

# COUNTY OF SCOTT, IOWA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

**As of and for the Year Ended June 30, 2015**

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Prepared by

Wesley Rostenbach  
Accounting and Tax Manager  
Office of County Auditor

Craig Hufford  
Financial Management Supervisor  
Office of County Treasurer

David Farmer, CPA  
Budget Manager  
Office of County Administrator

# **INTRODUCTORY**

# County of Scott, Iowa

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**County of Scott, Iowa**

**County Officials**

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Official Title	Official	Term Expiration Date of Elected Officials
<b>Elected Officials</b>		
Supervisor, Chairperson	Tom Sunderbruch	2017
Supervisor	James Hancock	2017
Supervisor	Carol Earnhardt	2019
Supervisor	Brinson Kinzer	2019
Supervisor	Diane Holst	2019
Attorney	Mike Walton	2019
Auditor	Roxanna Moritz	2017
Recorder	Rita Vargas	2019
Sheriff	Dennis Conard	2017
Treasurer	Bill Fennelly	2019

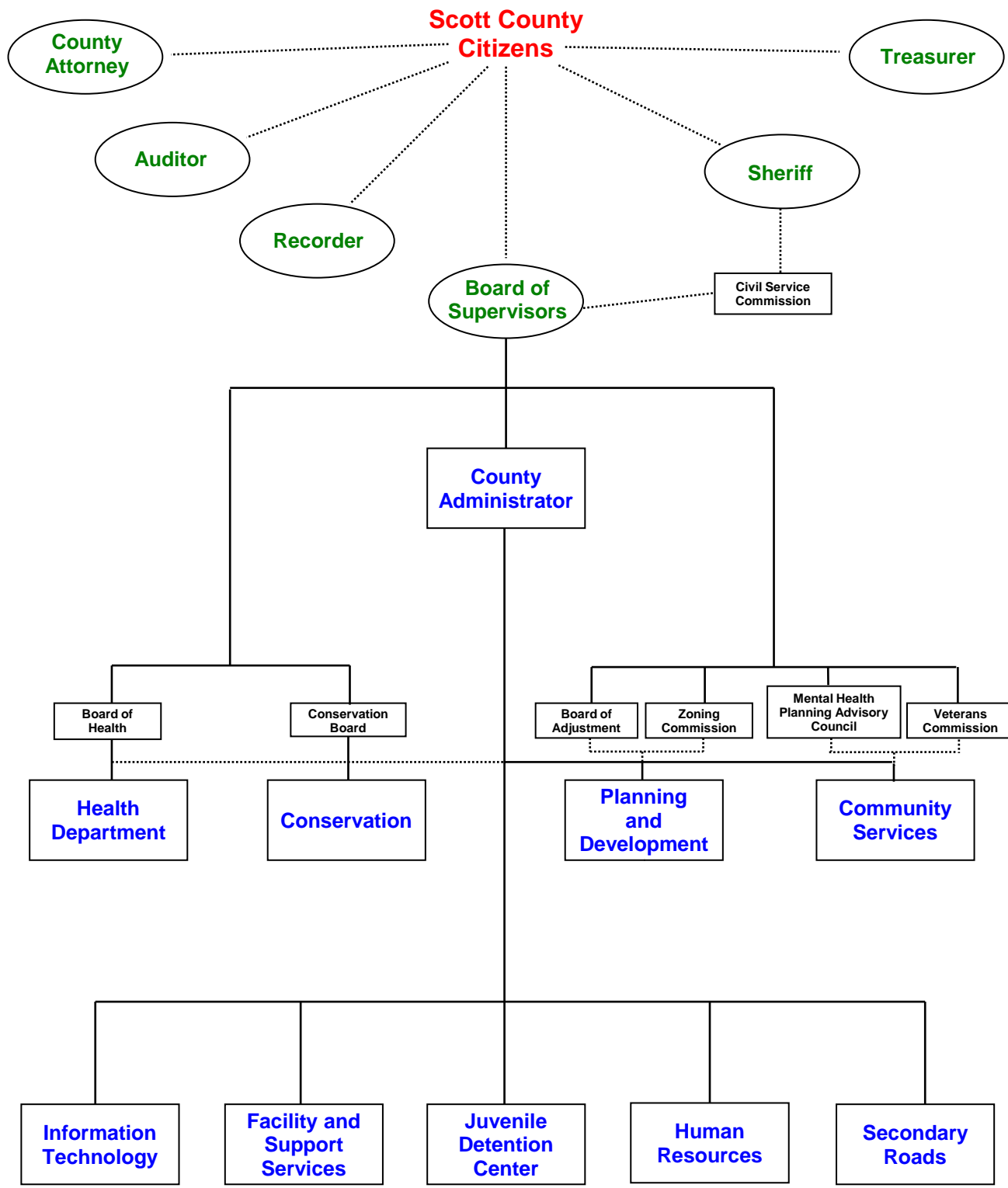
**Administration**

County Administrator	Dee F. Bruemmer
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**Department Heads**

Community Services	Lori Elam
Conservation	Roger Kean
Facility and Support Services	Dave Donovan
Health	Ed Rivers
Human Resources	Mary Thee
Information Technology	Matt Hirst
Juvenile Detention Center	Jeremy Kaiser
Planning and Development	Tim Huey
Secondary Roads	John Burgstrum

# Scott County Government Organizational Chart



————— Direct supervision  
 ..... Advisory relationship



Government Finance Officers Association

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

Presented to

**County of Scott  
Iowa**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

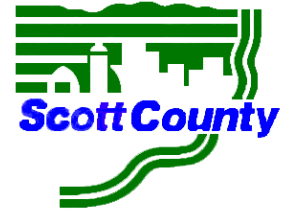
Executive Director/CEO

## OFFICE OF THE COUNTY ADMINISTRATOR

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December 15, 2015

To the Members of the Scott County Board of Supervisors, and Citizens of Scott County:

State law requires that every general-purpose local government publish within nine months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2015.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Baker Tilly Virchow Krause, LLP, Certified Public Accountants, have issued an unmodified (“clean”) opinion of Scott County’s financial statements for the year ended June 30, 2015. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

### ***Profile of Scott County Government***

Scott County, Iowa was incorporated on December 31, 1837. Antoine LeClaire, an early settler of the County, donated the square of land the Scott County Courthouse stands on today. If the County ever abandons the site, the property would revert to the heirs of Antoine LeClaire. The first courthouse was erected on this land during 1841. The following years to 1874 saw changes and additions to the structure of Scott County government. One of the major changes was in the structure of the governing board. From 1838 until 1850 county commissioners were elected on an annual basis. By 1861 the name Board of Supervisors had been mandated, with 14 supervisors from throughout the county representing the citizens. In 1870 the structure changed again, and only three board supervisors were elected countywide. In 1874, the membership of the board of supervisors increased to its present five officials, all elected at-large.

In 1979 an administrator form of government was adopted, and the Board of Supervisors hired a county administrator. Subsequently, staff and departments have grown in efficiency and capacity to serve citizens. In 1978 the County Home Rule Bill was enacted, granting all powers to counties consistent with state laws and not specifically prohibited by the Iowa General Assembly.



The County provides a full range of services. These services include law enforcement and legal services, physical health and social services, mental health and developmental disabilities services, county environment and education, planning and zoning, construction and maintenance of secondary roads, and general administrative services.

Component units are legally separate entities for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

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

Also, there are two discretely presented component units: Emergency Management Agency, which provides direction for the delivery of the emergency management services and planning, administration, coordination, training and support for local governments and their departments, and the County Library, which provides library services to all cities within Scott County with the exception of the City of Bettendorf, the City of Davenport, and the City of LeClaire.

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

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

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

### ***Local Economy***

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

The Quad-Cities has been historically known as an industrial, retail/service and transportation center. In the last thirty years the economy has shifted, showing a decline in the number of manufacturing sector jobs. In 1980, 30% of the area jobs were in manufacturing and 53% in the service sector. In 1990 that had changed to 17% manufacturing, 41% service sector; with 20% classified as trade and 4% mining and construction. In 2000 the split was 16% manufacturing and 46.5% classified as service sector; with 18% classified as trade and 5% mining and construction. In 2010 the split changed only slightly to 12% manufacturing and 50% classified as service sector; with 17% classified as trade and 5% mining and construction. The portion of government sector jobs has remained even at 16% in 1980 and 1990, 14.5% in 2000 and back to 16% in 2010.

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

In 2010 the median household income for the MSA was \$48,091 and for Scott County it was \$52,218. The median household income in Scott County rose between 1980 and 2000, from \$20,767 in 1980 to \$29,979 in 1990 and \$42,701 in 2000. That is an increase of 106% over the twenty-year period. The median household income in 2008 in Scott County increased another 22% over the 2000 figure to \$52,013, just a shade under the 2008 U.S. median household income of \$52,029. The current estimate is \$52,735.

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

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

Economic development efforts for the Quad Cities as a whole continues is on the path to diversify the economy, while taking advantage of its unique location on major transportation corridors and the tremendous asset of the Mississippi River. The global, national and regional economic development marketing for the Quad Cities have been led by Quad Cities First, the regional marketing public-private partnership managed by the Chamber of Commerce. The recent consolidation of the two Chambers of Commerce into one Quad Cities wide organization has helped with these regional marketing efforts. Scott County, as always, is part of those efforts.

## ***Long-Term Financial Planning***

Unassigned fund balance in the general fund (20.00% of total 2015 general fund expenditures including transferred expenditures to blended component units) falls within the policy guidelines set by the Board for budgetary and planning purposes (i.e., minimum of 15 percent of total general fund expenditures). Fiscal year 2015 ended with a increase in the unassigned general fund balance of approximately \$200,000. Additionally, the County assigned fund balance to establish a long term building improvement capital plan and added reserves to enhance the employee health and dental benefit expenses. During these challenging economic times, as the county faces cutbacks at the state level and reduced property tax funding, retaining the current level of fund balance is important. The County is continuing to find ways to reduce its costs for providing services through collaborating with other jurisdictions in delivering services. This consolidation or service sharing is very important as the County weathers the changes in property tax enacted by the State in 2013. We are committed to remain a county with a superior level of service at one of the lowest tax rates in the State of Iowa.

## ***Relevant Financial Policies***

It is Scott County's policy to use its share of riverboat gaming proceeds for capital projects. The County currently uses these funds toward pay as you go remodeling and renovation projects.

## ***Major Initiatives***

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

## ***Awards and Acknowledgements***

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Scott County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2014. This was the twenty-eighth consecutive year that Scott County has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both general accepted accounting principles and applicable legal requirements.

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

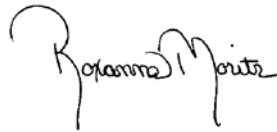
In addition, Scott County also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2015. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staffs of the Auditor's Office, Treasurer's Office and the Administration Office. We wish to express our appreciation to all members of our offices who assisted and contributed to the preparation of this report. We appreciate the assistance and guidance of our independent auditors. Credit also must be given to the Board of Supervisors for their unfailing support for maintaining the highest standards of professionalism in the management of Scott County's finances.

Respectfully submitted,



Bill Fennelly  
County Treasurer



Roxanna Moritz  
County Auditor



Dee F. Bruemmer  
County Administrator

**FINANCIAL**

## INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors  
County of Scott  
Davenport, Iowa

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Scott, Iowa, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County of Scott's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

### ***Emphasis of Matter***

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

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Scott's basic financial statements. The combining and individual fund financial statements and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States and Local Governments, and Non-Profit Organizations* as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States and Local Governments, and Non-Profit Organizations* are fairly stated in all material respects, in relation to the basic financial statements as a whole.

To the Board of Supervisors  
County of Scott

***Other Matters (continued)***

*Other Information*

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

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

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

*Baker Tilly Vinshaw Krause, LLP*

Milwaukee, Wisconsin  
December 15, 2015



## County of Scott, Iowa

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

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It is an honor to present to you the financial picture of the County of Scott, Iowa. We offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County of Scott, Iowa for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

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

#### Financial Highlights

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

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

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

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

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

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

## County of Scott, Iowa

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

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#### Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

## County of Scott, Iowa

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

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Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County of Scott, Iowa maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Mental Health/Development Disabilities Fund, Secondary Roads Fund, Debt Service Fund, Scott Emergency Communication Center and Capital Projects which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 20 through 25 of this report.

Proprietary funds: The County of Scott maintains two types of proprietary funds: enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County of Scott maintains one enterprise fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County of Scott's various functions. The County of Scott maintains two internal service funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Golf Course Fund, as this fund is considered to be a major fund of the County of Scott.

The basic proprietary fund financial statements can be found on pages 26 through 28 of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County of Scott, Iowa's own programs. The fiduciary funds of the County are considered agency funds. Total assets of the fiduciary funds were \$253,440,773 and \$250,447,853 for the years ended June 30, 2015 and 2014, respectively.

The basic fiduciary fund financial statements can be found on page 29 of this report.

Notes to basic financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County of Scott, Iowa's budgetary comparison and other postemployment benefit plan schedule of funding progress. This information can be found on pages 69 through 78 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to basic financial statements and the required supplementary information.

## County of Scott, Iowa

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

#### Government-Wide Financial Analysis

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

Of the County of Scott's net position, 75 percent reflects its investment in capital assets (e.g., land, buildings and improvements, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The County of Scott uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The County's net investment in capital assets, was \$75,409,558 for 2015 and \$71,816,242 for 2014. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1 - County of Scott's Net Position

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

\* The numbers presented for 2014 comparison were not restated.

Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted through enabling legislation for 2015 and 2014 consist of \$1,936,389 and \$1,802,355 for debt service, \$5,116,780 and \$1,966,913 for mental health, \$3,830,301 and \$3,149,287 for secondary roads, \$955,941 and \$998,873 for other statutory programs, \$120,370 and \$3,049,339 for Scott emergency communication center, and \$148,630 and \$150,016 for rural services, respectively. An additional \$208,552 and \$207,617 is restricted by external third parties, respectively. The remaining balance of unrestricted net position, \$12,218,895 for 2015 and \$20,782,641 for 2014, may be used to meet the government's ongoing obligations to citizens and creditors.

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

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

## County of Scott, Iowa

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

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

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

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

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

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

\* The numbers presented for 2014 comparison were not restated.

County of Scott, Iowa

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

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

Table 3 - County of Scott's Governmental Activities

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

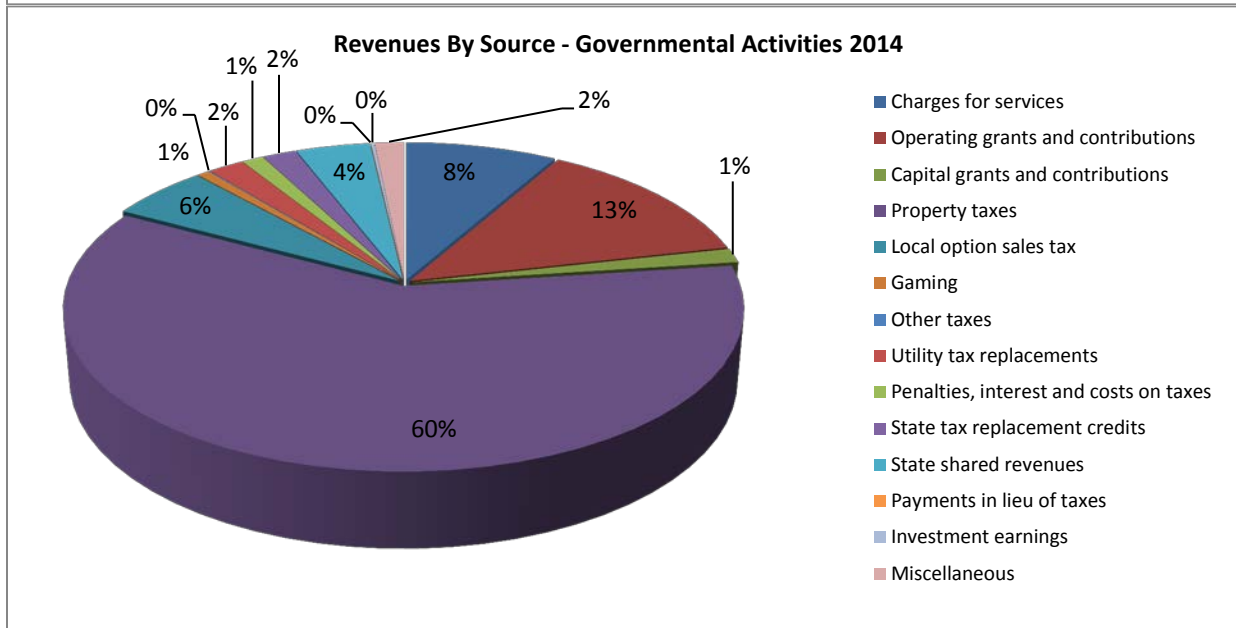
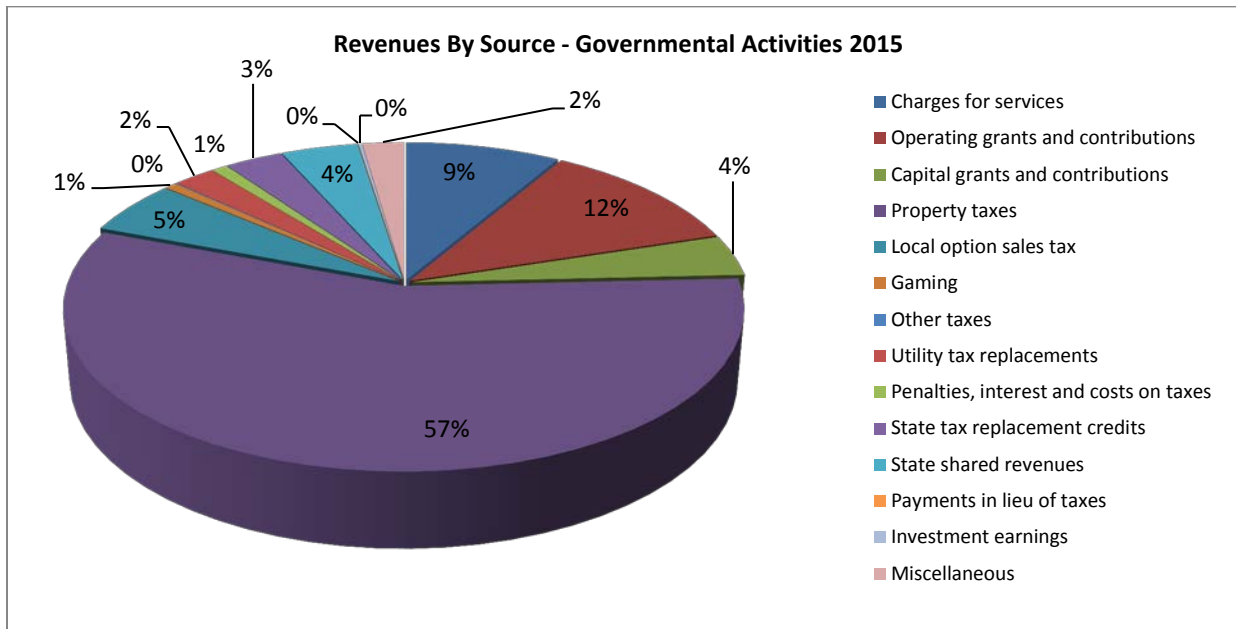
Net cost of services is 72 percent of total cost of services in 2015 and 75 percent in 2014. The change in net cost was significantly impacted by the change in state funding for MHDD eligible services through the mental health redesign of services and capital contributions for Road and Transportation.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

County of Scott, Iowa

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

Governmental Activities

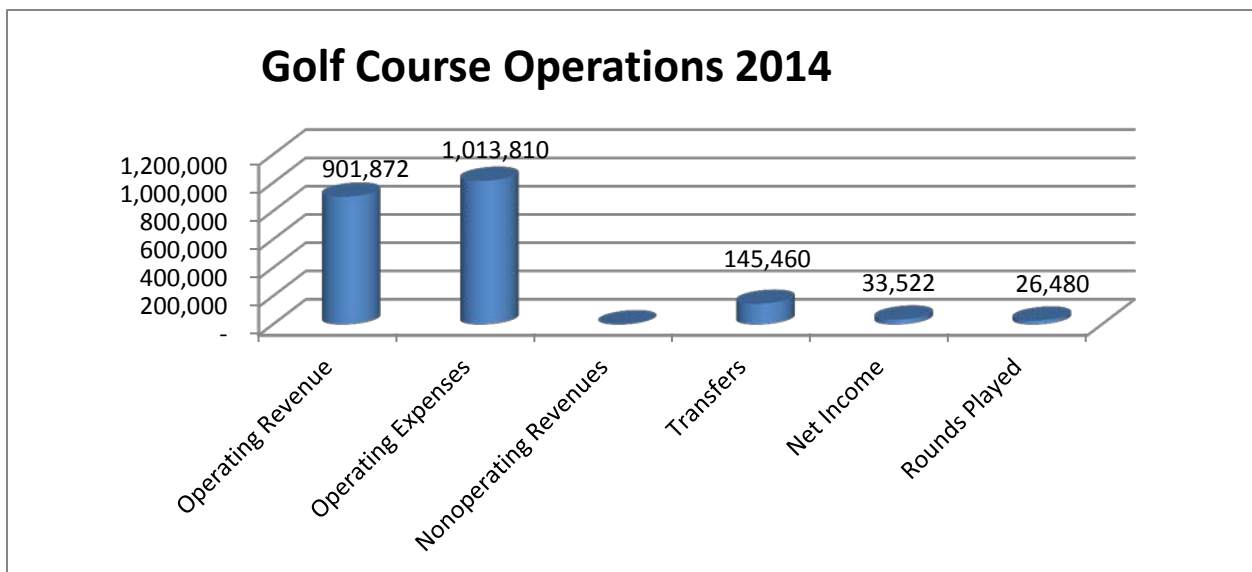
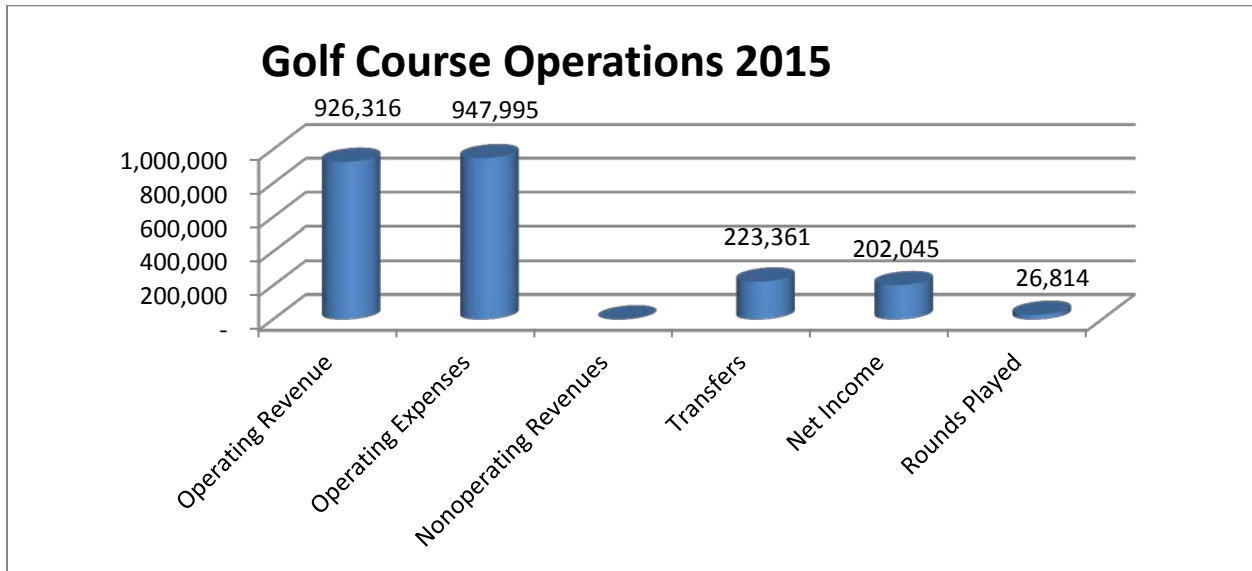
The graphs below show the percentage of the total governmental activities revenues allocated by each revenue type for 2015 and 2014.



County of Scott, Iowa

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

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





## County of Scott, Iowa

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

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

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

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

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

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

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

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

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

## County of Scott, Iowa

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

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

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

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

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

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

### Budgetary Highlights

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

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

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

## County of Scott, Iowa

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

#### Capital Asset and Debt Administration

Capital assets: The County's investment in capital assets for its governmental and business-type activities as of June 30, 2015 and 2014, amounts to \$110,148,652 and \$108,873,685 (net of accumulated depreciation), respectively. This investment in capital assets includes land, buildings and improvements, equipment, infrastructure and construction-in-progress. The total increase in capital assets for 2015 was 1.2 percent (a 1.2 percent increase for governmental activities and a 0.001 percent decrease for business-type activities). The total decrease in capital assets for 2014 was 3.74 percent (a 3.8 percent decrease for governmental activities and a 2.1 percent decrease for business-type activities).

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

#### Capital Assets

Table 4 - County of Scott's Capital Assets

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

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

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

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

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

## County of Scott, Iowa

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

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

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

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

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

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

All of these factors were considered in preparing the County of Scott, Iowa's budget for the June 30, 2016 fiscal year.

#### Requests for Information

These financial statements and discussions are designed to provide our citizens, taxpayers, investors and creditors with a complete disclosure of the County's finances and to demonstrate a high degree of accountability for the public dollars entrusted to us. If you have questions about this report or need additional information, please write Dee F. Bruemmer, County Administrator, Scott County Administrative Center, 600 West 4<sup>th</sup> Street, Davenport, Iowa 52801-1003.

County of Scott, Iowa

Statement of Net Position  
As of June 30, 2015

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

See Notes to Basic Financial Statements

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

County of Scott, Iowa

Statement of Activities  
For the Year Ended June 30, 2015

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

See Notes to Basic Financial Statements.

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



County of Scott, Iowa

Balance Sheet  
 Governmental Funds  
 As of June 30, 2015

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

See Notes to Basic Financial Statements

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

County of Scott, Iowa

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

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

See Notes to Basic Financial Statements.

County of Scott, Iowa

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

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

See Notes to Basic Financial Statements.

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

County of Scott, Iowa

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

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

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the detail of the amount by which capital outlays exceeded depreciation in the current year:

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

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

Capital contribution 3,215,678

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

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities (164,662)

The issuance of long-term debt (e.g. bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following is a detail of the net effect of these differences in the treatment of long-term debt and related items:

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

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

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

See Notes to Basic Financial Statements.

County of Scott, Iowa

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

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

See Notes to Basic Financial Statements.

County of Scott, Iowa

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

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

See Notes to Basic Financial Statements.



County of Scott, Iowa

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

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

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Assets and Liabilities

Agency Funds

As of June 30, 2015

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**Assets**

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

**Liabilities**

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

See Notes to Basic Financial Statements.

County of Scott, Iowa

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

	Emergency Management Agency	County Library	Total
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 247,373	\$ 344,766	\$ 592,139
Due from other governmental agencies	4,228	4,585	8,813
Prepaid Items	-	6,908	6,908
<b>Total current assets</b>	<b>251,601</b>	<b>356,259</b>	<b>607,860</b>
Noncurrent assets:			
Other post employment benefits asset	-	3,107	3,107
Capital assets:			
Land	-	16,600	16,600
Buildings	-	1,131,866	1,131,866
Machinery and equipment	623,066	205,995	829,061
Accumulated depreciation	(478,172)	(526,434)	(1,004,606)
<b>Total capital assets, net</b>	<b>144,894</b>	<b>828,027</b>	<b>972,921</b>
<b>Total noncurrent assets</b>	<b>144,894</b>	<b>831,134</b>	<b>976,028</b>
<b>Total assets</b>	<b>396,495</b>	<b>1,187,393</b>	<b>1,583,888</b>
<b>Deferred Outflows of Resources</b>			
Pension related deferred outflows	7,544	65,729	73,273
<b>Total Assets and Deferred Outflows of Assets</b>	<b>\$ 404,039</b>	<b>\$ 1,253,122</b>	<b>\$ 1,657,161</b>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>			
Current liabilities:			
Accounts payable	\$ 2,982	\$ 12,174	\$ 15,156
Accrued liabilities	466	37,512	37,978
Compensated absences	-	31,370	31,370
<b>Total current liabilities</b>	<b>3,448</b>	<b>81,056</b>	<b>84,504</b>
Noncurrent liabilities:			
Compensated absences	-	18,491	18,491
Net pension liability	39,099	340,705	379,804
Other post employment benefits obligation	3,549	-	3,549
<b>Total noncurrent liabilities</b>	<b>42,648</b>	<b>359,196</b>	<b>401,844</b>
<b>Total liabilities</b>	<b>46,096</b>	<b>440,252</b>	<b>486,348</b>
<b>Deferred Inflows of Resources</b>			
Pension related deferred inflows	14,912	129,935	144,847
<b>Net Position:</b>			
Net investment in capital assets	144,894	828,027	972,921
Unrestricted (deficit)	198,137	(145,092)	53,045
<b>Total net position</b>	<b>343,031</b>	<b>682,935</b>	<b>1,025,966</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 404,039</b>	<b>\$ 1,253,122</b>	<b>\$ 1,657,161</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, 2015

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Sales and Services	Operating Grants and Contributions	Emergency Management Agency	County Library	Total
Emergency Management Agency						
Public safety and legal services	\$ 156,125	\$ -	\$ 73,322	\$ (82,803)	\$ -	\$ (82,803)
County Library						
County environment and education	1,127,663	14,010	1,150,413	-	36,760	36,760
<b>Total component units</b>	<b>\$ 1,283,788</b>	<b>\$ 14,010</b>	<b>\$ 1,223,735</b>	<b>(82,803)</b>	<b>36,760</b>	<b>(46,043)</b>
<b>General Revenues</b>						
Investment earnings				401	531	932
Miscellaneous				36,039	10,862	46,901
<b>Total general revenues</b>				<b>36,440</b>	<b>11,393</b>	<b>47,833</b>
Changes in net position				(46,363)	48,153	1,790
Net Position, beginning of year, restated				389,394	634,782	1,024,176
Net Position, end of year				<b>\$ 343,031</b>	<b>\$ 682,935</b>	<b>\$ 1,025,966</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, 2015**

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

**Nature of operations:**

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

**Financial reporting entity:**

In accordance with the Codification of Governmental Accounting and Financial Reporting Standards, the basic financial statements include all funds, organizations, agencies, boards, commissions and authorities for which the County is financially accountable. The County has also considered all other potential organizations for which the nature and significance of their relationships with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by the individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

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

**County of Scott, Iowa**

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

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

Blended Component Units:

Public Safety Authority: The Public Safety Authority (PSA) is responsible for the jail expansion project through the issuance of revenue bonds. The jail expansion will provide holding cells and a centralized booking area to the County and the City of Davenport. The Authority entered into a lease with the County to provide the funding necessary for the bond repayment schedule. Although the PSA has a jointly appointed Board by the County and the City of Davenport, it is considered a component unit of the County because it would be misleading to exclude due to the PSA being fiscally dependent on the lease payments from the County, making the County financially accountable for the PSA. Additionally, the Agency is fiscally dependent on the County for any debt obligations. The authority does not issue separate financial statements.

Scott Emergency Communication Center: The Scott Emergency Communication Center (SECC) provides public safety dispatch and communication services for all participating public safety answering points to improve services to the citizens of the County. Although the SECC has a jointly appointed Board by the members, it is considered a component unit of the County due to the Code of Iowa providing for circumstances whereby the SECC can create a potential financial burden or benefit on the County. A material amount of operating contributions to fund SECC operations and debt service is provided by the County's general tax levy. The center does not issue separate financial statements.

Discretely Presented Component Units:

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

County Library: The Scott County Library Board of Trustees provides library services to all the cities within Scott County with the exception of the City of Bettendorf, the City of LeClaire and the City of Davenport. In addition, the Library provides services to the unincorporated residents of Scott County and also to the citizens of the City of Durant through a contractual arrangement. The Trustees annually direct the Board of Supervisors to levy property taxes to the unincorporated area, in addition to providing tax levying amounts to each of the participating cities. The Board of Trustees is appointed by the Board of Supervisors and the Code of Iowa provides for circumstances whereby the Library can create a potential financial burden or benefit on the County. The library does not issue separate financial statements.

County of Scott, Iowa

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

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

**Basis of presentation:**

The County's basic financial statements consist of government-wide statements including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The County does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

Fund accounting: The accounts of the County are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self balancing accounts which comprise its assets, deferred outflows of resources, liabilities/deferred inflows of resources, reserves, fund balance/net position, revenues and expenditures or expenses, as appropriate.

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

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

County of Scott, Iowa

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

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

The County has the following fund types:

**Governmental fund types:** Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as "fund balance." The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the County's major governmental funds:

General Fund: The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

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

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

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

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

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



County of Scott, Iowa

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

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

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

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

*Rural Services Fund:* To account for taxes levied to benefit the rural residents of the County.

*Recorders Management Fees Fund:* To account for one dollar fee collected for each recorded transaction to be used for the purpose of preserving and maintaining public records.

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

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

**Proprietary fund types:** are used to account for a government's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position and cash flows.

*Enterprise Funds:* are used to account for those operations that are financed and operated in a manner similar to private business or where the County has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The following is the County's major Enterprise Fund:

*Glynns Creek Golf Course Fund:* is used to account for the operation and maintenance for the County's 18-hole golf course.

*Internal Service fund types:* are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the County, or to other governmental entities, on a cost-reimbursement basis. The County's internal service fund consists of the following:

*Health Insurance Fund:* To account for health insurance provided to the County departments and component units.

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

County of Scott, Iowa

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

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

**Fiduciary fund types:** Fiduciary fund types are used to account for net assets and changes in net assets. The fiduciary funds of the County are considered agency funds. Agency funds are custodial in nature (assets equal liabilities), follow the accrual basis of accounting and do not involve measurement of results of operations. The County's agency funds consist of the following:

Agricultural Extension Service Fund, Bangs Eradication Fund, City Taxing Districts Fund, Community College Taxing District Fund, Fire Taxing District Fund, School Taxing District Fund, Township Taxing District Fund and Other Holding Accounts Fund: To account for the property taxes collected by the County for the Districts.

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

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

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

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

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

Tax Sale Redemption Fund: To account for the tax sale proceeds collected by the County.

Jail Inmate Fund: To account for receipts from the sale of commissary items to inmates and for funds confiscated upon arrest.

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

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

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

**Measurement focus and basis of accounting:**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements and the discretely presented component unit financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**County of Scott, Iowa**

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the County; therefore, revenues are recognized based upon the expenditures recorded and the availability criteria. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. Amounts received before eligibility requirements (excluding time) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows of resources.

Licenses and permits, fines and forfeitures, charges for sales and services, and miscellaneous revenues are generally recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are measurable and available.

Property taxes are recognized as a receivable at the time an enforceable legal claim is established. This is determined to occur when the budget is certified and approved by the state of Iowa. The current tax levy recognized in revenue was certified in May 2014, based on the 2013 assessed valuations. These taxes are due in two installments, on September 30 and March 31, with a 1.5 percent per month penalty for delinquent payment.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

County of Scott, Iowa

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

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

**Significant accounting policies:**

The significant accounting policies of the County, its blended component units, and its discretely presented component units are as follows:

Pooled cash and investment account: Separate bank accounts and investments are not maintained for all County funds, as certain funds maintain their cash and investment balances in a pooled account. Accounting records are maintained to show the portion of the pooled account attributable to each participating fund. The investments of the Public Safety Authority are not maintained in the pooled cash and investment fund, but in separately held escrow accounts. These investments, along with the cash in the West Lake Sewer Account, are restricted cash and investments.

Earnings on the pooled account are allocated to the General Fund unless statutes require otherwise or the Board of Supervisors has authorized otherwise. These respective allocations are made based on the average balances by fund.

Investments: Investments are reported at fair value. Short-term investments are reported at cost which approximates fair value. Securities traded on the national or international exchange are valued at the last reported sales price at current exchange rates.

Statement of cash flows: For purposes of cash flows, the County considers its pooled cash and investment accounts as cash equivalents since these accounts have the general characteristics of demand deposits. Also, all highly liquid investments, with a maturity of three months or less when purchased, are considered to be cash equivalents.

Inventories: Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are carried at cost, as determined using the first-in, first-out method.

Capital assets: Capital assets, including land, construction-in-progress, buildings, improvements other than buildings, machinery and equipment, intangible software and infrastructure are reported in the applicable governmental or business type activities columns in the government-wide financial statements. Infrastructure also includes assets acquired prior to June 30, 1980. Capital assets are defined by the County as assets with an initial, individual cost of more than \$10,000 and an initial useful life of one year or greater. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized in the current fiscal year.

All reported capital assets except land and construction-in-progress are depreciated.

County of Scott, Iowa

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

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

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

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

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

Unearned / unavailable revenue: Unearned / unavailable revenues arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received before the County has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized. Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

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

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

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

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

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

**County of Scott, Iowa**

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

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

Noncurrent portions of long-term inter-fund loan receivables are reported as advances. Within the governmental funds, advances are offset equally by a fund balance nonspendable account which indicates they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

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

Compensated absences: Under terms of the County's personnel policy, County employees are granted vacation and sick leave in varying amounts based upon length of employment by the County. Vacation days accumulate up to two times the employee's yearly vacation rate, and total accumulated vacation will be paid upon termination of employment. Sick leave accumulates without limit. Employees hired before July 1, 2000 have an option of being paid 50 percent of all hours above 720 up to a maximum of 1,680 hours or to be paid 25 percent of all hours available up to a maximum of 1,680 hours. Payment should not exceed 480 hours. The option is not selected until retirement. Employees hired after July 1, 2000 are paid 25 percent of all hours available up to a maximum of 1,680. Payment should not exceed 420 hours.

For proprietary fund types, these accumulations are recorded as expenses and liabilities of the appropriate fund in the fiscal year earned. The governmental fund types report the amount of accumulated unpaid vacation and sick leave, which is considered due, as a result of employee retirements and resignations. The amount of the liability not considered due is not reported in the fund financial statements. However, the entire compensated absence liability is reported in the government-wide financial statements.

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

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

## County of Scott, Iowa

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

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

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

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

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

Net position: Net position represents the difference between assets, liabilities, deferred outflows of resources, and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Unrestricted net position is all other net position that does not meet the definitions of "restricted" or "net investment in capital assets".

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

Bond discounts, premiums and issue costs: In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond discounts and premiums are amortized over the life of the bonds using the effective interest method. The balance at year end of premiums and discounts is shown as an increase or decrease in the liability section of the statement of net position.

**County of Scott, Iowa**

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

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

In the fund financial statements, governmental fund types recognize bond discounts and premiums, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Discounts on debt issuances are reported as other financing uses while premiums on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Budgetary information: Scott County budgets are prepared using the same accounting basis and practices as are used to account for and prepare financial reports for the funds; thus, budgets presented in this report for comparison to actual amounts are presented in accordance with accounting principles generally accepted in the United States of America. The blending of component units require reclassifications of expenditures to the County to the blended component units. These expenditures are reclassified between transfers and service provided.

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

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

- Public hearings are conducted to obtain taxpayer comments.
- Prior to March 15, the budget is legally adopted by resolution of the County Board.
- The budget may be amended by majority approval of the County Board prior to May 31 after public notice has been published.
- Encumbrances are not recognized in the budget and appropriations lapse at year-end.

The legal level of control is at the program expenditure level. These seven classes are: public safety and legal services, physical health and social services, mental health, County environment and education, roads and transportation, governmental services to residents and administration.

In addition, the County Board must appropriate, by resolution, the budgets for each of the different County offices and departments. Emphasis is placed on monitoring budgets at the departmental level by major class of expenditures, rather than by line item expenditure. County management can approve budget shifts within the major classes but not between major classes. During the year, there were two budget amendments adopted in March, 2015 and May, 2015.

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



County of Scott, Iowa

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

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

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

**Note 2. Deposits and Investments**

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

Cash on hand and deposits with financial institutions	\$ 46,220,202
Restricted Cash and Investments with financial institutions	214,686
Cash on hand and deposits with financial institutions, discretely presented component units	592,139
Cash on hand and deposits with financial institutions, agency funds	<u>11,400,809</u>
	<u>\$ 58,427,836</u>

Interest rate risk: Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the County's investment policy, portfolio maturities shall be staggered in a way that avoids undue concentration of assets in a specific maturity sector. Maturities shall be selected which provide stability of income and reasonable liquidity.

As of June 30, 2015, the County did not have any investments subject to interest rate risk.

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

As of June 30, 2015, the County did not have any investments subject to credit risk.

Custodial credit risk: For deposits, this is the risk that in the event of bank failure, the County's deposits may not be returned to it. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Chapter 12C of the Code of Iowa requires all County funds be deposited into an approved depository and be either insured or collateralized. As of June 30, 2015, the County did not have any investments exposed to custodial credit risk. There were no deposits exposed to custodial credit risk.

County of Scott, Iowa

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

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**Note 3. Interfund Transfers**

The following is a schedule of interfund transfers:

	<u>Transfers In</u>	<u>Transfer Out</u>
Governmental activities:		
Major governmental funds:		
General	\$ 78,667	\$ 14,747,176
Scott emergency communication center	6,926,047	-
Capital projects	6,723,219	87,118
Secondary roads	3,014,000	-
Debt service	-	2,125,505
Nonmajor governmental funds:		
Rural services	-	2,261,000
Recorders management fees	-	20,000
Public safety authority	2,125,505	-
Internal service fund		
Health insurance	150,000	-
<b>Total governmental activities</b>	<u>19,017,438</u>	<u>19,240,799</u>
Business-type activities		
Nonmajor enterprise fund:		
Golf course	<u>223,361</u>	<u>-</u>
 Total Transfers	 <u>\$ 19,240,799</u>	 <u>\$ 19,240,799</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them or (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**Note 4. Note Receivable**

The County issued a note to Greater Davenport Redevelopment Corporation (GDRC) for the purpose of funding operating expenses. During 2008, the County modified the agreement, which increased the principal amount to \$116,175 and decreased the interest rate to 0 percent. The note is due upon the sale or conveyance by GDRC of any lot or parcel at a rate of \$688.75 per acre sold. As of June 30, 2015, the outstanding balance was \$58,777 and there are approximately 85 acres to be sold.

Scott County has entered into a subordination agreement with Wells Fargo in regards to the GDRC note. This subordination agreement states that if GDRC defaults on their loan of \$1,114,000 with Wells Fargo, the County will be unable to collect the \$58,777 note receivable; therefore, the note receivable has been presented as a noncurrent asset.

County of Scott, Iowa

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

Note 5. Capital Assets

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

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

County of Scott, Iowa

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

Note 5. Capital Assets (Continued)

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

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

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

County of Scott, Iowa

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

**Note 5. Capital Assets (Continued)**

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

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

**Note 6. Long-Term Liabilities**

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

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

County of Scott, Iowa

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

**Note 6. Long-Term Liabilities (Continued)**

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

**General Obligation Bonds**

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

On July 13, 2006, the County issued \$2,500,000 in General Obligation Geographic Information System Bonds, Series 2006A. The bonds were issued to finance improvements to the County's Geographic Information System and related costs. The bonds are due in an annual installment of \$295,000 through 2016 at an interest rate of 4.1 percent.

On December 17, 2009, the County issued \$10,445,000 in General Obligation Emergency Equipment Bonds, Series 2009A. The bonds were issued to finance the acquisition of emergency equipment and related costs. The bonds are due in annual installments of \$480,000 to \$720,000 through 2029 at interest rates from 1.5 percent to 5.8 percent.

On December 17, 2009, Scott County issued \$2,755,000 in General Obligation Urban Renewal Refunding Bonds, Series 2009B with interest rates ranging from 2.5 percent to 3.0 percent to refund \$2,745,000 of outstanding General Obligation Urban Renewal Bond, Series 2002A, due in annual installments of \$420,000 to \$435,000 with interest rates ranging from 2.3 percent to 4.6 percent.

**County of Scott, Iowa**

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

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**Note 6. Long-Term Liabilities (Continued)**

**General Obligation Bonds (Continued)**

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

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

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

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

**Revenue Bonds**

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

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

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

County of Scott, Iowa

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

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**Note 6. Long-Term Liabilities (Continued)**

**Revenue Bonds (Continued)**

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

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

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

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



**County of Scott, Iowa**

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

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**Note 6. Long-Term Liabilities (Continued)**

**Revenue Bonds (Continued)**

The County has pledged as security for bonds issued by the Public Safety Authority, a blended component unit, a portion of the County's property taxes. The bonds issued by the Public Safety Authority in February 2006 in the amount of \$29,700,000 for the purpose of renovation and construction additions to existing jail facilities are payable through 2025. The bonds issued by the Public Safety Authority in December 2012 and January 2013 in the amount of \$9,750,000 and \$7,925,000, respectively, for the purposes of crossover refunding the 2006 bond issue. The County has committed to appropriate each year, from the property taxes, amount sufficient to cover the principal and interest requirements on the Public Safety Authority's debt. The Public Safety Authority has pledged as sole security for the bonds the appropriation from the County. Annual principal and interest payment on the bonds are expected to require 100% of lease payments received. Total principal and interest remaining on the debt is \$19,518,345 with annual requirements ranging from \$1,950,618 to \$1,967,918. Property taxes, from which the appropriations will be made, have been equal to the principal and interest amount owed per year before consideration of restricted assets for the cross over refunding. For the current year, principal and interest paid by the Public Safety Authority totaled \$2,461,123 and property taxes recognized by the County were \$2,125,505 each.

**Notes Payable**

On November 2, 2009, the City of Davenport issued \$10,125,000 General Obligation Communication Building Bonds, Series 2009C on behalf of the SECC. The bonds were issued for the purpose of building a new communications and emergency operations center. The bonds were issued with interest rates ranging from 2.0% to 5.8%. The SECC has issued a note payable to the City of Davenport with terms for repayment identical to the bonds.

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

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

**County of Scott, Iowa**

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

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**Note 6. Long-Term Liabilities (Continued)**

**Other Long-Term Liabilities**

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

**Note 7. Retirement System**

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

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

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

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

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

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

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

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

County of Scott, Iowa

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

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**Note 7. Retirement System (Continued)**

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

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

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

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

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

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

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

County of Scott, Iowa

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

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**Note 7. Retirement System (Continued)**

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

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

County of Scott, Iowa

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

Note 7. Retirement System (Continued)

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

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

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

There were no non-employer contributing entities at IPERS.

County of Scott, Iowa

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

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**Note 7. Retirement System (Continued)**

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

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

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

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

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

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

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

County of Scott, Iowa

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

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**Note 7. Retirement System (Continued)**

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

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

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

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

**County of Scott, Iowa**

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

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**Note 8. Other Postemployment Benefits**

Plan description: The County sponsors a single-employer health care plan that provides medical, prescription drugs, dental and vision benefits to all active and retired employees and their eligible dependents. Sheriff's deputies must be a minimum of age 50 with 22 or more years of service to be eligible for retiree benefits. All other employees must be a minimum of age 55 with 20 or more years of service to be eligible for retiree benefits. Eligibility requirements under IPERS is summarized as follows: Normal Retirement - a) General Employees - age 65, any age when age plus years of service equal or exceed 88 with a minimum age of 55, or age 62 with 20 years of service, b) Sheriffs and Deputies - age 55 or age 50 with 22 years of service. The plan does not issue a stand-alone financial report.

Funding policy: The health insurance plan contributions on behalf of employees are negotiated by management and the union and governed by the County's union contracts. Employees pay all or a portion of the premium in excess of the full single rate premium. The current funding policy of the County is to pay health claims as they occur.

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2015, the County contributed \$39,938. Retiree and active members receiving benefits have required monthly contributions of:

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

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

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



**County of Scott, Iowa**

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

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**Note 8. Other Postemployment Benefits (Continued)**

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for the current year and the preceding two years were as follows:

<u>Year Ending June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2013	\$ 117,899	60.4%	\$ 400,029
2014	117,133	123.0%	373,034
2015	110,201	36.3%	443,297

Funded status and funding progress: As of January 1, 2015, the most recent valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$1,035,864 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UML) of \$1,035,864. The covered payroll (annual payroll of active employees covered by the plan) was \$25,524,730 and the ratio of the UML to the covered payroll was 4.1 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents only the initial year trend information.

Actuarial methods and assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and included in the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2015 actuarial valuation, projected unit credit method was used. The actuarial assumptions included a 4.5 percent investment rate of return, general inflation of 3 percent, salary increases of 4 percent, health care cost trend rate of 5 percent; mortality rates using the RP 2014 Mortality Tables with scale MP-2014, retiree participation rate of 50 percent, an initial spouse participation rate of 50 percent and turnover rates based on Scale T-6 of the Actuary's Pension Handbook. The UML is being amortized as a level dollar amount on an open basis. The amortization of UML is done over a period of 30 years.

**County of Scott, Iowa**

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

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**Note 9. Risk Management and Insurance**

The County is self-insured for general and automobile liability, property and workers' compensation claims. This activity is accounted for within the County's General Fund. Charges were made to the operating funds based upon actual claims, historical claim experience and estimated claims incurred and not yet reported for general and automobile liability, property and worker's compensation. Unemployment claims were charged quarterly to the applicable funds based upon actual claims as assessed by the state. Claim settlement and loss expenses are accrued in the General Fund for the estimated settlement value of general, automobile liability, property and workers' compensation claims reported and unreported arising from incidents during the year except for the long-term portion of such estimated claim settlements which are recorded in the government-wide statements until amounts are due and spendable resources become available to liquidate such liabilities.

Self-insurance is in effect up to a stop loss amount of approximately \$300,000 per claim for general and automobile liability, \$100,000 per claim for property and \$500,000 per claim for workers' compensation. Coverage from a private insurance company is maintained for losses in excess of the aggregate stop loss amount with \$10,000,000 maximum coverage on general and automobile liability, \$106,265,706 maximum coverage on property and limited statutory \$2,000,000 maximum coverage on workers' compensation. Settled claims have not exceeded the commercial coverage in any of the past three years. All claims handling procedures are performed by the County.

The County is self-insured for health and dental care of its employees. This activity is accounted for within the County's Internal Service Fund. Charges were made to the operating funds based upon estimated premium equivalency amounts.

Self-insurance is in effect up to a stop loss amount of approximately \$150,000 per claim for health care. Coverage from a private insurance company is maintained for losses in excess of the aggregate stop loss amount of 125% of total claims. Settled individual claims have exceeded the commercial coverage in fiscal year 2015.

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

County of Scott, Iowa

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

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**Note 9. Risk Management and Insurance (Continued)**

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

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

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

	2015	2014
Claims payable, beginning of year	\$ 436,345	\$ 485,907
Claims expense and change in reserve	5,822,057	5,081,885
Claims payments	<u>(5,869,528)</u>	<u>(5,131,447)</u>
Claims payable, end of year	<u>\$ 388,874</u>	<u>\$ 436,345</u>

The Emergency Management Agency, County Library, and Public Safety Authority and Scott Emergency Communication Center component units of the County have transferred risk by purchasing commercial insurance. Settled claims have not exceeded this coverage in any of the past three fiscal years.

**Note 10. Conduit Debt Obligations**

From time to time, the County has issued revenue bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the County, the state, nor any political subdivision, thereof, is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2015, there were three series of revenue bonds outstanding. The aggregate principal balance of the revenue bonds outstanding is \$18,370,000.

**County of Scott, Iowa**

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

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**Note 11. Scott Area Solid Waste Management Commission Agreement**

In June 1995, the County issued \$7,100,000 in General Obligation County Solid Waste Disposal Bonds for which the County pledged its full faith and credit and power to levy direct general ad valorem taxes without limit as to rate or amount. On March 1, 2007, Scott County issued \$3,685,000 in General Obligation County Solid Waste Disposal Refunding Bonds, Series 2007A to refund \$3,645,000 of outstanding Scott Area Solid Waste Management Commission Solid Waste Disposal Revenue Bond, Series 1995. The net proceeds were used to call the Series 1995 Bonds. The total amount of the bonds outstanding as of June 30, 2015 is \$0.

The County loaned the proceeds from the sale of the bonds to the Scott Area Solid Waste Management Commission ("the Commission") for the acquisition, construction and equipping of a material recovery system, recovery facility and a new landfill ("the Project") pursuant to the Financing Agreement by and between the County and the Commission. To obligate itself under the Financing Agreement, the Commission issued a \$7,100,000 Solid Waste Disposal Revenue Bond to the County pursuant to a resolution dated April 11, 1995. The repayment of the Revenue Bond corresponds to the payment of the Bonds by the County.

Under the terms of the Financing Agreement, dated April 11, 1995, the Commission is obligated to establish rates, charges and fees sufficient to pay the cost of operations and maintenance of the Project and to leave net revenues sufficient to pay the semiannual debt service requirements of the bonds. In the event that net revenues are insufficient to pay 100 percent of the debt service on the bonds, the Commission is obligated to pay the County from other funds it has legally available, including the Reserve Fund, which is equal to the maximum annual debt service requirement on the bonds due in any remaining fiscal year. If the Commission does not have sufficient funds to pay 100 percent of the debt service on the bonds when due, the County is obligated to pay such deficiency from and of its funds legally available. Any amounts which are paid by the County for debt service payments on the bonds must be reimbursed by the Commission out of future net revenues of the Project or other Commission funds which become available.

In the event future net revenues or other Commission funds are insufficient to repay the County, each of the Members of the Commission have obligated itself to repay the County its pro rata share of the deficiency from rates imposed on each property within its jurisdiction. The Financing Agreement may not be terminated so long as the bonds are outstanding.

Financial statements of the Commission may be obtained by contacting Scott Area Solid Waste Commission, 11555 110th Avenue, Davenport, Iowa 52804.

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

County of Scott, Iowa

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

**Note 12. Fund Balances**

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

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

**County of Scott, Iowa**

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

**Note 12. Fund Balances (Continued)**

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

**Note 13. Litigation**

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

**Note 14. Commitments and Contingency**

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

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

County of Scott, Iowa

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

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

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

Revenues:

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

Expenditures

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

Excess of revenues over expenditures 3,149,867

Fund balances beginning of the year 1,966,913

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

County of Scott, Iowa

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

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

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

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

**Note 17. Restatement**

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

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



County of Scott, Iowa

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

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

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

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

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

**County of Scott, Iowa**

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

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

The information presented in the required supplementary schedules was determined as part of the actuarial valuation date as of January 1, 2015. Additional information follows:

- a. The cost method used to determine the ARC is the Projected Unit Credit Actuarial Cost method.
- b. There are no plan assets.
- c. The actuarial assumptions included: 1) 4.5 percent investment rate of return, 2) general inflation of 3 percent 3) salary increases of 4 percent, 4) health care cost trend rates of: 5 percent, 5) mortality rates using the RP 2014 Mortality Tables with scale MP-2014, 6) retiree participation rate of 70 percent, 7) an initial spouse participation rate of 50 percent and 8) turnover rates based on Scale T-6 of the Actuary's Pension Handbook.
- d. The amortization method is level dollar amount on an open basis.

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

County of Scott, Iowa

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

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

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

County of Scott, Iowa

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

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

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

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

County of Scott, Iowa

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

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

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

County of Scott, Iowa

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

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

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

See accompanying independent auditor's report

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

County of Scott, Iowa

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

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

See accompanying independent auditor's report



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

## County of Scott, Iowa

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

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#### Note 1. Budgetary Comparison Schedule

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

Formal and legal budgetary control is based upon ten major classes of disbursements known as functions, not by fund or fund type. These ten functions are: public safety and legal services, physical health and social services, mental health, County environment and education, roads and transportation, government services to residents, nonprogram current, administration, capital outlay and debt service. Function expenditures required to be budgeted do not include expenses for the enterprise fund. The legal level of control is at the aggregated function level, not at the fund or fund type level. During the year, two budget amendments decreased budgeted expenditures by \$804,566. The budget amendment was adjusted estimates of current year activity.

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

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

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

#### Note 2. Net Pension Liability

##### *Changes of benefit terms:*

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

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

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

##### *Changes of assumptions:*

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

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

**County of Scott, Iowa**

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

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

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

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

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

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

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

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

See Independent Auditors' Report.

County of Scott, Iowa

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

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

County of Scott, Iowa

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

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

County of Scott, Iowa

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

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

County of Scott, Iowa

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

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

County of Scott, Iowa

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

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



County of Scott, Iowa

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

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

(continued)

County of Scott, Iowa

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

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

(continued)

County of Scott, Iowa

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

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

(continued)

County of Scott, Iowa

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

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

County of Scott, Iowa

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

	Emergency Management Agency	County Library	Total
<b>Assets</b>			
Cash and investments	\$ 247,373	\$ 344,766	\$ 592,139
Due from other governmental agencies	4,228	4,585	8,813
Prepaid Items	-	6,908	6,908
<b>Total assets</b>	<b>\$ 251,601</b>	<b>\$ 356,259</b>	<b>\$ 607,860</b>
<b>Liabilities and Fund Balance</b>			
Liabilities:			
Accounts payable	\$ 2,982	\$ 12,174	\$ 15,156
Accrued liabilities	466	37,512	37,978
<b>Total liabilities</b>	<b>3,448</b>	<b>49,686</b>	<b>53,134</b>
Fund balances:			
Nonspendable	-	6,908	6,908
Unassigned	248,153	299,665	547,818
<b>Total fund balances</b>	<b>248,153</b>	<b>306,573</b>	<b>554,726</b>
<b>Total liabilities and fund balances</b>	<b>\$ 251,601</b>	<b>\$ 356,259</b>	<b>\$ 607,860</b>
<b>Reconciliation to statement of net position</b>			
Total component unit fund balances	\$ 248,153	\$ 306,573	\$ 554,726
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:			
Capital assets:			
Land	-	16,600	16,600
Buildings	-	1,131,866	1,131,866
Machinery and equipment	623,066	205,995	829,061
Accumulated depreciation	(478,172)	(526,434)	(1,004,606)
Pension related deferred outflow of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the funds:			
Deferred outflows of resources	7,544	65,729	73,273
Deferred inflows of resources	(14,912)	(129,935)	(144,847)
Liabilities not due and payable in the current period are not reported in the funds:			
Compensated absences	-	(49,861)	(49,861)
Net pension liability	(39,099)	(340,705)	(379,804)
Other post employment benefits obligation	(3,549)	3,107	(442)
<b>Total net position</b>	<b>\$ 343,031</b>	<b>\$ 682,935</b>	<b>\$ 1,025,966</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, 2015**

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

County of Scott, Iowa

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

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

**STATISTICAL**



# County of Scott, Iowa

## Statistical Section Contents

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

Contents	Page
<b>Financial Trends</b>	92
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>	104
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>	112
These schedules present information to help the reader assess the affordability of the County's current level of outstanding debt and the County's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	118
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>	120
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual report for the relevant year.

County of Scott, Iowa

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

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

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

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

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

Source: County records.

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

County of Scott, Iowa

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

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

(Continued)

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

County of Scott, Iowa

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

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

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

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

Source: County records.

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

County of Scott, Iowa

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

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



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

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

County of Scott, Iowa

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

	2006	2007	2008	2009
<b>Revenues:</b>				
Property taxes	\$ 31,364,663	\$ 32,017,310	\$ 33,120,748	\$ 34,082,776
Local option sales tax	3,382,318	3,727,522	3,860,101	3,691,392
Other taxes	2,328,812	2,233,601	2,222,446	2,164,548
Interest and penalty on taxes	791,859	782,123	731,456	847,456
Intergovernmental	18,596,027	18,714,770	19,873,049	20,369,088
Charges for services	4,656,145	4,521,226	4,337,361	4,516,303
Investment earnings	1,381,353	2,008,067	1,447,577	674,859
Licenses and permits	572,049	517,197	540,170	505,300
Rentals and fees	141,568	144,693	157,323	165,676
Other	569,001	636,018	701,770	536,861
<b>Total revenues</b>	<b>63,783,795</b>	<b>65,302,527</b>	<b>66,992,001</b>	<b>67,554,259</b>
<b>Expenditures:</b>				
Public safety and legal services	18,225,493	19,330,101	19,214,446	19,768,037
Physical health and social services	5,489,011	5,638,002	5,915,796	6,075,938
Mental health	13,416,089	14,288,703	15,182,707	14,560,838
County environment and education	3,558,603	3,845,185	4,099,548	4,378,787
Roads and transportation	3,937,871	4,360,061	4,493,009	4,680,676
Governmental services to residents	1,866,796	1,933,065	2,012,787	2,134,299
Administration	7,306,402	7,555,798	8,238,360	8,711,784
Capital outlay	5,290,532	5,580,379	5,832,465	4,369,892
<b>Debt service:</b>				
Principal	2,570,000	1,880,000	1,925,000	2,065,000
Bond issuance costs	-	99,453	-	-
Interest	665,130	1,569,359	1,503,745	1,398,136
<b>Total expenditures</b>	<b>62,325,927</b>	<b>66,080,106</b>	<b>68,417,863</b>	<b>68,143,387</b>
<b>Excess of revenues over (under) expenditures</b>	<b>1,457,868</b>	<b>(777,579)</b>	<b>(1,425,862)</b>	<b>(589,128)</b>
<b>Other financing sources (uses):</b>				
Transfers in	6,665,376	5,107,655	8,516,222	8,616,899
Transfers out	(6,665,376)	(5,107,655)	(8,516,222)	(8,616,899)
Proceeds from sale of capital assets	-	33,394	49,757	27,450
Proceeds from issuance of long-term debt	-	6,185,000	-	-
Distribution of advance crossover refunding	-	-	-	-
Bond discount	-	-	-	-
Bond premium	-	9,345	-	-
Payment to refunded bond escrow agent	-	(3,645,000)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>2,582,739</b>	<b>49,757</b>	<b>27,450</b>
Net Change in fund balances	1,457,868	1,805,160	(1,376,105)	(561,678)
Fund balances, beginning of year	18,293,773	19,751,641	21,556,801	20,180,696
Fund balances, end of year	\$ 19,751,641	\$ 21,556,801	\$ 20,180,696	\$ 19,619,018
<b>Debt service as a percentage of noncapital expenditures</b>				
	5.19%	5.84%	5.39%	5.39%

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

Source: County records.

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

5.54%                      5.71%                      6.97%                      8.14%                      8.47%                      8.71%

County of Scott, Iowa

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

Function / Program	2006	2007	2008
Governmental activities:			
Public safety and legal services	\$ 2,396,794	\$ 2,624,858	\$ 2,087,424
Public safety and legal services - SECC	-	-	-
Physical health and social services	2,126,736	2,114,672	2,179,694
Mental health	5,507,832	6,324,361	7,891,347
County environment and education	1,197,394	1,074,486	1,306,680
Roads and transportation	1,943,220	979,629	54,786
Governmental services and residents	3,670,976	2,824,963	2,926,459
Administration	367,437	410,222	432,315
Interest on long-term debt	-	-	-
<b>Total governmental activities</b>	<b>17,210,389</b>	<b>16,353,191</b>	<b>16,878,705</b>
Business-Type activities, Glynn's Creek Golf Course	1,019,793	875,270	947,487
<b>Total government</b>	<b>\$ 18,230,182</b>	<b>\$ 17,228,461</b>	<b>\$ 17,826,192</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						
2009	2010	2011	2012	2013	2014	2015
\$ 3,080,316	\$ 2,285,735	\$ 2,603,842	\$ 2,790,937	\$ 2,659,176	\$ 2,690,456	\$ 2,714,412
-	-	-	-	-	127	98,125
2,222,418	2,984,594	2,449,219	1,835,979	1,675,662	1,650,038	1,577,835
8,163,582	6,969,490	7,753,736	8,547,369	4,094,415	5,910,035	5,696,143
1,301,062	1,415,324	1,094,796	1,223,753	1,177,856	1,530,559	1,608,436
154,581	6,744,340	2,645,043	1,083,772	527,378	1,182,305	3,417,400
3,063,718	2,704,150	2,656,916	2,859,866	3,076,697	2,957,422	2,855,609
453,836	499,111	1,502,699	693,626	916,371	575,570	423,280
-	-	403,261	552,033	637,634	1,456,189	1,358,756
18,439,513	23,602,744	21,109,512	19,587,335	14,765,189	17,952,701	19,749,996
949,445	912,712	900,741	1,002,459	890,259	901,872	926,316
\$ 19,388,958	\$ 24,515,456	\$ 22,010,253	\$ 20,589,794	\$ 15,655,448	\$ 18,854,573	\$ 20,676,312

County of Scott, Iowa

Revenues by Source, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

Fiscal Year	Property	Local Option Sales Tax	Other Tax	Interest & Penalties on Taxes	Intergovernmental
2006	\$ 31,364,663	\$ 3,382,318	\$ 2,328,812	\$ 791,859	\$ 18,596,027
2007	32,017,310	3,727,522	2,233,601	782,123	18,714,770
2008	33,120,748	3,860,101	2,222,446	731,456	19,873,049
2009	34,082,776	3,691,392	2,164,548	847,456	20,369,088
2010	36,232,900	3,637,825	2,135,108	790,006	19,848,192
2011	43,098,556	3,863,574	2,192,115	791,685	20,595,340
2012	44,978,360	4,052,754	2,290,508	789,143	20,410,705
2013	46,158,852	4,098,552	2,248,606	816,474	12,290,563
2014	46,920,952	4,268,291	2,151,644	930,986	15,163,356
2015	46,024,012	4,403,167	2,491,175	715,763	15,654,761
Change 2006-2015	46.74%	30.18%	6.97%	-9.61%	-15.82%

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

Source: County records.

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Charges for Services	Investment Earnings	Licenses & Permits	Rentals & Fees	Other	Total
\$ 4,656,145	\$ 1,381,353	\$ 572,049	\$ 141,568	\$ 569,001	\$ 63,783,795
4,521,226	2,008,067	517,197	144,693	636,018	65,302,527
4,337,361	1,447,577	540,170	157,323	701,770	66,992,001
4,516,303	674,859	505,300	165,676	536,861	67,554,259
4,490,155	186,708	525,427	186,492	642,792	68,675,605
4,993,149	221,853	666,627	188,240	755,925	77,367,064
5,463,130	155,838	653,399	222,959	937,286	79,954,082
5,562,494	120,569	772,296	176,562	1,011,563	73,256,531
5,710,597	143,039	781,072	80,591	1,102,063	77,252,591
6,164,147	146,338	752,254	85,462	1,690,480	78,127,559
32.39%	-89.41%	31.50%	-39.63%	197.10%	22.49%

County of Scott, Iowa

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

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

Source: Auditor's Office

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

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



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

County of Scott, Iowa

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

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

Taxpayer	2015		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
MidAmerican Energy	\$ 233,956,408	1	2.90%
Isle of Capri	80,752,204	2	1.00%
Iowa American Water Company	58,960,052	3	0.73%
Macerich North Park Mall LLC	55,488,075	4	0.69%
ALCOA	37,944,196	5	0.47%
Qwest Corp	26,520,800	6	0.33%
Deere & Company	26,300,475	7	0.33%
Northern Border Pipeline Company	22,877,800	8	0.28%
Continental Cement Company LLC	21,512,489	9	0.27%
Continental 203 Fund LLC	20,982,954	10	0.26%
<b>Total</b>	<b>\$ 585,295,453</b>		<b>7.26%</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
2006	\$ 194,032,266	\$ 193,001,228	99.47%	\$ 195,545	\$ 193,196,773	99.57%
2007	202,141,914	200,878,707	99.38%	(20,856)	200,857,851	99.36%
2008	210,294,826	209,445,543	99.60%	131,295	209,576,838	99.66%
2009	223,092,062	221,671,064	99.36%	205,504	221,876,568	99.46%
2010	234,648,806	233,278,412	99.42%	93,197	233,371,609	99.46%
2011	247,987,832	246,709,768	99.48%	357,380	247,067,148	99.63%
2012	258,210,732	256,655,331	99.40%	206,819	256,862,150	99.48%
2013	270,826,988	269,647,673	99.56%	26,946	269,674,619	99.57%
2014	274,898,466	273,903,646	99.64%	120,676	274,024,322	99.68%
2015	278,170,184	277,259,736	99.67%	161,251	277,420,987	99.73%

Source: County records

**County of Scott, Iowa**

**Direct and Overlapping Property Tax Rates**

**Last Ten Years**

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

**(Unaudited)**

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

Source: County records - Auditor's Office.

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

County of Scott, Iowa

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

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

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

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

Source: County records.

N/A - Not Available

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Business-Type Activities

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

County of Scott, Iowa

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

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Fiscal Year	General Bonded Debt Outstanding		Percent of Debt to Assessed Value	Per Capita*
	General Obligation Bonds			
2006	\$	8,000,000	0.09%	\$ 49.69
2007		9,655,000	0.10%	58.93
2008		8,760,000	0.09%	53.20
2009		7,765,000	0.07%	46.93
2010		17,190,000	0.15%	103.65
2011		15,660,000	0.13%	93.96
2012		14,080,000	0.12%	84.04
2013		12,491,845	0.10%	74.04
2014		10,797,620	0.09%	63.65
2015		9,348,254	0.08%	54.47

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

Source: County records.



County of Scott, Iowa

**Direct and Overlapping Governmental Activities Debt  
As of June 30, 2015  
(Unaudited)**

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

Source: County records

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

County of Scott, Iowa

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

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

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

Source: County records.

Legal Debt Margin Calculation for Fiscal Year 2015

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

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

County of Scott, Iowa

Demographic and Economic Statistics  
 Last Ten Calendar Years  
 (Unaudited)

Year	Population <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>
2006	159,597	\$ 6,112,472	\$ 38,299	730	26,735	3.8
2007	160,077	6,515,556	40,703	860	26,818	3.8
2008	161,824	6,938,518	42,877	850	27,316	4.1
2009	163,582	6,942,723	42,442	850	27,813	6.9
2010	165,759	7,332,919	44,233	N/A	28,016	7.1
2011	167,095	7,861,586	47,026	N/A	28,460	6.8
2012	167,924	8,137,008	48,205	759	28,538	6.3
2013	168,771	8,023,456	47,090	N/A	28,538	5.9
2014	169,630	N/A	N/A	N/A	28,626	6.0
2015	171,616	N/A	N/A	N/A	26,062	4.9

Sources:

<sup>1</sup>Iowa Workforce Development

<sup>2</sup>InfoGroup, Reference USA (2015)

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

Date accessed: 10/30/15

**County of Scott, Iowa**

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

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

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

Sources:

<sup>1</sup>Iowa Workforce Development

<sup>2</sup>InfoGroup, Reference USA (2015)

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

**County of Scott, Iowa**

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

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

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

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

County of Scott, Iowa

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

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

(Continued)

Source: County records - Year-end Indicator Report



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

County of Scott, Iowa

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

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

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

**County of Scott, Iowa**

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

<u>Function / Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Public safety and legal services:			
Sheriff:			
# of patrol cars	54	54	55
# of other vehicles	N/A	N/A	N/A
Physical health and social services:			
Health Department			
# of vehicles	13	13	13
County environment and education:			
Conservation			
# of acres managed	2,795	2,795	2,795
Planning and Development			
# of vehicles	2	2	2
Roads and transportation:			
Secondary Roads			
# of vehicles	61	61	61
# of buildings	10	10	10
Administration:			
Facility and Support Services			
# of vehicles	6	6	5
# of buildings maintained	12	12	12
Non-Departmental (Risk Management)			
# of vehicles	6	6	1

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

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

# **COMPLIANCE**

County of Scott, Iowa

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

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

(Continued)

County of Scott, Iowa

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

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

(Continued)



County of Scott, Iowa

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

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

See Notes to Schedule of Expenditures of Federal Awards.

**County of Scott, Iowa**

**Notes to Schedule of Expenditures of Federal Awards**

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**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County of Scott, Iowa and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States and Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in the schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

**Note 2. Significant Accounting Policies**

Revenue from federal awards is recognized when the County has done everything necessary to establish its right to revenue. For government funds, revenue from federal grants is recognized when they become both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

**Note 3. Pass-Through Funding**

Of the federal expenditures presented in the schedule, the County provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Number	Amount Provided to Subrecipient
Edward Byrne Memorial Justice Assistance Grant Program	16.738	\$ 22,629
TB Directly Observed Therapy	93.116	1,525
Mosquito Surveillance Project	93.283	1,045
Care for Yourself	93.283	12,915
Maternal and Child Health Grant	93.994	1,418
Local Bioterrorism Grant	93.074	42,700
Community Transformation Grant	93.531	1,800
		<u>\$ 84,032</u>

**County of Scott, Iowa**

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

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

REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditors' Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Scott, Iowa as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County of Scott's basic financial statements, and have issued our report thereon dated December 15, 2015.

***Internal Control Over Financial Reporting***

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

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

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

To the Board of Supervisors  
County of Scott, Iowa

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the County of Scott's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

***Purpose of this Report***

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

*Baker Tilly Victor Kraun, LLP*

Milwaukee, Wisconsin  
December 15, 2015

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

Independent Auditors' Report

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

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

We have audited the County of Scott, Iowa's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County of Scott's major federal programs for the year ended June 30, 2015. The County of Scott's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County of Scott's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Scott's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

To the Board of Supervisors  
County of Scott, Iowa

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

In our opinion, the County of Scott complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

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

Management of the County of Scott is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County of Scott's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Scott's internal control over compliance.

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

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

***Purpose of this Report***

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

*Baker Tilly Vinchow Krause, LLP*

Milwaukee, Wisconsin  
December 15, 2015

County of Scott, Iowa

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

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Section I: Summary of Auditors' Results

Financial Statements

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

Federal Awards

Internal control over major programs			
Material weakness(es) identified?	_____ yes	_____ X _____ no	
Significant deficiency(ies) identified?	_____ yes	_____ X _____ none reported	
Type of auditor's report issued on compliance for major programs	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	_____ yes	_____ X _____ no	
Auditee qualified as low-risk auditee?	_____ yes	_____ X _____ no	

Identification of major federal programs

<u>CFDA NUMBER(S)</u>	<u>Name of Federal Program or Cluster</u>
16.588	Stop Violence Against Women
93.667	Social Service Block Grant

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



**County of Scott, Iowa**

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

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

There were no findings in 2015.

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

There were no findings or questioned costs in 2015.

(Continued)

**County of Scott, Iowa**

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

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

2015-IV-A Certified Budget

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

2015-IV-B Questionable expenditures

No expenditures were noted that may not meet the requirements of public purpose as defined in the Attorney General's opinion dated April 25, 1979.

2015-IV-C Travel Expense

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

2015-IV-D Business Transactions

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

2015-IV-E Bond Coverage

Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.

2015-IV-F Board Minutes

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

2015-IV-G Deposits and Investments

No instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and County's investment policy were noted.

2015-IV-H Resource Enhancement and Protection Certification

The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with Subsections (b)(2) and (b)(3).

2015-IV-I Capital Lease Purchase Agreements

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

2015-IV-J County Extension Office

The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an extension council separate and distinct from County operations.

Disbursements during the year ended June 30, 2015 for the County Extension Office did not exceed the amount budgeted.