

Audit results

# County of Scott, Iowa

As of and for the year ended June 30, 2020

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# Agenda

## SECTION

### **BAKER TILLY US, LLP**

YOUR EXPERIENCED CLIENT SERVICE TEAM

### **AUDIT RESULTS**

|                               |   |
|-------------------------------|---|
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| REQUIRED COMMUNICATIONS ..... | 3 |

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## Your experienced client service team

Baker Tilly's team of professionals brings significant state and local government expertise to County of Scott, Iowa. Their enthusiasm and commitment result in proactive, innovative service focused on your business issues. The team members can be reached as indicated below:



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**Manager**  
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**Section 1**

**Status of our audit**

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## Status of our financial audit

- We have completed our audit of the County's financial statements for the year ended June 30, 2020. Our audit was performed in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.
- We will issue an unmodified opinion on the financial statements pages 1 through 3 of the CAFR.
- Refer to Management's Discussion and Analysis (MD&A) pages 4 through 16 of the CAFR.
- The County plans to submit its Comprehensive Annual Financial Report (CAFR) for the Certificate of Achievement for Excellence in Financial Reporting to the Government Finance Officers Association (GFOA).

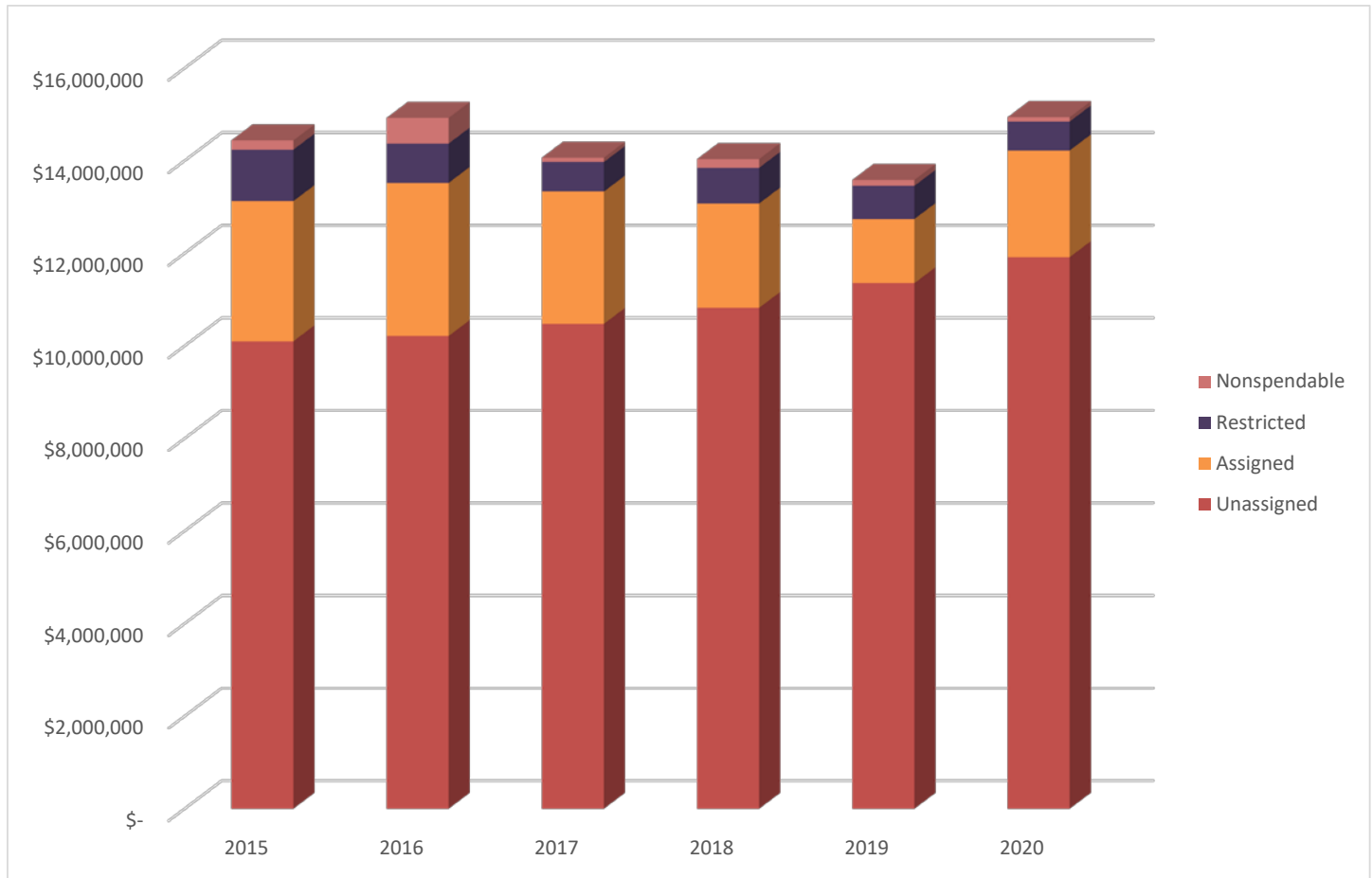
**Section 2**

**Financial results**

## Financial Results – General Fund (CAFR page 24)

|   | <u>General</u>       |
|---|----------------------|
| Revenues:                                   |                      |
| Property taxes                              | \$ 43,339,662        |
| Local option sales tax                      | 5,006,394            |
| Other taxes                                 | 1,629,153            |
| Interest and penalties on taxes             | 314,158              |
| Intergovernmental                           | 6,315,275            |
| Charges for services                        | 5,434,610            |
| Investment earnings                         | 656,953              |
| Licenses and permits                        | 823,089              |
| Rentals and fees                            | 97,821               |
| Other                                       | 1,051,648            |
| <b>Total revenues</b>                       | <u>64,668,763</u>    |
| Expenditures:                               |                      |
| Current:                                    |                      |
| Public safety and legal services            | 25,644,363           |
| Physical health and social services         | 6,289,669            |
| Mental health                               | 2,126                |
| County environment and education            | 4,568,621            |
| Government services to residents            | 2,687,634            |
| Administration                              | 12,033,996           |
| Capital outlay                              | 105,291              |
| <b>Total Expenditures</b>                   | <u>51,331,700</u>    |
| <b>Excess of revenues over expenditures</b> | <u>13,337,063</u>    |
| Other financing sources (uses):             |                      |
| Transfers in                                | 20,000               |
| Transfers out                               | (12,002,773)         |
| <b>Total other financing sources (uses)</b> | <u>(11,982,773)</u>  |
| <b>Net change in fund balances</b>          | 1,354,290            |
| Fund balances, beginning of year            | <u>13,584,085</u>    |
| Fund balances, end of year                  | <u>\$ 14,938,375</u> |

## General Fund Balance History (CAFR page 106)



| Fund Balance Components | 2015                | 2016                | 2017                | 2018                | 2019                | 2020                |
|-------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Unassigned              | \$10,098,835        | \$10,212,287        | \$10,474,822        | \$10,821,990        | \$11,354,228        | \$11,916,336        |
| Assigned                | 3,027,715           | 3,308,160           | 2,858,257           | 2,253,528           | 1,385,665           | 2,304,071           |
| Restricted              | 1,111,166           | 849,023             | 637,475             | 771,661             | 716,902             | 625,764             |
| Nonspendable            | 199,021             | 553,834             | 93,657              | 187,308             | 127,290             | 92,204              |
|                         | <u>\$14,436,737</u> | <u>\$14,923,304</u> | <u>\$14,064,211</u> | <u>\$14,034,487</u> | <u>\$13,584,085</u> | <u>\$14,938,375</u> |



## Financial Results – Other Governmental Funds (CAFR page 24 - 25)

|                                     | Mental Health/<br>Development<br>Disabilities | Secondary<br>Roads  | Scott<br>Emergency<br>Communication<br>Center | Capital<br>Projects  | Debt Service        | Nonmajor<br>Governmental<br>Funds |
|-------------------------------------|---|---------------------|---|----------------------|---------------------|-----------------------------------|
| Revenues                            | \$ 5,919,333                                  | \$ 4,803,536        | \$ 58,621                                     | \$ 1,115,006         | \$ 3,421,319        | \$ 3,318,512                      |
| Expenditures                        | (5,581,903)                                   | (10,549,604)        | (9,372,943)                                   | (5,580,177)          | (8,316,748)         | (2,555,684)                       |
| Other financing<br>sources (uses)   | -   | 3,652,036           | 10,724,901                                    | 12,198,435           | 777,460             | (786,082)                         |
| Net change in fund<br>balances      | 337,430                                       | (2,094,032)         | 1,410,579                                     | 7,733,264            | (4,117,969)         | (23,254)                          |
| Fund balance -<br>Beginning of year | <u>433,125</u>                                | <u>7,062,383</u>    | <u>943,687</u>                                | <u>9,245,565</u>     | <u>11,328,595</u>   | <u>228,184</u>                    |
| Fund balance - End of<br>year       | <u>\$ 770,555</u>                             | <u>\$ 4,968,351</u> | <u>\$ 2,354,266</u>                           | <u>\$ 16,978,829</u> | <u>\$ 7,210,626</u> | <u>\$ 204,930</u>                 |
| Nonmajor Funds:                     |   |                     |   |                      |                     |                                   |
| Rural Service Fund                  |   |                     |   |                      |                     | \$ 126,703                        |
| Recorders Management Fee Fund       |   |                     |   |                      |                     | 78,225                            |
| Public Safety Authority Fund        |   |                     |   |                      |                     | <u>2</u>                          |
|                                     |   |                     |   |                      |                     | <u>\$ 204,930</u>                 |

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**Section 3**

**Compliance results**

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## Status of our compliance audit

- We have not completed our audit of the County’s compliance with federal grant awards for the year ended June 30, 2020. Our audit will be performed in accordance with auditing standards generally accepted in the United States of America, standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).
- Our report on federal awards for the year ended June 30, 2020, will be issued upon the release of the OMB Compliance Supplement Addendum related to your COVID-19 funding, and completion of our procedures related to this addendum.
- \$3,760,968 of expenditures of federal awards pages 136 through 138 of the CAFR.
- One major federal program was tested – CFDA # 21.019 – CARES Act Funding
- We expect to issue an unmodified opinion on the compliance for the major federal program tested pages 141 through 142 of the CAFR.

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## Section 4

# Required communications

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*Refer to the Reporting and Insights from 2020 Audit letter.*

- **No Material Weaknesses and one Significant Deficiency identified during the audit.**
- **Required Communications**
- **Informational Points**
- **Two Way Communication Regarding Your Audit – 6/30/20 Audit**