COUNTY OF SCOTT, IOWA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2005

Prepared by:

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Office of County Treasurer

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INTRODUCTORY

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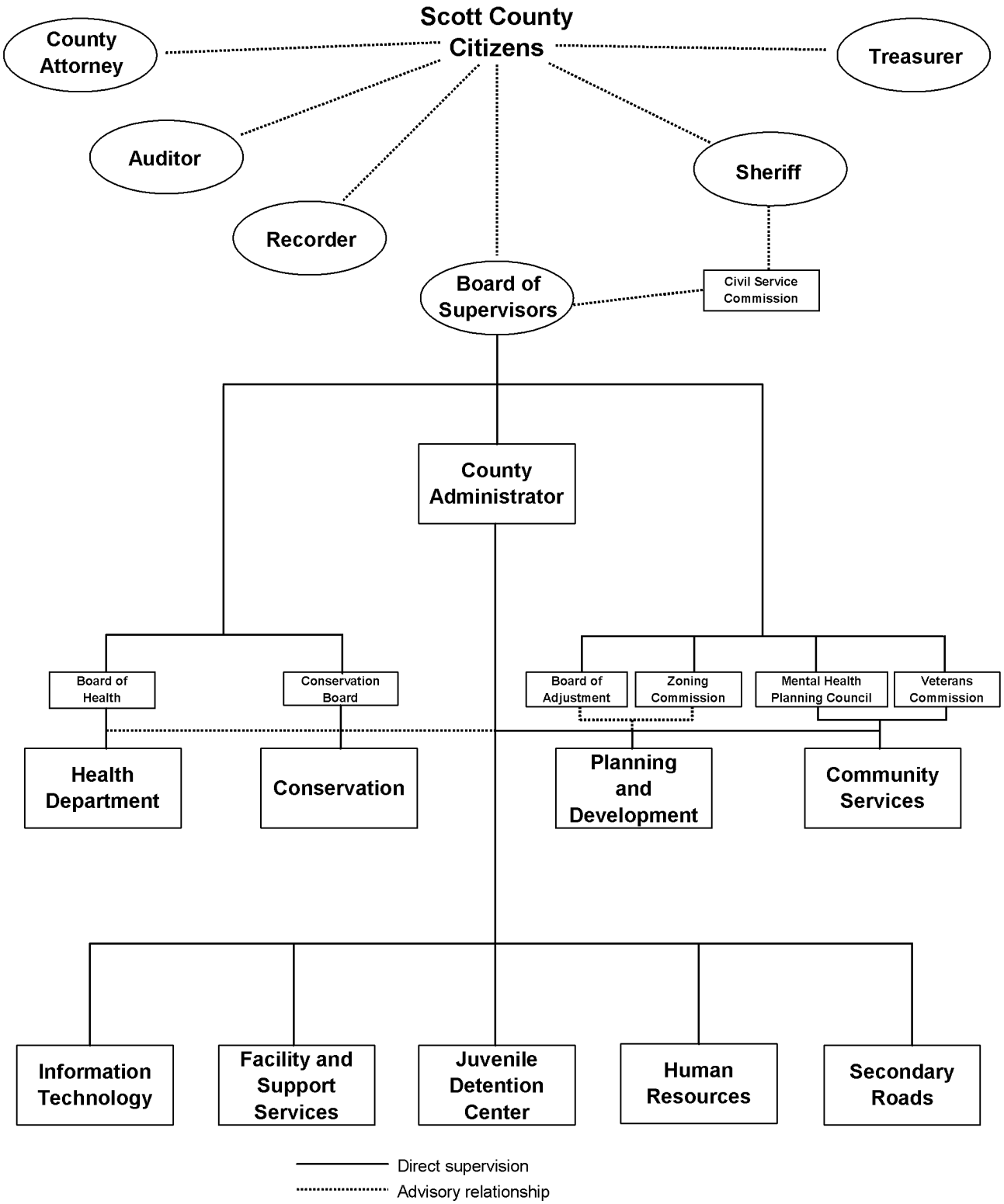
County of Scott, Iowa

County Officials

Official Title	Official	Term Expiration Date of Elected Officials
Elected Officials		
Supervisor, Chairperson	Larry Minard	2006
Supervisor	Gregory P. Adamson	2006
Supervisor	Chris Gallin	2006
Supervisor	Jim Hancock	2008
Supervisor	Tom Sunderbruch	2008
Attorney	William E. Davis	2006
Auditor	Karen L. Fitzsimmons	2008
Recorder	Rita Vargas	2006
Sheriff	Dennis Conard	2008
Treasurer	Bill Fennelly	2006
Administration		
County Administrator	C. Ray Wierson	
Department Heads		
Community Services	Lori Elam	
Conservation	Roger Kean	
Facility and Support Services	Dave Donovan	
Health	Lawrence Barker	
Human Resources	Paul Greufe	
Information Technology	Matt Hirst	
Juvenile Detention Center	Scott Hobart	
Planning and Development	Tim Huey	
Secondary Roads	Larry Mattusch	

Scott County Government Organizational Chart



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, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

OFFICE OF THE COUNTY ADMINISTRATOR
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October 14, 2005

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, 2005.

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.

McGladrey & Pullen, LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion of Scott County's financial statements for the year ended June 30, 2005. 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 1840-41 and served for 45 years. 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.

Only recently have there been dramatic changes in the actual governing of the County. 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, education 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.

The County's discreetly presented component units are as follows: 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; County Library, which provides library services to all cities within Scott County with the exception of the City of Bettendorf and the City of Davenport; County Assessor, which is responsible for the operations of the Scott County Assessor's office including the assessment of all properties within Scott County with the exception of the City of Davenport, County Assessor Special, which is responsible to the County Conference Board to perform in-house revaluations for various classes of property; City Assessor, which is responsible for the operations of the City Assessor's office, including assessment of all properties within the City of Davenport; City Assessor Special, which is responsible to the City Conference Board to perform in-house revaluations for various classes of property; and the Scott County Public Safety Authority, which is responsible for the construction of the recently voter approved jail expansion project.

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

The Board is required to adopt a final budget by no later than March 15th prior to the beginning of the fiscal year. This annual budget serves as the foundation for Scott County's financial planning and control. The state of Iowa requires the passage of an annual budget of total County operating expenditures by major program service areas (i.e., public safety and legal services, physical health and social services, etc.). Activities of the General Fund, special revenue funds, capital projects fund and Debt Service Fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the total program service area level. 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.

Local Economy

Scott County is part of a three county, bi-state, metropolitan area referred to as the Quad-Cities. The counties of Scott (Iowa), Rock Island and Henry (Illinois), contain the Davenport-Rock Island-Moline Metropolitan Statistical Area (MSA), with a 2000 U.S. Census Bureau count of 359,062 which is a 2.3% increase over the 1990 census count of 350,861. The U.S. Census Bureau's 2000 population of Scott County was 158,668, which is a 5.1% increase over the 1990 census count of 150,979. However, that

figure is still under the 1980 census count for Scott County which was 160,022 and only 11.2% greater than the 1970 census count of 142,687. Woods and Poole Economics projects the population of the Quad Cities MSA to reach 376,470 by 2025, an approximate 4.8% increase over the above cited year 2000 figure. The same projection expects Scott County's population to grow to 179,214. This would represent an increase in population for the County over that 25 year time period of 12.9%.

The Quad-Cities has been historically known as an industrial, retail/service and transportation center. In the last twenty five 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 18% manufacturing and 61% service sector. In 2004 the split was 13.5% manufacturing and 67% classified as service sector. The portion of government sector jobs has remained fairly even at 16.2% in 1980, to 16% in 1990 and 15% in 2004.

The shift in the Quad-Cities area economy towards creation of service sector jobs in the professional, non-professional, retail and wholesale sectors of the economy has been significant. From 1990 until 2004, the number of service providing jobs in the QCA increased from 130,100 to 150,100. This is an increase of 15.4%, which offsets the loss of over 3,800 durable goods manufacturing sector jobs, a 19.5% decrease over that same time period. The number of total manufacturing sector jobs was down from 28,900 in 1990 to 24,300 in 2004, a 15.9% drop, with a decrease of 9.5% in jobs in the non-durable goods manufacturing sector. Construction and mining sector jobs have increased by 1,300 jobs, an 19.4% increase from 1990 to 2004.

The annual average labor force in the Quad Cites MSA was 188,208 in 2004 which was a 4.9% increase from the 1990 figure of 179,426. The annual average labor force for Scott County was 86,277 in 2004, which was a 9.7% increase over the 1990 annual average labor force of 78,660 for the County. In 1980, the unemployment rate for the Quad Cities was 6.7%. In 1983 the unemployment rate for the Quad-Cities MSA hit a high of 14.8%. Scott County's unemployment rate that same year was 10.8%, following a Scott County high the year before in 1982 of 11.2%. In 1990, the unemployment rate for the QCA was 5.0% and Scott County was 4.2%. Those rates dipped to a low of 3.4 % and 2.7% in 1998 but have risen slightly to the current rates for 2004 of 5.4% and 4.6%, respectively.

The median household income in Scott County has risen between 1980 and 2000, from $20,767 in 1980 to $29,979 in 1990 and $42,701 in 2000. That is an increase of 105.6% over the twenty-year period. The 2003 per capita personal income for Scott County was 109.1% of the statewide average and 98.2% of the national average at $30,924. The per capita personal income for Scott County was $10,969 in 1980, $18,757 in 1990 and $28,158 in 2000.

New residential construction is very strong in the Quad-Cities MSA. Between 1985 and 1987, only 700 single family dwelling units were started in Scott County, with only 925 in the entire Quad Cities MSA over those same three years. 1,546 building permits for new single family dwelling units have been issued in Scott County from 1998 through 2000. Over that same time period, 2,500 new house permits have been issued in the MSA. Between 1998 and 2000, of the new house permits issued in the Quad Cites, 62% have been in Scott County. This is an average for Scott County of over 500 permits a year over that three year time period. In 2002, of the 863 new house permits issued, 583 were issued in Scott County. For 2003, those figures were 801 and 556, respectively. The 2004 figures continued to show an increase in housing starts for Scott County at 608 with a drop for the total MSA to 748. This is an average of 550 new house starts a year for Scott County over the latest three year time period.

Even with a strong housing market, the Quad Cities remains one of the most affordable housing markets in the country. The average sales price for homes in the Iowa Quad Cities was $126,200 in June 2000, $127,300 in June 2002, 137,600 in June 2004 and $154,300 in June 2005. On the Illinois

side of the river the average sales price was $90,400 in June 2000, $95,600 in June 2002, $101,400 in June 2004 and $110,000 in June 2005. The median home values between 1980 and 1990 in Scott County only increased 3% from $52,800 to $54,400. From 1990 to 2000 the median home values in Scott County jumped 70% to $92,400.

With the apparent improvement of the national economic indicators and the increase in consumer confidence the immediate outlook for the Quad Cities is positive. There have been some layoffs and production slow downs at some of the areas largest employers, while others have seen modest increases or have been hiring to replace retiring workers. Although the recent BRAC announcement will reduce positions at the Arsenal over the next six years, current production capacity at the Rock Island Arsenal is increasing with the increasing need for vehicle armor and other munitions. The Local Arsenal Redevelopment Task Force is working to attract new private jobs to the Arsenal in the future. Also, with interest and mortgage rates remaining low, building and construction activity is be expected to remain steady. Economic development efforts for the Quad Cities continue to try to diversify the economy, while taking advantage of its unique location on major transportation corridors and the tremendous asset of the Mississippi River.

Long-Term Financial Planning

Unreserved, undesignated fund balance in the General Fund (14% of total General Fund expenditures) falls nearly within the policy guidelines set by the Board for budgetary and planning purposes (i.e., minimum of 15 percent of total General Fund expenditures). It is noted that the reserved portion of the General Fund for the advance to the golf course enterprise fund will begin to be paid back in 2013 when the golf course debt retirement is completed.

As a part of Scott County's target issues the renovation and expansion of the County jail is underway. This $29.7 million project will be financed through Public Safety Authority revenue bonds. Increased operating costs for this facility projected to be completed in 2008 will be offset by the elimination of inmate housing costs in out of County facilities due to the current facility being at capacity.

Relevant Financial Policies

It is Scott County's policy to use its share of riverboat gaming proceeds for one-time capital projects. The County is currently using these funds toward a pay as you go courthouse renovation project. County funding of new, additional community projects such as Bettendorf's RiversEdge project and Davenport's RiverVision project must come from anticipated increased future gaming revenues.

Major Initiatives

In addition to the aforementioned jail expansion/renovation project, the County is also beginning to develop a County-wide GIS system. This $2.5 million project will be financed by essential service general obligation bonds. Scott County created a GIS Strategic Plan in 2003. The development and implementation of this County-wide GIS system is estimated to take three years.

The continued renovation of the Courthouse will be completed on a pay as you go basis over the next several years. This will complete the Space Planning Master Plan developed in the 1990's which moved all non-public safety/court offices from the Courthouse to the Administrative Center.

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, 2004. This was the sixteenth 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 accounting principles generally accepted in the United States of America 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 March 10, 2005. 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. Appreciation is also expressed for the excellent assistance received from our independent accountants, McGladrey & Pullen, LLP. 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

Karen L. Fitzsimmons,
County Auditor

C. Ray Wierson,
County Administrator

FINANCIAL

McGladrey & Pullen
Certified Public Accountants

Independent Auditor's Report

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

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, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Scott, Iowa's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2005, on our consideration of the County of Scott, Iowa's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

McGladrey & Pullen, LLP is a member firm of RSM International -
an affiliation of separate and independent legal entities.

The Management's Discussion and Analysis on pages 3 through 13, and budgetary comparison information on pages 53 and 54 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Scott, Iowa's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*, and is not a required part of the basic financial statements. Such information for the year ended June 30, 2005 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, 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. This information has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

Davenport, Iowa
October 14, 2005

County of Scott, Iowa

Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2005

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, 2005. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

The assets of the County of Scott exceeded its liabilities as of June 30, 2005 and 2004 by $73,134,072 and $68,714,730 (net assets), respectively. Of this amount, $9,405,050 and $10,005,791, respectively, may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net assets increased by $4,419,342 and $1,692,138 during the years ended June 30, 2005 and 2004, respectively.

As of June 30, 2005, the County of Scott's governmental funds reported combined ending fund balances of $18,293,773, a decrease of $592,782 in comparison with 2004. Approximately 60% of this total amount, $10,977,059, is available for spending at the government's discretion (unreserved undesignated fund balance). As of June 30, 2004, the County of Scott's governmental funds reported combined ending fund balances of $18,886,555, a decrease of $548,031 in comparison with 2003. Approximately 61% of this total amount, $11,484,214, is available for spending at the government's discretion (unreserved undesignated fund balance).

As of June 30, 2005, unreserved undesignated fund balance for the General Fund was $4,637,761 or 14% of total General Fund expenditures and $5,488,379 or 17% for 2004.

The County of Scott, Iowa's total long-term debt, excluding compensated absences and claims payable, decreased by $535,550 (5%) during fiscal year ended June 30, 2005 and $621,517 (5.1%) during fiscal year ended June 30, 2004. The decrease was mainly attributable to scheduled debt payments.

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 the 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 assets presents information on all of the County of Scott, Iowa's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 of Scott 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 of the County of Scott include an eighteen-hole golf course.

The government-wide financial statements include the County of Scott and the following discretely presented component units: Emergency Management Agency, County Library, County Assessor, County Assessor Special, City Assessor, City Assessor Special, and Public Safety Authority. 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 14 through 17 of this report.

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

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

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

The County of Scott, Iowa maintains seven 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, and Secondary Roads Fund, which are considered to be major funds. Data from the other four 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 18 through 23 of this report.

Proprietary funds – The County of Scott maintains one type of proprietary funds: enterprise. 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. 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 24 through 26 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 was $179,480,879 and $172,627,215 and for the years ended June 30, 2005 and 2004, respectively.

The basic fiduciary fund financial statements can be found on page 27 of this report.

Notes to the 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. This information can be found on pages 53 and 54 of this report.

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

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The County's total net assets have increased from a year ago from $68,714,730 to $73,134,072.

Of the County of Scott's net assets, 80 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 assets invested in capital assets, net of related debt, was $58,746,206 for 2005 and $53,395,542 for 2004. 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 Assets

	Governmental Activities		Business-Type Activities		Total County	
	2005	2004	**2005**	2004	**2005**	2004
Current and other assets	**$ 56,955,496**	$ 53,070,237	**$ (1,305,620)**	$ (1,143,815)	**$ 55,649,876**	$ 51,926,422
Capital assets	**67,038,448**	62,441,584	**2,736,492**	2,518,242	**69,774,940**	64,959,826
Total assets	**123,993,944**	115,511,821	**1,430,872**	1,374,427	**125,424,816**	116,886,248
Noncurrent liabilities outstanding	**8,856,455**	9,495,951	**2,101,636**	2,093,034	**10,958,091**	11,588,985
Other liabilities	**40,620,950**	35,981,559	**711,703**	600,974	**41,332,653**	36,582,533
Total liabilities	**49,477,405**	45,477,510	**2,813,339**	2,694,008	**52,290,744**	48,171,518
Net assets:						
Invested in capital assets, net of related debt	**58,403,448**	53,196,584	**342,758**	198,958	**58,746,206**	53,395,542
Restricted	**4,656,711**	4,988,770	**326,105**	324,627	**4,982,816**	5,313,397
Unrestricted	**11,456,380**	11,848,957	**(2,051,330)**	(1,843,166)	**9,405,050**	10,005,791
Total net assets	**$ 74,516,539**	$ 70,034,311	**$ (1,382,467)**	$ (1,319,581)	**$ 73,134,072**	$ 68,714,730

A restricted portion of the County's net assets (7 percent for 2005 and 8 percent for 2004) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, $9,405,050 for 2005 and $10,005,791 for 2004, 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 assets. The same situation held true for the prior fiscal year.

The County's total net assets increased by $4,419,342 during the current fiscal year as compared to $1,692,138 in 2004. The governmental-type activities' net assets increased by $4,482,228 in 2005 and $1,577,749 in 2004. The total business-type activities' net assets decreased by $62,886 in 2005 and increased by $114,389 in 2004. The 2004 increase was mainly attributable to controlled spending, increased tax revenues and the self-supporting ability of the business-type activities to cover the expenses of the program with revenues generated through user charges while the 2005 slight decrease was due to lease payments for new golf cards with GPS capabilities to increase future rounds of play.

Table 2 highlights the County's revenues and expenses for the fiscal year ended June 30, 2005 and 2004. These two main components are subtracted to yield the change in net assets. This table utilizes the full 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 Assets

	Governmental Activities		Business-Type Activities		Total County	
	2005	2004	**2005**	2004	**2005**	2004
Revenues:						
Program revenues:						
Charges for services	**$ 4,865,407**	$ 4,843,962	**$ 1,008,046**	$ 1,101,788	**$ 5,873,453**	$ 5,945,750
Operating grants and contributions	**8,857,256**	8,544,625	**-**	-	**8,857,256**	8,544,625
Capital grants and contributions	**6,519,732**	706,004	**-**	-	**6,519,732**	706,004
General revenues:						
Taxes:						
Property taxes	**25,923,952**	24,998,507	**-**	-	**25,923,952**	24,998,507
Local option sales tax	**3,488,462**	3,393,432	**-**	-	**3,488,462**	3,393,432
Gaming	**904,897**	919,864	**-**	-	**904,897**	919,864
Other taxes	**59,143**	117,731	**-**	-	**59,143**	117,731
Utility tax replacements	**1,228,633**	1,133,932	**-**	-	**1,228,633**	1,133,932
Penalties, interest and costs on taxes	**837,554**	652,959	**-**	-	**837,554**	652,959
State tax replacement credits	**5,152,761**	5,435,819	**-**	-	**5,152,761**	5,435,819
State shared revenues	**2,909,524**	2,851,114	**-**	-	**2,909,524**	2,851,114
Contribution from solid waste	**258,703**	274,703	**-**	-	**258,703**	274,703
Investment earnings	**782,291**	367,089	**3,822**	796	**786,113**	367,885
Miscellaneous	**824,119**	738,062	**-**	-	**824,119**	738,062
Total revenues	**62,612,434**	54,977,803	**1,011,868**	1,102,584	**63,624,302**	56,080,387

	Governmental Activities		Business-Type Activities		Total County	
	2005	2004	**2005**	2004	**2005**	2004
Expenses:						
Public safety and legal services	**17,378,230**	15,359,610	**-**	-	**17,378,230**	15,359,610
Physical health and social services	**5,433,189**	5,599,865	**-**	-	**5,433,189**	5,599,865
Mental health	**12,689,373**	12,464,838	**-**	-	**12,689,373**	12,464,838
County environment and education	**3,978,818**	4,179,381	**-**	-	**3,978,818**	4,179,381
Roads and transportation	**6,514,158**	5,322,321	**-**	-	**6,514,158**	5,322,321
Government services to residents	**1,853,466**	1,834,390	**-**	-	**1,853,466**	1,834,390
Administration	**9,848,118**	8,182,576	**-**	-	**9,848,118**	8,182,576
Debt service, interest	**434,854**	457,073	**-**	-	**434,854**	457,073
Golf course	**-**	-	**1,074,754**	988,195	**1,074,754**	988,195
Total expenses	**58,130,206**	53,400,054	**1,074,754**	988,195	**59,204,960**	54,388,249
Increase in net assets	**4,482,228**	1,577,749	**(62,886)**	114,389	**4,419,342**	1,692,138
Net assets, beginning	**70,034,311**	68,456,562	**(1,319,581)**	(1,433,970)	**68,714,730**	14,464,210
Net assets, ending	**$ 74,516,539**	$ 70,034,311	**$ (1,382,467)**	$ (1,319,581)	**$ 73,134,072**	$ 16,156,348

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

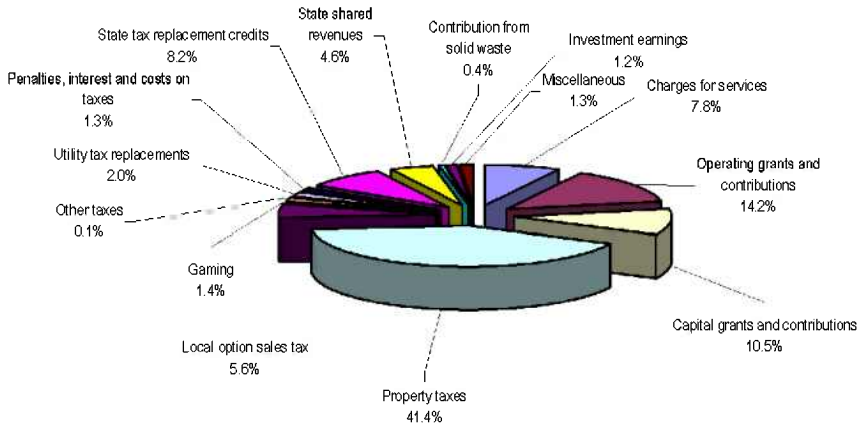
Programs	**Total Cost of Services 2005**	Total Cost of Services 2004	**Net (Expense) of Services 2005**	Net (Expense) of Services 2004
Public safety and legal services	**$ 17,378,230**	$ 15,359,610	**$ (15,302,041)**	$ (13,919,180)
Physical health and social services	**5,433,189**	5,599,865	**(3,039,382)**	(3,321,569)
Mental health	**12,689,373**	12,464,838	**(7,253,939)**	(7,445,437)
County environment and education	**3,978,818**	4,179,381	**(2,834,952)**	(2,926,112)
Roads and transportation	**6,514,158**	5,322,321	**(533,643)**	(4,597,242)
Government services to residents	**1,853,466**	1,834,390	**851,665**	1,207,534
Administration	**9,848,118**	8,182,576	**(9,340,665)**	(7,846,384)
Debt service, interest	**434,854**	457,073	**(434,854)**	(457,073)
Golf course	**1,074,754**	988,195	**(66,708)**	113,593
Total	**$ 59,204,960**	$ 54,388,249	**$ (37,954,519)**	$ (39,191,870)

Net cost of services is 64% of total cost of services in 2005, which is comparable to 72% for the year ended June 30, 2004. This reflects a continued reliance on taxes and other general revenue sources to fund the cost of services.

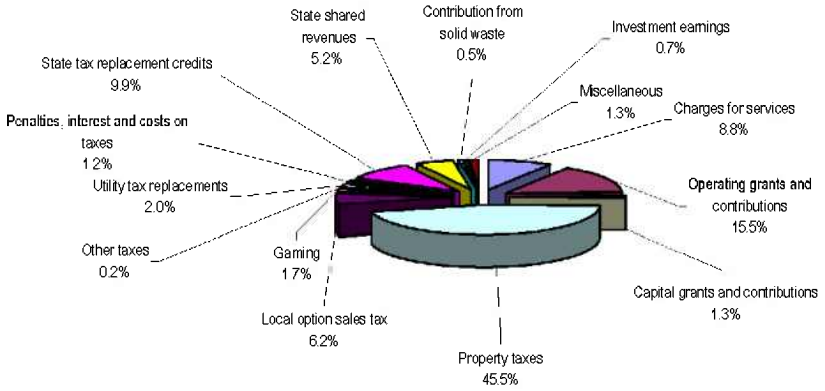
Governmental Activities

The graphs below show the percentage of the total governmental activities revenues allocated by each revenue type for 2005 and 2004.

Revenues By Sources - Governmental Activities 2005

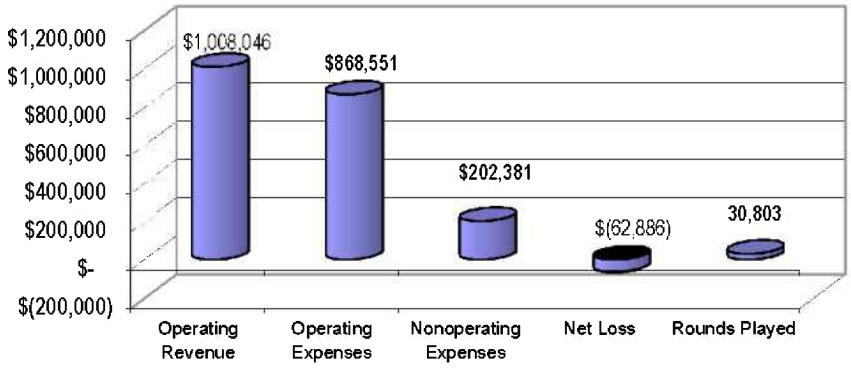


Revenues By Source - Governmental Activities 2004

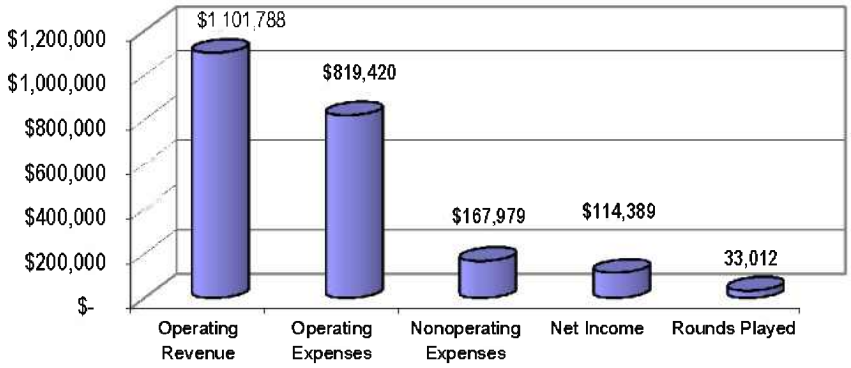


Total business-type activities' revenue for the fiscal years ended June 30, 2005 and 2004 was $1,011,868 and $1,102,584, respectively. All but $3,822 and $796 of this revenue was generated for specific business-type activity expenses. The graphs below show a comparison between the business-type activity expenditures and program revenues and operations for Glynns Creek Golf Course in 2005 and 2004.

Golf Course Operations 2005

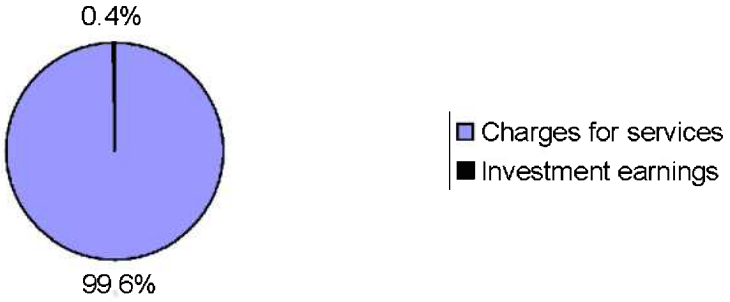


Golf Course Operations 2004



The graphs below show the breakdown of revenues by source for the business-type activities in 2005 and 2004.

Revenues By Source - Business-Type Activities 2005



Revenues By Source - Business-Type Activities 2004

Business-type activities: Business-type activities decreased the County of Scott's net assets by $62,886, accounting for (5)% of the decline in the government's net assets in fiscal year ended June 30, 2005 compared to the recovery of $114,389 and 6.7% in fiscal year ended June 30, 2004. The Golf Course Fund is responsible for this decrease.

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, unreserved 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 $18,293,773, a decrease of $592,782 in comparison with the prior year fund balance of $18,886,555. Approximately 65% of the 2005 total amount, $11,863,748 and $12,289,471 or 65% for 2004 constitutes unreserved fund balance, which is available for spending at the government's discretion. However, approximately 53% of this unreserved amount, $6,339,298 in 2005 and 55% $6,801,092 in 2004, is reported in special revenue funds or capital projects funds. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed.

The General Fund is the chief operating fund of the County. At the end of the fiscal year, the unreserved and undesignated fund balance of the General Fund was $4,637,761 for 2005 and $5,488,379 for 2004 while total fund balance reached $7,468,271 for 2005 and $8,062,628 for 2004. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved/undesignated fund balance and total fund balance to fund expenditures. Unreserved/undesignated fund balance represents 14% and 17% of total General Fund expenditures, while total fund balance also represents approximately 22% and 25% of that same amount for years ended June 30, 2005 and 2004, respectively.

The fund balance of the County's General Fund decreased by $594,357 during the year ended June 20, 2005. The key factor in this decline is the transfer of funds to the Capital Projects Fund for various one time projects.

For 2004, the fund balance of the County's General Fund decreased by $1,100,822 from 2003. The key factors in this decline was the Board transferred $1,100,000 to the Capital Projects Fund toward completion of the Courthouse renovation project.

It should be noted the County also experienced an increase in the cost to house inmates in out-of-county facilities due to the current jail being at capacity. These operating budget impacts were managed during the year through the County's biennial Financial Initiatives Program. This is a program that encourages County departments and offices to identify ways to reduce ongoing expenditures or increase nontax revenues. Management of these revenue decreases and expenditure increases illustrates the County's ability to manage the Organization's finances effectively.

The Mental Health/Development Disabilities Fund balance increased to $1,251,251 in 2005 from $1,000,512 in 2004 and decreased from $2,021,020 in 2003. Revenues are to be used to provide mental health and disability services.

The Secondary Roads Fund decreased $421,855 from $1,974,522 in 2004 to $1,552,667 in 2005.

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 $55,324,999 was increased to $56,667,631 (an increase of $1,342,632) mainly due to an expected increase in intergovernmental revenues.

- The total original expenditure budget of $58,215,134 was increased to $59,847,131 (an increase of $1,631,997) mainly for expected expenditures in the service areas of public safety and legal services, physical health and social services, government services to residents, administration, and capital projects.

- The total original budget for transfers in and out of $6,169,651 was unchanged.

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

Capital Asset and Debt Administration

Capital assets - The County of Scott's investment in capital assets for its governmental and business-type activities as of June 30, 2005 and 2004, amounts to $69,774,940 and $64,959,826 (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 2005 was 7% (a 9% increase for governmental activities and a 7% increase for business-type activities) and for 2004 was 2% (a 2% increase for governmental activities and a 10% increase for business-type activities).

Major capital asset events during the current fiscal year ended June 30, 2005 included completion of the Scott County Park cabins, West Lake beach house replacement, jail kitchen expansion, resurfacing of old Highway 61, expanded program space at the Tremont Minimum Security Center, parking lot expansion at the Administrative Center, various vehicle replacements in the Sheriff's Office, and for various computer system upgrades and replacements.

Major capital asset events during the prior fiscal year ended June 30, 2004 included completion of the Bald Eagle Campground at Scott County Park, completion of the Juvenile Detention Center expansion/renovation project, and completion of the Administrative Center renovation project. In addition, the acquisition and implementation of a multi-department property tax computer software application replacement system was completed.

Table 4 - County of Scott's Capital Assets

	Business-Type Activities		Governmental Activities		Total	
	2005	2004	**2005**	2004	**2005**	2004
Land	**$ 1,556,336**	$ 1,556,336	**$ 4,365,740**	$ 4,284,987	**$ 5,922,076**	$ 5,841,323
Construction-in-progress	-	-	**19,862**	34,511	**19,862**	34,511
Buildings	**506,490**	506,490	**33,778,294**	32,821,198	**34,284,784**	33,327,688
Improvements other than buildings	**663,428**	663,428	**2,431,002**	2,358,146	**3,094,430**	3,021,574
Infrastructure	**62,374**	62,374	**71,984,393**	65,128,120	**72,046,767**	65,190,494
Machinery and equipment	**970,549**	619,860	**14,426,864**	14,075,251	**15,397,413**	14,695,111
Accumulated depreciation	**(1,022,685)**	(890,246)	**(59,967,707)**	(56,260,629)	**(60,990,392)**	(57,150,875)
Total	**$ 2,736,492**	$ 2,518,242	**$ 67,038,448**	$ 62,441,584	**$ 69,774,940**	$ 64,959,826

Additional information on the County of Scott's capital assets can be found in Note 7 of this report.

Debt - As of June 30, 2005, the County of Scott, Iowa had general obligation bonds outstanding totaling $8,635,000 and a purchase contract and capital lease (business-type activities) outstanding totaling $2,393,734. In the current year, the County governmental activities paid $610,000 in principal and $436,925 in interest on outstanding debt. Business-type activities paid $276,239 in principal and $206,203 in interest on outstanding debt in the current year.

As of June 30, 2004, the County of Scott, Iowa had general obligation bonds outstanding totaling $9,245,000 and a purchase contract and capital lease (business-type activities) outstanding totaling $2,319,284. In 2004, the County paid $580,000 in principal and $458,905 in interest on outstanding debt. Business-type activities paid $259,961 in principal and $146,628 in interest on outstanding debt in 2004.

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

	2005	2004	Maturity
Governmental activities, general obligation bonds	**$ 8,635,000**	$ 9,245,000	2017
Business-type activities, purchase contract and capital lease	**2,393,734**	2,319,284	2013

Additional information about the County's long-term debt can be found in Note 8 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

- The County of Scott increased the urban county levy rate by 17.3 percent and increased the rural county levy rate by 9.6 percent for the budget year ending June 30, 2006 primarily due to the voter approved jail expansion/renovation project.
- The tax base for the County of Scott increased 3.6 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 rise. Three of the County's five bargaining unit contracts are currently under four year agreements with various expiration dates. Two will be in negotiation for the next budget year.
- The jail capacity problem is causing costs for housing inmates in out-of-County facilities to continue to increase. This problem will be resolved in two to three years when the voter approved jail expansion/renovation project is completed.

All of these factors were considered in preparing the County of Scott, Iowa's budget for the June 30, 2006 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 C. Ray Wierson, County Administrator, Scott County Administrative Center, 428 Western Avenue, Davenport, Iowa 52801-1004.

County of Scott, Iowa

Statement of Net Assets
June 30, 2005

Assets	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Cash and investments	$ 18,177,875	$ 11,776	$ 18,189,651	$ 1,699,969
Cash and investments in escrow	-	326,105	326,105	-
Restricted cash	170,507	-	170,507	-
Receivables:				
Property taxes	33,982,872	-	33,982,872	1,527,308
Accrued interest	384,680	-	384,680	-
Accounts	152,230	21,052	173,282	-
Due from component unit	389,475	-	389,475	-
Due from other governmental agencies	1,924,543	-	1,924,543	105,655
Inventories	-	8,761	8,761	-
Total current assets	55,182,182	367,694	55,549,876	3,332,932
Noncurrent assets:				
Receivables, notes	100,000	-	100,000	-
Internal balances	1,673,314	(1,673,314)	-	-
Capital assets:				
Not depreciated:				
Land	4,365,740	1,556,336	5,922,076	16,600
Construction-in-progress	19,862	-	19,862	398,707
Depreciated:				
Buildings	33,778,294	506,490	34,284,784	1,202,595
Improvements other than buildings	2,431,002	663,428	3,094,430	-
Infrastructure	71,984,393	62,374	72,046,767	-
Machinery and equipment	14,426,864	970,549	15,397,413	328,617
Less accumulated depreciation	(59,967,707)	(1,022,685)	(60,990,392)	(353,524)
Total capital assets	67,038,448	2,736,492	69,774,940	1,592,995
Total noncurrent assets	68,811,762	1,063,178	69,874,940	1,592,995
Total assets	$ 123,993,944	$ 1,430,872	$ 125,424,816	$ 4,925,927

See Notes to Basic Financial Statements.

Liabilities and Net Assets	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Liabilities:				
Accounts payable	$ 2,793,094	$ 32,628	$ 2,825,722	$ 156,352
Current portion of claims payable	831,466	-	831,466	-
Accrued liabilities	1,436,757	37,781	1,474,538	62,570
Interest payable	34,340	311,062	345,402	-
Unearned revenue	33,848,776	12,032	33,860,808	1,519,926
Compensated absences	1,041,517	13,096	1,054,613	46,495
Due to primary government	-	-	-	389,475
Current portion of general obligation bonds	635,000	-	635,000	-
Current portion of purchase contract	-	200,000	200,000	-
Current portion of capital leases	-	105,104	105,104	-
Total current liabilities	40,620,950	711,703	41,332,653	2,174,818
Noncurrent liabilities:				
Claims payable	59,774	-	59,774	-
Compensated absences	796,681	13,006	809,687	94,316
General obligation bonds payable	8,000,000	-	8,000,000	-
Purchase contract	-	1,718,103	1,718,103	-
Capital leases	-	370,527	370,527	-
Total noncurrent liabilities	8,856,455	2,101,636	10,958,091	94,316
Total liabilities	49,477,405	2,813,339	52,290,744	2,269,134
Net assets:				
Invested in capital assets, net of related debt	58,403,448	342,758	58,746,206	1,592,995
Restricted for:				
Debt service	4,486,204	-	4,486,204	-
County conservation sewage treatment	170,507	-	170,507	-
Lease purchase contract	-	326,105	326,105	-
Unrestricted	11,456,380	(2,051,330)	9,405,050	1,063,798
Total net assets	74,516,539	(1,382,467)	73,134,072	2,656,793
Total liabilities and net assets	$ 123,993,944	$ 1,430,872	$ 125,424,816	$ 4,925,927

County of Scott, Iowa

Statement of Activities
Year Ended June 30, 2005

Functions/ Programs	Expenses	Program Revenues: Charges for Sales and Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental activities:				
Public safety and legal services	$ 17,378,230	$ 878,359	$ 1,163,408	$ 34,422
Physical health and social services	5,433,189	291,344	1,655,268	447,195
Mental health	12,689,373	40,441	5,394,993	-
County environment and education	3,978,818	880,593	93,979	169,294
Roads and transportation	6,514,158	9,241	102,453	5,868,821
Government services to residents	1,853,466	2,501,165	203,966	-
Administration	9,848,118	264,264	243,189	-
Interest on long-term debt	434,854	-	-	-
Total governmental activities	58,130,206	4,865,407	8,857,256	6,519,732
Business-type activities, golf	1,074,754	1,008,046	-	-
Total primary government	$ 59,204,960	$ 5,873,453	$ 8,857,256	$ 6,519,732
Component Units	$ 2,702,110	$ 14,926	$ 1,083,044	$ -

General Revenues
- Taxes:
  - Property taxes
  - Local option sales tax
  - Gaming
  - Other taxes
  - Utility tax replacements
  - Penalties, interest and costs on taxes
  - State tax replacement credits, unrestricted
- State shared revenues, unrestricted
- Contribution from solid waste
- Investment earnings
- Miscellaneous
  - **Total general revenues**
- Changes in net assets
- Net assets, beginning of year
- Net assets, end of year

See Notes to Basic Financial Statements

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
$ (15,302,041)	$ -	$ (15,302,041)	$ -
(3,039,382)	-	(3,039,382)	-
(7,253,939)	-	(7,253,939)	-
(2,834,952)	-	(2,834,952)	-
(533,643)	-	(533,643)	-
851,665	-	851,665	-
(9,340,665)	-	(9,340,665)	-
(434,854)	-	(434,854)	-
(37,887,811)	-	(37,887,811)	-
-	(66,708)	(66,708)	-
(37,887,811)	(66,708)	(37,954,519)	-
-	-	-	(1,604,140)
25,923,952	-	25,923,952	1,382,797
3,488,462	-	3,488,462	-
904,897	-	904,897	-
59,143	-	59,143	69,558
1,228,633	-	1,228,633	-
837,554	-	837,554	-
5,152,761	-	5,152,761	-
2,909,524	-	2,909,524	-
258,703	-	258,703	-
782,291	3,822	786,113	-
824,119	-	824,119	51,018
42,370,039	3,822	42,373,861	1,503,373
4,482,228	(62,886)	4,419,342	(100,767)
70,034,311	(1,319,581)	68,714,730	2,757,560
$ 74,516,539	$ (1,382,467)	$ 73,134,072	$ 2,656,793

County of Scott, Iowa

Balance Sheet
Governmental Funds
June 30, 2005

	Primary Government	
Assets	General	Mental Health/ Development Disabilities
Cash and investments	$ 6,385,290	$ 2,820,711
Restricted cash	170,507	-
Receivables, net of allowance for uncollectibles:		
Property taxes, net of allowance for collection losses of $74,925	27,801,305	3,321,013
Accrued interest	384,680	-
Accounts	151,861	369
Notes	100,000	-
Due from component unit	-	-
Advance to other funds	1,673,314	-
Due from other governmental agencies	1,347,311	69,156
Total assets	$ 38,014,268	$ 6,211,249
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	$ 1,019,703	$ 1,611,116
Claims payable	4,551	-
Accrued liabilities	1,300,646	24,818
Deferred revenue	28,211,316	3,324,064
Compensated absences	9,781	-
Total liabilities	30,545,997	4,959,998
Fund balances:		
Reserved for:		
Notes receivable	100,000	-
Advances	1,673,314	-
Debt service	-	-
County conservation sewage treatment	170,507	-
Unreserved, designated, claim liabilities	886,689	-
Unreserved, undesignated, reported in:		
General Fund	4,637,761	-
Special revenue funds	-	1,251,251
Capital Projects Fund	-	-
Total fund balances	7,468,271	1,251,251
Total liabilities and fund balances	$ 38,014,268	$ 6,211,249

See Notes to Basic Financial Statements.

Primary Government		
Secondary Roads	Nonmajor Governmental Funds	Total
$ 1,243,414	$ 7,728,460	$ 18,177,875
-	-	170,507
-	2,860,554	33,982,872
-	-	384,680
-	-	152,230
-	-	100,000
-	389,475	389,475
-	-	1,673,314
481,603	26,473	1,924,543
$ 1,725,017	$ 11,004,962	$ 56,955,496
$ 61,057	$ 101,218	$ 2,793,094
-	-	4,551
111,293	-	1,436,757
-	2,882,160	34,417,540
-	-	9,781
172,350	2,983,378	38,661,723
-	-	100,000
-	-	1,673,314
-	4,486,204	4,486,204
-	-	170,507
-	-	886,689
-	-	4,637,761
1,552,667	231,819	3,035,737
-	3,303,561	3,303,561
1,552,667	8,021,584	18,293,773
$ 1,725,017	$ 11,004,962	$ 56,955,496

County of Scott, Iowa

Reconciliation of Total Governmental Fund Balances - Primary Government to Net Assets of Governmental Activities
June 30, 2005

Total governmental fund balances	$	18,293,773
Amounts reported for governmental activities are not financial resources and, therefore, are not reported in the funds:		
Land		4,365,740
Construction-in-progress		19,862
Buildings		33,778,294
Improvements other than buildings		2,431,002
Infrastructure		71,984,393
Machinery and equipment		14,426,864
Accumulated depreciation		(59,967,707)
		67,038,448
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:		
Deferred revenues		568,764
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		(886,689)
Compensated absences		(1,828,417)
Accrued interest payable		(34,340)
General obligation bonds payable		(8,635,000)
		(11,384,446)
Net assets of governmental activities	$	74,516,539

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2005

	Primary Government	
	General	Mental Health/ Development Disabilities
Revenues:		
Property taxes	$ 20,546,014	$ 3,029,508
Local option sales tax	3,418,462	-
Other taxes	1,041,978	152,297
Interest and penalties on taxes	837,554	-
Intergovernmental	4,179,944	9,686,773
Charges for services	4,246,486	40,441
Investment earnings	712,011	-
Licenses and permits	527,405	-
Rentals and fees	124,758	-
Other	413,126	15,073
Total revenues	36,047,738	12,924,092
Expenditures:		
Current:		
Public safety and legal services	16,507,338	-
Physical health and social services	5,398,110	-
Mental health	-	12,673,353
County environment and education	3,113,765	-
Roads and transportation	-	-
Government services to residents	1,765,623	-
Administration	6,815,170	-
Capital outlay	-	-
Debt service:		
Principal	-	-
Interest	-	-
Total expenditures	33,600,006	12,673,353
Excess (deficiency) of revenue over expenditures	2,447,732	250,739
Other financing sources (uses):		
Transfers in	67,231	-
Transfers out	(3,109,320)	-
Total other financing sources (uses)	(3,042,089)	-
Net change in fund balances	(594,357)	250,739
Fund balances, beginning of year	8,062,628	1,000,512
Fund balances, end of year	$ 7,468,271	$ 1,251,251

See Notes to Basic Financial Statements.

Primary Government		
Secondary Roads Fund	Nonmajor Governmental Funds	Total
$ -	$ 2,319,543	$ 25,895,065
-	-	3,418,462
-	998,398	2,192,673
-	-	837,554
3,011,978	1,020,821	17,899,516
7,646	41,834	4,336,407
-	26,149	738,160
1,595	-	529,000
-	-	124,758
145,795	121,380	695,374
3,167,014	4,528,125	56,666,969
-	-	16,507,338
-	-	5,398,110
-	-	12,673,353
-	440,685	3,554,450
3,915,398	-	3,915,398
-	-	1,765,623
-	-	6,815,170
1,902,127	3,681,256	5,583,383
-	610,000	610,000
-	436,926	436,926
5,817,525	5,168,867	57,259,751
(2,650,511)	(640,742)	(592,782)
2,228,656	3,539,262	5,835,149
-	(2,725,829)	(5,835,149)
2,228,656	813,433	-
(421,855)	172,691	(592,782)
1,974,522	7,848,893	18,886,555
$ 1,552,667	$ 8,021,584	$ 18,293,773

County of Scott, Iowa

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities - Primary Government
Year Ended June 30, 2005

Net change in fund balances - governmental funds			$	(592,782)
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				3,632,707
Capital assets contributed				5,868,821
Depreciation:				
Public safety and legal services	$	(659,296)		
Physical health and social services		(23,467)		
Mental health		(12,636)		
County environment and education		(368,639)		
Roads and transportation		(2,225,073)		
Governmental services to residents		(82,830)		
Administration		(1,327,200)		(4,699,141)
Loss on sales of capital assets				(205,523)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.				76,644
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.				610,000
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 governmental funds interest expense.				2,070
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				(81,432)
Change in compensated absences				(129,136)
Change in net assets of governmental activities			$	4,482,228

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Net Assets
Enterprise Fund
June 30, 2005

	Golf Course
Assets	
Current assets:	
Cash and investments	$ 11,776
Cash and investments in escrow	326,105
Receivables, accounts	21,052
Inventories	8,761
Total current assets	367,694
Noncurrent assets:	
Capital assets:	
Land	1,556,336
Buildings	506,490
Improvements other than buildings	663,428
Infrastructure	62,374
Machinery and equipment	970,549
Less accumulated depreciation	(1,022,685)
Total noncurrent assets	2,736,492
Total assets	$ 3,104,186
Liabilities and Net Assets (Deficit)	
Current liabilities:	
Accounts payable	$ 32,628
Accrued liabilities	37,781
Interest payable	311,062
Deferred revenue	12,032
Compensated absences	13,096
Current portion of purchase contract	200,000
Current portion of capital lease	105,104
Total current liabilities	711,703
Noncurrent liabilities:	
Compensated absences	13,006
Advance from other funds	1,673,314
Purchase contract, noncurrent portion	1,718,103
Capital lease, noncurrent	370,527
Total noncurrent liabilities	3,774,950
Total liabilities	4,486,653
Net assets (deficit):	
Invested in capital assets, net of related debt	342,758
Restricted for lease purchase contract	326,105
Unrestricted (deficit)	(2,051,330)
Total net assets (deficit)	(1,382,467)
Total liabilities and net assets (deficit)	$ 3,104,186

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Revenues, Expenses and Changes in Net Assets
Enterprise Fund
Year Ended June 30, 2005

	Golf Course
Operating revenues:	
Charges for services	$ 891,334
Sales, net of cost of goods sold of $75,466	115,514
Other	1,198
Total operating revenues	1,008,046
Operating expenses:	
Personnel	497,379
Depreciation	132,439
Other	238,733
Total operating expenses	868,551
Operating income	139,495
Nonoperating revenues (expense):	
Investment earnings	3,822
Interest expense	(206,203)
Total nonoperating revenues (expenses)	(202,381)
Change in net assets	(62,886)
Total net assets (deficit), beginning of year	(1,319,581)
Total net assets (deficit), end of year	$ (1,382,467)

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Cash Flows
Enterprise Fund
Year Ended June 30, 2005

		Golf Course
Cash Flows from Operating Activities:		
Cash received from customers	$	1,076,837
Cash payments to acquire goods for resale		(71,659)
Cash payments to suppliers for goods and services		(262,592)
Cash payments to employees for services		(494,378)
Net cash provided by operating activities		248,208
Cash Flows from Capital and Related Financing Activities:		
Payments of purchase contract		(190,000)
Payments on capital lease		(93,502)
Interest paid on purchase contract and capital lease		(137,049)
Net cash (used in) capital and related financing activities		(420,551)
Cash Flows from Noncapital Financing Activities, advance from other funds		165,000
Cash Flows from Investing Activities, interest received		3,822
Net (decrease) in cash and cash equivalents		(3,521)
Cash and cash equivalents:		
Beginning		341,402
Ending	$	337,881
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	$	139,495
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		132,439
(Increase) decrease in:		
Receivables		(10,523)
Inventories		3,807
Increase (decrease) in:		
Accounts payable		(23,859)
Accrued liabilities		1,654
Compensated absences		1,347
Deferred revenue		3,848
Net cash provided by operating activities	$	248,208
Noncash capital and related financing activities:		
Amortization of bond issuance costs and discount on purchase contract	$	7,263
Capital assets financed through capital lease		350,689

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Assets and Liabilities
Agency Funds
June 30, 2005

Assets		
Cash and investments	$	5,912,327
Receivables, property taxes		173,568,552
Total assets	$	179,480,879
Liabilities		
Accounts payable	$	173,651
Due to other governmental agencies		178,867,106
Due to private individuals		440,122
Total liabilities	$	179,480,879

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Net Assets
Discretely Presented Component Units
June 30, 2005

Assets	Emergency Manage-ment Agency	County Library	County Assessor	County Assessor Special
Current Assets:				
Cash and investments	$ 189,891	$ 443,961	$ 295,920	$ 345,870
Receivables, property taxes	-	246	562,357	125,596
Due from other governmental agencies	8,297	97,358	-	-
Total current assets	198,188	541,565	858,277	471,466
Noncurrent assets, capital assets:				
Land	-	16,600	-	-
Construction-in-progress	-	9,232	-	-
Buildings	-	1,202,595	-	-
Machinery and equipment	42,046	176,110	-	-
Accumulated depreciation	(39,154)	(240,862)	-	-
Total noncurrent assets, capital assets	2,892	1,163,675	-	-
Total assets	$ 201,080	$ 1,705,240	$ 858,277	$ 471,466
Liabilities and Net Assets				
Liabilities:				
Accounts payable	$ 396	$ 111,559	$ 2,090	$ -
Accrued liabilities	4,077	28,644	29,849	-
Deferred revenue	-	-	560,436	125,585
Compensated absences	1,863	18,166	26,466	-
Due to primary government	-	-	-	-
Total current liabilities	6,336	158,369	618,841	125,585
Noncurrent liabilities, compensated absences	7,879	-	37,002	-
Total liabilities	14,215	158,369	655,843	125,585
Net Assets:				
Invested in capital assets, net of related debt	2,892	1,163,675	-	-
Unrestricted	183,973	383,196	202,434	345,881
Total net assets	186,865	1,546,871	202,434	345,881
Total liabilities and net assets	$ 201,080	$ 1,705,240	$ 858,277	$ 471,466

See Notes to Basic Financial Statements.

City Assessor	City Assessor Special	Public Safety Authority	Total
$ 307,857	$ 116,395	$ 75	$ 1,699,969
627,890	211,219	-	1,527,308
-	-	-	105,655
935,747	327,614	75	3,332,932
-	-	-	16,600
-	-	389,475	398,707
-	-	-	1,202,595
110,461	-	-	328,617
(73,508)	-	-	(353,524)
36,953	-	389,475	1,592,995
$ 972,700	$ 327,614	$ 389,550	$ 4,925,927
$ 21,071	$ 21,161	$ 75	$ 156,352
-	-	-	62,570
622,722	211,183	-	1,519,926
-	-	-	46,495
-	-	389,475	389,475
643,793	232,344	389,550	2,174,818
49,435	-	-	94,316
693,228	232,344	389,550	2,269,134
36,953	-	389,475	1,592,995
242,519	95,270	(389,475)	1,063,798
279,472	95,270	-	2,656,793
$ 972,700	$ 327,614	$ 389,550	$ 4,925,927

County of Scott, Iowa

Statement of Activities
Discretely Presented Component Units
Year Ended June 30, 2005

		Program Revenues		
	Expenses	Charges for Sales and Services	Operating Grants and Contributions	Capital Grants and Contributions
Emergency Management Agency				
Public safety and legal services	$ 121,828	$ -	$ 66,430	$ -
County Library				
County environment and education	1,072,373	13,162	966,648	-
County Assessor				
Government services to residents	559,699	1,764	17,053	-
County Assessor Special				
Government services to residents	18,535	-	6,864	-
City Assessor				
Government services to residents	699,993	-	20,981	-
City Assessor Special				
Government services to residents	229,682	-	5,068	-
Public Safety Authority				
Public safety and legal services	-	-	-	-
Total component units	$ 2,702,110	$ 14,926	$ 1,083,044	$ -

General Revenues
Taxes:
Property taxes
Other taxes
Miscellaneous
Total general revenues
Changes in net assets
Net assets, beginning of year
Net assets, end of year

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Assets							
Emergency Management Agency	County Library	County Assessor	County Assessor Special	City Assessor	City Assessor Special	Public Safety Authority	Total
$ (55,398)	$ -	$ -	$ -	$ -	$ -	$ -	$ (55,398)
-	(92,563)	-	-	-	-	-	(92,563)
-	-	(540,882)	-	-	-	-	(540,882)
-	-	-	(11,671)	-	-	-	(11,671)
-	-	-	-	(679,012)	-	-	(679,012)
-	-	-	-	-	(224,614)	-	(224,614)
-	-	-	-	-	-	-	-
(55,398)	(92,563)	(540,882)	(11,671)	(679,012)	(224,614)	-	(1,604,140)
-	-	429,008	175,212	629,516	149,061	-	1,382,797
-	-	18,627	7,600	35,023	8,308	-	69,558
42,426	3,564	-	-	5,028	-	-	51,018
42,426	3,564	447,635	182,812	669,567	157,369	-	1,503,373
(12,972)	(88,999)	(93,247)	171,141	(9,445)	(67,245)	-	(100,767)
199,837	1,635,870	295,681	174,740	288,917	162,515	-	2,757,560
$ 186,865	$ 1,546,871	$ 202,434	$ 345,881	$ 279,472	$ 95,270	$ -	$ 2,656,793

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 Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a majority of an organization's governing body, and (1) the ability of the County to impose its will on that organization or (2) the potential for that organization to provide specific benefits to or impose specific financial burdens on the County. Based on these criteria, the County is presented as a primary government and includes the following component units because of their operational significance and relationship with the County. All of the component units have a June 30 year-end and are considered discretely presented component units. Discretely presented component units are as follows:

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 local governments and their departments. The Commission coordinates its services in the event of a disaster. The Commission receives its funding from the federal government, public utility companies and voluntary allocations from the participating governments.

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 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.

County Assessor: The County Conference Board is responsible for the operations of the Scott County Assessor's Office, including the assessment of all properties within Scott County with the exception of the City of Davenport. The County Conference Board is a separate tax certifying body. The County Assessor's Office provides services to the County, all incorporated cities in the County, except the City of Davenport, and school districts in the County.

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

County Assessor Special: The County Assessor Special is responsible to the City Conference Board to perform in-house revaluations for various classes of property. The Code of Iowa requires the County to be custodian of funds for the County Assessor Special and account for all transactions within the books and records of the County. The County Assessor Special is included as a component unit of the County based on the significance of this relationship.

City Assessor: The City Conference Board is responsible for the operations of the City Assessor's Office, including the assessment of all properties within the City of Davenport. The City Conference Board is a separate tax certifying body. The Code of Iowa requires the County to be custodian of funds for the City Assessor and accounts for all transactions of the City Assessor in the books and records of the County. The City Assessor is included as a component unit of the County based on the significance of this relationship.

City Assessor Special: The City Assessor Special is also responsible to the City Conference Board to perform in-house revaluations for various classes of property. The Code of Iowa requires the County to be custodian of funds for the City Assessor Special and account for all transactions within the books and records of the County. The City Assessor Special is included as a component unit of the County based on the significance of this relationship.

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 will enter into leases with the County and the City of Davenport to provide the funding necessary for the bond repayment schedule. Although the PSA has a jointly appointed Board by the County of Scott, Iowa and the City of Davenport, it is considered a component unit of the County due to the PSA being fiscally dependent on the County of Scott, Iowa, making the County of Scott, Iowa financially accountable for the PSA.

Complete financial statements of the individual component units can be obtained from their respective administrative offices or from the office of the County Administrator in the Scott County Administrative Center, 428 Western Avenue, Davenport, Iowa.

In addition, the GASB issued Statement No. 39, in May 2002, which sets forth additional criteria to determine whether certain organizations for which the County is not financially accountable should be reported as component units based on the nature and significance of their relationship with the County. These criteria include 1) the economic resources being received or held by the separate organization being entirely or almost entirely for the direct benefit of the County, its component units, or its constituents, 2) the County being entitled to, or having the ability to otherwise access, a majority of the economic resources received or held by the County and 3) the economic resources received or held by an individual organization that the County is entitled to, or has the ability to otherwise access, are significant to the County. Based on these additional criteria, there are no additional organizations which should be included in these basic financial statements.

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 assets 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 assets 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. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general 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, liabilities, reserves, fund balance/net assets, revenues and expenditures or expenses, as appropriate. 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 required to be accounted for in another fund.

Mental Health/Developmental Disabilities Fund: To account for state revenues allocated to the County to be used to provide mental health and disability services. The Mental Health/Developmental Disabilities Fund is a special revenue fund.

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

Secondary Roads Fund: To account for state revenue allocated to the County to be used to maintain and improve the County's roads.

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 (other than certain capital projects that are legally restricted to expenditures for specific 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: To account for the servicing of the general long-term debt not financed by a specific source.

Capital Projects Fund: To account for the acquisition of property and equipment or construction of major capital projects not being financed by proprietary funds.

Proprietary fund types: 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.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the County has elected to apply all applicable Financial Accounting Standards Board (FASB) pronouncements, including those issued on or before November 30, 1989, except for those pronouncements which conflict with or contradict GASB pronouncements.

The following is the County's major Enterprise Fund:

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

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) 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 Taxing Districts Fund: To account for the property taxes collected by the County for the Districts.

City Special Assessments: 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.

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.

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. 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.

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.

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

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.

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 March 2004, based on the 2003 assessed valuations. These taxes are due in two installments, on September 30 and March 31, with a 1.5% per month penalty for delinquent payment.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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.

Significant accounting policies:

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.

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.

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

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: 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, 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 $5,000 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.

Depreciation has been provided using the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives for each capital assets type are as follows:

Buildings	50 years
Improvements other than buildings	20 years
Infrastructure	10 -100 years
Machinery and equipment	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 revenue: Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2005, but which were levied to finance fiscal year 2006 operations, have been recorded as unearned revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

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

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".

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 reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

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% of all hours above 720 up to a maximum of 1,680 hours or to be paid 25% 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% 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: Reservations of fund balance represent amounts that are not appropriated or are legally segregated for a specific purpose. Restrictions of net assets are limited to outside third-party restrictions. Designations of fund balance represents tentative management plans that are subject to change.

Net assets: Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, 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 assets invested in capital assets, net of related debt, excludes unspent debt proceeds. Net assets are 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.

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

The County first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Bond issue costs: Bond issue costs are amortized over the life of the contract using a method which approximates the interest method.

Budgetary information: 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 County uses the following procedures when establishing their operational budget:

- Prior to January 15, each County Officer and department submits budget estimates for the coming fiscal year to the Director of Budget and Information Processing. The Director of Budget and Information Processing compiles the budget estimates received from the officers and departments and presents them to the County Board prior to January 20.
- 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 January and May 2005.

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 general purpose financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Deficit Net Assets

The Enterprise Fund, Glynns Creek Golf Course, had a net asset deficit of $1,382,467 as of June 30, 2005. The deficit is expected to be eliminated through future earnings of the golf course.

Note 3. Deposits and Investments

Interest rate risk: 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, 2005, the County had the following investments:

Investments	Maturities	Fair Value
Scott Area Solid Waste Commission Revenue Bond	6/1/2015*	$ 4,385,000

* The revenue bonds have a call date of June 1, 2005 or after.

Credit risk: 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. The County's Scott Area Solid Waste Commission Revenue Bonds as of June 30, 2005 are not rated.

Concentration of credit risk: The County's investment policy is to diversify its investment portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. However, the County's policy limits them from investing in prime bankers' acceptances or commercial paper of more than 10% of the investment portfolio and more than 5% of the investment portfolio with a single issuer. In addition, no more than 5% of all amounts invested in commercial paper and other short-term corporate debt shall be invested in paper and debt rated in the second highest classification. The Scott Area Solid Waste Commission Revenue Bonds represent 100% of the County's investments recorded in the Debt Service Fund.

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, 2005, the County had no deposits or investments subject to custodial credit risk.

The County's discretely presented component units did not own any investments as of June 30, 2005, and had no deposits subject to custodial credit risk.

Note 4. Interfund Account Balances

Individual due from and due to other fund balances as of June 30, 2005 are as follows:

	Due From Component Unit	Due To Primary Government
Nonmajor governmental fund, Capital Projects	$ 389,475	$ -
Component unit, Public Safety Authority	-	389,475
	$ 389,475	$ 389,475

Advances from and to other funds as of June 30, 2005 were as follows:

	Advances To	Advances From
Major governmental fund, General	$ 1,673,314	$ -
Business-type activity, Glynns Creek Golf Course	-	1,673,314
	$ 1,673,314	$ 1,673,314

Any excess funds generated by the golf course are used to repay interest on this advance.

Note 5. Interfund Transfers

The following is a schedule of transfers as included in the basic financial statements of the County:

	Transfers In	Transfers Out
Governmental activities:		
Major governmental funds:		
General	$ 67,231	$ 3,109,320
Secondary roads	2,228,656	-
Nonmajor governmental funds:		
Rural services	-	1,640,529
Recorders management fees	-	261,497
Capital projects	3,539,262	823,803
Total governmental activities	$ 5,835,149	$ 5,835,149

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 6. Note Receivable

The County issued a note to Greater Davenport Redevelopment Corporation (GDRC) for the purpose of funding operating expenses. The note is due in one annual installment on June 30, 2006 with 4% interest. As of June 30, 2005, the outstanding balance was $100,000.

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 $400,000 with Wells Fargo, the County will be unable to collect the $100,000 note receivable; therefore, the note receivable has been presented as a noncurrent asset.

Note 7. Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2005:

Governmental Activities	2004 Balance	Additions	Deletions	2005 Balance
Capital assets not depreciated:				
Land	$ 4,284,987	$ 80,753	$ -	$ 4,365,740
Construction-in-progress	34,511	266,984	(281,633)	19,862
Total capital assets not being depreciated	4,319,498	347,737	(281,633)	4,385,602
Capital assets being depreciated:				
Buildings	32,821,198	957,096	-	33,778,294
Improvements other than buildings	2,358,146	72,856	-	2,431,002
Infrastructure	65,128,120	6,856,273	-	71,984,393
Machinery and equipment	14,075,251	1,549,199	(1,197,586)	14,426,864
Total capital assets being depreciated	114,382,715	9,435,424	(1,197,586)	122,620,553
Less accumulated depreciation for:				
Buildings	12,558,244	1,376,669	-	13,934,913
Improvements other than buildings	267,100	131,725	-	398,825
Infrastructure	35,105,457	1,828,060	-	36,933,517
Machinery and equipment	8,329,828	1,362,687	(992,063)	8,700,452
Total accumulated depreciation	56,260,629	4,699,141	(992,063)	59,967,707
Total capital assets being depreciated, net	58,122,086	4,736,283	(205,523)	62,652,846
Governmental activities capital assets, net	$ 62,441,584	$ 5,084,020	$ (487,156)	$ 67,038,448

Note 7. Capital Assets (Continued)

Business-Type Activities	2004 Balance	Additions	Deletions	2005 Balance
Capital assets not being depreciated,				
land	$ 1,556,336	$ -	$ -	$ 1,556,336
Capital assets being depreciated:				
Buildings	506,490	-	-	506,490
Improvements other than buildings	663,428	-	-	663,428
Infrastructure	62,374	-	-	62,374
Machinery and equipment	619,860	350,689	-	970,549
Total capital assets being depreciated	1,852,152	350,689	-	2,202,841
Less accumulated depreciation for:				
Buildings	114,310	10,130	-	124,440
Improvements other than buildings	505,397	12,376	-	517,773
Infrastructure	62,374	-	-	62,374
Machinery and equipment	208,165	109,933	-	318,098
Total accumulated depreciation	890,246	132,439	-	1,022,685
Total capital assets being depreciated, net	961,906	218,250	-	1,180,156
Business-type activities capital assets, net	$ 2,518,242	$ 218,250	$ -	$ 2,736,492

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

Discretely Presented Component Units	2004 Balance	Additions	Deletions	2005 Balance
Capital assets not being depreciated:				
Land	$ 16,600	$ -	$ -	$ 16,600
Construction-in-progress	-	398,707	-	398,707
Total capital assets not being depreciated	16,600	398,707	-	415,307
Capital assets being depreciated:				
Buildings	1,202,595	-	-	1,202,595
Machinery and equipment	336,726	18,762	(26,871)	328,617
Total capital assets being depreciated	1,539,321	18,762	(26,871)	1,531,212
Less accumulated depreciation for:				
Buildings	60,696	24,052	-	84,748
Machinery and equipment	272,575	23,072	(26,871)	268,776
Total accumulated depreciation	333,271	47,124	(26,871)	353,524
Total capital assets being depreciated, net	1,206,050	(28,362)	-	1,177,688
Component units capital assets, net	$ 1,222,650	$ 370,345	$ -	$ 1,592,995

Note 7. Capital Assets (Continued)

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

Governmental activities:	
Public safety and legal services	$ 659,296
Physical health and social services	23,467
Mental health	12,636
County environment and education	368,639
Roads and transportation	2,225,073
Governmental services to residents	82,830
Administration	1,327,200
Total depreciation expense, governmental activities	$ 4,699,141
Business-type activities, golf course	$ 132,439

Note 8. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2005:

	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005	Due Within One Year
Governmental Activities:					
General obligation bonds	$ 9,245,000	$ -	$ 610,000	$ 8,635,000	$ 635,000
Compensated absences	1,713,272	1,156,662	1,031,736	1,838,198	1,041,517
Claims payable	819,480	913,601	841,841	891,240	831,466
	$ 11,777,752	$ 2,070,263	$ 2,483,577	$ 11,364,438	$ 2,507,983

	Balance June 30, 2004	Additions	Retirements	Balance June 30, 2005	Due Within One Year
Business-Type Activities:					
Capital lease	$ 218,444	$ 350,689	$ 93,502	$ 475,631	$ 105,104
Purchase contract	2,100,840	-	182,737	1,918,103	200,000
Compensated absences	24,755	14,443	13,096	26,102	13,096
	$ 2,344,039	$ 365,132	$ 289,335	$ 2,419,836	$ 318,200

	Balance June 30, 2004	Additions	Retirements	Balance June 30, 2005	Due Within One Year
Discretely Presented Component Units Activities, compensated absences	$ 140,242	$ 50,091	$ 49,522	$ 140,811	$ 46,495

General obligation bonds outstanding as of June 30, 2005 consist of $4,385,000 of solid waste disposal bonds with interest at rates ranging from 5.0 percent to 5.7 percent and $4,250,000 of general obligation urban renewal bonds with interest at rates ranging from 2.3 percent to 4.6 percent.

Note 8. Long-Term Debt (Continued)

Compensated absences and claims payable attributable to governmental activities are generally liquidated by the General Fund.

The debt service requirements on the bonds outstanding as of June 30, 2005 are as follows:

Year ending June 30:	Principal	Interest	Total
2006	$ 635,000	$ 412,075	$ 1,047,075
2007	670,000	385,105	1,055,105
2008	700,000	355,775	1,055,775
2009	735,000	323,925	1,058,925
2010	770,000	289,433	1,059,433
2011-2015	4,245,000	833,845	5,078,845
2016-2017	880,000	60,750	940,750
Total	$ 8,635,000	$ 2,660,908	$ 11,295,908

The computation of the County's legal margin as of June 30, 2005 is as follows:

January 2003 assessed valuation	$ 8,581,711,922
Less military exemption	19,458,038
Total assessed value	$ 8,562,253,884
Debt limit, 5% of assessed valuation (Iowa statutory limitation)	$ 428,112,694
Total amount of debt applicable to debt margin	8,635,000
Legal debt margin	$ 419,477,694

In May 1990, the County entered into an agreement to lease certain land of the County to a golf course developer. The agreement, which expires April 30, 2030, required the developer to make a one-time payment to the County of $10 and to make deposits into various escrow accounts to pay for the construction of the golf course on the leased ground.

Simultaneously, the County entered into a lease purchase contract with the developer for the acquisition of the golf course. This agreement was to provide the financing for the project. The final agreement (as refinanced in 1993) between the County and Boatmen's Trust Company requires the County to make varying semiannual rental payments through May 1, 2013. The terms of the lease purchase contract provide that should the County fail to make an annual appropriation for any year before the beginning of that year in an amount sufficient, together with amounts budgeted to be available for such purpose in the Enterprise Fund, for the scheduled payments coming due during that year, the agreement shall terminate as of the beginning of that year.

The County may at any time during this agreement pay the total prepayment price at which time the land lease is canceled.

Note 8. Long-Term Debt (Continued)

A schedule of annual principal and interest payments under this agreement and the prepayment price at the end of each year is as follows:

Year Ending June 30:	Total Payment	Principal	Interest	Prepayment Price
2006	$ 321,180	$ 200,000	$ 121,180	$ 1,775,000
2007	319,180	210,000	109,180	1,565,000
2008	321,580	225,000	96,580	1,340,000
2009	318,080	235,000	83,080	1,105,000
2010	318,510	250,000	68,510	855,000
2011	323,010	270,000	53,010	585,000
2012	321,271	285,000	36,271	300,000
2013	318,600	300,000	18,600	-
Scheduled cash payments	2,561,411	1,975,000	586,411	
Unamortized discount and bond issue costs	-	(56,897)	56,897	
	$ 2,561,411	$ 1,918,103	$ 643,308	

The original contract included a purchase contract for certain equipment. This contract was refinanced in 2001 and again in 2004. The current agreement requires annual payments of $48,460, including interest of 4.99% through July 2008. A schedule of annual principal and interest payments under this agreement as of the end of the year is as follows:

Year Ending June 30:	Total Payment	Principal	Interest
2006	$ 48,460	$ 39,869	$ 8,591
2007	48,460	41,862	6,598
2008	48,460	43,955	4,505
2009	48,460	46,153	2,307
	$ 193,840	$ 171,839	$ 22,001

The County also entered into two separate agreements to lease certain equipment to be used in the operation of the golf course. One agreement requires annual payments of $24,511, including interest of 3.85% through August 2009. The other agreement requires annual payments of $53,000 including interest of 8.63% through July 2009.
A schedule of annual principal and interest payments under this agreement at the end of each year is as follows:

Year Ending June 30:	Total Payment	Principal	Interest
2006	$ 77,511	$ 65,235	$ 12,276
2007	77,511	61,126	16,385
2008	77,511	65,409	12,102
2009	77,511	70,025	7,486
2010	44,511	41,997	2,514
	$ 354,555	$ 303,792	$ 50,763

Note 9. Retirement System

The County and its component units contribute to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the state of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 3.70% of their annual covered salary and the County is required to contribute 5.75% of annual covered payroll, except for law enforcement employees, in which case the percentages are 8.535% and 8.535%, respectively. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2005, 2004 and 2003 were $1,134,104, $1,038,761 and $1,009,623, respectively, equal to the required contributions for each year.

Note 10. Deferred Compensation Plan

The County (and its component units) offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County (and component unit) employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Effective January 1, 1997, the plan was amended to comply with IRC Section 457(g) which provides for the assets to be placed in trust for the exclusive benefit of participants and their beneficiaries. Under these new requirements, the County is no longer fiduciarily accountable for the amount deferred by employees and, therefore, the liability and corresponding investment are not reflected in the financial statements.

Note 11. 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 $400,000 per claim for workers' compensation. Coverage from a private insurance company is maintained for losses in excess of the aggregate stop loss amount with $9,700,000 maximum coverage on general and automobile liability, $71,757,564 maximum coverage on property and $2,000,000 maximum coverage on workers' compensation. All claim's handling procedures are performed by the County.

The County is commercially insured for health benefits. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Note 11. Risk Management and Insurance (Continued)

As of June 30, 2005, the amount of liabilities recorded for estimated claim settlements for general, automobile, property, and workers' compensation liability claims was $891,240 of which $4,551 was recorded in the General Fund and $886,689 was recorded on the government-wide statement of net assets. The County has designated $886,689 of General Fund balance for payment of future claims liability.

The changes in the aggregate liabilities for claims for the years ended June 30, 2005 and 2004 are as follows:

	Self-Insurance	
	2005	2004
Claims payable, beginning of year	$ 819,480	$ 1,132,278
Claims expense and change in reserve	913,601	399,760
Claims payments	(841,841)	(712,558)
Claims payable, end of year	$ 891,240	$ 819,480

The Emergency Management Agency, County Library, County Assessor, County Assessor Special, City Assessor, City Assessor Special and Public Safety Authority 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 12. 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, 2005, there were six series of revenue bonds outstanding. The aggregate principal balance of the revenue bonds outstanding is $21,875,000.

Note 13. 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. The total amount of the bonds outstanding as of June 30, 2005 is $4,385,000.

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, as shown as an investment in the Debt Service Fund, corresponds to the payment of the Bonds by the County and $4,385,000 remains outstanding as of June 30, 2005.

Note 13. Scott Area Solid Waste Management Commission Agreement (Continued)

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% 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% 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.

Note 14. 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 15. Commitments and Contingency

The County has financial commitments relating to various road and bridge construction and maintenance projects that are estimated to be approximately $1,005,402.

The Public Safety Authority, a discretely presented component unit, has financial commitments relating to the jail expansion construction that are estimated to be approximately $1,460,000.

Note 16. Operating Lease Commitments

The County leases office space for juvenile court services under a noncancelable operating lease agreement which expires March 31, 2011. Rents are based on a price per square foot for the basic shell including common areas, which increases annually, plus a price per square foot for property taxes, insurance, and normal maintenance of the property. The total rentals paid under this agreement amounted to $96,810 for the year ended June 30, 2005.

Note 16. Operating Lease Commitments (Continued)

The total minimum lease commitment as of June 30, 2005, is as follows:

Year ending June 30:		
2006	$	79,564
2007		82,595
2008		85,626
2009		88,657
2010		91,688
2011		70,471
	$	498,601

Note 17. New Governmental Accounting Standards Board (GASB) Statements and Pending Pronouncements

The County adopted Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures*, during the year ended June 30, 2005. The adoption of this Statement required the County to modify their disclosure related to investment risks related to credit risk, concentration of credit risk, interest rate risk, deposit risk, and foreign currency risk.

The Governmental Accounting Standards Board (GASB) has also issued several statements not yet implemented by the County. The statements which might impact the County are as follows:

GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, issued November 2003, will be effective for the County beginning with its year ending June 30, 2006. This Statement requires governments to report the effects of capital asset impairment in their financial statements when it occurs and requires all governments to account for insurance recoveries in the same manner.

GASB Statement No. 43, *Financial Reporting For Postemployment Benefit Plans Other Than Pension Plans*, issued April 2004, will be effective for the County beginning with its year ending June 30, 2008. This Statement establishes uniform financial reporting standards for other postemployment benefit plans (OPEB plans) and supersedes existing guidance.

GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*, issued May 2004, will be effective for the County beginning with its year ending June 30, 2006. This Statement improves the understandability and usefulness of statistical section information by addressing the comparability problems that have developed in practice and by adding information from the new financial reporting model required by Statement No. 34 and related statements.

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,* issued June 2004, will be effective for the County beginning with its year ending June 30, 2009. This Statement establishes standards for the measurement, recognition and display of other postemeployment benefits expenses and related liabilities or assets, note disclosures and, if applicable, required supplementary information in the financial reports.

Note 17. New Governmental Accounting Standards Board (GASB) Statements and Pending Pronouncements (Continued)

GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation,* an amendment of GASB Statement No. 34, issued December 2004, will be effective for the County beginning with its year ending June 30, 2006. The purpose of Statement No. 46 is to help governments determine when net assets have been restricted to a particular use by the passage of enabling legislation and to specify how those net assets should be reported in financial statements when there are changes in the circumstances surrounding such legislation.

GASB Statement No. 47, *Accounting for Termination Benefits,* issued June 2005, will be effective for the County beginning with its year ending June 30, 2006. This Statement establishes accounting standards for termination benefits. In financial statements prepared on the accrual basis of accounting, employers should recognize a liability and expense for voluntary termination benefits (early retirement incentives) when the offer is accepted and the amount can be estimated. A liability for involuntary termination benefits (severance benefits) should be recognized when a plan of termination has been approved by those with the authority to commit the government to the plan, the plan has been communicated to the employees, and the amount can be estimated. In financial statements prepared on the modified accrual basis of accounting, liabilities and expenditures for termination benefits should be recognized to the extent the liabilities are normally expected to be liquidated with expendable available financial resources.

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

Note 18. Uncertainty

During fiscal year ended June 30, 2003, management became aware of the existence of certain unauthorized transactions within a department of the County. The transactions, which were accounted for and reported through a fiduciary fund of the County, are currently under investigation. The investigation is currently in an early stage and management is uncertain regarding the total amount of the unauthorized transactions and the extent of any potential recovery. However, at this time, management does not believe the effect of these transactions would be material to the financial statements

Note 19. Authorized Bonds

On November 2, 2004, the County of Scott, Iowa voters approved the Scott County Public Safety Authority to issue revenue bonds not to exceed $29.7 million to renovate and expand existing jail facilities. It is anticipated the issuance of these bonds will take place in January 2006.

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County of Scott, Iowa

Required Supplementary Information
Budgetary Comparison Schedule
All Governmental Funds
Year Ended June 30, 2005

	Budget		Governmental Fund	Variance with Final Budget Favorable
	Original	Final	Types Actual	(Unfavorable)
Revenues:				
Property taxes	$ 25,997,241	$ 25,997,241	$ 25,895,065	$ (102,176)
Local option sales tax	3,570,210	3,570,210	3,418,462	(151,748)
Other taxes	2,348,761	2,348,761	2,192,673	(156,088)
Interest and penalties on taxes	559,000	559,000	837,554	278,554
Intergovernmental	16,539,042	17,781,674	17,899,516	117,842
Charges for services	4,994,980	4,994,980	4,336,407	(658,573)
Investment earnings	434,768	434,768	738,160	303,392
Licenses and permits	408,280	408,280	529,000	120,720
Rentals and fees	131,950	131,950	124,758	(7,192)
Other	340,767	440,767	695,374	254,607
Total revenues	55,324,999	56,667,631	56,666,969	(662)
Expenditures:				
Current:				
Public safety and legal services	15,960,225	16,720,332	16,507,338	212,994
Physical health and social services	5,744,453	5,844,453	5,398,110	446,343
Mental health	13,160,374	13,160,374	12,673,353	487,021
County environment and education	3,746,490	3,746,490	3,554,450	192,040
Roads and transportation	3,916,900	4,016,900	3,915,398	101,502
Government services to residents	1,801,748	1,855,113	1,765,623	89,490
Administration	7,171,510	7,216,510	6,815,170	401,340
Capital outlay	5,666,508	6,240,033	5,583,383	656,650
Debt service	1,046,926	1,046,926	1,046,926	-
Total expenditures	58,215,134	59,847,131	57,259,751	2,587,380
Excess (deficiency) of revenue over expenditures	(2,890,135)	(3,179,500)	(592,782)	2,586,718
Other financing sources (uses):				
Transfers in	6,169,651	6,169,651	5,835,149	(334,502)
Transfers out	(6,169,651)	(6,169,651)	(5,835,149)	334,502
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	$ (2,890,135)	$ (3,179,500)	$ (592,782)	$ 2,586,718

See Note to Required Supplementary Information.

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 nine major classes of disbursements known as functions, not by fund or fund type. These nine 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, administration, capital outlay, and debt service. Function expenditures required to be budgeted do not include expenses for the enterprise fund. The legal level of control is at the aggregated function level, not at the fund or fund type level. During the year, two budget amendments increased budgeted expenditures by $1,631,997. The budget amendment was primarily due to changes in capital projects and to allow for spending authority for various state and federal pass-through public safety grants.

During the year ended June 30, 2005, expenditures/expenses did not exceed the amounts budgeted in the general government functions.

County of Scott, Iowa

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2005

	Special Revenue		
	Rural Services Fund	Recorders Management Fees Fund	Debt Service
Assets			
Cash and investments	$ 114,070	$ 117,636	$ 4,486,105
Receivables, property taxes	2,077,322	-	783,232
Due from component unit	-	-	-
Due from other governmental agencies	-	-	-
Total assets	$ 2,191,392	$ 117,636	$ 5,269,337
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	$ -	$ -	$ -
Deferred revenue	2,077,209	-	783,133
Total liabilities	2,077,209	-	783,133
Fund balances:			
Reserved for debt service	-	-	4,486,204
Unreserved, undesignated, reported in:			
Special revenue funds	114,183	117,636	-
Capital Projects Fund	-	-	-
	114,183	117,636	4,486,204
Total liabilities and fund balances	$ 2,191,392	$ 117,636	$ 5,269,337

Capital Projects	Total
$ 3,010,649	$ 7,728,460
-	2,860,554
389,475	389,475
26,473	26,473
$ 3,426,597	$ 11,004,962

$ 101,218	$ 101,218
21,818	2,882,160
123,036	2,983,378
-	4,486,204
-	231,819
3,303,561	3,303,561
3,303,561	8,021,584
$ 3,426,597	$ 11,004,962

County of Scott, Iowa

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2005

	Special Revenue		
	Rural Services Fund	Recorders Management Fees Fund	Debt Service
Revenues:			
Property taxes	$ 1,907,855	$ -	$ 411,688
Other taxes	73,638	-	19,864
Intergovernmental	96,424	-	273,486
Charges for services	-	41,834	-
Investment earnings	-	4,836	-
Other, primarily refunds and reimbursements	-	-	-
Total revenues	2,077,917	46,670	705,038
Expenditures:			
Current, County environment and education	440,685	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	610,000
Interest	-	-	436,926
Total expenditures	440,685	-	1,046,926
Excess (deficiency) of revenue over expenditures	1,637,232	46,670	(341,888)
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	(1,640,529)	(261,497)	-
Total other financing sources (uses)	(1,640,529)	(261,497)	-
Net change in fund balances	(3,297)	(214,827)	(341,888)
Fund balances, beginning of year	117,480	332,463	4,828,092
Fund balances, end of year	$ 114,183	$ 117,636	$ 4,486,204

Capital Projects	Total
$ -	$ 2,319,543
904,896	998,398
650,911	1,020,821
-	41,834
21,313	26,149
121,380	121,380
1,698,500	4,528,125
-	440,685
3,681,256	3,681,256
-	610,000
-	436,926
3,681,256	5,168,867
(1,982,756)	(640,742)
3,539,262	3,539,262
(823,803)	(2,725,829)
2,715,459	813,433
732,703	172,691
2,570,858	7,848,893
$ 3,303,561	$ 8,021,584

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities
All Agency Funds
Year Ended June 30, 2005

	Balance June 30, 2004	Additions	Deletions	**Balance June 30, 2005**
Agricultural Extension Service Fund				
Assets				
Cash and investments	$ 1,704	$ 360,756	$ 358,148	**$ 4,312**
Receivables, property taxes	363,998	376,776	363,998	**376,776**
Total assets	$ 365,702	$ 737,532	$ 722,146	**$ 381,088**
Liabilities, due to other governmental agencies	$ 365,702	$ 737,532	$ 722,146	**$ 381,088**
Bangs Eradication Fund				
Assets				
Cash and investments	$ 10,349	$ 22,061	$ 21,626	**$ 10,784**
Receivables, property taxes	22,266	22,922	22,266	**22,922**
Total assets	$ 32,615	$ 44,983	$ 43,892	**$ 33,706**
Liabilities, due to other governmental agencies	$ 32,615	$ 44,983	$ 43,892	**$ 33,706**
City Taxing Districts Fund				
Assets				
Cash and investments	$ 281,846	$ 73,911,677	$ 73,272,452	**$ 921,071**
Receivables, property taxes	74,624,028	77,538,402	74,624,027	**77,538,403**
Total assets	$ 74,905,874	$ 151,450,079	$ 147,896,479	**$ 78,459,474**
Liabilities, due to other governmental agencies	$ 74,905,874	$ 151,450,079	$ 147,896,479	**$ 78,459,474**
Community College Taxing District Fund				
Assets				
Cash and investments	$ 16,639	$ 3,266,897	$ 3,244,506	**$ 39,030**
Receivables, property taxes	3,296,306	3,396,155	3,296,307	**3,396,154**
Total assets	$ 3,312,945	$ 6,663,052	$ 6,540,813	**$ 3,435,184**
Liabilities, due to other governmental agencies	$ 3,312,945	$ 6,663,052	$ 6,540,813	**$ 3,435,184**
Fire Taxing District Fund				
Assets				
Cash and investments	$ 2,230	$ 273,182	$ 271,134	**$ 4,278**
Receivables, property taxes	275,087	278,312	275,087	**278,312**
Total assets	$ 277,317	$ 551,494	$ 546,221	**$ 282,590**
Liabilities, due to other governmental agencies	$ 277,317	$ 551,495	$ 546,222	**$ 282,590**

(Continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
Year Ended June 30, 2005

	Balance June 30, 2004	Additions	Deletions	**Balance June 30, 2005**
School Taxing District Fund				
Assets				
Cash and investments	$ 415,068	$ 88,757,240	$ 88,102,855	**$ 1,069,453**
Receivables, property taxes	89,584,157	91,654,752	89,584,158	**91,654,751**
Total assets	$ 89,999,225	$ 180,411,992	$ 177,687,013	**$ 92,724,204**
Liabilities, due to other governmental agencies	$ 89,999,225	$ 180,412,517	$ 177,687,538	**$ 92,724,204**
Township Taxing District Fund				
Assets				
Cash and investments	$ 1,357	$ 156,061	$ 155,002	**$ 2,416**
Receivables, property taxes	156,006	154,056	156,006	**154,056**
Total assets	$ 157,363	$ 310,117	$ 311,008	**$ 156,472**
Liabilities, due to other governmental agencies	$ 157,363	$ 310,155	$ 311,046	**$ 156,472**
Other Taxing Districts Fund				
Assets				
Cash and investments	$ 13,772	$ 16,535,483	$ 16,427,819	**$ 121,436**
Receivables, property taxes	26,642	147,178	26,642	**147,178**
Total assets	$ 40,414	$ 16,682,661	$ 16,454,461	**$ 268,614**
Liabilities				
Accounts payable	$ 8,203	$ 21,358	$ 14,681	**$ 14,880**
Due to other governmental agencies	32,211	16,661,302	16,439,779	**253,734**
Total liabilities	$ 40,414	$ 16,682,660	$ 16,454,460	**$ 268,614**
City Special Assessments Fund				
Assets, cash and investments	$ 89,273	$ 1,631,912	$ 1,517,502	**$ 203,683**
Liabilities, due to other governmental agencies	$ 89,273	$ 1,631,912	$ 1,517,502	**$ 203,683**

(Continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
Year Ended June 30, 2005

	Balance June 30, 2004	Additions	Deletions	**Balance June 30, 2005**
County Recorder Agency Fund				
Assets				
Cash and investments	$ 152,710	$ 1,496,561	$ 1,494,588	**$ 154,683**
Receivables, accounts	-	1,502,188	1,502,188	**-**
Total assets	$ 152,710	$ 2,998,749	$ 2,996,776	**$ 154,683**
Liabilities, due to other governmental agencies	$ 152,710	$ 1,496,561	$ 1,494,588	**$ 154,683**
County Sheriff Agency Fund				
Assets				
Cash and investments	$ 61,630	$ 14,103,880	$ 14,008,539	**$ 156,971**
Liabilities, accounts payable	$ 61,630	$ 7,426,603	$ 7,331,262	**$ 156,971**
Motor Vehicle Tax Fund				
Assets, cash and investments	$ 1,549,829	$ 19,514,978	$ 19,625,410	**$ 1,439,397**
Liabilities, due to other governmental agencies	$ 1,549,829	$ 19,514,978	$ 19,625,410	**$ 1,439,397**
Original Bond Issue Escrow Fund				
Assets, cash and investments	$ 1,800	$ -	$ -	**$ 1,800**
Liabilities, accounts payable	$ 1,800	$ -	$ -	**$ 1,800**
Tax Sale Redemption Fund				
Assets, cash and investments	$ 18,359	$ 305,962	$ 257,283	**$ 67,038**
Liabilities, due to other governmental agencies	$ 18,359	$ 305,962	$ 257,283	**$ 67,038**

(Continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
Year Ended June 30, 2005

	Balance June 30, 2004	Additions	Deletions	**Balance June 30, 2005**
Use Tax Fund				
Assets, cash and investments	$ 1,390,552	$ 15,951,217	$ 16,065,916	**$ 1,275,853**
Liabilities, due to other governmental agencies	$ 1,390,552	$ 15,951,217	$ 16,065,916	**$ 1,275,853**
Community Services Fund				
Assets, cash and investments	$ 255,626	$ 153,623	$ -	**$ 409,249**
Liabilities, due to private individuals	$ 255,626	$ 153,623	$ -	**$ 409,249**
Jail Inmate Fund				
Assets, cash and investment	$ 15,981	$ 14,892	$ -	**$ 30,873**
Liabilities, due to private individuals	$ 15,981	$ 14,892	$ -	**$ 30,873**
Total Combined Funds				
Assets				
Cash and investments	$ 4,278,725	$ 236,456,382	$ 234,822,780	**$ 5,912,327**
Receivables:				
Property taxes	168,348,490	173,568,553	168,348,491	**173,568,552**
Accounts	-	1,502,188	1,502,188	**-**
Total assets	$ 172,627,215	$ 411,527,123	$ 404,673,459	**$ 179,480,879**
Liabilities				
Accounts payable	$ 71,633	$ 7,447,961	$ 7,345,943	**$ 173,651**
Due to other governmental agencies	172,283,975	395,731,745	389,148,614	**178,867,106**
Due to private individuals	271,607	168,515	-	**440,122**
Total liabilities	$ 172,627,215	$ 403,348,221	$ 396,494,557	**$ 179,480,879**

County of Scott, Iowa

Combining Balance Sheet and Reconciliation to Statement of Net Assets
Discretely Presented Component Units
June 30, 2005

Assets	Emergency Manage-ment Agency	County Library	County Assessor
Cash and investments	$ 189,891	$ 443,961	$ 295,920
Receivables, property taxes	-	246	562,357
Due from other governmental agencies	8,297	97,358	-
Total assets	$ 198,188	$ 541,565	$ 858,277
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	$ 396	$ 111,559	$ 2,090
Accrued liabilities	4,077	28,644	29,849
Deferred revenue	-	-	562,309
Due to primary government	-	-	-
Total liabilities	4,473	140,203	594,248
Fund balances, unreserved, undesignated	193,715	401,362	264,029
Total liabilities and fund balances	$ 198,188	$ 541,565	$ 858,277
Reconciliation to statement of net assets:			
Total component unit fund balances	$ 193,715	$ 401,362	$ 264,029
Amounts reported for governmental activities in the statement of net assets 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	-
Construction-in-progress	-	9,232	-
Buildings	-	1,202,595	-
Machinery and equipment	42,046	176,110	-
Accumulated depreciation	(39,154)	(240,862)	-
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds, deferred revenue	-	-	1,873
Liabilities not due and payable in the current period are not reported in the funds, compensated absences	(9,742)	(18,166)	(63,468)
Total net assets	$ 186,865	$ 1,546,871	$ 202,434

County Assessor Special	City Assessor	City Assessor Special	Public Safety Authority	Total
$ 345,870	$ 307,857	$ 116,395	$ 75	$ 1,699,969
125,596	627,890	211,219	-	1,527,308
-	-	-	-	105,655
$ 471,466	$ 935,747	$ 327,614	$ 75	$ 3,332,932
$ -	$ 21,071	$ 21,161	$ 75	$ 156,352
-	-	-	-	62,570
125,585	627,785	211,183	-	1,526,862
-	-	-	389,475	389,475
125,585	648,856	232,344	389,550	2,135,259
345,881	286,891	95,270	(389,475)	1,197,673
$ 471,466	$ 935,747	$ 327,614	$ 75	$ 3,332,932
$ 345,881	$ 286,891	$ 95,270	$ (389,475)	$ 1,197,673
-	-	-	-	16,600
-	-	-	389,475	398,707
-	-	-	-	1,202,595
-	110,461	-	-	328,617
-	(73,508)	-	-	(353,524)
-	5,063	-	-	6,936
-	(49,435)	-	-	(140,811)
$ 345,881	$ 279,472	$ 95,270	$ -	$ 2,656,793

County of Scott, Iowa

Combining Statement of Revenues, Expenditures and Changes in Fund Balances and Reconciliation to Statement of Activities - Discretely Presented Component Units
Year Ended June 30, 2005

	Emergency Manage-ment Agency	County Library
Revenue:		
Property taxes	$ -	$ -
Other taxes	-	-
Intergovernmental	66,430	966,648
Charges for services	-	13,162
Other, primarily sale of noncapital assets	42,426	3,564
Total revenue	108,856	983,374
Expenditures:		
Current:		
Public safety and legal services	116,221	-
County environment and education	-	1,050,505
Government services to residents		-
Total expenditures	116,221	1,050,505
Net change in fund balances	(7,365)	(67,131)
Fund balances, beginning of year	201,080	468,493
Fund balances, end of year	$ 193,715	$ 401,362
Reconciliation to statement of activities, net change in fund balances	$ (7,365)	$ (67,131)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the detail of the amount by which capital outlays exceeded depreciation in the current year:		
Capital outlay	-	9,232
Depreciation	(3,853)	(28,650)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	-	-
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the component unit, change in compensated absences		
Changes in net assets of component units	(1,754)	(2,450)
	$ (12,972)	$ (88,999)

County Assessor	County Assessor Special	City Assessor	City Assessor Special	Public Safety Authority	Total
$ 429,448	$ 175,212	$ 628,341	$ 149,061	$ -	$ 1,382,062
18,627	7,600	35,023	8,308	-	69,558
17,053	6,864	20,981	5,068	-	1,083,044
1,764	-	-	-	-	14,926
-	-	5,028	-	-	51,018
466,892	189,676	689,373	162,437	-	2,600,608
-	-	-	-	389,475	505,696
-	-	-	-	-	1,050,505
559,805	18,535	707,663	229,682	-	1,515,685
559,805	18,535	707,663	229,682	389,475	3,071,886
(92,913)	171,141	(18,290)	(67,245)	(389,475)	(471,278)
356,942	174,740	305,181	162,515	-	1,668,951
$ 264,029	$ 345,881	$ 286,891	$ 95,270	$ (389,475)	$ 1,197,673
$ (92,913)	$ 171,141	$ (18,290)	$ (67,245)	$ (389,475)	$ (471,278)
-	-	18,762	-	389,475	417,469
-	-	(14,621)	-	-	(47,124)
(440)	-	1,175	-	-	735
106	-	3,529	-	-	(569)
$ (93,247)	$ 171,141	$ (9,445)	$ (67,245)	$ -	$ (100,767)

STATISTICAL

County of Scott, Iowa

Government-Wide Expenses By Function
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Public Safety and Legal Services	Physical Health and Social Services	Mental Health	County Environment and Education	Roads and Trans-portation
2002-03 (1)	$ 14,416,219	$ 5,354,508	$ 12,560,244	$ 4,077,028	$ 5,319,941
2003-04	15,359,610	5,599,865	12,464,838	4,179,381	5,322,321
2004-05	**17,378,230**	**5,433,189**	**12,689,373**	**3,978,818**	**6,514,158**

(1) Fiscal year 2003 was the first year of government-wide statements.

Source: County records.

Government Services to Residents	Administration	Debt Service	Golf	Total
$ 1,728,824	$ 6,864,076	$ 498,341	$ 964,728	$ 51,783,909
1,834,390	8,182,576	457,073	988,195	54,388,249
1,853,466	**9,848,118**	**434,854**	**1,074,754**	**59,204,960**

County of Scott, Iowa

Government-Wide Revenues
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Charges for Sales and Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	State Shared Revenues
2003 (1)	$ 6,162,037	$ 5,448,938	$ 1,329,326	$ 37,002,967	$ 2,804,003
2004	5,945,750	8,544,625	706,004	36,652,244	2,851,114
2005	**5,873,453**	**8,857,256**	**6,519,732**	**37,595,402**	**2,909,524**

(1) Fiscal year 2003 was the first year of government-wide statements.

Source: County records.

Contribution From Solid Waste	Investment Earnings	Miscellaneous	Total
$ 289,800	$ 521,265	$ 656,813	$ 54,215,149
274,703	367,885	738,062	56,080,387
258,703	**786,113**	**824,119**	**63,624,302**

County of Scott, Iowa

General Governmental Expenditures by Function (1)
Last Ten Fiscal Years

Fiscal Year	Public Safety and Legal Services (2)	Physical Health and Education (2)	Physical Health and Social Services (2)	Mental Health	Social Services (2)
1995-96	$ 9,707,673	$ 2,287,912	$ -	$ 9,707,547	$ 1,079,838
1996-97	9,182,380	2,348,643	-	9,829,781	1,161,225
1997-98	9,452,170	3,139,497	-	10,072,368	1,290,668
1998-99	10,277,713	2,443,397	-	9,903,740	1,769,356
1999-00	10,625,223	2,822,211	-	10,574,774	1,671,305
2000-01	12,247,225	3,489,652	-	11,615,292	1,815,698
2001-02	12,490,629	3,846,548	-	12,507,653	1,828,677
2002-03	13,584,142	-	5,279,964	12,540,895	-
2003-04	14,593,427	-	5,563,018	12,454,452	-
2004-05	**16,507,338**	**-**	**5,398,110**	**12,673,353**	**-**

(1) Includes all governmental funds.

(2) Beginning with fiscal year 2003, public safety and legal services were combined into one function; social services were combined with physical health; education was combined with county environment; state and local government services is now called government services to resident; and inter-program services is now referred to as administration.

Source: County records.

County Environment (2)	County Environment and Education (2)	Roads and Transportation	Government Services to Residents (2)	Administration (2)	Capital Outlay	Debt Services	Total
$ 2,003,329	$ -	$ 2,566,390	$ 1,241,581	$ 4,714,536	$ 2,448,271	$ 1,014,870	$ 36,771,947
2,251,761	-	3,141,328	1,348,174	4,594,126	2,745,124	1,038,735	37,641,277
2,248,617	-	2,964,738	1,453,858	5,028,129	3,383,005	1,039,825	40,072,875
2,233,586	-	3,047,814	1,449,209	4,478,582	3,155,483	1,058,675	39,817,555
2,336,675	-	3,215,371	1,509,901	5,439,162	3,408,430	1,074,375	42,677,427
2,601,159	-	3,240,775	1,658,522	5,824,175	4,128,588	592,485	47,213,571
2,974,726	-	3,380,066	1,748,504	5,907,458	13,388,707	607,818	58,680,786
-	3,331,750	3,025,694	1,638,400	6,214,537	9,256,988	1,112,750	55,985,120
-	3,809,045	3,716,998	1,746,145	6,622,680	5,320,722	1,038,905	54,865,392
-	**3,554,450**	**3,915,398**	**1,765,623**	**6,815,170**	**5,583,383**	**1,046,926**	**57,259,751**

County of Scott, Iowa

General Governmental Revenue by Source (1)
Last Ten Fiscal Years

Fiscal Year	Taxes (2)	Intergovern-mental	Charges for Services	Investment Earnings	Licenses and Permits	Miscel-laneous	Total
1995-96	$ 21,442,172	$ 12,203,185	$ 2,388,571	$ 1,348,927	$ 249,440	$ 601,273	$ 38,233,568
1996-97	22,635,375	12,912,534	2,634,903	1,367,732	306,103	752,424	40,609,071
1997-98	21,763,513	13,908,755	3,048,139	1,699,696	324,532	551,808	41,296,443
1998-99	22,809,910	13,586,119	3,336,418	1,751,709	362,164	623,097	42,469,417
1999-00	24,016,948	13,670,627	3,172,085	2,097,176	428,267	649,021	44,034,124
2000-01	25,447,884	15,491,941	3,576,260	2,286,576	386,316	555,749	47,744,726
2001-02	26,400,109	15,895,641	4,181,051	956,679	418,998	926,774	48,779,252
2002-03	28,765,704	17,130,707	4,698,212	518,804	430,540	692,185	52,236,152
2003-04	31,224,265	17,181,934	4,389,232	348,442	454,731	718,757	54,317,361
2004-05	**32,343,754**	**17,899,516**	**4,336,407**	**738,160**	**529,000**	**820,132**	**56,666,969**

(1) Includes all governmental funds.

(2) Taxes include property, local option sales and other taxes, plus interest and penalties on delinquent property taxes.

Source: County records.

County of Scott, Iowa

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent Of Levy Collected	Delinquent Tax Collections
1995-96	127,689,138	$ 127,056,457	99.50%	$ 126,402
1996-97	127,684,330	126,877,840	99.37	123,797
1997-98	128,794,368	128,168,403	99.51	(86,183)
1998-99	138,308,158	137,499,635	99.42	50,202
1999-00	141,568,042	140,229,377	99.05	117,589
2000-01	146,117,608	145,193,712	99.37	119,615
2001-02	152,133,150	151,191,798	99.38	75,947
2002-03	164,344,090	163,141,398	99.27	38,060
2003-04	170,396,572	168,156,252	98.69	618,183
2004-05	**181,497,890**	**179,753,240**	**99.04**	**1,664,237**

Source: County records.

Total Tax Collections (1)	Total Collections as Percent of Current Levy	Outstanding Delinquent Taxes	Delinquent as Percent of Current Levy
$ 127,182,859	99.60%	$ 325,723	0.26%
127,001,637	99.47	248,744	0.19
128,082,220	99.45	176,244	0.14
137,549,837	99.45	176,505	0.13
140,346,966	99.14	192,803	0.14
145,313,327	99.45	279,914	0.19
151,267,745	99.43	332,007	0.22
163,179,458	99.29	486,766	0.30
168,774,435	99.05	427,988	0.25
181,417,477	**99.96**	**422,000**	**0.23**

County of Scott, Iowa

Assessed and Taxable Values of Taxable Property
Last Ten Fiscal Years

	Real Property		Personal Property	
Fiscal Year	Taxable Value	Assessed Value (1)	Taxable Value	Assessed Value (1)
1995-96	$ 3,384,478,122	$ 4,419,320,298	$ 258,921,872	$ 258,921,872
1996-97	3,502,340,089	4,982,800,925	270,794,085	270,794,085
1997-98	3,593,077,609	5,094,524,701	267,715,978	267,715,978
1998-99	3,807,643,337	5,668,827,370	255,956,108	255,956,108
1999-00	3,993,773,850	5,777,153,288	244,123,480	244,123,480
2000-01	4,304,167,224	6,382,142,701	190,103,913	191,387,931
2001-02	4,514,894,846	6,542,552,088	128,389,476	128,389,476
2002-03	4,717,636,660	7,262,052,360	55,912,460	55,912,460
2003-04	4,853,874,538	7,451,909,949	-	-
2004-05	**5,098,172,973**	**8,168,755,209**	**-**	**-**

(1) Assessed value equals estimated actual value.

Source: County records.

Railroad and Utilities		Gas and Electric	
Taxable Value	Assessed Value (1)	Taxable Value	Assessed Value (1)
$ 360,586,917	$ 372,882,986	*	*
343,109,441	343,726,116	*	*
332,821,148	332,821,148	*	*
390,533,049	390,444,779	*	*
360,261,226	360,261,226	*	*
131,809,001	131,905,709	$ 235,680,620	$ 235,680,620
143,708,855	143,708,855	229,418,978	229,418,978
139,813,043	140,428,520	236,499,945	236,499,945
158,216,681	159,111,090	258,742,646	258,742,646
158,445,509	**158,458,514**	**258,173,653**	**254,498,199**

	Total		Ratio of Taxable to Assessed Value	Tax Increment Financing District Values
Fiscal Year	Taxable Value	Assessed Value (1)		
1995-96	$ 4,003,986,911	$ 5,051,125,156	79.3%	$ 62,253,911
1996-97	4,116,243,615	5,597,321,126	73.5	81,615,161
1997-98	4,193,614,735	5,695,061,827	73.6	117,883,768
1998-99	4,454,132,494	6,315,228,257	70.5	94,850,981
1999-00	4,598,158,556	6,381,537,994	72.1	116,708,030
2000-01	4,861,760,758	6,941,116,961	70.0	191,814,278
2001-02	5,016,412,155	7,044,069,397	71.2	196,484,536
2002-03	5,149,862,108	7,694,893,285	66.9	210,368,130
2003-04	5,270,833,865	7,869,763,685	67.0	215,887,559
2004-05	**5,514,792,135**	**8,581,711,922**	**64.3**	**213,970,420**

County of Scott, Iowa

Property Tax Rates Per $1,000 Taxable Valuation - All Direct and Overlapping Governments Last Ten Fiscal Years

	Cities				
	Bettendorf			Davenport	
	Bettendorf	North Scott	Pleasant Valley	Bettendorf	Davenport
2004-05:					
City	**12.34932**	**12.34932**	**12.34932**	**15.24000**	**15.24000**
Area IX Community College	**0.59216**	**0.59216**	**0.59216**	**0.59216**	**0.59216**
School District	**15.46630**	**15.03382**	**13.46470**	**15.46630**	**17.09591**
State	**0.06939**	**0.06939**	**0.06721**	**0.06939**	**0.06939**
Assessor (1)	**0.27124**	**0.27124**	**0.27124**	**0.27648**	**0.27648**
County	**4.75497**	**4.75497**	**4.75497**	**4.75497**	**4.75497**
Total levy	**33.50338**	**33.07090**	**31.49960**	**36.39930**	**38.02891**
Ratio of Scott County to totals	**0.14193**	**0.14378**	**0.15095**	**0.13063**	**0.12504**
2003-04:					
City	11.85000	11.85000	11.85000	14.96445	14.96445
Area IX Community College	0.61738	0.61738	0.61738	0.61738	0.61738
School District	15.77779	14.99307	13.45835	15.77779	17.07873
State	0.06721	0.06721	0.06721	0.06721	0.06721
Assessor (1)	0.33119	0.33119	0.33119	0.31521	0.31521
County	4.80887	4.80887	4.80887	4.80887	4.80887
Total levy	33.45244	32.66772	31.13300	36.55091	37.85185
Ratio of Scott County to totals	0.14375	0.14721	0.15446	0.13157	0.12704
2002-03:					
City	11.85000	11.85000	11.85000	14.63000	14.63000
Area IX Community College	0.62633	0.62633	0.62633	0.62633	0.62633
School District	15.78768	15.32122	13.45042	15.78768	16.96204
State	0.06248	0.06248	0.06248	0.06248	0.06248
Assessor (1)	0.33124	0.33124	0.33124	0.37656	0.37656
County	4.48067	4.48067	4.48067	4.48067	4.48067
Total levy	33.13840	32.67194	30.80114	35.96372	37.13808
Ratio of Scott County to totals	0.13521	0.13714	0.14547	0.12459	0.12065
2001-02:					
City	11.45555	11.45555	11.45555	14.60301	14.60301
Area IX Community College	0.60382	0.60382	0.60382	0.60382	0.60382
School District	14.56220	15.66165	13.45953	14.56220	15.46758
State	0.06790	0.06790	0.06790	0.06790	0.06790
Assessor (1)	0.31830	0.31830	0.31830	0.33488	0.33488
County	4.17307	4.17307	4.17307	4.17307	4.17307
Total levy	31.18084	32.28029	30.07817	34.34488	35.25026
Ratio of Scott County to totals	0.13383	0.12928	0.13874	0.12150	0.11838

(Continued)

North Scott	Blue Grass	Buffalo	Eldridge	LeClaire	Walcott Davenport	Walcott Durant
15.24000	**11.51524**	**8.09999**	**6.64795**	**14.69639**	**9.75001**	**9.75001**
0.59216	**0.59216**	**0.59216**	**0.59216**	**0.59216**	**0.59216**	**0.59216**
15.03382	**17.09591**	**17.09591**	**15.03382**	**13.46470**	**17.09591**	**12.21711**
0.06939	**0.06939**	**0.06939**	**0.06939**	**0.06939**	**0.06939**	**0.06939**
0.27648	**0.27124**	**0.27124**	**0.27124**	**0.27124**	**0.27124**	**0.27124**
4.75497	**4.75497**	**4.75497**	**4.75497**	**4.75497**	**4.75497**	**4.75497**
35.96682	**34.29891**	**30.88366**	**27.36953**	**33.84885**	**32.53368**	**27.65488**
0.13220	**0.13863**	**0.15396**	**0.17373**	**0.14048**	**0.14616**	**0.17194**
14.96445	12.48463	7.65547	6.64799	14.69660	9.50000	9.50000
0.61738	0.61738	0.61738	0.61738	0.61738	0.61738	0.61738
14.99307	17.07873	17.07873	14.99307	13.45835	17.07873	12.04676
0.06721	0.06721	0.06721	0.06721	0.06721	0.06721	0.06721
0.31521	0.33119	0.33119	0.33119	0.33119	0.33119	0.33119
4.80887	4.80887	4.80887	4.80887	4.80887	4.80887	4.80887
35.76619	35.38801	30.55885	27.46571	33.97960	32.40338	27.37141
0.13445	0.13589	0.15736	0.17509	0.14152	0.14841	0.17569
14.63000	12.43356	7.00203	6.37555	14.69660	9.50001	9.50001
0.62633	0.62633	0.62633	0.62633	0.62633	0.62633	0.62633
15.32122	16.96204	16.96204	15.32122	13.45042	16.96204	12.24493
0.06248	0.06248	0.06248	0.06248	0.06248	0.06248	0.06248
0.37656	0.33124	0.33124	0.33124	0.33124	0.33124	0.33124
4.48067	4.48067	4.48067	4.48067	4.48067	4.48067	4.48067
35.49726	34.89632	29.46479	27.19749	33.64774	31.96277	27.24566
0.12623	0.12840	0.15207	0.16475	0.13316	0.14018	0.16445
14.60301	11.56925	6.99999	6.37553	14.69771	10.00001	10.00001
0.60382	0.60382	0.60382	0.60382	0.60382	0.60382	0.60382
15.66165	15.46758	15.46758	15.66165	13.45953	15.46780	12.18444
0.06790	0.06790	0.06790	0.06790	0.06790	0.06790	0.06790
0.33488	0.31830	0.31830	0.31830	0.31830	0.31830	0.31830
4.17307	4.17307	4.17307	4.17307	4.17307	4.17307	4.17307
35.44433	32.19992	27.63066	27.20027	33.32033	30.63090	27.34754
0.11774	0.12960	0.15103	0.15342	0.12524	0.13624	0.15259

County of Scott, Iowa

Property Tax Rates Per $1,000 Taxable Valuation - All Direct and Overlapping Governments (Continued) Last Ten Fiscal Years

	Cities				
	Bettendorf			Davenport	
	Bettendorf	North Scott	Pleasant Valley	Bettendorf	Davenport
2000-01:					
City	11.46317	11.46317	11.46317	14.63429	14.63429
Area IX Community College	0.60302	0.60302	0.60302	0.60302	0.60302
School District	14.57951	15.70745	13.45589	14.57951	15.50967
State	0.06700	0.06700	0.06700	0.06700	0.06700
Assessor (1)	0.31843	0.31843	0.31843	0.31303	0.31303
County	4.16147	4.16147	4.16147	4.16147	4.16147
Total levy	31.19260	32.32054	30.06898	34.35832	35.28848
Ratio of Scott County to totals	0.13341	0.12876	0.13840	0.12112	0.11793
1999-00:					
City	11.49320	11.49320	11.49320	13.95123	13.95123
Area IX Community College	0.54709	0.54709	0.54709	0.54709	0.54709
School District	14.81448	15.76085	13.41119	14.81448	14.92898
State	0.06732	0.06732	0.06732	0.06732	0.06732
Assessor (1)	0.22997	0.22997	0.22997	0.29311	0.29311
County	4.06203	4.06203	4.06203	4.06203	4.06203
Total levy	31.21409	32.16046	29.81080	33.73526	33.84976
Ratio of Scott County to totals	0.13014	0.12631	0.13626	0.12041	0.12000
1998-99:					
City	11.45555	11.45555	11.45555	13.96012	13.96012
Area IX Community College	0.57182	0.57182	0.57182	0.57182	0.57182
School District	15.57107	17.73248	14.68808	15.57107	15.26607
State	0.03868	0.03868	0.03868	0.03868	0.03868
Assessor (1)	0.25072	0.25072	0.25072	0.29389	0.29389
County	3.91472	3.91472	3.91472	3.91472	3.91472
Total levy	31.80256	33.96397	30.91957	34.35030	34.04530
Ratio of Scott County to totals	0.12309	0.11526	0.12661	0.11074	0.11499
1997-98:					
City	11.45630	11.45630	11.45630	13.96012	13.96012
Area IX Community College	0.58671	0.58671	0.58671	0.58671	0.58671
School District	15.46181	15.98307	14.05556	15.46181	15.19448
State	0.04077	0.04077	0.04077	0.04077	0.04077
Assessor (1)	0.23867	0.23867	0.23867	0.34669	0.34669
County	4.19239	4.19239	4.19239	4.19239	4.19239
Total levy	31.97665	32.49791	30.57040	34.58849	34.32116
Ratio of Scott County to totals	0.13111	0.12900	0.13714	0.12121	0.12215

(Continued)

North Scott	Blue Grass	Buffalo	Eldridge	LeClaire	Walcott Davenport	Walcott Durant
14.63429	11.14846	7.00003	6.37566	14.69772	10.50225	10.50225
0.60302	0.60302	0.60302	0.60302	0.60302	0.60302	0.60302
15.70745	15.50967	15.50967	15.70745	13.45589	15.50967	12.11375
0.06700	0.06700	0.06700	0.06700	0.06700	0.06700	0.06700
0.31303	0.31843	0.31843	0.31843	0.31843	0.31843	0.31843
4.16147	4.16147	4.16147	4.16147	4.16147	4.16147	4.16147
35.48626	31.80805	27.65962	27.23303	33.30353	31.16184	27.76592
0.11727	0.13083	0.15045	0.15281	0.12496	0.13354	0.14988
13.95123	10.38054	6.65000	6.46747	14.44722	10.09000	10.09000
0.54709	0.54709	0.54709	0.54709	0.54709	0.54709	0.54709
15.76085	14.92898	14.92898	15.76085	13.41119	14.92898	10.95551
0.06732	0.06732	0.06732	0.06732	0.06732	0.06732	0.06732
0.29311	0.22997	0.22997	0.22997	0.22997	0.22997	0.22997
4.06203	4.06203	4.06203	4.06203	4.06203	4.06203	4.06203
34.68163	30.21593	26.48539	27.13473	32.76482	29.92539	25.95192
0.11712	0.13443	0.15337	0.14970	0.12398	0.13574	0.15652
13.96012	10.57459	6.65000	7.16197	14.94376	8.14002	8.14002
0.57182	0.57182	0.57182	0.57182	0.57182	0.57182	0.57182
17.73248	15.26607	15.26607	17.73248	14.68808	15.26607	11.14827
0.03868	0.03868	0.03868	0.03868	0.03868	0.03868	0.03868
0.29389	0.25072	0.25072	0.25072	0.25072	0.25072	0.25072
3.91472	3.91472	3.91472	3.91472	3.91472	3.91472	3.91472
36.51171	30.61660	26.69201	29.67039	34.40778	28.18203	24.06423
0.10722	0.12786	0.14666	0.13194	0.11377	0.13891	0.16268
13.96012	11.60248	6.65000	8.05589	13.66101	6.70018	6.70018
0.58671	0.58671	0.58671	0.58671	0.58671	0.58671	0.58671
15.98307	15.19448	15.19448	15.98307	14.05556	15.19448	11.18477
0.04077	0.04077	0.04077	0.04077	0.04077	0.04077	0.04077
0.34669	0.23867	0.23867	0.23867	0.23867	0.23867	0.23867
4.19239	4.19239	4.19239	4.19239	4.19239	4.19239	4.19239
35.10975	31.85550	26.90302	29.09750	32.77511	26.95320	22.94349
0.11941	0.13161	0.15583	0.14408	0.12791	0.15554	0.18273

County of Scott, Iowa

Property Tax Rates Per $1,000 Taxable Valuation - All Direct and Overlapping Governments (Continued) Last Ten Fiscal Years

	Cities				
	Bettendorf			Davenport	
	Bettendorf	North Scott	Pleasant Valley	Bettendorf	Davenport
1996-97:					
City	11.45613	11.45613	11.45613	13.96012	13.96012
Area IX Community College	0.51543	0.51543	0.51543	0.51543	0.51543
School District	15.58368	15.77880	13.81073	15.58368	15.33816
State	0.04144	0.04144	0.04144	0.04144	0.04144
Assessor (1)	0.23869	0.23869	0.23869	0.34674	0.34674
County	4.32681	4.32681	4.32681	4.32681	4.32681
Total levy	32.16218	32.35730	30.38923	34.77422	34.52870
Ratio of Scott County to totals	0.13453	0.13372	0.14238	0.12443	0.12531
1995-96:					
City	11.45562	11.45562	11.45562	13.95250	13.95250
Area IX Community College	0.51856	0.51856	0.51856	0.51856	0.51856
School District	16.72025	17.00862	14.95000	16.72025	16.65193
State	0.04246	0.04246	0.04246	0.04246	0.04246
Assessor (1)	0.22992	0.22992	0.22992	0.28729	0.28729
County	4.42243	4.42243	4.42243	4.42243	4.42243
Total levy	33.38924	33.67761	31.61899	35.94349	35.87517
Ratio of Scott County to totals	0.13245	0.13132	0.13987	0.12304	0.12327

(1) Assessor includes the County Assessor which is a component unit of the County.

All tax rates are expressed in dollars per thousand of taxable valuation.

Included in this report are the major cities and towns within Scott County.

Not shown are the Rural Services Fund of the County and the following taxing bodies over and above the cities listed:

a. 10 cities (population under 1,000)
b. 13 townships
c. 6 benefited fire districts
d. 1 sanitary sewer district

					Walcott	
North Scott	Blue Grass	Buffalo	Eldridge	LeClaire	Davenport	Durant
13.96012	11.62014	6.64999	8.05711	14.18106	6.50002	6.50002
0.51543	0.51543	0.51543	0.51543	0.51543	0.51543	0.51543
15.77880	15.33816	15.33816	15.77880	13.81073	15.33816	11.31620
0.04144	0.04144	0.04144	0.04144	0.04144	0.04144	0.04144
0.34674	0.23869	0.23869	0.23869	0.23869	0.23869	0.23869
4.32681	4.32681	4.32681	4.32681	4.32681	4.32681	4.32681
34.96934	32.08067	27.11052	28.95828	33.11416	26.96055	22.93859
0.12373	0.13487	0.15960	0.14942	0.13066	0.16049	0.18863
13.95250	13.55156	6.65001	8.57041	14.51839	6.15001	6.15001
0.51856	0.51856	0.51856	0.51856	0.51856	0.51856	0.51856
17.00862	16.65193	16.65193	17.00862	14.95000	16.65193	12.22675
0.04246	0.04246	0.04246	0.04246	0.04246	0.04246	0.04246
0.28729	0.22992	0.22992	0.22992	0.22992	0.22992	0.22992
4.42243	4.42243	4.42243	4.42243	4.42243	4.42243	4.42243
36.23186	35.41686	28.51531	30.79240	34.68176	28.01531	23.59013
0.12206	0.12487	0.15509	0.14362	0.12751	0.15786	0.18747

County of Scott, Iowa

Ratio of Outstanding General Obligation Bonded Debt to Assessed Values and Debt Per Capita Last Ten Fiscal Years

Fiscal Year	General Obligation Bonded Debt Outstanding (1)	Assessed Value	Percent of Debt to Assessed Value	Estimated Population	Debt Per Capita
1995-96	$ 8,515,000	$ 5,051,125,156	0.17%	$ 157,783	$ 53.97
1996-97	7,925,000	5,597,321,126	0.14	158,416	50.03
1997-98	7,305,000	5,695,061,827	0.13	157,433	46.40
1998-99	6,635,000	6,315,228,257	0.11	158,591	41.84
1999-00	5,915,000	6,381,537,994	0.09	159,458	37.09
2000-01	5,640,000	6,941,116,961	0.08	158,668	35.55
2001-02	10,435,000	7,044,069,397	0.15	158,668	65.77
2002-03	9,825,000	7,694,893,285	0.13	160,582	61.18
2003-04	9,245,000	7,611,021,039	0.12	160,889	57.46
2004-05	**8,635,000**	**8,327,213,723**	0.10	**160,141**	**53.92**

(1) The fund balance of the Debt Service Fund has been excluded due to the immateriality of such balances.

The computation of the County's legal margin as of June 30, 2005 is as follows:

January 2003 assessed valuation	$ 8,327,213,723
Plus gas and electric utilities	254,498,199
	8,581,711,922
Less military exemption	19,458,038
Total assessed value	$ 8,562,253,884
Debt limit, 5% of assessed valuation (Iowa statutory limitation)	$ 428,112,694
Total amount of debt applicable to debt margin	8,635,000
Legal debt margin	$ 419,477,694

Source: County records.

County of Scott, Iowa

Computation of Direct and Overlapping Debt

	Amount of Debt	Applicable to Scott County: Average Percent	Applicable to Scott County: Amount
Scott County	$ 8,635,000	100.0%	$ 8,635,000
School Districts:			
Bettendorf Community	5,585,000	100.00	5,585,000
Durant Community	2,699,337	32.93	888,892
North Scott Community	8,110,000	100.00	8,110,000
Wheatland Community	2,525,000	8.02	202,505
Eastern Iowa Community College	40,980,000	59.71	24,469,158
Cities:			
Bettendorf	50,410,000	100.00	50,410,000
Blue Grass	206,000	100.00	206,000
Buffalo	460,000	100.00	460,000
Davenport	118,765,000	100.00	118,765,000
Durant	2,485,000	5.25	130,463
Eldridge	755,000	100.00	755,000
Le Claire	5,170,000	100.00	5,170,000
Princeton	120,000	100.00	120,000
Walcott	265,000	100.00	265,000
	238,535,337		215,537,018
Total direct and overlapping debt	$ 247,170,337		$ 224,172,018

County of Scott, Iowa

Ratio of Annual Debt Service Expenditures to Total General Governmental Expenditures Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service Expenditures	Total Govern-mental Expenditures	Percent of General Debt Service Expenditures to Total Govern-mental Expenditures
1995-96	$ 540,000	$ 474,870	$ 1,014,870	$ 36,771,947	2.76%
1996-97	590,000	448,735	1,038,735	37,641,277	2.76
1997-98	620,000	419,825	1,039,825	40,072,875	2.59
1998-99	670,000	388,675	1,058,675	39,817,555	2.66
1999-00	720,000	354,375	1,074,375	42,677,427	2.52
2000-01	275,000	317,485	592,485	47,213,571	1.25
2001-02	290,000	317,818	607,818	58,680,786	1.04
2002-03	610,000	502,750	1,112,750	55,985,120	1.99
2003-04	580,000	458,905	1,038,905	54,865,392	1.89
2004-05	**610,000**	**436,926**	**1,046,926**	**57,259,751**	**1.83**

Source: County records.

County of Scott, Iowa

Demographic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Per Capita Income	Median Age	Unemploy-ment Rate	School Enrollment
1995-96	157,783	$ 17,204	35	3.3%	45,176
1996-97	158,416	17,621	34	3.1	50,431
1997-98	157,433	22,931	32	2.8	49,375
1998-99	158,591	23,120	37	3.2	47,347
1999-00	159,458	25,313	32	2.4	48,587
2000-01	158,668	26,462	35	2.9	44,014
2001-02	158,668	21,310	35	4.0	44,009
2002-03	160,582	30,331	36	4.0	41,223
2003-04	160,889	30,000	36	5.7	47,792
2004-05	**160,141**	**21,310**	**36**	**5.1**	**44,337**

Source: Bi-State Regional Commission, Iowa Bureau of Economic Development, Iowa Department of Employment Services, Mississippi Bend AEA.

County of Scott, Iowa

Property Value, Construction and Bank Deposits
Last Ten Fiscal Years
(Dollars in Thousands)
June 30, 2005

Fiscal Year	New Construction				
	Commercial	Residential	Industrial	Agricultural	Total
1995-96	$ 23,761	$ 75,083	$ 5,115	$ 1,585	$ 105,544
1996-97	26,257	67,918	14,842	814	109,831
1997-98	42,210	60,247	7,123	585	110,165
1998-99	21,957	57,236	8,623	2,582	90,398
1999-00	63,072	82,635	10,400	1,716	157,823
2000-01	70,614	94,117	15,244	2,597	182,572
2001-02	48,001	114,456	3,241	2,157	167,855
2002-03	36,288	112,688	2,664	369	152,009
2003-04	65,446	137,672	322	287	203,727
2004-05	**63,232**	**150,816**	**1,061**	**3,868**	**218,977**

(1) Property value is the assessed value for real property before any exemptions or state rollbacks. Personal property, assessed as real and utilities are not included in the figures above.

(2) Bank deposits for banks in Scott County as reported in the Iowa Bank Directory.

(3) Bank deposits for banks in Scott County estimated for 1998-99.

(4) Most recent data available from the FDIC.

Property Value (1)					Bank Deposits	
Commercial	Residential	Industrial	Agricultural	Total	(2)	
$ 908,559	$ 3,077,752	$ 237,261	$ 193,092	$ 4,416,664	$ 741,762	
1,058,430	3,471,115	243,859	206,740	4,980,144	1,183,000	
1,086,795	3,552,365	248,706	206,659	5,094,525	1,179,667	
1,247,253	3,938,355	256,096	227,035	5,668,739	1,297,634	(3)
1,608,327	4,284,721	260,831	227,659	6,381,538	2,029,485	(4)
1,556,962	4,490,767	276,934	250,736	6,575,399	2,067,654	(4)
1,533,499	4,616,245	276,725	246,687	6,673,156	2,185,649	
1,627,700	5,169,581	274,967	247,034	7,319,282	2,110,037	
1,622,686	5,308,371	274,622	247,482	7,453,161	2,254,000	(4)
1,806,749	**5,890,474**	**268,326**	**204,956**	**8,170,505**	**2,280,000**	

County of Scott, Iowa

Ten Principal Taxpayers
June 30, 2005

	Taxable Value	Percentage of Total Taxable Value
SDG Macerich Properties	$ 71,516,500	1.30%
Quanex Corporation	20,862,200	0.38
Davenport 1031 LLC	18,517,300	0.34
THF Davenport North Development	18,294,007	0.33
National Amusement Inc	18,254,200	0.33
Petersen Properties, LLC	14,866,780	0.27
Bradley Operation LTD Partners	14,724,800	0.27
Genesis Medical Center	13,418,862	0.24
Oscar Mayer Foods Corp.	12,543,615	0.23
Davenport Center LTD Partnership	12,000,000	0.22
Total	$ 214,998,264	3.91%

Source: County records.

County of Scott, Iowa

Surety Bonds of Principal Officials
June 30, 2005

	2004-05 Annual Salary	Bonded Amount
County Auditor	$ 65,601	$ 20,000
County Attorney	94,300	20,000
County Recorder	65,601	20,000
Sheriff	83,701	20,000
Treasurer	6,561	50,000
Board of Supervisors	33,300	20,000
Chairman, Board of Supervisors	36,300	20,000

All officials (except the Treasurer) and employees of Scott County are bonded in the amount of $20,000.

County of Scott, Iowa

Schedule of Insurance in Force
June 30, 2005

Insurance Company	Type of Coverage	Insured	Amount of Coverage
Genesis	Excess liability - SIR	General, auto and law	$9,700,000 in excess of Self-Insured Retention
		Agg. (not including auto)	$19,400,000
	Excess liability - SIR	public official	$4,900,000 in excess of Self-Insured Retention
Safety National	Excess workers' compensation	Specific excess workers' compensation & employers liability in excess of SIR	Statutory Workers Compensation Employers Liability $2,000,000
Federal	Excess property/ inland marine/property	Combined bldg. & per. property including towers, antenna, voting machines	$71,757,564
		Contractor's equipment	$5,000,000
		Auto physical damage	$4,000,000
		Historical bldgs.	$1,753,970
		Earthquake	$25,000,000
		Museum pieces	$226,304
Hartford Steam Boiler	Boiler and machinery	Comprehensive - 10 locations	$17,000,000 per accident
Old Republic	Surety bond	All employees except elected officials and county assessor	$500,000
Evanston	Professional liability	Health department	$1,000,000 each claim $3,000,000 annual aggregate
MMIC	Professional liability	Dr. Scott Ludwig	$1,000,000 each claim $3,000,000 annual aggregate
Employers Mutual	Property	Dwellings owned by conservation board	$546,700
Selective	Flood	Buffalo Shores Recreation Area	$175,700
Taylor	Liquor liability	Glynns Creek Golf Course	$1,000,000 each occurrence
IIASC	Agent Broker Service Fee	N/A	N/A
West Bend Mutual	Commercial package	County library	$500,000 GL aggregate $500,000 auto liability incl. physical damage $1,608,138 property , EDP, & IM Equipment Breakdown

(Continued)

Deductible	Policy Number	Expiration Date	Premium
$300,000 SIR	YXB300610G	07/01/2006	$ 365,750
$100,000 SIR			
$400,000 SIR	SP9985-IA	07/01/2006	$ 57,458
$100,000 $25,000 property in transit	3583-30-33	07/01/2006	$ 92,675
$1,500 direct/24 hrs. indirect $2,500 Transformers $5,000 AC/Refrigeration Equip	FBP2206942	07/01/2006	$ 10,941
$250	RPE0561274	08/18/2006	$ 8,142 3 yr premium
N/A	SM835792	07/01/2005	$ 18,209
N/A	ISP000560	01/01/2006	$ 8,001
$500	1X5584506	07/01/2006	$ 4,568
$500	90021	03/21/2006	$ 617
N/A	LLP194427697	11/01/2005	$ 3,411
N/A	N/A	N/A	$ 34,072
N/A Plymouth 50/250 Bookmobile 100/1,000 $250/1,000 breakdown	CP101213461-14	07/01/2006	$ 8,474

County of Scott, Iowa

Schedule of Insurance in Force (Continued)
June 30, 2005

Insurance Company	Type of Coverage	Insured	Amount of Coverage
West Bend Mutual	Workers' compensation	County library	Coverage A - per statute Coverage B - 100/100/500
West Bend Mutual	Commercial package - assessor	County assessor	$1,000,000 GL aggregate $500,000 each occ. 1,000,000 H/O Auto $155,000 BPP $500,000 valuable papers $200,000 valuable papers away $38,000 EDP
West Bend Mutual	Worker's comp. - assessor	County assessor	Coverage A - per statute Coverage B - 500/500/500

Deductible	Policy Number	Expiration Date	Premium
N/A	WC10105230-17	07/01/2006	$ 2,659
N/A	CP10218863-09	07/01/2006	$ 6,442
N/A			Included
N/A			
$250			Included
$250			Included
$250			Included
$1,000			Included
N/A	WCI10216749-09	07/01/2006	$ 5,217

County of Scott, Iowa

Miscellaneous Statistics
June 30, 2005

Date of incorporation: December 21, 1837

Form of government: County Board/County Administrator

Area: 447 Square Miles Median age of population: 35.1

Miles of roads and streets:	
Interstate highways	43
State highways	78
County roads	570
City street	727
Total miles	1,418
Acres of industrial lands	749
Farming acres	228,400
Number of farms	740
County employees:	
Board members	5
Elected officials	5
Full- and part-time	426
Schools within the County:	
Public schools:	
Elementary	38
Junior high	9
Senior high	6
Total students	26,886
Nonpublic schools:	
K-8	7
High school	2
Total students	2,582
Higher education:	
University	1
Colleges	1
Junior college	1
Vocational schools	3
Total students	14,869

Recreation:	
Parks:	
County parks	7
Number of acres	2,348
Golf courses:	
Private	2
Public	7
Municipal	3
Snowmobile trails, total miles	86
State wildlife preserve open to public hunting and fishing	2,785 acres
Number of lakes	5
Number of boat launches	4
Number of beaches	1
Number of swimming pools	2
Number of zoos	0
Number of baseball diamonds	2
Public safety:	
County sheriff department	1
City police department	8
Fire department:	
Full-time	2
Volunteers	11
Rescue squads	2
Building permits:	
Issued in the year ended June 30, 2005	684
Value of issued permits	$ 30,651,066

COMPLIANCE

County of Scott, Iowa

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Identifying Number	Federal Expenditures
U.S. Department of Agricultural Food and Nutrition Services			
(Passed through Iowa Department of Human Services):			
Severe Needs School Breakfast	10.553	82-8029	$ 819
National School Lunch Program	10.555	82-8029	13,667
Food Stamp Program	10.561	N/A	49,357
			63,843
(Passed through Iowa Department of Public Health),			
Special Supplemental Nutrition Program For Women, Infants, and Children (WIC)	10.557	5884AO36	89,183
Special Supplemental Nutrition Program For Women, Infants, and Children (WIC)	10.557	5885AO36	435,168
			524,351
(Passed through Iowa Department of Agriculture and Land Stewardship),			
Iowa Farmers' Market Nutrition Program	10.572	1191-05-36	1,312
Total U.S. Department of Agricultural Food and Nutrition Services			589,506
U.S. Department of Housing and Urban Development			
(Passed through Iowa Department of Economic Development),			
Community Development Block Grant, Career Link Program	14.228	02-CRL-004	40,047
Community Development Block Grant, Family Resources, Inc.	14.228	03-CF-033	469,013
Total U.S. Department of Housing and Urban Development			509,060
U.S. Department of Justice			
(Passed through the Governor's Alliance on Substance Abuse):			
Bureau of Justice Assistance Drug Control and System Improvement Grant	16.579	03A-0203	4,769
Edward Byrne Memorial State and Local Enforcement Assistance Program	16.579	04A-0206	149,756
			154,525
(Passed through State of Iowa Department of Justice, Crime Victim Assistance Division):			
Stop Violence Against Women	16.579	VW-05-21	10,000
(Passed through the Governor's Office of Drug Control Policy),			
Eastern Iowa Clan Lab Task Force	16.710	03-HOTSPOTS-14	67,019
Total U.S. Department of Justice			231,544

(Continued)

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2005

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Identifying Number	Federal Expenditures
U.S. Department of Transportation			
National Highway Traffic Safety Administration			
(Passed through Iowa Department of Public Safety- Governor's Traffic Safety Division):			
Police Traffic Services	20.600	PAP04-04, Task 21	$ 4,469
Police Traffic Services	20.600	PAP05-04, Task 21	8,493
OWI Prevention Grant	20.600	PAP05-163 Task 05-163	7,023
Safe Communities	20.600	PAP04-163, Task 60	971
			20,956
(Passed through Iowa Department of Public Defense),			
EMA-SARA Training Grant	20.703	N/A	1,454
Total U.S. Department of Transportation			22,410
Federal Emergency Management Agency			
(Passed through Iowa Disaster Services Division):			
Emergency Management Agency	97.042	N/A	28,332
Emergency Management Agency	97.042	N/A	7,624
Total Federal Emergency Management Agency			35,956
U.S. Department of Homeland Security			
(Passed through Iowa Homeland Security & Emergency Management Division),			
FY2004 ODP Homeland Security Grant Program	97.067	N/A	3,663
Law Enforcement Terrorism Prevention Program	97.004	FY2004-LETPP-LEIN6-06	155,860
Total U.S. Department of Homeland Security			159,523
U.S. Department of Education			
(Passed through the Division of Educational Services),			
Supported Employment	84.126	04-CPSE-17	389
Supported Employment	84.126	05-CPSE-17	5,241
Total U.S. Department of Education			5,630
U.S. Department of Health and Human Services			
(Passed through Iowa Department of Health):			
HIV Testing and Counseling Acquired Immune Deficiency Syndrome (AIDS)	93.940	5884AP14	13,250
HIV Testing and Counseling Acquired Immune Deficiency Syndrome (AIDS)	93.940	5885AP14	12,761
			26,011
Childhood Lead Poisoning Prevention	93.197	5885LP10	45,007
I-4 Project	93.268	58841417	23,013
I-4 Project	93.268	58851417	22,035
			45,048

(Continued)

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2005

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Identifying Number	Federal Expenditures
Health Breast/Cervical Cancer Early Detection	93.283	5885NB21	139,950
Access to Baby and Child Dentistry Program	93.110	5885DH19	2,868
Child Health Grant	93.994	5884AO36	18,020
Dental Health Grant	93.994	5884AO36	3,073
Maternal Health Grant	93.994	5884AO36	3,421
Child Health Grant	93.994	5885AO36	77,374
Dental Health Grant	93.994	5885AO36	7,263
Maternal Health Grant	93.994	5885AO36	60,925
			170,076
Bioterrorism Grant	93.283	5883BT84	30,040
Bioterrorism Grant	93.283	8205	61,218
Mosquito Surveillance Project	93.283	MOU-2005-ELC09	600
Mosquito Surveillance Project	93.283	MOU-2006-ELC09	400
Regional Bioterrorism	93.283	5884BT14	4,050
Regional Bioterrorism	93.283	5885BT12	14,820
			111,128
Directly Observed Therapy	93.116	MOU-2005-TB05	2,750
Total passed through Iowa Department of Health			542,838
(Passed through Iowa Department of Human Services):			
Refugee and Entrant Assistance	93.026	N/A	89
Temporary Assistance for Needy Families	93.558	N/A	65,921
Child Care Development Fund	93.596	N/A	12,942
Foster Care	93.658	N/A	34,533
Adoption	93.659	N/A	8,044
Social Services Block Grant	93.667	N/A	848,416
Medical Assistance	93.778	N/A	70,870
Scott County Empowerment Agreement (DECAT)	93.575	N/A	50,000
			1,090,815
Total U.S. Department of Health and Human Services			1,633,653
(Passed through Linn County d/b/a Iowa AIR Coalition):			
Radon Testing Grant	66.032	5885RC02	2,476
Total expenditures of federal awards			$ 3,189,758

See Notes to Schedule of Expenditures of Federal Awards.

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County of Scott, Iowa and its discretely presented component units 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 governmental 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
Bureau of Justice Assistance Drug Control and System Improvement Grant	16.579	$ 3,179
Edward Byrne Memorial State and Local Enforcement Assistance Program	16.579	104,646
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)	10.557	516,941
Iowa Farmers' Market Nutrition Program	10.572	1,312
Community Development Block Grant, Career Link Program	14.228	40,047
Community Development Block Grant, Family Resources, Inc	14.228	469,013
Law Enforcement Terrorism Prevention Program	97.004	3,275
FY2004 ODP Homeland Security Grant Program	97.067	3,663
Supported Employment	84.126	5,630
Child Health Grant	93.994	84,718
Maternal Health Grant	93.994	58,989
Dental Health Grant	93.994	10,336
		$ 1,301,749

County of Scott, Iowa

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2005

	Finding	Status	Corrective Action Plan or Other Explanation
Reportable Conditions			
04-II-A	The County does not have an adequate segregation of duties over the revenue transaction cycle and the cash disbursement cycle.	Corrected.	
04-II-B	The County does not reconcile their bank statements for all cash accounts to the general ledger on a monthly basis.	Not corrected.	See corrective action plan at 05-II-C.
Reportable Conditions in Administering Federal Awards			
04-III-A	The County does not have an adequate system in place for monitoring subrecipient activities for the Career Link Program.	Not corrected.	See corrective action plan at 05-III-A.
Other Findings Related to Required Statutory Reporting			
04-IV-M	The County did not publish a report of receipts, disbursements and ending cash balances of each fund with the warrant/checks outstanding against each fund during the year ended June 30, 2004.	Not corrected.	See corrective action plan at 05-IV-M.

McGladrey & Pullen
Certified Public Accountants

Independent Auditor's 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

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

We have audited 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, 2005, which collectively comprise the County of Scott, Iowa's basic financial statements and have issued our report thereon dated October 14, 2005. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Scott, Iowa's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County of Scott, Iowa's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and responses as items 05-II-A, 05-II-B and 05-II-C.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

We also noted certain matters that we have reported to management of the County of Scott, Iowa in a separate letter dated October 14, 2005.

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an affiliation of separate and independent legal entities.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Scott, Iowa's financial statements are free of 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.*

However, we noted certain immaterial instances of noncompliance that are described in Section IV of the accompanying schedule of findings and questioned costs.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2005 are based exclusively on knowledge obtained from procedures performed during our audit of the basic financial statements of the County. 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 in Section IV of the schedule of findings and questioned costs are not intended to constitute legal interpretation of those statutes.

This report is intended solely for the information and use of the Board of Supervisors, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

McGladrey & Pullen, LLP

Davenport, Iowa
October 14, 2005

McGladrey & Pullen
Certified Public Accountants

Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133

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

Compliance

We have audited the compliance of the County of Scott, Iowa with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement,* that are applicable to each of its major Federal programs for the year ended June 30, 2005. The County of Scott, Iowa's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County of Scott, Iowa's management. Our responsibility is to express an opinion on the County of Scott, Iowa's compliance based on our audit.

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 Nonprofit 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, Iowa'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. Our audit does not provide a legal determination on the County of Scott, Iowa's compliance with those requirements.

In our opinion, the County of Scott, Iowa complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 05-III-B.

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Internal Control Over Compliance

The management of the County of Scott, Iowa is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County of Scott, Iowa's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the County of Scott, Iowa's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. The reportable conditions are described in the accompanying schedule of findings and questioned costs as item 05-III-A.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of the Board of Supervisors, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

McGladrey & Pullen, LLP

Davenport, Iowa
October 14, 2005

I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☑ No
- Reportable condition(s) identified that are not considered to be material weaknesses? ☑ Yes ☐ None Reported
- Noncompliance material to financial statements noted? ☐ Yes ☑ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☑ No
- Reportable condition(s) identified that are not considered to be material weaknesses? ☑ Yes ☐ None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

- Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? ☑ Yes ☐ No

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
14.228	Community Development Block Grant Programs
93.667	Social Services Block Grant

Dollar threshold used to distinguish between type A and type B programs: $300,000

Auditee qualified as low-risk auditee? ☑ Yes ☐ No

(Continued)

II. Findings Related to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

A. Reportable Conditions in Internal Control

05-II-A

Finding: A good internal control contemplates an adequate segregation of duties so that no one individual handles a transaction from its inception to its completion. The County of Scott, Iowa's Sheriff's Department has an improper segregation of duties over the cash receipt and cash disbursement cycles.

Condition: The senior accounting clerk has access to cash, the ability to adjust the amount of cash received in the system, prepares the deposit, and has access to print the balancing reports. This position also prints the checks, has access to the signature stamp, and mails the checks to the third parties. The office administrator reconciles the bank statement, has the ability to generate checks, and has access to the signature stamp.

In addition, the back-up documentation for the payable checks issued was not retained for any amount of time. While a copy of the process log sheet can be printed from the system, this report only shows the original deposit paid. The reduction of the deposit information is not entered into the computer system; therefore, the amount of the check is unable to be determined by the printed copy of the process log sheet.

Effect: Transaction errors occurred and were not detected in a timely manner.

Recommendation: We recommend the review of the check registers by an independent individual. We also recommend removing access of the signature stamp from the individuals performing the check writing function. Also, we recommend restricting the ability to adjust the cash receipts to the individual originally entering the cash receipts information or a person independent of the cash receipt process.

We also recommend the original process log sheets be retained according to the County's file retention policy.

Response and Corrective Action Plan: The deposit will be prepared by an individual with no system access and the deposit slip will be used by the senior accounting clerk to balance cash to the system. The clerk III will agree the signed payable checks to the back-up documentation before she mails the checks. The office administrator will also review and approve the check register.

(Continued)

05-II-B

Finding: A good internal control contemplates an adequate segregation of duties so that no one individual handles a transaction from its inception to its completion. The County of Scott, Iowa's Library has an improper segregation of duties over the cash receipt cycle.

Condition: One employee has access to cash, and prepares the general ledger posting from the cash register reports, and deposits the money with the Treasurer's office. While the individual does not have access to the general ledger, there is no review of the entry or a comparison to the cash register reports by another individual. There are also no controls over cash receipts at the branches of the library.

Effect: Transaction errors occurred and were not detected in a timely manner.

Recommendation: We recommend an individual independent of cash handling review the cash register reports to the spreadsheet used to accumulate a total deposit on a daily basis. Then on a monthly basis, review the spreadsheet for reasonableness for the month based on the daily comparison. An alternative would be to have an individual with no cash access prepare the spreadsheet from the cash register report and prepare the journal entry for the deposit.

We recommend establishing policies and procedures for the other library branches outlining the requirements of documentation, maximum amounts of cash on hand, and other procedures to implement controls over cash. Also consider establishing revenue expectations for the branches and comparing the actual revenues to these expectations, the prior month's revenue and the prior year's monthly revenue.

Other recommendations to improve controls are as follows:

- The Friends and Foundation Treasurer regularly collects the monies for the Library to deposit in the Friends and Foundation bank account. We would recommend the County create a form stating the amount and date of monies received by the Treasurer. The Treasurer and library staff would sign the form noting agreement to the information.

- Currently, the over and short amounts of cash are not recorded in the general ledger. We recommend these amounts be part of the journal entry and the elimination of the slush fund held at the library.

- The library on occasion purchases items with petty cash monies, which includes the daily revenues of the library until the deposit is made. Due to these purchases, the revenues are posted as net of the expenditures. We recommend the expenditure be posted to an expenditure account and gross revenues posted to the general ledger.

- The cash on hand is held in locked cabinets with the keys hidden in various locations. We recommend the purchase of a safe and a limited number of employees have access to the combination. This will allow the majority of the cash on hand to be secured and a limited number of individuals having access to the cash.

(Continued)

Response and Corrective Action Plan: The Library will review the system for ways to reassign and realign duties in the process to increase the controls in place over the system.

05-II-C

Finding: The County continued to have unresolved differences when reconciling their bank statements to the general ledger on a monthly basis.

Condition: The ending balances on the County's workpapers that were also in agreement with balances on the bank statements did not agree to the general ledger in total as of June 30, 2005 due to an accumulation of differences throughout the year and prior years.

Effect: Transaction errors occurred and were not detected in a timely manner.

Recommendation: We recommend the general ledger be reconciled monthly for all bank accounts held by the County and any unresolved differences be investigated immediately.

Response and Corrective Action Plan: Subsequent to year-end, the County wrote off the difference between the general ledger and bank reconciliations that had accumulated from prior years and will continue to reconcile all accounts to the general ledger and investigate differences immediately upon identification.

B. Compliance Findings

None

III. Findings and Questioned Costs for Federal Awards

A. Reportable Conditions in Internal Control

U.S. Department of Housing and Urban Development:

Passed through the Iowa Department of Economic Development
Community Development Block Grant – Career Link Program (CFDA 14.228)
Pass-through Grantor's Identifying Number: 02-CRL-004
Federal Award Year: 2003

05-III-A

Finding: The County does not have an adequate system in place for monitoring the subrecipient's activities to provide reasonable assurance that the subrecipient is administering Federal awards in compliance with Federal requirements.

Questioned Costs: None

Condition: Currently, the only monitoring procedures performed by the County over the subrecipient is checking for mathematical accuracy of the reimbursement request summaries submitted by the subrecipient.

(Continued)

Criteria: OMB Circular A-133 requires a pass-through entity to, M*onitor the activities of subrecipients as necessary to ensure that federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.* The pass through entity is accountable for the federal awards even though they are administered by the subrecipient.

Recommendation: We recommend the County gain an understanding of the subrecipients' controls in place for meeting eligibility requirements of the grant agreement. In addition, we recommend all supporting documentation of expenditures being requested for reimbursement by the subrecipient be sent to the County for review as well as documentation to support the subrecipient is meeting the eligibility and reporting requirements. The County should consider obtaining a copy of any state on-site visit reports or any audit reports performed in accordance with OMB Circular A-133 from the subrecipient and ensure any findings are being corrected by the subrecipient. The County should also consider performing site visits to the subrecipients to review financial and programmatic records and observe operations.

Response and Corrective Action Plan: Scott County Planning and Development will obtain copies of state on-site visit reports and/or any audit reports to ensure compliance of grant requirements. Planning and Development will perform random site visits to review financial and programmatic records. Scott County Planning and Development will also request supporting documentation of expenditures being requested for reimbursements, including participant income guidelines and completion information.

B. Instance of Noncompliance

U.S. Department of Housing and Urban Development:

Passed through the Iowa Department of Economic Development
Community Development Block Grant – Family Resources (CFDA 14.228)
Pass-through Grantor's Identifying Number: 03-CF-033
Federal Award Year: 2003

05-III-B

Finding: The County did not use the competitive sealed bids method of procurement for the construction services of the program.

Questioned Costs: None

Condition: While the County did receive approval for a sole source procurement for architectural services, they did not receive approval for the construction services. The County also did not use the competitive sealed bids method.

(Continued)

Criteria: The Iowa Department of Economic Development (IDED) requires the competitive sealed bids method of procurement be used for all construction projects unless prior approval is granted by IDED to use an alternate competitive procurement method.

Recommendation: We recommend the County obtain guidelines for procurements from the granting agency and a system be put in place to ensure these guidelines are being followed.

Response and Corrective Action Plan: The County has noted the requirements and will apply this criteria to future projects from the IDED.

IV. Other Findings Related to Required Statutory Reporting

05-IV-A Official Depositories: A resolution naming official depositories has been adopted by the Board. The maximum deposit amounts stated in the resolution were not exceeded during the year.

05-IV-B Certified Budget: Expenditures for the year ended June 30, 2005 did not exceed the budgeted amounts.

05-IV-C 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.

05-IV-D Travel Expense: No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

05-IV-E Business Transactions: No business transactions between the County and County officials or employees were noted.

05-IV-F 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.

05-IV-G Board Minutes: No transactions were found that we believe should have been approved in the Board minutes but were not.

05-IV-H Deposits and Investments: No instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the County's investment policy were noted.

05-IV-I 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).

05-IV-J Economic Development: According to Chapter 15A of the Code of Iowa and an Attorney General's opinion dated August 28, 1986, government financing of economic development may, in appropriate circumstances, serve a public purpose. There was no financing noted in the current year.

(Continued)

05-IV-K Capital Lease Purchase Agreements: During the year ended June 30, 2005, the County entered into two capital lease purchase agreements for the purchase of golf carts and a global positioning system for the golf course. The County authorized the lease purchase agreement as required by Chapter 331.464 of the Code of Iowa.

05-IV-L 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, 2005 for the County Extension Office did not exceed the amount budgeted.

05-IV-M County Treasurer Report: According to Chapter 349.16(3) of the Code of Iowa, the County Treasurer shall publish a report of the receipts, disbursements and ending cash balances of each fund with the warrant/checks outstanding against each fund. During the year ended June 30, 2005, this report was not published.

Recommendation: The County should prepare and publish the report per the requirements of the code.

Response: We will obtain the necessary documentation and prepare the report as required by the code. The report will be published in the same media used for other publications of the County.

Conclusion: Response accepted.

County of Scott, Iowa

Corrective Action Plan
Year Ended June 30, 2005

Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
Reportable Conditions:				
05-II-A	The County does not have an adequate segregation of duties over the revenue transaction cycle and the cash disbursement cycle in the Sheriff department.	See response and corrective action plan at 05-II-A	June 2006	Pam Bennett
05-II-B	The County Library does not have an adequate segregation of duties over the cash receipt and revenue transaction cycle.	See response and corrective action plan at 05-II-B	June 2006	Pam Collins
05-II-C	The County does not reconcile their bank statements for all cash accounts to the general ledger on a monthly basis.	See response and corrective action plan at 05-II-C	June 2006	Craig Hufford Wes Rostenbach
Reportable Conditions in Administering Federal Awards				
05-III-A	The County does not have an adequate system in place for monitoring subrecipient activities.	See response and corrective action plan at 05-III-A	June 2006	Tim Huey
Findings and Questioned Costs for Federal Awards				
05-III-B	The County did not use the competitive sealed bids method of procurement for the construction services of the program.	See response and corrective action plan at 05-III-B	June 2006	C. Ray Wierson
Other Findings Related to Required Statutory Reporting				
05-IV-M	The County did not publish a report of receipts, disbursements and ending cash balances of each fund with the warrant/checks outstanding against each fund during the year ended June 30, 2005.	See response and corrective action plan at 05-IV-M.	June 2006	Craig Hufford