 2019

---

**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, 2019

---

**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, 2019

---

**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, 2019

---

**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.

County of Scott, Iowa

Notes To Basic Financial Statements  
As of and for the Year Ended June 30, 2019

---

**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 2018, based on the 2017 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, 2019

---

**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, 2019

---

**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, 2019

---

**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, 2019

---

**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, 2019, the Secondary Roads Fund had fund balance at 90% 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, 2019

---

#### **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, 2019 and May, 2019.

Scott Emergency Communications Center amended its budget in May, 2019. The legal level of control is at the organization level. The Public Safety Authority did not adopt a budget in fiscal year 2019.

County of Scott, Iowa

Notes To Basic Financial Statements  
As of and for the Year Ended June 30, 2019

---

**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, 2019, the County's cash and investments were as follows:

Cash on hand, deposits and investments with financial institutions	\$ 42,714,072
Restricted Cash and Investments with financial institutions	193
Cash on hand and deposits with financial institutions, discretely presented component units	679,969
Cash on hand, deposits and investments with financial institutions, agency funds	<u>11,381,091</u>
	<u>\$ 54,775,325</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, 2019, the County had the following investments subject to interest rate risk:

<u>Type</u>	<u>0 - 6 Months</u>	<u>7 - 12 Months</u>	<u>Total</u>
Certificates of Deposit	\$ 14,305,886	\$ 5,070,971	\$ 19,376,857
Federal Home Loan Bank Notes	1,999,390	-	1,999,390
Federal National Mortgage Association Notes	997,360	-	997,360
US Treasury Note	1,994,790	-	1,994,790
Commercial Paper	3,991,830	-	3,991,830
Total	<u>\$ 23,289,256</u>	<u>\$ 5,070,971</u>	<u>\$ 28,360,227</u>

## County of Scott, Iowa

### Notes To Basic Financial Statements As of and for the Year Ended June 30, 2019

---

#### 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, 2019, 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 A-1+ by Standard and Poor's and P-1 by Moody's. The County's investments in Commercial Paper are rated A-1 and A-1+ by Standard & Poor's and P-1 by Moody's.

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, 2019 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, 2019, 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, 2019, the County had 14% 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 County's level 2 observable inputs included stated market pricing from treasury management vendors.

The valuation method as of June 30, 2019 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	\$ -	\$ 1,999,390	\$ -	\$ 1,999,390
Federal National Mortgage Association Notes	-	997,360	-	997,360
US Treasury Note	1,994,790	-	-	1,994,790
Commercial Paper	-	3,991,830	-	3,991,830
Total	<u>\$ 1,994,790</u>	<u>\$ 6,988,580</u>	<u>\$ -</u>	<u>\$ 8,983,370</u>

County of Scott, Iowa

Notes To Basic Financial Statements  
As of and for the Year Ended June 30, 2019

---

**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	\$ 13,917,311
Scott emergency communication center	7,807,587	-
Capital projects	4,763,724	-
Secondary roads	3,524,000	-
Debt service	-	1,941,779
Nonmajor governmental funds:		
Rural services	-	2,618,000
Recorders management fees	-	45,000
Public safety authority	1,941,779	-
Internal service fund		
Health insurance	465,000	-
<b>Total governmental activities</b>	<u>18,522,090</u>	<u>18,522,090</u>
 Total Transfers	 <u>\$ 18,522,090</u>	 <u>\$ 18,522,090</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, 2019

**Note 4. Capital Assets**

The following is a summary of changes in capital assets for the year ended June 30, 2019:

<b>Governmental Activities</b>	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Capital assets not being depreciated				
Land	\$ 4,714,211	\$ -	\$ (12,250)	\$ 4,701,961
Construction in progress	2,275,183	9,018,695	(2,227,908)	9,065,970
<b>Total Capital Assets Not Being Depreciated and Amortized</b>	<b>6,989,394</b>	<b>9,018,695</b>	<b>(2,240,158)</b>	<b>13,767,931</b>
Capital assets being depreciated and amortized				
Buildings	94,156,729	751,852	-	94,908,581
Improvements other than buildings	9,007,674	529,987	-	9,537,661
Infrastructure	99,831,576	1,469,209	-	101,300,785
Intangible - software	4,569,323	37,603	-	4,606,926
Machinery and equipment	34,761,619	2,638,746	(1,700,584)	35,699,781
<b>Total Capital Assets Being Depreciated and Amortized</b>	<b>242,326,921</b>	<b>5,427,397</b>	<b>(1,700,584)</b>	<b>246,053,734</b>
Less: accumulated depreciation and amortization for				
Buildings	36,361,136	2,003,301	-	38,364,437
Improvements other than buildings	4,789,463	387,630	-	5,177,093
Infrastructure	71,014,871	3,145,928	-	74,160,799
Intangible - software	4,578,670	405,915	-	4,984,585
Machinery and equipment	22,099,064	2,890,091	(1,439,925)	23,549,230
<b>Total Accumulated Depreciation and Amortization</b>	<b>138,843,204</b>	<b>8,832,865</b>	<b>(1,439,925)</b>	<b>146,236,144</b>
<b>Total Capital Assets Being Depreciated and Amortized</b>	<b>103,483,717</b>	<b>(3,405,468)</b>	<b>(260,659)</b>	<b>99,817,590</b>
<b>Governmental Activities Capital Assets, Net of Depreciation and Amortization</b>	<b>\$ 110,473,111</b>	<b>\$ 5,613,227</b>	<b>\$ (2,500,817)</b>	<b>\$ 113,585,521</b>

County of Scott, Iowa

Notes To Basic Financial Statements  
As of and for the Year Ended June 30, 2019

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

<b>Business-Type Activities</b>	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Capital assets not being depreciated				
Land	\$ 1,556,336	\$ -	\$ -	\$ 1,556,336
<b>Total Capital Assets Not Being Depreciated</b>	<b>1,556,336</b>	<b>-</b>	<b>-</b>	<b>1,556,336</b>
Capital assets being depreciated				
Buildings	577,483	-	-	577,483
Improvements other than buildings	307,632	-	-	307,632
Machinery and equipment	1,420,702	27,999	-	1,448,701
<b>Total Capital Assets Being Depreciated</b>	<b>2,305,817</b>	<b>27,999</b>	<b>-</b>	<b>2,333,816</b>
Less: accumulated depreciation for				
Buildings	321,832	10,302	-	332,134
Improvements other than buildings	285,429	4,441	-	289,870
Machinery and equipment	975,480	62,883	-	1,038,363
<b>Total Accumulated Depreciation</b>	<b>1,582,741</b>	<b>77,626</b>	<b>-</b>	<b>1,660,367</b>
<b>Total Capital Assets Being Depreciated</b>	<b>723,076</b>	<b>(49,627)</b>	<b>-</b>	<b>673,449</b>
<b>Business-Type Activities</b>				
<b>Capital Assets, Net of Depreciation</b>	<b>\$ 2,279,412</b>	<b>\$ (49,627)</b>	<b>\$ -</b>	<b>\$ 2,229,785</b>

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

<b>Discretely Presented Component Units</b>	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Capital assets not being depreciated				
Land	\$ 16,600	\$ -	\$ -	\$ 16,600
<b>Total Capital Assets Not Being Depreciated</b>	<b>16,600</b>	<b>-</b>	<b>-</b>	<b>16,600</b>
Capital assets being depreciated				
Buildings	1,131,866	-	-	1,131,866
Machinery and equipment	845,500	34,403	-	879,903
<b>Total Capital Assets Being Depreciated</b>	<b>1,977,366</b>	<b>34,403</b>	<b>-</b>	<b>2,011,769</b>
Less: accumulated depreciation for				
Buildings	405,830	20,744	-	426,574
Machinery and equipment	809,924	8,735	-	818,659
<b>Total Accumulated Depreciation</b>	<b>1,215,754</b>	<b>29,479</b>	<b>-</b>	<b>1,245,233</b>
<b>Total Capital Assets Being Depreciated</b>	<b>761,612</b>	<b>4,924</b>	<b>-</b>	<b>766,536</b>
<b>Total Governmental Activities</b>				
<b>Capital Assets, Net of Depreciation</b>	<b>\$ 778,212</b>	<b>\$ 4,924</b>	<b>\$ -</b>	<b>\$ 783,136</b>

County of Scott, Iowa

Notes To Basic Financial Statements  
As of and for the Year Ended June 30, 2019

**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	\$ 1,681,119
Public safety and legal services - SECC	1,647,298
Physical health and social services	31,310
Mental health	2,589
County environment and education	735,789
Roads and transportation	3,976,615
Governmental services to residents	116,403
Administration	641,742
<b>Total Governmental Activities Depreciation and Amortization Expense</b>	<b>\$ 8,832,865</b>
Business-Type activities, golf course	<b>\$ 77,626</b>
Discretely Presented Component Units:	
Emergency Management Agency	\$ 1,749
County Library	27,730
<b>Total Discretely Presented Component Units Depreciation Expense</b>	<b>\$ 29,479</b>

**Note 5. Long-Term Liabilities**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2019:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
<b>Governmental Activities:</b>					
General obligation bonds	\$ 14,245,000	\$ -	\$ 865,000	\$ 13,380,000	\$ 890,000
Revenue bonds	12,745,000	-	1,705,000	11,040,000	1,765,000
Deferred amount for:					
Premium	205,612	-	54,426	151,186	-
Subtotal for bonds	<u>27,195,612</u>	<u>-</u>	<u>2,624,426</u>	<u>24,571,186</u>	<u>2,655,000</u>
Other Liabilities:					
Compensated absences	3,049,400	2,456,098	2,220,920	3,284,578	1,768,903
Note payable	6,890,000	-	510,000	6,380,000	530,000
Net pension liability	20,615,136	-	2,550,592	18,064,544	-
Total OPEB liability	1,445,030	56,649	-	1,501,679	-
Claims payable	<u>869,527</u>	<u>7,455,012</u>	<u>7,481,147</u>	<u>843,392</u>	<u>822,392</u>
<b>Total Governmental Activities Long-Term Liabilities</b>	<b>\$ 60,064,705</b>	<b>\$ 9,967,759</b>	<b>\$ 15,387,085</b>	<b>\$ 54,645,379</b>	<b>\$ 5,776,295</b>

County of Scott, Iowa

Notes To Basic Financial Statements  
As of and for the Year Ended June 30, 2019

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

	Balance June 30, 2018	Additions	Retirements	Balance June 30, 2019	Due Within One Year
<b>Business-Type Activities:</b>					
Other Liabilities:					
Compensated absences	\$ 47,007	\$ 33,426	\$ 13,743	\$ 66,690	\$ 13,685
Capital lease	36,713	-	36,713	-	-
Net pension liability	147,056	-	9,638	137,418	-
Total OPEB liability	7,136	11,933	-	19,069	-
Total Business Type Activities	<u>\$ 237,912</u>	<u>\$ 45,359</u>	<u>\$ 60,094</u>	<u>\$ 223,177</u>	<u>\$ 13,685</u>
	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
<b>Discretely Presented Component Units Activities:</b>					
Other Liabilities:					
Compensated absences	\$ 91,880	\$ 17,541	\$ 47,619	\$ 61,802	\$ 33,787
Net pension liability	571,864	-	26,112	545,752	-
Total OPEB liability	12,069	14,677	-	26,746	-
<b>Total Discretely Presented Component Units Long-Term Liabilities</b>	<u>\$ 675,813</u>	<u>\$ 32,218</u>	<u>\$ 73,731</u>	<u>\$ 634,300</u>	<u>\$ 33,787</u>

**General Obligation Bonds**

General obligation bonds outstanding as of June 30, 2019 consist of \$6,190,000 of general obligation emergency equipment bonds with interest at rates ranging from 4.9 percent to 5.8 percent, and \$7,190,000 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 \$530,000 to \$720,000 through 2029 at interest rates from 4.9 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 \$360,000 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, 2019

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

**General Obligation Bonds (Continued)**

The debt service requirements on the general obligation bonds outstanding as of June 30, 2019 are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,015,000	373,016	1,388,016
2025-2029	5,580,000	1,177,426	6,757,426
2030-2034	2,505,000	306,601	2,811,601
2035	545,000	16,350	561,350
<b>Total</b>	<b><u>\$ 13,380,000</u></b>	<b><u>\$ 3,784,953</u></b>	<b><u>\$ 17,164,953</u></b>

**Revenue Bonds**

Revenue bonds outstanding as of June 30, 2019 consist of \$11,040,000 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, 2019 there was \$9,280,000 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, 2019 there was \$1,760,000 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, 2019 are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,890,000	65,817	1,955,817
2025	1,925,000	33,687	1,958,687
<b>Total</b>	<b><u>\$ 11,040,000</u></b>	<b><u>\$ 697,075</u></b>	<b><u>\$ 11,737,075</u></b>

County of Scott, Iowa

Notes To Basic Financial Statements  
As of and for the Year Ended June 30, 2019

---

**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 \$11,737,075 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 \$1,942,018 and property taxes recognized by the County were \$1,942,018 each.

**Legal Debt Margin**

The computation of the County's legal margin as of June 30, 2019 is as follows:

2017 assessed valuation	\$ 14,599,308,774
Less military exemption	(15,403,084)
<b>Total assessed value</b>	<u>\$ 14,583,905,690</u>
Debt limit, 5% of assessed valuation (Iowa statutory limitation)	\$ 729,195,285
Total amount of debt applicable to debt margin	(24,420,000)
<b>Legal debt margin</b>	<u>\$ 704,775,285</u>

County of Scott, Iowa

Notes To Basic Financial Statements  
As of and for the Year Ended June 30, 2019

---

**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. As of June 30, 2019, the amount outstanding is \$6,380,000. 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, 2019 are as follows:

Year Ending June 30	City of Davenport GO Note		
	Principal	Interest	Total
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	615,000	124,200	739,200
2025-2029	3,525,000	325,950	3,850,950
<b>Total</b>	<b>\$ 6,380,000</b>	<b>\$ 1,060,950</b>	<b>\$ 7,440,950</b>

**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 County made the final principal payment of \$36,713 and retained the assets in the current fiscal year.

**County of Scott, Iowa**

**Notes To Basic Financial Statements  
As of and for the Year Ended June 30, 2019**

---

**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. Net other postemployment benefit obligations are liquidated by the Internal Service Health and Dental Funds.

**Note 6. Retirement System**

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

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

As a multi-employer pension plan, IPERS recognizes County activity as the accumulation of transactions from Scott County, primary government; Scott Emergency Communication Center, blended component unit; Emergency Management Agency, discrete component unit; County Library, discrete component unit; and County Assessor, agency fund. 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, 2019**

---

**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 2019, pursuant to the required rate, Regular members contributed 6.29 percent of pay and the County contributed 9.44 percent for a total rate of 15.73 percent. Sheriff and deputy members and the County both contributed 9.76 percent of pay for a total rate of 19.52 percent. Protection occupation members contributed 6.81 percent of pay and the County contributed 10.21 percent for a total rate of 17.02 percent.

The County's, including all pension reporting units, contributions to IPERS for the year ended June 30, 2019 were \$3,090,585.

County of Scott, Iowa

Notes To Basic Financial Statements  
As of and for the Year Ended June 30, 2019

**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 (primary government, component unit and fiduciary), reported a liability of \$19,109,062 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2018, the County's collective proportion was 0.3019646%, which was a decrease of 0.023969% from its collective proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$2,764,381. 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	\$ 104,316	\$ 430,015	\$ 61,301	\$ 125,660
Changes in assumptions	2,714,152	-	496,673	656,818
Net difference between projected and actual earnings on pension plan investments	-	522,768	-	124,648
Changes in proportion and difference between County contributions and proportionate share of contributions	306,328	304,980	12,669	51,527
County contributions subsequent to the measurement dates	<u>2,208,688</u>	<u>-</u>	<u>327,193</u>	<u>-</u>
Total	<u>\$ 5,333,484</u>	<u>\$ 1,257,763</u>	<u>\$ 897,836</u>	<u>\$ 958,653</u>

County of Scott, Iowa

Notes To Basic Financial Statements  
As of and for the Year Ended June 30, 2019

Note 6. Retirement System (Continued)

	<u>Protection Occupation</u>		<u>Total - All Groups</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 12,635	\$ 41,348	\$ 178,252	\$ 597,023
Changes in assumptions	546,143	19,787	3,756,968	676,605
Net difference between projected and actual earnings on pension plan investments	-	161,845	-	809,261
Changes in proportion and difference between County contributions and proportionate share of contributions	3,128	2,640	322,125	359,147
County contributions subsequent to the measurement dates	<u>554,704</u>	<u>-</u>	<u>3,090,585</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 1,116,610</u></b>	<b><u>\$ 225,620</u></b>	<b><u>\$ 7,347,930</u></b>	<b><u>\$ 2,442,036</u></b>

\$3,090,585 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date, but before the end of the County's fiscal year of June 30, 2019, will be recognized as a reduction of the net pension liability in the measurement year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Total</u>
2020	\$ 1,620,658
2021	804,444
2022	(350,824)
2023	(183,957)
2024	<u>(75,012)</u>
<b>Total</b>	<b><u>\$ 1,815,309</u></b>

There were no non-employer contributing entities at IPERS.

County of Scott, Iowa

Notes To Basic Financial Statements  
As of and for the Year Ended June 30, 2019

---

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

**Actuarial Assumptions** - The total pension liability in the June 30, 2018 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, 2018 valuation were based on the results of actuarial experience study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2018 valuation were based on the RP-2014 Employee and Health Annuitant Tables with MP-2017 generational adjustments.

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	22.0%	6.01%
International equity	15.0%	6.48
Global smart beta equity	3.0%	6.23
Core-plus fixed income	27.0%	1.97
Public credit	3.5%	3.93
Public real assets	7.0%	2.91
Cash	1.0%	(0.25)
Private equity	11.0%	10.81
Private real assets	7.5%	4.14
Private credit	3.0%	3.11
Total	<u>100.0%</u>	

County of Scott, Iowa

Notes To Basic Financial Statements  
As of and for the Year Ended June 30, 2019

---

**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 (Asset) to Changes in the Discount Rate** - The following presents the County's proportionate share of the net pension liability (asset) 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	\$ 32,290,654	\$ 19,025,828	\$ 7,898,611
Sheriffs and Deputies	2,677,183	110,386	(2,041,667)
Protection Occupation	3,236,091	(27,153)	(2,759,620)
Total	<u>\$ 38,203,928</u>	<u>\$ 19,109,061</u>	<u>\$ 3,097,324</u>

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

**Payables to the Pension Plan** - At June 30, 2019, the County reported payables to the defined benefit pension plan of \$267,952 for legally required employer contributions and \$201,297 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, 2019

---

**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, 2019, the following employees were covered by the benefit terms:

	Number of Members
Active	475
Inactive currently receiving benefits	14
Total	<u>489</u>

**Total OPEB Liability:** The County and reporting unit's total OPEB liability of \$1,547,494 was measured as of June 30, 2019, and was determined by an actuarial valuation as of January 1, 2019.

County of Scott, Iowa

Notes To Basic Financial Statements  
As of and For the Year Ended June 30, 2019

---

**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, 2019
Actuarial valuation date	January 1, 2019
Rate of inflation (effective June 30, 2019)	3.0 percent per year
Rates of salary increase (effective June 30, 2019)	4.0 percent per year
Discount rate (effective June 30, 2019)	4.10 percent per year
Healthcare cost trend rate (effective June 30, 2019)	5.0 percent per year

**Discount Rate:** The discount rate used to measure the total OPEB liability was 4.10 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, 2019.

Mortality rates are from the RP2014 Annuitant distinct mortality table adjusted to 2006 with MP 2018 generational projection of future mortality improvement.

The actuarial assumption used in the June 30, 2019 valuation were based on the results of an actuarial experience study as of January 1, 2019.

**Changes in the Total OPEB Liability:**

Total OPEB Liability beginning of year	\$	1,464,235
Service cost		58,477
Expected interest		62,322
Difference between expected and actual experience		116,355
Changes of assumptions		(84,135)
Benefit payments		(69,760)
Total OPEB liability - end of year	\$	<u>1,547,494</u>

County of Scott, Iowa

Notes To Basic Financial Statements  
As of and For the Year Ended June 30, 2019

**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 (3.10 percent) or 1 percent higher (5.10 percent) than the current discount rate.

	1% Decrease 3.10%	Discount Rate 4.10%	1% Increase 5.10%
Total OPEB Liability	\$ 1,691,958	\$ 1,547,494	\$ 1,417,808

**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	\$ 1,385,972	\$ 1,547,494	\$ 1,736,823

**OPEB Expense, Deferred Inflows of Resources and Deferred Outflows of Resources Related to OPEB** - For the year ended June 30, 2019, the County recognized OPEB expense of \$138,195. At June 30, 2019, the County reported deferred outflows of resources related to OPEB from the following resources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ 145,937
Changes in assumptions	76,818	113,534
	<u>\$ 76,818</u>	<u>\$ 259,471</u>

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

	Year Ending June 30	Total
2020		\$ 17,396
2021		17,396
2022		17,396
2023		17,396
2024		17,396
Thereafter		95,673
<b>Total</b>		<u>\$ 182,653</u>

**County of Scott, Iowa**

**Notes To Basic Financial Statements  
As of and For the Year Ended June 30, 2019**

---

**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 \$9,000,000 maximum coverage on general and automobile liability, \$116,137,982 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 did not exceed the commercial coverage in fiscal year 2019.

As of June 30, 2019, the amount of liabilities recorded for estimated claim settlements for general, automobile, property and workers' compensation liability claims was \$302,349 of which \$20,664 was recorded in the General Fund. The County has assigned \$281,685 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, 2019

---

**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:

	2019	2018
Claims payable, beginning of year	\$ 264,367	\$ 302,867
Claims expense and change in reserve	488,133	242,945
Claims payments	(450,151)	(281,445)
Claims payable, end of year	<u>\$ 302,349</u>	<u>\$ 264,367</u>

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

	2019	2018
Claims payable, beginning of year	\$ 605,160	\$ 562,731
Claims expense and change in reserve	6,966,879	7,356,643
Claims payments	(7,030,996)	(7,314,214)
Claims payable, end of year	<u>\$ 541,043</u>	<u>\$ 605,160</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, 2019, there were three series of revenue bonds outstanding. The aggregate principal balance of the revenue bonds outstanding is \$12,339,000.

**County of Scott, Iowa**

**Notes To Basic Financial Statements  
As of and For the Year Ended June 30, 2019**

---

**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, 2019 is \$7,190,000.

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 \$7,190,000 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, 2019

**Note 11. Fund Balances**

Governmental fund balances reported on the fund financial statements at June 30, 2019 are:

	General	Mental Health/ Development Disability	Secondary Roads	Scott Emergency Communication Center
Fund Balances:				
Nonspendable				
Prepays	\$ 127,290	\$ -	\$ -	\$ -
Restricted				
Debt service	-	-	-	-
Secondary roads	-	-	7,062,383	-
Mental health	-	433,125	-	-
Emergency services	-	-	-	943,687
Records management fee	-	-	-	-
Rural services	-	-	-	-
Other statutory programs	716,902	-	-	-
Subtotal Restricted	<u>716,902</u>	<u>433,125</u>	<u>7,062,383</u>	<u>943,687</u>
Assigned				
Capital projects	783,980	-	-	-
Claim liabilities	281,685	-	-	-
Strategic planning initiatives	220,000	-	-	-
Health claim liability	100,000	-	-	-
Subtotal Assigned	<u>1,385,665</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned				
	<u>11,354,228</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Fund Balances</b>	<u>\$ 13,584,085</u>	<u>\$ 433,125</u>	<u>\$ 7,062,383</u>	<u>\$ 943,687</u>

County of Scott, Iowa

Notes To Basic Financial Statements  
As of and For the Year Ended June 30, 2019

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

	Capital Projects	Debt Service	Nonmajor Governmental	Total
Fund Balances:				
Nonspendable				
Prepays	\$ -	\$ -	\$ -	\$ 127,290
Restricted				
Debt Service	-	11,328,595	193	11,328,788
Secondary Roads	-	-	-	7,062,383
Mental health	-	-	-	433,125
Emergency Services	-	-	-	943,687
Records management fee	-	-	85,043	85,043
Rural services	-	-	142,948	142,948
Other statutory programs	-	-	-	716,902
Subtotal Restricted	-	11,328,595	228,184	20,712,876
Assigned				
Capital projects	9,245,565	-	-	10,029,545
Claim liabilities	-	-	-	281,685
Strategic planning initiatives	-	-	-	220,000
Health claim liability	-	-	-	100,000
Subtotal Assigned	9,245,565	-	-	10,631,230
Unassigned	-	-	-	11,354,228
<b>Total Fund Balances</b>	<b>\$ 9,245,565</b>	<b>\$ 11,328,595</b>	<b>\$ 228,184</b>	<b>\$ 42,825,624</b>

**Note 12. Litigation**

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

**County of Scott, Iowa**

**Notes To Basic Financial Statements**

**As of and For the Year Ended June 30, 2019**

---

**Note 13. Commitments and Contingency**

The County has financial commitments relating to future purchases of \$546,497, payable from the General fund, \$555,951, payable from the Capital Projects fund, \$7,584,402, payable from the Scott Emergency Communication Center fund, and \$501,849 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, 2019

---

**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, 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, 2019 as follows:

Revenues:

Property tax	\$	3,784,372
Other tax		143,849
Intergovernmental revenues:		
State tax credits and replacements		305,842
Charges for services - care keep		146,355
Investment earnings		28,737
Reimbursements and miscellaneous - from fiscal agent		145,179
Reimbursements and miscellaneous		68,881
Total revenues		<u>4,623,215</u>

Expenditures

Services to persons with:

Mental illness	3,626,047	
Intellectual disability	569,852	
Other developmental disabilities	<u>80,712</u>	4,276,611
Adult Correctional Services - Mental Illness		275,476
Adult Prosecution - Mental Illness		18,743
County provided services		28,481
General administration		
Reimbursed Administration - Fiscal Agent		145,179
Direct administration		<u>106,364</u>
Total expenditures		4,850,854

Excess of expenditures over revenues (227,639)

Fund balances beginning of the year 660,764

Fund balance end of the year \$ 433,125

**County of Scott, Iowa**

**Notes To Basic Financial Statements  
As of and For the Year Ended June 30, 2019**

---

**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, 2019, 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, 2019 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	\$ 305,973
City of Blue Grass	Economic development and / or other benefits	57,115
City of Davenport	Economic development and / or other benefits	366,149
City of Eldridge	Economic development and / or other benefits	79,858
City of LeClaire	Economic development and / or other benefits	726,791
City of Princeton	Economic development and / or other benefits	28,502
Total		\$ 1,564,388

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

The County adopted the following statements as of July 1, 2018:

- 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. 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, 2019

---

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

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

- GASB Statement No 84, *Fiduciary Activities*, Issued January 2017, will be effective for the County beginning with the year June 30, 2020. This statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by information reported in financial statements for assessing government accountability and stewardship.
- GASB Statement No 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 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.
- GASB Statement No 91, *Conduit Debt Obligations*, issued May 2019 will be effective for the County beginning with the year end June 30, 2022. This statement is improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice.

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, 2019**

---

**Note 17. Subsequent Event**

On August 12, 2019, the County issued General Obligation and Refunding Bonds in the amount of \$12,680,000 with coupon rates of 5.00% and a true interest costs of 1.392%. The bonds and cash on hand refunded \$6,190,000 of the 2009A Taxable General Obligation Emergency Services Communication Bonds. Principal proceeds of \$5,470,000 will be used for emergency communication infrastructure and \$4,790,000 will be used for emergency communication radio equipment.

This page intentionally left blank

County of Scott, Iowa

Required Supplementary Information  
 Budgetary Comparison Schedule (Non-GAAP)  
 All Governmental Funds - Primary Government  
 For the Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance with Final Budget
	Original	Final		Favorable (Unfavorable)
<b>Revenues:</b>				
Property taxes	\$ 49,805,092	\$ 49,805,092	\$ 49,667,622	\$ (137,470)
Local option sales tax	4,750,000	4,700,000	4,455,941	(244,059)
Other taxes	2,550,033	2,560,033	2,548,460	(11,573)
Interest and penalties on taxes	590,000	655,000	690,085	35,085
Intergovernmental	12,932,266	12,531,218	12,829,055	297,837
Charges for services	6,135,262	6,235,322	6,038,592	(196,730)
Investment earnings	744,074	912,300	1,356,084	443,784
Licenses and permits	734,030	775,645	756,807	(18,838)
Rentals and fees	150,454	140,849	120,588	(20,261)
Other	840,855	1,074,635	1,269,829	195,194
<b>Total revenues</b>	<b>79,232,066</b>	<b>79,390,094</b>	<b>79,733,063</b>	<b>342,969</b>
<b>Expenditures</b>				
Current:				
Public safety and legal services	32,352,530	33,683,269	32,774,593	908,676
Physical health and social services	6,187,788	6,304,009	5,921,631	382,378
Mental health	4,555,905	4,458,999	4,417,274	41,725
County environment and education	5,225,227	5,215,251	4,949,600	265,651
Roads and transportation	6,838,000	8,140,647	6,495,669	1,644,978
Government services to residents	2,758,284	2,739,471	2,555,119	184,352
Nonprogram Current	-	465,000	465,000	-
Administration	12,033,649	12,262,164	11,423,782	838,382
Capital outlay	10,274,928	12,714,902	7,493,915	5,220,987
Debt service	3,385,530	9,985,530	3,382,893	6,602,637
<b>Total expenditures</b>	<b>83,611,841</b>	<b>95,969,242</b>	<b>79,879,476</b>	<b>16,089,766</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(4,379,775)</b>	<b>(16,579,148)</b>	<b>(146,413)</b>	<b>16,432,735</b>
<b>Other financing sources (uses):</b>				
Transfers in	16,105,054	18,228,671	17,437,632	(791,039)
Transfers out	(16,105,054)	(18,228,671)	(17,437,632)	791,039
Debt issued	-	20,465,000	-	(20,465,000)
Proceeds from sale of capital assets	181,000	197,850	277,084	79,234
<b>Total other financing sources (uses)</b>	<b>181,000</b>	<b>20,662,850</b>	<b>277,084</b>	<b>(20,385,766)</b>
<b>Net change in fund balances</b>	<b>\$ (4,198,775)</b>	<b>\$ 4,083,702</b>	<b>\$ 130,671</b>	<b>\$ (3,953,031)</b>

See page 76 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, 2019

	Budget		Actual - GAAP Basis
	Original	Final	
Revenues:			
Intergovernmental	\$ 8,102,000	\$ 11,111,000	\$ 16,974
Investment earnings	-	15,750	59,618
Rental & Fees	-	-	19,250
Other	250	26,000	26,180
<b>Total revenues</b>	<b>8,102,250</b>	<b>11,152,750</b>	<b>122,022</b>
Expenditures			
Current:			
Public safety and legal services	7,237,001	7,258,801	6,468,380
Capital outlay	448,500	1,948,500	1,689,859
Debt service	689,200	689,200	689,200
<b>Total expenditures</b>	<b>8,374,701</b>	<b>9,896,501</b>	<b>8,847,439</b>
<b>Excess (deficiency) of revenues         over expenditures</b>	<b>(272,451)</b>	<b>1,256,249</b>	<b>(8,725,417)</b>
Other financing sources:			
Transfers in	-	-	7,807,587
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>7,807,587</b>
<b>Net change in fund balances</b>	<b>\$ (272,451)</b>	<b>\$ 1,256,249</b>	<b>\$ (917,830)</b>

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

Reclassifications	Actual - Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
\$ 8,100,000	\$ 8,116,974	\$ (2,994,026)
-	59,618	43,868
-	19,250	19,250
-	26,180	180
<u>8,100,000</u>	<u>8,222,022</u>	<u>(2,930,728)</u>
292,413	6,760,793	498,008
-	1,689,859	258,641
-	689,200	-
<u>292,413</u>	<u>9,139,852</u>	<u>756,649</u>
<u>7,807,587</u>	<u>(917,830)</u>	<u>(2,174,079)</u>
(7,807,587)	-	-
<u>(7,807,587)</u>	<u>-</u>	<u>-</u>
\$ -	\$ (917,830)	\$ (2,174,079)

County of Scott, Iowa

Schedule of Comparison  
 Budgetary Comparison Schedule  
 All Governmental Funds to Primary Government Budgeted Funds  
 For the Year Ended June 30, 2019

	Governmental Fund Types Actual	Scott Emergency Communications Center Component Unit	Public Safety Authority Component Unit	Reclassifications	Actual - Budgetary Basis
<b>Revenues:</b>					
Property taxes	\$ 49,667,622	\$ -	\$ -	\$ -	\$ 49,667,622
Local option sales tax	4,455,941	-	-	-	4,455,941
Other taxes	2,548,460	-	-	-	2,548,460
Interest and penalties on taxes	690,085	-	-	-	690,085
Intergovernmental	12,553,616	(16,974)	-	292,413	12,829,055
Charges for services	6,038,592	-	-	-	6,038,592
Investment earnings	1,415,702	(59,618)	-	-	1,356,084
Licenses and permits	756,807	-	-	-	756,807
Rentals and fees	139,838	(19,250)	-	-	120,588
Other	1,296,009	(26,180)	-	-	1,269,829
<b>Total revenues</b>	<b>79,562,672</b>	<b>(122,022)</b>	<b>-</b>	<b>292,413</b>	<b>79,733,063</b>
<b>Expenditures</b>					
<b>Current:</b>					
Public safety and legal services	31,142,973	(6,468,380)	-	8,100,000	32,774,593
Physical health and social services	5,921,631	-	-	-	5,921,631
Mental health	4,417,274	-	-	-	4,417,274
County environment and education	4,949,600	-	-	-	4,949,600
Roads and transportation	6,495,669	-	-	-	6,495,669
Government services to residents	2,555,119	-	-	-	2,555,119
Nonprogram current	-	-	-	465,000	465,000
Administration	11,423,782	-	-	-	11,423,782
Capital outlay	9,183,774	(1,689,859)	-	-	7,493,915
Debt service	4,072,093	(689,200)	(1,941,782)	1,941,782	3,382,893
<b>Total expenditures</b>	<b>80,161,915</b>	<b>(8,847,439)</b>	<b>(1,941,782)</b>	<b>10,506,782</b>	<b>79,879,476</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(599,243)</b>	<b>8,725,417</b>	<b>1,941,782</b>	<b>(10,214,369)</b>	<b>(146,413)</b>
<b>Other financing sources (uses):</b>					
Transfers in	18,057,090	(7,807,587)	(1,941,782)	9,129,911	17,437,632
Transfers out	(18,522,090)	-	-	1,084,458	(17,437,632)
Proceeds from sale of capital assets	277,084	-	-	-	277,084
<b>Total other financing sources (uses)</b>	<b>(187,916)</b>	<b>(7,807,587)</b>	<b>(1,941,782)</b>	<b>10,214,369</b>	<b>277,084</b>
<b>Net change in fund balances</b>	<b>\$ (787,159)</b>	<b>\$ 917,830</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 130,671</b>

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	2019
County's proportion of net pension liability	0.274511%	0.293765%	0.315698%	0.325938%	0.301965%
County's proportionate share of net pension liability	\$ 10,886,862	\$ 14,513,418	\$ 19,867,842	\$ 21,711,318	\$ 19,109,062
County's covered-employee payroll	\$ 28,172,699	\$ 28,766,876	\$ 29,388,451	\$ 31,387,807	\$ 31,282,997
County's proportionate share of net pension liability as a percentage of its covered-employee payroll	38.64%	50.45%	67.60%	69.17%	61.08%
Plan fiduciary net position as a percentage of the total pension liability	87.61%	85.19%	81.82%	82.21%	83.62%

\* 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

---

	2010	2011	2012	2013
Statutorily required contribution	\$ 1,696,095	\$ 1,985,400	\$ 2,299,215	\$ 2,516,323
Contributions in relation to the statutorily required contribution	1,696,095	1,985,400	2,299,215	2,516,323
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
County's covered - employee payroll	23,400,557	25,753,487	26,725,226	27,682,627
Contributions as a percentage of covered-employee payroll	7.25%	7.71%	8.60%	9.09%

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

---

	2014		2015		2016		2017		2018		2019
\$	2,605,252	\$	2,660,923	\$	2,701,309	\$	2,876,113	\$	2,857,155	\$	3,090,585
	2,605,252		2,660,923		2,701,309		2,876,113		2,857,155		3,090,585
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	28,172,699		28,766,876		29,388,451		31,387,807		31,282,997		32,182,507
	9.25%		9.25%		9.19%		9.16%		9.13%		9.60%

County of Scott, Iowa

Schedule of the County's Total OPEB Liability, Related Ratios and Notes  
For the Last Years

	2018	2019
Service cost	\$ 77,835	\$ 58,477
Interest costs	49,637	62,322
Difference between expected and actual experiences	47,262	116,355
Change in assumptions	135,160	(84,135)
Benefit payments	<u>(103,958)</u>	<u>(69,760)</u>
Net change in total OPEB liability	205,936	83,259
Total OPEB liability beginning of year, as restated	<u>1,258,299</u>	<u>1,464,235</u>
Total OPEB liability end of year	<u>\$ 1,464,235</u>	<u>\$ 1,547,494</u>
Covered-employee payroll	\$ 28,385,184	\$ 28,670,702
Total OPEB liability as a percentage of covered-employee payroll	5.16%	5.40%

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.

3.44%	4.10%
-------	-------

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, 2019

---

#### **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 \$12,357,401. The budget amendment was adjusted estimates of current year activity and an estimate for bonds proceeds to be received and issued to the blended component unit, Scott Emergency Communication Center fund. The Scott Emergency Communication Center fund increased budgeted expenditures by \$1,521,800 in anticipation of the first payment to the infrastructure and radio vendor and anticipated yearly activity.

The Public Safety Authority did not adopt a budget in fiscal year 2019.

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 2018 valuation implemented the following refinements as a result of a demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive deferred benefit.
- Adjusted the merit component of the salary increase assumption.

**County of Scott, Iowa**

**Notes to Required Supplementary Information  
As of and For the Year Ended June 30, 2019**

---

**Note 2. Net Pension Liability (Continued)**

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.

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, 2019

	Special Revenue		Debt Service		Total
	Rural Services Fund	Recorders Management Fees Fund	Public Safety Authority		
<b>Assets</b>					
Cash and investments	\$ 142,131	\$ 84,775	\$ -	\$ -	\$ 226,906
Restricted Cash and Investments	-	-	193		193
Receivables:					
Property taxes, net of allowance for collection losses	3,283,272	-	-		3,283,272
Accrued interest	448	268	-		716
<b>Total assets</b>	<b>\$ 3,425,851</b>	<b>\$ 85,043</b>	<b>\$ 193</b>	<b>\$ -</b>	<b>\$ 3,511,087</b>
<b>Deferred Inflows of Resources and Fund Balance</b>					
Deferred Inflows of Resources					
Unavailable revenue	\$ 4,443	\$ -	\$ -	\$ -	\$ 4,443
Unearned revenue	3,278,460	-	-		3,278,460
<b>Total deferred inflows of resources</b>	<b>3,282,903</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,282,903</b>
Fund balances					
Restricted	142,948	85,043	193		228,184
<b>Total fund balance</b>	<b>142,948</b>	<b>85,043</b>	<b>193</b>	<b>-</b>	<b>228,184</b>
<b>Total deferred inflows of resources and fund balances</b>	<b>\$ 3,425,851</b>	<b>\$ 85,043</b>	<b>\$ 193</b>	<b>\$ -</b>	<b>\$ 3,511,087</b>

County of Scott, Iowa

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended June 30, 2019

	Special Revenue		Debt Service		Total
	Rural Services Fund	Recorders		Public Safety Authority	
		Management Fees Fund			
Revenues:					
Property taxes	\$ 2,971,412	\$ -	\$ -	\$ -	2,971,412
Other taxes	70,705	-	-	-	70,705
Intergovernmental	154,867	-	-	-	154,867
Charges for services	-	30,007	-	-	30,007
Investment earnings	3,197	2,474	-	-	5,671
<b>Total revenues</b>	<b>3,200,181</b>	<b>32,481</b>	<b>-</b>	<b>-</b>	<b>3,232,662</b>
Expenditures:					
Current:					
County environment and education	580,036	-	-	-	580,036
Debt Service					
Principal	-	-	1,705,000	-	1,705,000
Interest and fees	-	-	236,782	-	236,782
<b>Total Expenditures</b>	<b>580,036</b>	<b>-</b>	<b>1,941,782</b>	<b>-</b>	<b>2,521,818</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>2,620,145</b>	<b>32,481</b>	<b>(1,941,782)</b>	<b>-</b>	<b>710,844</b>
Other financing sources (uses):					
Transfers In	-	-	1,941,779	-	1,941,779
Transfers Out	(2,618,000)	(45,000)	-	-	(2,663,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,618,000)</b>	<b>(45,000)</b>	<b>1,941,779</b>	<b>-</b>	<b>(721,221)</b>
<b>Net change in fund balances</b>	<b>2,145</b>	<b>(12,519)</b>	<b>(3)</b>	<b>-</b>	<b>(10,377)</b>
Fund balances, beginning of year	140,803	97,562	196	-	238,561
Fund balances, end of year	\$ 142,948	\$ 85,043	\$ 193	\$ -	\$ 228,184

County of Scott, Iowa

Combining Statement of Net Position  
Internal Service Funds  
As of June 30, 2019

	Internal Service Funds		
	Dental Insurance Fund	Health Insurance Fund	Total
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 299,744	\$ 2,921,388	\$ 3,221,132
Accounts receivable	155	7,382	7,537
Interest receivable	1,038	9,227	10,265
Prepays	-	15,953	15,953
<b>Total current assets</b>	<b>300,937</b>	<b>2,953,950</b>	<b>3,254,887</b>
<b>Total assets</b>	<b>\$ 300,937</b>	<b>\$ 2,953,950</b>	<b>\$ 3,254,887</b>
<b>Liabilities and Net Position</b>			
Current liabilities:			
Accounts payable	\$ 2,583	\$ 3,843	\$ 6,426
Claims payable	45,988	495,055	541,043
<b>Total liabilities</b>	<b>48,571</b>	<b>498,898</b>	<b>547,469</b>
Net Position:			
Unrestricted	252,366	2,455,052	2,707,418
<b>Total net position</b>	<b>252,366</b>	<b>2,455,052</b>	<b>2,707,418</b>
<b>Total liabilities and net position</b>	<b>\$ 300,937</b>	<b>\$ 2,953,950</b>	<b>\$ 3,254,887</b>

County of Scott, Iowa

Combining Statement of Revenues, Expenses, and Changes in Net Position  
 Internal Service Funds  
 For the Year Ended June 30, 2019

	Internal Service Funds		
	Dental Insurance Fund	Health Insurance Fund	Total
Operating revenues:			
Charges for services	\$ 454,116	\$ 7,737,770	\$ 8,191,886
Other	-	31,409	31,409
<b>Total operating revenues</b>	<b>454,116</b>	<b>7,769,179</b>	<b>8,223,295</b>
Operating expenses:			
Administrative charges	30,696	596,290	626,986
Claims	379,791	6,651,205	7,030,996
<b>Total operating expenses</b>	<b>410,487</b>	<b>7,247,495</b>	<b>7,657,982</b>
<b>Operating income (loss)</b>	<b>43,629</b>	<b>521,684</b>	<b>565,313</b>
Nonoperating revenues:			
Investment earnings	7,031	56,980	64,011
<b>Total nonoperating revenues</b>	<b>7,031</b>	<b>56,980</b>	<b>64,011</b>
<b>Income (loss) before transfers</b>	<b>50,660</b>	<b>578,664</b>	<b>629,324</b>
<b>Transfers in</b>	<b>-</b>	<b>465,000</b>	<b>465,000</b>
<b>Change in Net Position</b>	<b>50,660</b>	<b>1,043,664</b>	<b>1,094,324</b>
Total Net Position, beginning of year	201,706	1,411,388	1,613,094
Total Net Position, end of year	\$ 252,366	\$ 2,455,052	\$ 2,707,418

County of Scott, Iowa

Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2019

	Internal Service Funds		
	Dental Insurance Fund	Health Insurance Fund	Total
Cash flows from operating activities:			
Cash received from customers	\$ 454,022	\$ 7,737,770	\$ 8,191,792
Refunds from outside sources	-	25,134	25,134
Cash payments to suppliers for goods and services	(439,666)	(7,166,817)	(7,606,483)
<b>Net cash from operating activities</b>	<b>14,356</b>	<b>596,087</b>	<b>610,443</b>
Cash flows from noncapital financing activities,			
Transfer from other funds	-	465,000	465,000
Cash flows from investing activities, interest received	6,254	49,444	55,698
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>20,610</b>	<b>1,110,531</b>	<b>1,131,141</b>
Cash and cash equivalents:			
Beginning	279,134	1,810,857	2,089,991
Ending	\$ 299,744	\$ 2,921,388	\$ 3,221,132
Reconciliation of operating income (loss) to net cash from operating activities:			
Operating income (loss)	\$ 43,629	\$ 521,684	\$ 565,313
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Changes in assets and liabilities:			
Prepays	(93)	(6,274)	(6,367)
Accounts receivable	-	115,469	115,469
Accounts payable	(42)	189	147
Claims payable	(29,138)	(34,981)	(64,119)
<b>Net cash from operating activities</b>	<b>\$ 14,356</b>	<b>\$ 596,087</b>	<b>\$ 610,443</b>

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities  
 All Agency Funds  
 For the Year Ended June 30, 2019

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
<b>Agricultural Extension Service Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 3,663	\$ 586,896	\$ 587,627	\$ 2,932
Receivables, property taxes	571,643	589,908	572,277	589,274
<b>Total assets</b>	<b>\$ 575,306</b>	<b>\$ 1,176,804</b>	<b>\$ 1,159,904</b>	<b>\$ 592,206</b>
<b>Liabilities, due to other government funds</b>	<b>\$ 575,306</b>	<b>\$ 1,176,804</b>	<b>\$ 1,159,904</b>	<b>\$ 592,206</b>
<b>Bangs Eradication Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 169	\$ 25,976	\$ 13,927	\$ 12,218
Receivables, property taxes	25,315	24,732	25,315	24,732
<b>Total assets</b>	<b>\$ 25,484</b>	<b>\$ 50,708</b>	<b>\$ 39,242</b>	<b>\$ 36,950</b>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 26,015	\$ 13,926	\$ 12,089
Due to other governmental funds	25,484	50,708	51,331	24,861
<b>Total liabilities</b>	<b>\$ 25,484</b>	<b>\$ 76,723</b>	<b>\$ 65,257</b>	<b>\$ 36,950</b>
<b>City Taxing Districts Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 919,749	\$ 129,971,397	\$ 130,229,372	\$ 661,774
Receivables, property taxes	126,270,555	131,089,333	126,359,080	131,000,808
<b>Total assets</b>	<b>\$ 127,190,304</b>	<b>\$ 261,060,730</b>	<b>\$ 256,588,452</b>	<b>\$ 131,662,582</b>
<b>Liabilities, due to other government funds</b>	<b>\$ 127,190,304</b>	<b>\$ 261,060,730</b>	<b>\$ 256,588,452</b>	<b>\$ 131,662,582</b>
<b>Community College Taxing District Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 57,218	\$ 9,329,041	\$ 9,339,967	\$ 46,292
Receivables, property taxes	9,088,642	9,134,491	9,098,485	9,124,648
<b>Total assets</b>	<b>\$ 9,145,860</b>	<b>\$ 18,463,532</b>	<b>\$ 18,438,452</b>	<b>\$ 9,170,940</b>
<b>Liabilities, due to other government funds</b>	<b>\$ 9,145,860</b>	<b>\$ 18,463,532</b>	<b>\$ 18,438,452</b>	<b>\$ 9,170,940</b>
<b>Fire Taxing District Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 2,881	\$ 436,617	\$ 438,173	\$ 1,325
Receivables, property taxes	435,211	454,615	436,693	453,133
<b>Total assets</b>	<b>\$ 438,092</b>	<b>\$ 891,232</b>	<b>\$ 874,866</b>	<b>\$ 454,458</b>
<b>Liabilities, due to other government funds</b>	<b>\$ 438,092</b>	<b>\$ 891,232</b>	<b>\$ 874,866</b>	<b>\$ 454,458</b>

(continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities  
 All Agency Funds (Continued)  
 For the Year Ended June 30, 2019

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
<b>School Taxing District Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 838,733	\$ 132,044,778	\$ 132,211,737	\$ 671,774
Receivables, property taxes	128,614,360	130,363,728	128,751,920	130,226,168
<b>Total assets</b>	<b>\$ 129,453,093</b>	<b>\$ 262,408,506</b>	<b>\$ 260,963,657</b>	<b>\$ 130,897,942</b>
<b>Liabilities, due to other government funds</b>	<b>\$ 129,453,093</b>	<b>\$ 262,408,506</b>	<b>\$ 260,963,657</b>	<b>\$ 130,897,942</b>
<b>Township Taxing District Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 2,041	\$ 252,664	\$ 253,701	\$ 1,004
Receivables, property taxes	251,615	270,626	252,105	270,136
<b>Total assets</b>	<b>\$ 253,656</b>	<b>\$ 523,290</b>	<b>\$ 505,806</b>	<b>\$ 271,140</b>
<b>Liabilities, due to other government funds</b>	<b>\$ 253,656</b>	<b>\$ 523,290</b>	<b>\$ 505,806</b>	<b>\$ 271,140</b>
<b>Other Holding Accounts Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 5,228,622	\$ 409,948,338	\$ 410,376,429	\$ 4,800,531
Receivables, property taxes	13,921	722,761	705,297	31,385
<b>Total assets</b>	<b>\$ 5,242,543</b>	<b>\$ 410,671,099</b>	<b>\$ 411,081,726</b>	<b>\$ 4,831,916</b>
<b>Liabilities</b>				
Accounts payable	\$ 21,966	\$ 144,433	\$ 146,340	\$ 20,059
Due to other governmental agencies	5,220,577	401,214,324	401,623,044	4,811,857
<b>Total liabilities</b>	<b>\$ 5,242,543</b>	<b>\$ 401,358,757</b>	<b>\$ 401,769,384</b>	<b>\$ 4,831,916</b>
<b>City Special Assessments Fund</b>				
<b>Assets, cash and investments</b>	<b>\$ 284,325</b>	<b>\$ 3,744,139</b>	<b>\$ 3,704,344</b>	<b>\$ 324,120</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 284,325</b>	<b>\$ 3,744,139</b>	<b>\$ 3,704,344</b>	<b>\$ 324,120</b>
<b>County Recorder Agency Fund</b>				
<b>Assets, cash and investments</b>	<b>\$ 63,047</b>	<b>\$ 2,076,496</b>	<b>\$ 2,032,173</b>	<b>\$ 107,370</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 63,047</b>	<b>\$ 2,076,496</b>	<b>\$ 2,032,173</b>	<b>\$ 107,370</b>

(continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities  
 All Agency Funds (Continued)  
 For the Year Ended June 30, 2019

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
<b>County Sheriff Agency Fund</b>				
<b>Assets, cash and investments</b>	\$ 201,363	\$ 6,674,495	\$ 6,590,503	\$ 285,355
<b>Liabilities</b>				
Accounts Payable	\$ 85,634	\$ 6,340,485	\$ 6,306,446	\$ 119,673
Due from other government agencies	115,729	353,929	303,976	165,682
<b>Total Liabilities</b>	<b>\$ 201,363</b>	<b>\$ 6,694,414</b>	<b>\$ 6,610,422</b>	<b>\$ 285,355</b>
<b>Motor Vehicle Tax Fund</b>				
<b>Assets, cash and investments</b>	\$ 26,764	\$ -	\$ -	\$ 26,764
<b>Liabilities, due to other governmental agencies</b>	\$ 26,764	\$ -	\$ -	\$ 26,764
<b>Tax Sale Redemption Fund</b>				
<b>Assets, cash and investments</b>	\$ 77,337	\$ -	\$ -	\$ 77,337
<b>Liabilities, due to other governmental agencies</b>	\$ 77,337	\$ -	\$ -	\$ 77,337
<b>Community Services Fund</b>				
<b>Assets, cash and investments</b>	\$ 508,553	\$ 45,673	\$ -	\$ 554,226
<b>Liabilities, due to private individuals</b>	\$ 508,553	\$ 45,673	\$ -	\$ 554,226
<b>County Assessor Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 997,184	\$ 901,446	\$ 828,933	\$ 1,069,697
Receivables, property taxes	851,618	852,245	852,816	851,047
Receivables, interest	926	3,378	926	3,378
Prepaid	25,922	24,812	25,922	24,812
<b>Total assets</b>	<b>\$ 1,875,650</b>	<b>\$ 1,781,881</b>	<b>\$ 1,708,597</b>	<b>\$ 1,948,934</b>
<b>Liabilities</b>				
Accounts payable	\$ 5,855	\$ 213,071	\$ 213,899	\$ 5,027
Due to other governmental agencies	1,869,795	2,465,564	2,391,452	1,943,907
<b>Total liabilities</b>	<b>\$ 1,875,650</b>	<b>\$ 2,678,635</b>	<b>\$ 2,605,351</b>	<b>\$ 1,948,934</b>

(continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities  
 All Agency Funds (Continued)  
 For the Year Ended June 30, 2019

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
<b>City Assessor Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 958,564	\$ 1,503,572	\$ 1,370,927	\$ 1,091,209
Receivables, property taxes	1,431,010	1,474,060	1,432,123	1,472,947
Receivables, interest	894	3,446	894	3,446
<b>Total assets</b>	<b>\$ 2,390,468</b>	<b>\$ 2,981,078</b>	<b>\$ 2,803,944</b>	<b>\$ 2,567,602</b>
<b>Liabilities</b>				
Accounts payable	\$ 179,304	\$ 1,288,323	\$ 1,369,311	\$ 98,316
Due to other governmental agencies	2,211,164	2,978,469	2,720,347	2,469,286
<b>Total liabilities</b>	<b>\$ 2,390,468</b>	<b>\$ 4,266,792</b>	<b>\$ 4,089,658</b>	<b>\$ 2,567,602</b>
<b>Eastern Iowa Mental Health and Disabilities Services Region</b>				
<b>Assets</b>				
Cash and investments	\$ 8,380,267	\$ 105,713	\$ 7,046,000	\$ 1,439,980
Receivables, accrued interest	7,824	4,547	7,824	4,547
Prepaid	98,973	5,609	98,972	5,610
<b>Total assets</b>	<b>\$ 8,487,064</b>	<b>\$ 115,869</b>	<b>\$ 7,152,796</b>	<b>\$ 1,450,137</b>
<b>Liabilities</b>				
Accounts payable	\$ 139,839	\$ 6,838,535	\$ 6,963,605	\$ 14,769
Due to other governmental agencies	8,347,225	82,562	6,994,419	1,435,368
<b>Total liabilities</b>	<b>\$ 8,487,064</b>	<b>\$ 6,921,097</b>	<b>\$ 13,958,024</b>	<b>\$ 1,450,137</b>
<b>Jail Inmate Fund</b>				
<b>Assets, cash and investments</b>	<b>\$ 94,410</b>	<b>\$ 82,619</b>	<b>\$ -</b>	<b>\$ 177,029</b>
<b>Liabilities, due to private individuals</b>	<b>\$ 94,410</b>	<b>\$ 82,619</b>	<b>\$ -</b>	<b>\$ 177,029</b>
<b>Rivershare Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 27,679	\$ 106,716	\$ 104,241	\$ 30,154
Prepaid	12,276	-	12,276	-
<b>Total assets</b>	<b>\$ 39,955</b>	<b>\$ 106,716</b>	<b>\$ 116,517</b>	<b>\$ 30,154</b>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 113,825	\$ 113,596	\$ 229
Due to other government agencies	39,955	106,716	116,746	29,925
<b>Total liabilities</b>	<b>\$ 39,955</b>	<b>\$ 220,541</b>	<b>\$ 230,342</b>	<b>\$ 30,154</b>

(continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities  
 All Agency Funds (Continued)  
 For the Year Ended June 30, 2019

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
<b>E 911 Funds</b>				
<b>Assets, cash and investments</b>	\$ -	\$ 1,275,058	\$ 1,275,058	\$ -
<b>Liabilities, due to other governmental agencies</b>	\$ -	\$ 1,275,058	\$ 1,275,058	\$ -
<b>Total Combined Funds</b>				
<b>Assets</b>				
Cash and investments	\$ 18,672,569	\$ 699,111,634	\$ 706,403,112	\$ 11,381,091
Receivables:				
Property taxes	267,553,890	274,976,499	268,486,111	274,044,278
Interest	9,644	11,371	9,644	11,371
Prepaid	137,171	30,421	137,170	30,422
<b>Total Assets</b>	<b>\$ 286,373,274</b>	<b>\$ 974,129,925</b>	<b>\$ 975,036,037</b>	<b>\$ 285,467,162</b>
<b>Liabilities</b>				
Accounts payable	\$ 432,598	\$ 14,964,687	\$ 15,127,123	\$ 270,162
Due to other governmental agencies	285,337,713	958,797,947	959,296,482	284,465,745
Due to private individuals	602,963	128,292	-	731,255
<b>Total Liabilities</b>	<b>\$ 286,373,274</b>	<b>\$ 973,890,926</b>	<b>\$ 974,423,605</b>	<b>\$ 285,467,162</b>

County of Scott, Iowa

**Combining Balance Sheet and Reconciliation to Statement of Net Position  
Discretely Presented Component Units  
As of June 30, 2019**

	Emergency Management Agency	County Library	Total
<b>Assets</b>			
Cash and investments	\$ 305,277	\$ 374,692	\$ 679,969
Receivables:			
Accrued interest	898	1,182	2,080
Due from other governmental agencies	39,000	-	39,000
Prepaid Items	-	36,168	36,168
<b>Total assets</b>	<b>\$ 345,175</b>	<b>\$ 412,042</b>	<b>\$ 757,217</b>
<b>Liabilities and Fund Balance</b>			
Liabilities:			
Accounts payable	\$ 9,755	\$ 27,238	\$ 36,993
Accrued liabilities	8,973	29,293	38,266
<b>Total liabilities</b>	<b>18,728</b>	<b>56,531</b>	<b>75,259</b>
<b>Deferred Inflows of Resources</b>			
Liabilities:			
Unavailable Revenue	39,000	-	39,000
Total deferred inflows of resources	39,000	-	39,000
<b>Fund balances:</b>			
Nonspendable	-	25,645	25,645
Assigned	-	12,000	12,000
Unassigned	287,447	317,866	605,313
<b>Total fund balances</b>	<b>287,447</b>	<b>355,511</b>	<b>642,958</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 345,175</b>	<b>\$ 412,042</b>	<b>\$ 757,217</b>
<b>Reconciliation to statement of net position</b>			
Total component unit fund balances	\$ 287,447	\$ 355,511	\$ 642,958
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	638,969	240,934	879,903
Accumulated depreciation	(609,827)	(635,406)	(1,245,233)
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	48,663	198,481	247,144
OPEB Deferred outflows of resources	190	4,294	4,484
Pension Deferred inflows of resources	(116)	(347)	(463)
OPEB Deferred intflows of resources	(56)	(1,271)	(1,327)
Liabilities not due and payable in the current period are not reported in the funds:			
Compensated absences	(11,837)	(49,965)	(61,802)
Net pension liability	(67,090)	(478,662)	(545,752)
Other post employment benefits obligation	(1,137)	(25,609)	(26,746)
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
<b>Total net position</b>	<b>\$ 324,206</b>	<b>\$ 756,426</b>	<b>\$ 1,080,632</b>

County of Scott, Iowa

Combining Statement of Revenues, Expenditures and Changes in Fund Balances and Reconciliation  
to Statement of Activities - Discretely Presented Component Units  
For the Year Ended June 30, 2019

	Emergency Management		
	Agency	County Library	Total
Revenues:			
Intergovernmental			
Operating	\$ 263,771	\$ 1,205,170	\$ 1,468,941
Charges for services	56,304	15,400	71,704
Investment earnings	6,364	8,530	14,894
Other	-	24,700	24,700
<b>Total revenues</b>	<b>326,439</b>	<b>1,253,800</b>	<b>1,580,239</b>
Expenditures:			
Current:			
Public safety and legal services	317,997	-	317,997
County environment and education	-	1,263,118	1,263,118
<b>Total expenditures</b>	<b>317,997</b>	<b>1,263,118</b>	<b>1,581,115</b>
<b>Net change in fund balances</b>	<b>8,442</b>	<b>(9,318)</b>	<b>(876)</b>
Fund balances, beginning of year	279,005	364,829	643,834
Fund balances, end of year	<u>\$ 287,447</u>	<u>\$ 355,511</u>	<u>\$ 642,958</u>

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, 2019**

	Emergency Management Agency	County Library	Total
<b>Reconciliation to statement of activities,</b>			
Net change in fund balances	\$ 8,442	\$ (9,318)	\$ (876)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the detail of the amount by which capital outlays exceeded depreciation in the current year:</p>			
Capital outlay capitalized	15,903	18,500	34,403
Depreciation	(1,749)	(27,730)	(29,479)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the component unit:</p>			
Change in compensated absences	31,258	(1,180)	30,078
Change in other post employment benefits obligation	4,537	(17,441)	(12,904)
Change in pension expense	22,103	90,666	112,769
<b>Changes in Net Position of component units</b>	<b>\$ 80,494</b>	<b>\$ 53,497</b>	<b>\$ 133,991</b>

This page intentionally left blank

**STATISTICAL**

This page intentionally left blank

# 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
<b>Financial Trends</b>	97
These schedules contain trend information to help the reader understand how the County's financial performance and well being have changed over time.	
<b>Revenue Capacity</b>	109
These schedules contain information to help the reader assess the County's most significant local revenue sources, the property tax (or sales tax).	
<b>Debt Capacity</b>	117
These schedules present information to help the reader assess the affordability of the County's current level of outstanding debt and the County's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	123
These schedule offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
<b>Operating Information</b>	127
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)**

	2010	2011	2012
Governmental activities:			
Net investment in capital assets	\$ 73,643,761	\$ 64,874,432	\$ 74,766,566
Restricted for:			
Debt service	2,849,754	2,503,008	2,160,323
County conservation sewage treatment	209,483	210,592	212,459
Mental health	1,499,167	1,221,960	343,637
Other statutory programs	663,173	783,546	786,943
Rural services	-	57,929	70,995
Scott Emergency Communication Center	-	-	2,762,297
Secondary roads	370,604	885,011	1,839,278
Unrestricted	6,934,776	10,009,511	14,045,782
<b>Total governmental activities net position</b>	<b>\$ 86,170,718</b>	<b>\$ 80,545,989</b>	<b>\$ 96,988,280</b>
Business-Type activities			
Net investment in capital assets	\$ 1,201,240	\$ 1,640,815	\$ 2,226,682
Restricted for lease purchase contract	324,407	324,407	-
Unrestricted	(3,921,629)	(4,233,323)	(4,447,949)
<b>Total business-type activities net position</b>	<b>\$ (2,395,982)</b>	<b>\$ (2,268,101)</b>	<b>\$ (2,221,267)</b>
Primary government:			
Net investment in capital assets	\$ 74,845,001	\$ 66,515,247	\$ 76,993,248
Restricted for:			
Debt service	2,849,754	2,503,008	2,160,323
County conservation sewage treatment	209,483	210,592	212,459
Lease purchase contract	324,407	324,407	-
Mental health	1,499,167	1,221,960	343,637
Other statutory programs	663,173	783,546	786,943
Rural services	-	57,929	70,995
Scott Emergency Communication Center	-	-	2,762,297
Secondary roads	370,604	885,011	1,839,278
Unrestricted	3,013,147	5,776,188	9,597,833
<b>Total primary government net position</b>	<b>\$ 83,774,736</b>	<b>\$ 78,277,888</b>	<b>\$ 94,767,013</b>

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

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

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

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											
		2013	2014	2015	2016	2017	2018	2019					
\$	71,325,134	\$	69,647,344	\$	73,242,465	\$	76,525,390	\$	84,867,870	\$	83,682,338	\$	89,250,258
	1,491,035		1,802,355		1,936,389		2,217,903		2,754,062		3,390,905		3,993,594
	212,430		212,430		208,552		-		-		-		-
	-		1,966,913		5,116,780		359,933		977,859		660,764		433,125
	968,492		979,625		955,941		923,278		724,052		735,036		801,945
	154,168		150,016		148,630		154,804		138,403		140,803		142,948
	2,689,733		3,049,339		120,370		-		-		-		-
	2,320,739		3,149,287		3,830,301		3,475,520		4,972,038		6,646,225		7,062,383
	15,050,677		20,624,047		11,928,034		13,322,400		8,299,780		8,735,706		8,217,313
\$	94,212,408	\$	101,581,356	\$	97,487,462	\$	96,979,228	\$	102,734,064	\$	103,991,777	\$	109,901,566
\$	2,214,625	\$	2,168,898	\$	2,167,093	\$	2,088,255	\$	2,089,796	\$	2,242,699	\$	2,229,786
	-		-		-		-		-		-		-
	93,780		173,029		290,861		462,282		564,622		428,636		359,110
\$	2,308,405	\$	2,341,927	\$	2,457,954	\$	2,550,537	\$	2,654,418	\$	2,671,335	\$	2,588,896
\$	73,539,759	\$	71,816,242	\$	75,409,558	\$	78,613,645	\$	86,957,666	\$	85,925,037	\$	91,480,044
	1,491,035		1,802,355		1,936,389		2,217,903		2,754,062		3,390,905		3,993,594
	212,430		212,430		208,552		-		-		-		-
	-		-		-		-		-		-		-
	-		1,966,913		5,116,780		359,933		977,859		660,764		433,125
	968,492		979,625		955,941		923,278		724,052		735,036		801,945
	154,168		150,016		148,630		154,804		138,403		140,803		142,948
	2,689,733		3,049,339		120,370		-		-		-		-
	2,320,739		3,149,287		3,830,301		3,475,520		4,972,038		6,646,225		7,062,383
	15,144,457		20,797,076		12,218,895		13,784,682		8,864,402		9,164,342		8,576,423
\$	96,520,813	\$	103,923,283	\$	99,945,416	\$	99,529,765	\$	105,388,482	\$	106,663,112	\$	112,490,462

County of Scott, Iowa

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

	2010	2011	2012
Expenses:			
Governmental activities:			
Public safety and legal services	\$ 27,972,373	\$ 36,474,619	\$ 20,806,047
Public safety and legal services -SECC	-	-	6,785,573
Physical health and social services	6,238,358	5,695,818	5,439,626
Mental health	14,484,152	15,279,397	17,508,289
County environment and education	4,044,619	4,893,713	5,045,765
Roads and transportation	6,219,535	7,863,504	9,171,403
Governmental services to residents	2,167,664	2,117,384	2,262,947
Administration	8,294,027	11,500,872	10,131,539
Interest on long-term debt	1,457,291	1,674,554	2,090,153
<b>Total governmental activities expenses</b>	<b>70,878,019</b>	<b>85,499,861</b>	<b>79,241,342</b>
Business-Type activities, golf course	1,021,548	949,850	1,168,516
<b>Total government expenses</b>	<b>\$ 71,899,567</b>	<b>\$ 86,449,711</b>	<b>\$ 80,409,858</b>
Program revenues:			
Governmental activities			
Charges for services			
Public safety and legal services	\$ 992,171	\$ 1,457,575	\$ 1,622,292
Physical health and social services	355,941	376,158	399,182
Mental health	31,902	50,250	74,244
County environment and education	988,522	1,017,239	1,145,202
Roads and transportation	32,893	20,863	18,900
Governmental services to residents	2,343,094	2,469,734	2,588,909
Administration	271,056	267,955	267,800
Operating grants and contributions	11,912,913	12,882,216	12,358,943
Capital grants and contributions	6,674,252	2,567,522	1,111,863
<b>Total governmental activities program revenues</b>	<b>23,602,744</b>	<b>21,109,512</b>	<b>19,587,335</b>
Business-Type activities, golf course	912,712	900,741	1,002,459
<b>Total government program revenues</b>	<b>\$ 24,515,456</b>	<b>\$ 22,010,253</b>	<b>\$ 20,589,794</b>
Net (expense)/revenue:			
Governmental activities	\$ (47,275,275)	\$ (64,390,349)	\$ (59,654,007)
Business-Type activities	(108,836)	(49,109)	(166,057)
<b>Total government net expense</b>	<b>\$ (47,384,111)</b>	<b>\$ (64,439,458)</b>	<b>\$ (59,820,064)</b>

(Continued)

		Fiscal Year											
		2013	2014	2015	2016	2017	2018	2019					
\$	21,551,072	\$	21,994,460	\$	21,575,674	\$	22,496,478	\$	23,652,149	\$	25,159,172	\$	27,031,854
	7,650,488		7,755,245		8,263,625		8,990,086		8,253,613		8,457,924		7,748,036
	5,293,759		5,387,800		5,632,413		5,989,809		6,380,863		6,222,569		6,074,511
	8,256,862		7,075,477		6,009,778		8,609,386		3,943,078		4,245,808		4,485,813
	5,063,295		5,374,619		5,378,738		5,887,071		5,376,513		5,724,941		5,799,730
	8,296,547		8,862,285		8,252,046		8,545,470		8,361,816		9,634,295		9,900,614
	2,236,126		2,204,779		2,060,111		2,336,652		2,500,771		2,590,622		2,710,339
	10,869,732		10,071,070		10,483,274		10,702,812		11,154,664		11,828,111		12,298,729
	2,281,028		2,074,927		1,895,452		1,332,866		1,258,313		1,038,114		931,126
	71,498,909		70,800,662		69,551,111		74,890,630		70,881,780		74,901,556		76,980,752
	976,713		1,013,810		947,995		947,360		970,395		962,376		975,376
\$	72,475,622	\$	71,814,472	\$	70,499,106	\$	75,837,990	\$	71,852,175	\$	75,863,932	\$	77,956,128
\$	1,413,724	\$	1,633,110	\$	1,860,399	\$	1,462,328	\$	1,276,141	\$	1,504,387	\$	1,473,229
	392,116		398,670		404,322		420,561		417,911		419,873		476,818
	176,661		203,301		162,920		145,831		148,816		142,014		159,320
	1,131,480		1,466,769		1,537,819		1,598,171		1,374,814		1,579,497		1,430,501
	20,531		35,159		17,551		42,480		46,344		53,071		53,377
	2,893,332		2,576,380		2,616,710		2,750,040		2,867,386		2,915,865		2,840,479
	289,722		178,279		316,678		415,863		368,609		361,042		366,182
	7,988,482		10,336,825		9,490,079		4,687,936		5,877,692		4,681,612		3,898,150
	459,141		1,124,208		3,343,518		465,967		1,466,522		542,580		2,831,623
	14,765,189		17,952,701		19,749,996		11,989,177		13,844,235		12,199,941		13,529,679
	890,259		901,872		926,316		939,155		907,586		974,321		882,268
\$	15,655,448	\$	18,854,573	\$	20,676,312	\$	12,928,332	\$	14,751,821	\$	13,174,262	\$	14,411,947
\$	(56,733,720)	\$	(52,847,961)	\$	(49,801,115)	\$	(62,901,453)	\$	(57,037,545)	\$	(62,701,615)	\$	(63,451,073)
	(86,454)		(111,938)		(21,679)		(8,205)		(62,809)		11,945		(93,108)
\$	(56,820,174)	\$	(52,959,899)	\$	(49,822,794)	\$	(62,909,658)	\$	(57,100,354)	\$	(62,689,670)	\$	(63,544,181)

County of Scott, Iowa

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

	2010	2011	2012
General revenues and other changes in net position:			
Governmental activities:			
Taxes:			
Property taxes	\$ 36,228,794	\$ 43,052,682	\$ 44,980,224
Local option sales tax	3,637,825	3,863,574	4,052,754
Gaming	676,255	584,582	596,840
Other taxes	63,470	68,512	68,374
Utility tax replacements	1,395,383	1,539,020	1,625,295
Penalties, interest and costs on taxes	790,006	791,685	789,143
State tax replacement credits	4,826,563	4,930,224	4,898,515
Payments in lieu of taxes	6,828	6,782	6,682
State shared revenues	3,101,887	2,775,120	3,146,564
Investment earnings	188,207	228,038	162,822
Miscellaneous	868,990	1,102,391	1,380,103
Total General Revenues	51,784,208	58,942,610	61,707,316
Transfers (out)	-	(176,990)	(212,891)
<b>Total governmental activities</b>	<b>51,784,208</b>	<b>58,765,620</b>	<b>61,494,425</b>
Business-Type activities:			
Investment earnings	6	-	-
Transfers	-	176,990	212,891
Total Business-Type Activities	6	176,990	212,891
<b>Total primary government</b>	<b>\$ 51,784,214</b>	<b>\$ 58,942,610</b>	<b>\$ 61,707,316</b>
Change in net position:			
Governmental activities	\$ 4,508,933	\$ (5,624,729)	\$ 1,840,418
Business-Type activities	(108,830)	127,881	46,834
<b>Total primary government</b>	<b>\$ 4,400,103</b>	<b>\$ (5,496,848)</b>	<b>\$ 1,887,252</b>

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

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

Source: County records.

		Fiscal Year											
		2013	2014	2015	2016	2017	2018	2019					
\$	46,156,117	\$	46,924,802	\$	46,038,682	\$	45,202,178	\$	45,413,623	\$	46,927,152	\$	49,636,074
	4,049,552		4,285,414		4,413,667		4,390,854		4,685,617		4,504,711		4,535,941
	579,504		527,014		528,381		569,059		693,456		678,633		683,200
	70,286		4,658,521		71,501		68,619		67,761		67,391		69,001
	1,598,817		1,558,330		1,891,293		1,887,781		1,793,615		1,764,932		1,796,259
	816,474		930,986		715,763		725,336		611,959		577,759		690,085
	1,205,628		1,450,873		2,598,044		3,848,505		3,825,047		3,840,813		3,925,518
	6,521		7,306		3,438,603		4,085,495		4,267,366		4,110,946		4,336,309
	3,156,344		3,200,405		7,058		7,980		7,273		7,784		7,923
	125,127		147,401		150,728		122,472		167,158		742,625		1,479,711
	1,274,786		1,263,537		1,860,536		1,584,940		1,424,218		1,443,060		2,200,841
	59,039,156		64,954,589		61,714,256		62,493,219		62,957,093		64,665,806		69,360,862
	(4,616,126)		(145,460)		(223,361)		(100,000)		(164,712)		-		-
	54,423,030		64,809,129		61,490,895		62,393,219		62,792,381		64,665,806		69,360,862
	-		-		363		788		1,978		8,203		10,669
	4,616,126		145,460		223,361		100,000		164,712		-		-
	4,616,126		145,460		223,724		100,788		166,690		8,203		10,669
\$	59,039,156	\$	64,954,589	\$	61,714,619	\$	62,494,007	\$	62,959,071	\$	64,674,009	\$	69,371,531
\$	(2,310,690)	\$	11,961,168	\$	11,689,780	\$	(508,234)	\$	5,754,836	\$	1,964,191	\$	5,909,789
	4,529,672		33,522		202,045		92,583		103,881		20,148		(82,439)
\$	2,218,982	\$	11,994,690	\$	11,891,825	\$	(415,651)	\$	5,858,717	\$	1,984,339	\$	5,827,350

i.

County of Scott, Iowa

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

	2010	2011 *	2012	2013
General Fund:				
Reserved:				
Notes receivable	\$ 113,358	\$ -	\$ -	\$ -
Advances	3,397,314	-	-	-
County conservation sewage treatment	213,843	-	-	-
Other statutory programs	663,173	-	-	-
Unreserved, designated claim liabilities	522,407	-	-	-
Unreserved, undesignated	7,613,701	-	-	-
Nonspendable:				
Notes receivable	-	113,358	81,428	58,777
Advances	-	3,720,324	4,041,594	-
Prepays	-	109,106	109,906	131,406
Restricted:				
County conservation sewage treatment	-	210,592	212,459	212,430
Other statutory programs	-	783,546	786,943	926,297
Assigned:				
Capital projects	-	-	1,500,000	3,150,000
Health claim liabilities	-	-	340,000	150,000
Strategic plan elements	-	-	-	-
Future budgetary reductions	-	-	560,257	-
Claim liabilities	-	694,052	398,656	383,941
Unassigned	-	9,247,282	9,477,799	10,041,990
<b>Total general fund</b>	<b>\$ 12,523,796</b>	<b>\$ 14,878,260</b>	<b>\$ 17,509,042</b>	<b>\$ 15,054,841</b>
All other governmental funds:				
Reserved for:				
Debt service	\$ 2,908,690	\$ -	\$ -	\$ -
Unreserved, undesignated reported in:				
Special revenue funds:				
Mental health/development disabilities	1,499,167	-	-	-
Secondary Roads	370,604	-	-	-
Rural services	137,271	-	-	-
Recorders management fees	90,270	-	-	-
Capital projects funds, capital projects	8,310,749	-	-	-
Nonspendable:				
Prepays	-	-	-	-
Restricted:				
Debt service	-	2,558,322	2,053,084	19,541,476
Secondary Roads	-	885,011	1,839,278	2,320,739
Rural services	-	57,929	70,995	154,168
Mental health/development disabilities	-	-	-	-
Other statutory programs	-	-	343,637	-
Records management fee	-	72,687	48,418	42,194
Capital projects	-	1,712,860	1,252,027	-
Scott Emergency Communications Center	-	-	2,762,297	2,689,733
Assigned:				
Mental health/development disabilities	-	1,221,960	-	-
Other capital projects	-	1,473,162	2,578,797	5,494,375
Unassigned (Deficit)	-	-	(75,318)	(388,176)
<b>Total all other governmental funds</b>	<b>\$ 13,316,751</b>	<b>\$ 7,981,931</b>	<b>\$ 10,873,215</b>	<b>\$ 29,854,509</b>

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

Source: County records.

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

2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
58,777	58,777	-	-	-	-
-	-	-	-	-	-
131,406	140,244	553,834	93,657	187,308	127,290
207,617	208,552	-	-	-	-
945,547	902,614	849,023	637,475	771,661	716,902
3,850,000	2,350,000	2,500,000	1,070,198	1,184,554	783,980
150,000	270,000	500,000	515,000	465,000	100,000
-	-	-	1,000,000	349,500	220,000
-	-	-	-	-	-
330,680	407,715	308,160	273,059	254,474	281,685
9,832,639	10,098,835	10,212,287	10,474,822	10,821,990	11,354,228
<u>\$ 15,506,666</u>	<u>\$ 14,436,737</u>	<u>\$ 14,923,304</u>	<u>\$ 14,064,211</u>	<u>\$ 14,034,487</u>	<u>\$ 13,584,085</u>

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	18,979	15,719	-	-	-
19,518,523	1,980,550	10,587,713	10,776,725	11,056,132	11,328,788
3,149,287	3,830,301	3,475,520	4,972,038	6,646,225	7,062,383
150,016	148,630	154,804	138,403	140,803	142,948
1,966,913	5,116,780	359,933	977,859	660,764	433,125
-	-	-	-	-	-
53,327	63,714	74,255	86,578	97,562	85,043
-	-	-	-	-	-
3,085,355	2,393,687	1,758,132	1,538,408	1,861,517	943,687
-	-	-	-	-	-
9,019,502	12,476,234	11,445,896	7,938,049	9,115,097	9,245,565
-	-	-	-	-	-
<u>\$ 36,942,923</u>	<u>\$ 26,028,875</u>	<u>\$ 27,871,972</u>	<u>\$ 26,428,060</u>	<u>\$ 29,578,100</u>	<u>\$ 29,241,539</u>

County of Scott, Iowa

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

	2010	2011	2012*	2013*
<b>Revenues:</b>				
Property taxes	\$ 36,232,900	\$ 43,098,556	\$ 44,978,360	\$ 46,158,852
Local option sales tax	3,637,825	3,863,574	4,052,754	4,098,552
Other taxes	2,135,108	2,192,115	2,290,508	2,248,606
Interest and penalty on taxes	790,006	791,685	789,143	816,474
Intergovernmental	19,848,192	20,595,340	20,410,705	12,290,563
Charges for services	4,490,155	4,993,149	5,463,130	5,562,494
Investment earnings	186,708	221,853	155,838	120,569
Licenses and permits	525,427	666,627	653,399	772,296
Rentals and fees	186,492	188,240	222,959	176,562
Other	642,792	598,716	937,286	1,011,563
<b>Total revenues</b>	<b>68,675,605</b>	<b>77,209,855</b>	<b>79,954,082</b>	<b>73,256,531</b>
<b>Expenditures:</b>				
Public safety and legal services	19,942,386	26,494,923	25,163,609	26,258,655
Physical health and social services	6,595,222	6,511,764	5,395,364	5,256,671
Mental health	14,492,698	15,221,435	17,466,386	8,216,389
County environment and education	4,197,866	4,338,106	4,450,578	4,510,564
Roads and transportation	4,604,129	4,540,049	5,111,168	4,969,030
Governmental services to residents	2,052,707	2,022,332	2,210,614	2,178,373
Administration	8,342,657	9,094,998	9,203,859	9,341,135
Capital outlay	9,072,467	7,748,371	2,916,473	4,464,108
<b>Debt service:</b>				
Principal	2,140,000	2,680,000	3,145,000	3,331,240
Interest and fees	1,562,013	1,675,660	2,050,550	2,088,389
<b>Total expenditures</b>	<b>73,002,145</b>	<b>80,327,638</b>	<b>77,113,601</b>	<b>70,614,554</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(4,326,540)</b>	<b>(3,117,783)</b>	<b>2,840,481</b>	<b>2,641,977</b>
<b>Other financing sources (uses):</b>				
Transfers in	8,007,463	8,433,584	11,825,251	16,347,711
Transfers out	(8,007,463)	(8,610,574)	(12,038,142)	(20,809,984)
Proceeds from sale of capital assets	39,705	157,209	339,441	113,638
Proceeds from issuance of long-term debt	13,200,000	-	-	17,675,000
Distribution of advance crossover refunding	-	-	-	-
Bond discount	(17,392)	-	-	-
Bond premium	70,756	-	-	558,751
Payment to refunded bond escrow agent	(2,745,000)	-	-	-
<b>Total other financing sources (uses)</b>	<b>10,548,069</b>	<b>(19,781)</b>	<b>126,550</b>	<b>13,885,116</b>
Net Change in fund balances	6,221,529	(3,137,564)	2,967,031	16,527,093
Fund balances, beginning of year	19,619,018	25,840,547	25,415,226	28,382,257
Fund balances, end of year	\$ 25,840,547	\$ 22,702,983	\$ 28,382,257	\$ 44,909,350
<b>Debt service as a percentage of noncapital expenditures</b>				
	5.54%	5.71%	6.97%	8.14%

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

Source: County records.

		Fiscal Year									
		2014	2015	2016	2017	2018	2019				
\$	46,920,952	\$	46,024,012	\$	45,210,754	\$	45,414,065	\$	46,909,476	\$	49,667,622
	4,268,291		4,403,167		4,390,604		4,786,393		4,404,685		4,455,941
	2,151,644		2,491,175		2,525,458		2,554,833		2,510,955		2,548,460
	930,986		715,763		725,336		611,959		577,759		690,085
	15,163,356		15,654,761		12,904,819		13,975,531		13,067,282		12,553,616
	5,710,597		6,164,147		5,994,739		5,770,914		6,255,443		6,038,592
	143,039		146,338		118,916		160,690		715,796		1,415,702
	781,072		752,254		833,144		729,106		720,306		756,807
	80,591		85,462		89,743		93,799		142,622		139,838
	1,102,063		1,690,480		1,232,794		1,245,049		1,223,083		1,296,009
	77,252,591		78,127,559		74,026,307		75,342,339		76,527,407		79,562,672
	26,708,744		27,252,039		27,467,752		28,181,904		28,962,453		31,142,973
	5,381,859		5,461,001		5,922,900		6,247,529		5,969,023		5,921,631
	7,030,247		6,037,145		8,424,829		3,904,502		4,186,504		4,417,274
	4,388,314		4,467,281		4,750,264		4,622,713		4,871,037		4,949,600
	4,528,796		4,696,791		4,723,640		4,433,237		5,527,111		6,495,669
	2,202,471		2,141,186		2,334,861		2,429,984		2,471,843		2,555,119
	9,598,011		10,030,585		9,976,262		10,303,922		10,810,879		11,423,782
	4,017,248		6,646,807		11,746,853		12,236,254		6,083,141		9,183,774
	3,461,240		3,712,442		3,230,000		3,350,000		2,965,000		3,080,000
	2,180,845		2,060,981		1,329,164		1,355,957		1,112,259		992,093
	69,497,775		72,506,258		79,906,525		77,066,002		72,959,250		80,161,915
	7,754,816		5,621,301		(5,880,218)		(1,723,663)		3,568,157		(599,243)
	17,961,921		18,867,438		17,212,770		17,780,640		17,520,906		18,057,090
	(18,257,381)		(19,240,799)		(17,582,770)		(18,445,352)		(18,045,906)		(18,522,090)
	80,883		83,083		265,425		85,370		77,355		277,084
	-		-		8,215,000		-		-		-
	-		(17,315,000)		-		-		-		-
	-		-		-		-		-		-
	-		-		99,457		-		-		-
	-		-		-		-		-		-
	(214,577)		(17,605,278)		8,209,882		(579,342)		(447,645)		(187,916)
	7,540,239		(11,983,977)		2,329,664		(2,303,005)		3,120,512		(787,159)
	44,909,350		52,449,589		40,465,612		42,795,276		40,492,271		43,612,783
\$	52,449,589	\$	40,465,612	\$	42,795,276	\$	40,492,271	\$	43,612,783	\$	42,825,624

8.47%

8.71%

6.56%

7.22%

6.04%

5.96%

County of Scott, Iowa

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

Function / Program	2010	2011	2012
Governmental activities:			
Public safety and legal services	\$ 2,285,735	\$ 2,603,842	\$ 2,790,937
Public safety and legal services - SECC	-	-	-
Physical health and social services	2,984,594	2,449,219	1,835,979
Mental health	6,969,490	7,753,736	8,547,369
County environment and education	1,415,324	1,094,796	1,223,753
Roads and transportation	6,744,340	2,645,043	1,083,772
Governmental services and residents	2,704,150	2,656,916	2,859,866
Administration	499,111	1,502,699	693,626
Interest on long-term debt	-	403,261	552,033
<b>Total governmental activities</b>	<b>23,602,744</b>	<b>21,109,512</b>	<b>19,587,335</b>
Business-Type activities, Glynn's Creek Golf Course	912,712	900,741	1,002,459
<b>Total government</b>	<b>\$ 24,515,456</b>	<b>\$ 22,010,253</b>	<b>\$ 20,589,794</b>

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

Source: County records.

Fiscal Year						
2013	2014	2015	2016	2017	2018	2019
\$ 2,659,176	\$ 2,690,456	\$ 2,714,412	\$ 2,469,186	\$ 2,181,524	\$ 2,180,331	\$ 2,038,705
-	127	98,125	1,313	776	16,330	16,974
1,675,662	1,650,038	1,577,835	1,986,817	2,428,846	1,981,098	1,864,766
4,094,415	5,910,035	5,696,143	145,831	1,015,396	142,014	159,320
1,177,856	1,530,559	1,608,436	1,663,520	1,445,130	1,775,032	1,704,548
527,378	1,182,305	3,417,400	632,869	1,577,461	762,891	2,681,898
3,076,697	2,957,422	2,855,609	3,108,436	3,033,057	3,235,784	3,038,169
916,371	575,570	423,280	543,309	471,277	469,538	453,885
637,634	1,456,189	1,358,756	1,437,896	1,690,768	1,636,923	1,571,414
14,765,189	17,952,701	19,749,996	11,989,177	13,844,235	12,199,941	13,529,679
890,259	901,872	926,316	939,155	907,586	974,321	882,268
\$ 15,655,448	\$ 18,854,573	\$ 20,676,312	\$ 12,928,332	\$ 14,751,821	\$ 13,174,262	\$ 14,411,947

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
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
2019	49,667,622	4,455,941	2,548,460	690,085	12,553,616
Change 2010-2019	37.08%	22.49%	19.36%	-12.65%	-36.75%

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
\$ 4,490,155	\$ 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
6,038,592	1,415,702	756,807	139,838	1,296,009	79,562,672
34.49%	658.24%	44.04%	-25.02%	101.62%	15.85%

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
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
2019	8,310,742,928	13,887,123,403	388,373,917	712,185,371	8,699,116,845	14,599,308,774

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
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
59.6%	439,662,541	6.19

County of Scott, Iowa

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

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

Taxpayer	2019		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
MidAmerican Energy	\$ 223,429,055	1	2.45%
Rhythm City Casino LLC	61,757,127	2	0.68%
Iowa American Water Company	61,230,820	3	0.67%
Isle of Capri, Bettendorf LC	58,812,552	4	0.65%
Macerich North Park Mall LLC	53,135,388	5	0.58%
Sterilite Corporation	49,519,917	6	0.54%
Arconic Inc.	38,129,027	7	0.42%
Kraft Heinz Foods Company	37,989,819	8	0.42%
THF Davenport North Development	30,179,634	9	0.33%
John Deere Construction	28,943,583	10	0.32%
<b>Total</b>	<b>\$ 643,126,922</b>		<b>7.06%</b>

Source: County records

County of Scott, Iowa

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

Fiscal Year Ended June 30	Property Taxes Levied for the Fiscal Year	Property Taxes Collected Within the Fiscal Year of the Levy		Property Tax Collections In Subsequent Years	Property Tax Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2019	309,547,446	309,166,971	99.88%	346,011	309,512,982	99.99%

Source: County records

**County of Scott, Iowa**

**Direct and Overlapping Property Tax Rates**

**Last Ten Years**

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

**(Unaudited)**

	2010	2011	2012	2013
County direct rates:				
Scott County Urban Rate	\$ 5.47607	\$ 6.37607	\$ 6.37759	\$ 6.30156
Scott County Rural Rate	8.49561	9.39561	9.51525	9.43922
City and town rates:				
Bettendorf	12.85000	12.60000	12.60000	12.55000
Blue Grass	10.98600	11.18972	11.30132	11.57130
Buffalo	8.17628	8.17540	9.12078	9.12604
Davenport	15.58000	15.53000	15.53000	16.78000
Dixon	8.10000	8.10000	8.10000	8.10000
Donahue	5.96079	7.21883	7.22080	7.22267
Durant	14.95411	15.70846	15.70847	17.07103
Eldridge	6.64916	6.74852	6.75418	6.75396
LeClaire	16.08173	16.00434	15.07379	14.69999
Long Grove	11.15854	11.03125	10.90085	10.74199
Maysville	5.16094	5.16962	5.16951	5.16957
McCausland	8.10000	9.25982	9.21668	9.22504
New Liberty	2.92797	3.96650	3.12506	7.88563
Panorama Park	5.55117	5.56196	5.51713	5.47320
Princeton	9.58243	9.58242	9.58242	10.26832
Riverdale	2.70103	3.37602	7.00244	10.55647
Walcott	10.00000	9.99999	10.00000	9.99999
School District Rates:				
Bennett Schools	11.25066	11.23830	12.47240	12.05990
Bettendorf Schools	14.85367	15.00820	15.00244	15.00292
Davenport Schools	17.09334	17.11276	17.05061	17.04996
Durant Schools	13.34659	11.84246	13.62815	12.39188
North Scott Schools	14.51584	14.75964	14.75525	14.50592
Pleasant Valley Schools	13.99319	14.74116	14.73829	14.64092
Area IX CC	0.87714	0.92444	1.01724	0.91511
Other:				
Scott County Assessor	0.33733	0.28465	0.28110	0.28081
Davenport City Assessor	0.25789	0.23892	0.25171	0.31490
Ag. Extension - BANGS	0.06845	0.06946	0.06891	0.06865

Source: County records - Auditor's Office.

Year Taxes are Payable					
2014	2015	2016	2017	2018	2019
\$ 6.23534	\$ 6.13204	\$ 6.00377	\$ 5.82228	\$ 5.82167	\$ 5.82167
9.28021	9.17153	9.01072	8.78518	8.76857	8.74885
12.55000	12.55000	12.55000	12.55000	12.50000	12.50000
11.64547	11.65175	11.79368	11.85288	11.22612	11.87120
9.12332	9.03935	9.12879	9.12833	9.13413	9.74117
16.78000	16.78000	16.78000	16.78000	16.78000	16.78000
8.10000	8.09989	8.10000	8.37000	8.37000	8.37000
7.22420	7.22152	7.22036	7.22091	7.21575	7.22249
13.47399	15.06085	15.11071	15.14000	15.12765	14.77977
6.75436	6.75442	6.82817	6.74841	6.74820	6.74728
14.47264	14.47264	14.29804	14.29798	13.92602	13.64999
10.60442	10.52099	10.45768	10.29541	10.21368	9.98558
5.57674	5.99993	5.99988	5.99003	6.00002	5.99993
8.10000	8.10000	8.10000	8.10000	8.10000	7.89303
3.61168	3.61588	3.65483	3.71455	3.58165	3.48930
5.26743	5.26355	5.79870	5.80468	5.80424	5.80408
10.27159	10.27158	10.27158	10.25069	10.02797	10.22336
10.55525	12.21629	11.90048	11.99199	11.99735	11.84593
9.99999	10.12000	10.12002	10.12001	10.08258	10.08263
11.09204	12.09305	12.69625	13.85580	11.64665	11.03672
14.54629	14.01636	14.01633	13.84477	13.86592	13.96592
16.66333	15.83747	15.67601	15.37043	15.90267	15.45640
13.10599	13.21664	11.80029	11.45621	10.65976	11.61289
14.18910	14.19507	14.01459	13.85580	13.82050	13.74358
14.74093	14.49409	14.34409	14.14425	13.95589	13.65587
0.92043	0.92782	0.96863	1.00909	1.03000	1.03000
0.27996	0.27068	0.27052	0.23792	0.22975	0.19523
0.37452	0.37409	0.34691	0.31859	0.32839	0.32800
0.06890	0.07009	0.07135	0.07089	0.07057	0.06842

**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
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	-
2019	13,450	11,122	6,380	-

\*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*
\$ -	\$ 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	196.91
-	-	30,952	N/A	179.23

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		Net General Bonded Debt	Percent of Debt to Assessed Value	Per Capita*
	General Obligation Bonds						
2010	\$ 17,190,000	\$ 2,908,690	\$ 14,281,310		0.13%	\$ 85.47	
2011	15,660,000	2,558,322	13,101,678		0.11%	78.02	
2012	14,080,000	2,053,084	12,026,916		0.10%	71.26	
2013	12,491,845	1,644,097	10,847,748		0.09%	63.95	
2014	10,797,620	1,909,227	8,888,393		0.07%	51.79	
2015	9,348,254	1,974,416	7,373,838		0.06%	42.75	
2016	16,454,038	10,581,576	5,872,462		0.05%	34.05	
2017	15,176,372	10,770,553	4,405,819		0.03%	25.54	
2018	14,322,809	11,056,328	3,266,481		0.02%	18.85	
2019	13,449,638	11,328,788	2,120,850		0.02%	12.28	

\*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, 2019  
(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
<b>Direct Debt:</b>			
Scott County	\$ 30,951,186	100.00%	<u>\$ 30,951,186</u>
<b>Overlapping Debt:</b>			
School Districts:			
Durant Community	230,000	25.30%	58,190
Eastern Iowa Community College	41,075,000	59.79%	<u>24,558,743</u>
<b>Subtotal, School Districts</b>			<u><u>42,256,933</u></u>
Cities:			
Bettendorf	120,430,000	100.00%	120,430,000
Blue Grass	1,172,750	94.63%	1,109,773
Buffalo	364,000	100.00%	364,000
Davenport	203,950,000	100.00%	203,950,000
Donahue	120,000	100.00%	120,000
Durant	3,000,000	3.61%	108,300
Eldridge	11,050	100.00%	11,050
LeClaire	14,050,711	100.00%	14,050,711
Long Grove	569,000	100.00%	569,000
New Liberty	244,896	100.00%	244,896
Princeton	395,000	100.00%	395,000
Riverdale	675,000	100.00%	<u>675,000</u>
<b>Subtotal, Cities</b>			<u><u>342,027,731</u></u>
			<u><u>384,284,663</u></u>
			<u><u>\$ 415,235,849</u></u>

Source: County records

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

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

County of Scott, Iowa

Legal Debt Margin Information  
As of June 30, 2019  
(Unaudited)

---

	2010	2011	2012	2013
Debt limit	\$ 571,861,865	\$ 584,366,273	\$ 595,431,703	\$ 610,756,097
Total net debt applicable to limit	40,750,000	38,070,000	35,290,000	50,095,000
Legal debt margin	\$ 531,111,865	\$ 546,296,273	\$ 560,141,703	\$ 560,661,097
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	7.13%	6.51%	5.93%	8.20%

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

Source: County records.

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed value, net of military exemption	<u>\$ 14,583,905,690</u>
Debt limit (5% of assessed value)	<u>\$ 729,195,285</u>
Debt applicable to limit:	
General obligation bonds	13,380,000
Revenue Bonds	<u>11,040,000</u>
Total net applicable to limit	<u>24,420,000</u>
Legal debt margin	<u>\$ 704,775,285</u>

	2014	2015	2016	2017	2018	2019
\$	616,290,777	\$ 631,566,151	\$ 638,067,587	\$ 670,621,287	\$ 684,521,304	\$ 729,195,285
	47,110,000	27,005,000	32,410,000	29,500,000	26,990,000	24,420,000
\$	<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>	\$ <u>704,775,285</u>
	7.64%	4.28%	5.08%	4.40%	3.94%	3.35%

**County of Scott, Iowa**

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

Year	Population <sup>1</sup>	Personal Income (000's) <sup>2</sup>	Per Capita Personal Income <sup>2</sup>	Farm Proprietors <sup>3</sup>	School Enrollment <sup>4</sup>	Unemployment Rate <sup>5</sup>
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	8,903,571	51,612	1,111	28,777	3.6
2018	173,283	N/A	N/A	N/A	28,864	3.0
2019	172,692	N/A	N/A	N/A	27,291	4.0

Sources:

<sup>1</sup> US Census Bureau

Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2018

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

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

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

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

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

<sup>5</sup> Iowa Workforce Development

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

Date accessed: 10/7/2019

**County of Scott, Iowa**

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

---

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

Employer	2019		
	Employees	Rank	Percentage of Total County Employment
Davenport Community School District	2,345	1	2.8%
John Deere Davenport Works	2,000	2	2.4%
Arconic	2,000	3	2.4%
Genesis Medical Ctr (all Scott Co Locations)	1,574	4	1.9%
Tri City Engineering & Integration	1,200	5	1.4%
Rhythm City Casino	1,000	6	1.2%
City of Davenport	800	7	0.9%
Cobham Mission Equipment	800	8	0.9%
Kraft Heinz	800	9	0.9%
Scott County Family Y	600	10	0.7%

Sources:

2010 - Dunn and Bradstreet Marketplace 2nd Qtr 2009, 3rd Qtr 2010 and responses from individual organizations, compiled by Bi-State Regional Commission

Infogroup, ReferenceUSA Gov and Individual Employers (October 7, 2019)

Date accessed: 10/7/19

**County of Scott, Iowa**

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

Function / Program	2010	2011	2012	2013
Public safety and legal services:				
Attorney	31.00	31.00	31.00	32.50
Health	11.15	11.15	11.15	11.80
Juvenile Detention Center	14.20	14.20	14.20	14.20
Sheriff	167.35	167.35	154.35	156.80
Physical health and social services:				
Community Services	7.70	7.70	7.00	7.00
Health	31.85	31.85	32.10	32.10
Mental Health, Mental Retardation & Developmental Disabilities:				
Community Services	3.80	3.80	3.00	3.00
County Environment and Education				
Conservation	49.85	51.87	48.62	49.24
Golf Course	19.35	19.35	19.35	17.98
Planning & Development	4.08	4.08	4.08	4.08
Roads and Transportation				
Secondary Roads	35.15	35.15	35.40	34.40
Governmental services to residents:				
Auditor	5.00	5.00	5.00	5.00
Recorder	11.50	11.50	11.00	11.00
Treasurer	12.20	12.20	12.40	12.40
Administration:				
Administration	3.50	3.50	3.50	3.50
Auditor	9.40	9.40	9.05	9.05
Facility & Support Services	30.04	31.04	30.55	30.55
Human Resources	4.50	4.50	4.50	3.50
Information Technology	12.00	15.00	15.40	15.40
Non-Departmental				
Supervisors, Board of	5.00	5.00	5.00	5.00
Treasurer	15.40	15.40	15.60	15.60
<b>Total</b>	<b>484.02</b>	<b>490.04</b>	<b>472.25</b>	<b>474.10</b>

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

Fiscal Year					
2014	2015	2016	2017	2018	2019
32.50	32.50	33.50	33.50	33.50	33.50
11.80	11.80	11.80	11.80	11.80	11.80
14.20	15.00	15.00	16.40	16.90	16.90
158.80	157.80	157.80	159.00	158.80	159.80
7.00	7.00	7.00	7.00	8.00	8.00
32.57	33.14	33.72	34.72	35.12	35.92
3.00	3.00	3.00	3.00	3.00	3.00
49.24	48.85	48.85	48.85	49.10	49.10
17.98	17.98	17.98	16.98	16.98	16.98
4.08	3.83	4.33	4.33	4.58	5.00
34.40	34.10	35.45	37.15	37.30	37.30
5.00	5.00	5.00	5.00	5.00	5.00
11.00	10.50	10.50	10.50	10.50	10.50
12.40	12.40	12.40	12.40	12.40	12.40
3.50	4.50	4.90	5.90	5.50	5.50
9.05	9.05	9.05	9.05	9.05	9.40
30.50	29.50	28.50	28.70	29.87	29.87
3.50	3.50	3.50	3.50	3.50	3.50
15.40	15.40	15.40	15.00	16.00	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
476.52	475.45	478.28	483.38	487.50	490.07

**County of Scott, Iowa**

**Operating Indicators by Function/Program**

**Last Ten Fiscal Years**

**(Unaudited)**

<u>Function / Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Public Safety and Legal Services</b>				
Attorney:				
# of felonies/aggravated field cases filed	4,782	4,664	4,256	4,140
# of new felony cases	1,005	998	1,040	1,044
Sheriff:				
# of civil papers received	13,491	11,284	10,674	11,755
# of jail bookings	8,245	8,283	N/A	N/A
Inmate instances of programming attendance	N/A	N/A	22,231	26,686
# of traffic citations written	2,678	4,028	N/A	N/A
# of traffic contacts	N/A	N/A	2,195	2,481
# of 9-1-1 calls	10,672	N/A	N/A	N/A
<b>Physical Health and Social Services</b>				
Community Services:				
# of applications for general assistance	8,907	7,294	1,428	1,076
# of applications approved for general assist	4,660	4,065	756	479
# of requests for veteran services	1,204	1,134	1,160	1,164
# of invol commit filed for substance abuse	214	246	N/A	N/A
Health Department:				
# of health related inmate contacts within jail	10,817	12,618	13,888	12,466
# of comm disease requiring investigation	338	442	276	317
# of environmental health inspections conducted	4,389	4,141	4,773	4,409
# of public health nuisance complaints received	N/A	N/A	167	174
<b>Mental Health, HR &amp; DD</b>				
Community Services:				
# of invol commit filed for mental health	312	450	405	340
# of persons with MH/CMI served	1,505	1,516	N/A	N/A
# of juvenile MH commitments	N/A	N/A	91	88
# of persons with MR/DD served	380	409	N/A	N/A
# of adult MH commitments	N/A	N/A	246	340
# of protective payee cases	339	384	313	304
<b>County Environment and Education</b>				
Conservation:				
# of camp sites available	788	788	N/A	N/A
# of acres managed	N/A	N/A	2,509	2,509
# of rounds of golf course	29,258	28,553	30,476	26,175
Planning & Development:				
# of building permits issued	583	728	735	933

(Continued)

Source: County records - Year-end Indicator Report

Fiscal Year					
2014	2015	2016	2017	2018	2019
4,317	3,850	4,077	4,004	4,258	5,044
1,164	1,053	1,112	991	1,119	1,355
12,591	11,668	11,441	11,232	11,319	9,389
N/A	N/A	N/A	N/A	N/A	N/A
29,188	28,033	29,812	26,028	24,953	27,013
N/A	N/A	N/A	N/A	N/A	N/A
2,965	1,851	1,472	3,492	3,922	5,877
N/A	N/A	N/A	N/A	N/A	N/A
1,155	920	929	806	792	689
606	453	416	292	409	328
1,399	1,459	1,614	1,212	1,143	1,293
210	224	182	149	176	144
16,426	29,046	31,005	35,538	29,966	36,826
300	388	335	258	293	185
4,277	4,153	4,182	3,649	4,129	4,018
240	222	84	42	42	43
434	423	341	342	336	319
N/A	N/A	N/A	N/A	N/A	N/A
104	64	78	56	41	35
N/A	N/A	N/A	N/A	N/A	N/A
311	345	243	255	269	275
358	394	398	408	420	447
N/A	N/A	N/A	N/A	N/A	N/A
2,509	2,509	2,509	2,509	2,509	2,509
26,480	26,814	27,858	26,456	26,350	24,103
865	849	877	910	799	908

County of Scott, Iowa

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

Function / Program	2010	2011	2012	2013
Roads and Transportation:				
Secondary Roads:				
# of miles of road paved	183	183	219	221
# of bridges/culverts repaired/replaced	94	89	89	120
# 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	26	3	4	3
# of registered voters	120,962	123,115	124,263	124,356
Recorder:				
# of real estate transactions recorded	37,856	38,493	31,385	34,697
# of vital statistics registered/issued	20,450	20,776	20,313	22,863
# of passport applications accepted	1,280	1,151	1,142	1,177
# of conservation licenses - ATV/Snow boat reg, titles and liens and privileges issued	14,612	5,852	6,611	12,494
Treasurer:				
# of title and security interest trans processed	67,777	71,883	69,904	69,097
Administration				
Auditor:				
# of real estate transactions processed	7,303	6,663	N/A	N/A
# invoices processed	N/A	N/A	25,035	22,453
Facility & Support Service:				
# of service calls	3,045	2,197	N/A	N/A
# hours spent in safety training			83	24
# of purchase requisitions received	N/A	N/A	N/A	N/A
# of pieces of outgoing mail	479,814	446,405	N/A	N/A
# of square feet of hard surface floors maintained	N/A	N/A	728,940	559,100
# of files imaged	792,379	698,680	N/A	N/A
# of hours spend on imaging	N/A	N/A	2,744	2,489
Information Technology:				
# of network users	929	1,094	724	915
# of network connections supported	N/A	N/A	2,680	2,776
# of 3rd party applications maintained	61	67	95	99
# of users supported	N/A	N/A	724	915
Treasurer:				
# of prop tax/spec assessment statutes issued	191,493	198,053	195,415	197,579
# of tax certifications issued	2,151	1,691	2,144	1,728

Fiscal Year					
2014	2015	2016	2017	2018	2019
223	223	223	221	226	226
N/A	N/A	36	29	41	45
2,123	2,123	2,123	2,123	NA	NA
N/A	N/A	N/A	N/A	4,969	4,975
4	1	4	1	3	1
126,182	121,231	124,844	123,849	125,578	125,381
26,954	34,188	35,161	27,630	34,681	32,537
21,509	13,976	13,313	12,086	12,919	15,522
1,300	2,041	1,124	1,588	1,479	1,365
8,221	4,562	12,109	5,276	4,548	12,362
65,465	70,031	80,842	83,091	91,217	83,164
N/A	N/A	N/A	N/A	N/A	N/A
20,148	23,066	23,982	24,902	24,644	25,401
N/A	N/A	N/A	N/A	N/A	N/A
24	24	74	330	122	142
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
107,473	568,367	527,450	560,208	560,208	384,844
N/A	N/A	N/A	N/A	N/A	N/A
2,830	2,023	2,059	1,603	2,912	2,919
938	938	910	897	971	1,060
2,776	2,776	3,144	3,210	3,370	4,672
101	96	98	100	N/A	N/A
938	838	910	897	971	1,060
195,586	191,036	188,783	189,687	198,118	194,889
1,659	2,396	1,037	989	1,015	1,217

County of Scott, Iowa

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

(Unaudited)

<u>Function / Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Public safety and legal services:			
Sheriff:			
# of patrol cars	45	46	44
# 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	60
# of buildings	10	10	10
Administration:			
Facility and Support Services			
# of vehicles	5	6	6
# of buildings maintained	12	11	11
Non-Departmental (Risk Management)			
# of vehicles	1	1	1

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

---

Fiscal Year						
2013	2014	2015	2016	2017	2018	2019
53	48	52	28	26	27	32
N/A	N/A	11	35	32	33	33
13	13	14	13	13	13	13
N/A	N/A	N/A	1	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	65	59	59	63
10	10	11	11	11	11	11
7	7	7	8	12	14	15
11	11	12	12	11	11	11
1	1	1	0	0	0	0

This page intentionally left blank

# COMPLIANCE

County of Scott, Iowa

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Identifying Number	Federal Expenditures	Pass Through To Subrecipients
<b>U.S. Department of Agriculture</b>				
<b>Food Distribution Cluster</b>				
<i>(Passed through the Iowa Department of Human Services)</i>				
National School Lunch Program	10.555	N/A	\$ 29,534	\$ -
<i>(Passed through Iowa Department of Education, Bureau/Division of Nutrition &amp; Health)</i>				
Summer Food Service Program for Children	10.559	33518	840	-
<b>Total Child Nutrition Cluster</b>			<u>30,374</u>	<u>-</u>
<b>SNAP Cluster</b>				
<i>(Passed through Iowa Department of Human Services)</i>				
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	N/A	69,988	-
<b>Total SNAP Cluster</b>			<u>69,988</u>	<u>-</u>
<b>Total U.S. Department of Agriculture</b>			<u>100,362</u>	<u>-</u>
<b>U.S. Department of Justice</b>				
<i>(Direct Program)</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0926	85,774	63,970
<i>(Passed through the Governor's Office of Drug Control Policy)</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15-JAG-200099	61,518	30,759
<b>Total 16.738</b>			<u>147,292</u>	<u>94,729</u>
<i>(Passed through State of Iowa Department of Justice, Crime Victim Assistance Division)</i>				
Violence Against Women Formula Grants	16.588	VW-19-10-CJ	59,848	-
<i>(Passed through Governor's Office of Drug Control Policy)</i>				
State Criminal Alien Assistance Program	16.606	2014-AP-BX-0698	1,497	-
<b>Total U.S. Department of Justice</b>			<u>208,637</u>	<u>94,729</u>

(Continued)

County of Scott, Iowa

**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended June 30, 2019**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Identifying Number	Federal Expenditures	Pass Through To Subrecipients
<b>U.S. Department of Transportation</b>				
National Highway Traffic Safety Administration				
<b>Highway Safety Cluster</b>				
<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	\$ 7,269	\$ -
State and Community Highway Safety	20.600	PAP 19-402-MOOP, Task 119-00-00	24,172	-
<b>Total 20.600</b>			<u>31,441</u>	<u>-</u>
<i>(Passed through Iowa Homeland Security and Emergency Management Department)</i>				
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	HMEP-17-29	6,770	-
<b>Total U.S. Department of Transportation</b>			<u>38,211</u>	<u>-</u>
<b>U.S. Department of Health and Human Services</b>				
<i>(Passed through Clinton County Board of Health)</i>				
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	5889BT03	59,990	-
<i>(Passed through Iowa Department of Education, Bureau/Division of Nutrition &amp; Health)</i>				
Food and Drug Administration Research	93.103	G-T-1809-06088	648	-
<i>(Passed through the Iowa Department of Health)</i>				
Maternal and Child Health Services Block Grant to the States				
Grants to States to Support Oral Health Workforce Activities	93.236	5888DH33	16,275	2,261
Grants to States to Support Oral Health Workforce Activities	93.236	5889DH33	39,167	-
<b>Total 93.236</b>			<u>55,442</u>	<u>2,261</u>
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	MOU-2019-ELC	2,400	-
Well-Integrated Screening and Evaluation for Women Across the Nation (Wisewoman)	93.436	5889NB21WW	1,375	1,375
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance Finance in Part by Prevention and Public Health Funds	93.539	5889I477	53,020	30,789
<i>(Passed through Iowa Department of Human Services)</i>				
Designee Administered Programs	93.566	N/A	270	-
<b>CCDF Cluster</b>				
<i>(Passed through Iowa Department of Human Services)</i>				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	N/A	17,690	-
<b>Total CCDF Cluster</b>			<u>17,690</u>	<u>-</u>
Adoption Assistance	93.659	N/A	8,421	-
Social Service Block Grant - Indirect	93.667	N/A	20,788	-
Children's Health Insurance Program	93.767	N/A	486	-
<i>(Passed through the Iowa Department of Health)</i>				
Maternal and Child Health Services Block Grant to the States				
Children's Health Insurance Program - Hawk-i	93.767	5888MH17	3,492	-
Children's Health Insurance Program - Hawk-i	93.767	5889MH17	14,845	-
Children's Health Insurance Program Hawk-I Outreach FFS	93.767	5889MH17	61	-
Children's Health Insurance Program Hawk-I Outreach FFS	93.767	5889MH17	315	-
<b>Total 93.767</b>			<u>18,713</u>	<u>-</u>

(Continued)

County of Scott, Iowa

Schedule of Expenditures of Federal Awards (Concluded)  
For the Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Identifying Number	Federal Expenditures	Pass Through To Subrecipients
<b>U.S. Department of Health and Human Services (continued)</b>				
<b>Medicaid Cluster</b>				
<i>(Passed through the Iowa Department of Health)</i>				
Medical Assistance Program				
CA FFS & MH FFS	93.778	5888MH17	24,024	-
CA FFS & MH FFS	93.778	5889MH17	18,755	-
I-Smile Silver	93.778	5888MH33	16,318	-
I-Smile Silver	93.778	5889MH33	16,312	-
Maternal Health FFS	93.778	5888MH17	140	-
Maternal Health FFS	93.778	5889MH17	1,772	-
<i>(Passed through Iowa Department of Human Services)</i>				
Medical Assistance Program	93.778	N/A	113,269	-
<b>Total Medicaid Cluster</b>			<u>190,589</u>	<u>-</u>
<i>(Passed through the Iowa Department of Health)</i>				
Cancer Prevent and Control Programs for State, Territorial and Tribal Organizations	93.898	5889NB21	11,526	11,526
HIV Care Formula Grants	93.917	5888AP29	89,604	-
HIV Care Formula Grants	93.917	5889AP29	10,002	-
<b>Total 93.917</b>			<u>99,606</u>	<u>-</u>
HIV Prevention Activities Health Department Based	93.940	5888AP29	10,004	-
HIV Prevention Activities Health Department Based	93.940	5889AP29	60,024	-
<b>Total 93.940</b>			<u>70,028</u>	<u>-</u>
Maternal and Child Health Services Block Grant to the States				
Maternal and Child Health Services Block Grant to States - EPSDT	93.994	5888MH17	222	-
Maternal and Child Health Services Block Grant to States - EPSDT	93.994	5889MH17	32,196	-
Maternal and Child Health Services Block Grant to States - Maternal Health	93.994	5888MH17	14,521	-
Maternal and Child Health Services Block Grant to States - Maternal Health	93.994	5889MH17	11,199	-
Maternal and Child Health Services Block Grant to States - CA & DH FFS	93.994	5888MH17	5,083	-
Maternal and Child Health Services Block Grant to States - Dental Health Grant	93.994	5889MH17	562	-
<b>Total 93.994</b>			<u>63,783</u>	<u>-</u>
<b>Total U.S. Dept of Health and Human Services</b>			<u>674,775</u>	<u>45,951</u>
<b>U.S. Department of Homeland Security</b>				
<b>Homeland Security Cluster</b>				
<i>(Passed through Iowa Homeland Security &amp; Emergency Mgt Division)</i>				
Emergency Management Performance Grants	97.042	EMPG-19-PT- 82	39,000	-
<b>Total US Department of Homeland Security</b>			<u>39,000</u>	<u>-</u>
<b>Total expenditures of federal awards</b>			<u>\$ 1,060,986</u>	<u>\$ 140,680</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, 2019. 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, 2019**

---

---

There were no findings relative to federal awards reported in the County of Scott's single audit report for the year ended June 30, 2018.



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,  
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, 2019, and the related notes to the financial statements, which collectively comprise the County of Scott, Iowa's basic financial statements, and have issued our report thereon dated December 10, 2019.

**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.

### **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 next year ended June 30, 2019, 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 tested 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 Veitchau Krause, LLP*

Milwaukee, Wisconsin  
December 10, 2019

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

INDEPENDENT AUDITORS' REPORT

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

**Report on Compliance for Each Major Federal Program**

We have audited the County of Scott, Iowa's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County of Scott's major federal programs for the year ended June 30, 2019. The County of Scott's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the County of Scott's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Scott's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County of Scott's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the County of Scott complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

### **Report on Internal Control Over Compliance**

Management of the County of Scott is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County of Scott's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Scott's internal control over compliance.

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

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

### **Purpose of this Report**

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

*Baker Tilly Virchow Krause, LLP*

Milwaukee, Wisconsin  
December 10, 2019

County of Scott, Iowa

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2019

---

Section I: Summary of Auditors' Results

Financial Statements

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

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	_____ yes	<u>    X    </u> no
Significant deficiency(ies) identified?	_____ yes	<u>    X    </u> none reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with section 516(a) of the Uniform Guidance?	_____ yes	<u>    X    </u> no
Auditee qualified as low-risk auditee?	<u>    X    </u> yes	_____ no

Identification of major federal programs

**CFDA NUMBER(S)**

10.561  
16.588  
16.738

**Name of Federal Program or Cluster**

State Administrative Matching Grants for Supplemental Nutrition Assistance  
Violence Against Women Formula Grants  
Edward Byrne Memorial Justice Assistance Grant Program

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

\$ 750,000

(Continued)

County of Scott, Iowa

**Schedule of Findings and Questioned Costs (Continued)**  
**For the Year Ended June 30, 2019**

---

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

There were no findings in 2019.

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

There were no findings in 2019.

(Continued)

**County of Scott, Iowa**

**Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2019**

---

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

2019-IV-A Certified Budget

Disbursements during the year ended June 30, 2019 did not exceed the amounts budgeted.

2019-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.

2019-IV-C Travel Expense

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

2019-IV-D Business Transactions

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

2019-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.

2019-IV-F Board Minutes

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

2019-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.

2019-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).

2019-IV-I Capital Lease Purchase Agreements

The County did not enter into any new capital lease agreements during the year ended June 30, 2019.

2019-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, 2019 for the County Extension Office did not exceed the amount budgeted.

This page intentionally left blank