

COUNTY OF SCOTT, IOWA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2007

Prepared by:
Wesley Rostenbach, Accounting and Tax Manager
Office of County Auditor

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Office of County Treasurer

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Office of County Administrator

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	2010
Supervisor	Chris Gallin	2010
Supervisor	Roxanna Moritz	2010
Supervisor	Jim Hancock	2008
Supervisor	Tom Sunderbruch	2008
Attorney	William E. Davis	2010
Auditor	Karen L. Fitzsimmons	2008
Recorder	Rita Vargas	2010
Sheriff	Dennis Conard	2008
Treasurer	Bill Fennelly	2010

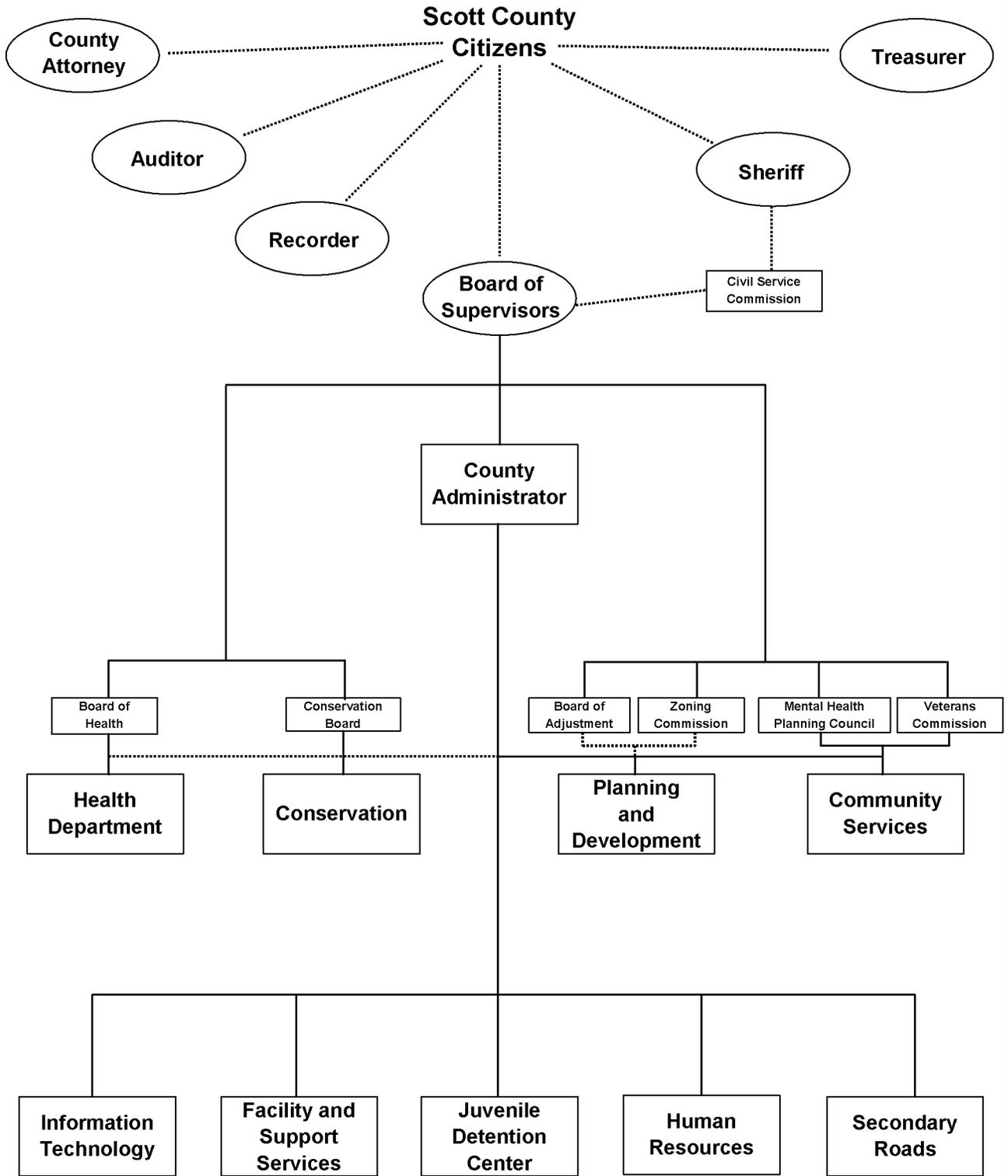
Administration

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	Mary Thee
Information Technology	Matt Hirst
Juvenile Detention Center	Scott Hobart
Planning and Development	Tim Huey
Secondary Roads	Jon Burgstrum

Scott County Government Organizational Chart



— Direct supervision
 Advisory relationship

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, 2006

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



Scott County

Iowa

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November 20, 2007

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, 2007.

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, 2007. 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 discreetly 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 percent increase over the 1990 census count of 350,861. The U.S. Census Bureau's 2000 population of Scott County was 158,689, which is a 5.1 percent 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 percent greater than the 1970 census count of 142,687. The U.S. Census Bureau's estimates for 2006 for Scott County's population are 162,621 and for the MSA it is 360,505. Woods and Poole Economics project the population of the Quad Cities MSA to reach 378,915 by 2025, an approximate 5.5 percent increase over the above cited year 2000 figure. The same projection expects Scott County's population to grow to 180,370. This would represent an increase in population for the County over that 25 year time period of 13.7 percent.

The Quad-Cities has been historically known as an industrial, retail/service and transportation center. In the last 25 years, the economy has shifted, showing a decline in the number of manufacturing sector jobs. In 1980, 30 percent of the area jobs were in manufacturing and 53 percent in the service sector. In 1990, that had changed to 18 percent manufacturing and 61 percent service sector. In 2004, the split was 13.5 percent manufacturing and 67 percent classified as service sector. The portion of government sector jobs has remained fairly even at 16.2 percent in 1980, to 16 percent in 1990 and 15 percent 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 percent, which offsets the loss of over 3,800 durable goods manufacturing sector jobs, a 19.5 percent 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 percent drop, with a decrease of 9.5 percent in jobs in the non-durable goods manufacturing sector. Construction and mining sector jobs have increased by 1,300 jobs, a 19.4 percent increase from 1990 to 2004.

The annual average labor force in the Quad Cities MSA was 207,335 in 2006, which was a 15.5 percent increase from the 1990 figure of 179,426. The annual average labor force for Scott County was 88,810 in 2006, which was a 13 percent 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 percent. In 1983, the unemployment rate for the Quad-Cities MSA hit a high of 14.8 percent. Scott County's unemployment rate that same year was 10.8 percent, following a Scott County high the year before in 1982 of 11.2 percent. In 1990, the unemployment rate for the QCA was 5.0 percent and Scott County was 4.2 percent. Those rates dipped to a low of 3.4 percent and 2.7 percent in 1998 but have risen slightly to the current rates for 2006 of 3.8 percent and 4.1 percent, 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 percent over the 20-year period. The 2004 per capita personal income for Scott County was 106.4 percent of the statewide average and 100 percent of the national average at \$33,054. 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 remains strong in the Quad-Cities MSA and Scott County. 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. 1546 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 Cities, 62 percent 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 in the QCMSA, 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 total MSA figure of 861. This is an average of 550 new house starts a year for Scott County over that three year time period. In 2005, Scott County had 652 of the 961 housing starts in the Quad Cities MSA or 68 percent of the total.

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 percent from \$52,800 to \$54,400. From 1990 to 2000, the median home values in Scott County jumped 70 percent 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 relatively low, building and construction activity is being 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. A recent economic development task force recommendation is for the Quad Cities to continue to focus its regional economic development marketing efforts through a strengthened Quad City Development Group. Scott County is on record in supporting those efforts.

Long-Term Financial Planning

Unreserved, undesignated fund balance in the General Fund (13 percent 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 developing a County-wide GIS system. This \$2.5 million project is being financed by essential service general obligation bonds. Scott County created a GIS Strategic Plan in 2003 with implementation started in 2005. The development and implementation of this County-wide GIS system is estimated to take three years.

The continued renovation of the Courthouse and the Tremont Annex (minimum security jail and patrol/training) 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 1990s 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, 2006. This was the eighteenth 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.

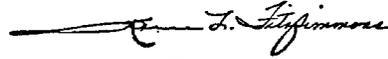
In addition, Scott County also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated March 7, 2006. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial 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



Scott County

Iowa

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, 2007, 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, 2007, 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 November 20, 2007, 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.

The Management's Discussion and Analysis on pages 3 through 14, and budgetary comparison information on pages 57 and 58 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is 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
November 20, 2007

County of Scott, Iowa

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2007

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, 2007. 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, 2007 and 2006 by \$79,683,117 and \$78,441,903 (net assets), respectively. Of this amount, \$7,743,101 and \$8,663,332, respectively, may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net assets increased by \$1,241,214 and \$5,307,831 during the years ended June 30, 2007 and 2006, respectively.

As of June 30, 2007, the County of Scott's governmental funds reported combined ending fund balances of \$21,556,801, an increase of \$1,805,160 in comparison with 2006. Approximately 64 percent of this total amount, \$13,841,109, is available for spending at the government's discretion (unreserved undesignated fund balance). As of June 30, 2006, the County of Scott's governmental funds reported combined ending fund balances of \$19,751,641, an increase of \$1,457,868 in comparison with 2005. Approximately 62 percent of this total amount, \$12,257,851 is available for spending at the government's discretion (unreserved undesignated fund balance).

As of June 30, 2007, unreserved undesignated fund balance for the General Fund was \$5,301,970 or 13 percent of total General Fund expenditures and \$5,479,818 or 14 percent for 2006.

The County of Scott, Iowa's total long-term debt, excluding compensated absences and claims payable, increased by \$660,000 during fiscal year June 30, 2007 and increased by \$27,130,000 during fiscal year ended June 30, 2006. The increase in 2007 was attributed to the issuance of general obligation geographic information system bonds and solid waste refunding bonds. The increase in 2006 was attributed to the lease agreement the County entered into with the Public Safety Authority to lease the new jail facility.

Overview of the Financial Statements

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

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

The statement of net 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).

County of Scott, Iowa

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2007

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 18-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 15 through 18 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 19 through 24 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.

County of Scott, Iowa

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2007

The basic proprietary fund financial statements can be found on pages 25 through 27 of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County of Scott, Iowa's own programs. The fiduciary funds of the County are considered agency funds. Total assets of the fiduciary funds were \$195,442,691 and \$188,795,312 for the years ended June 30, 2007 and 2006, respectively.

The basic fiduciary fund financial statements can be found on page 28 of this report.

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

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County of Scott, Iowa's budgetary comparison. This information can be found on pages 57 and 58 of this report.

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

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 \$78,441,903 to \$79,683,117.

Of the County of Scott's net assets, 83 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 \$65,931,738 for 2007 and \$62,493,630 for 2006. 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	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 68,410,415	\$ 82,794,563	\$ (1,865,924)	\$ (1,507,454)	\$ 66,544,491	\$ 81,287,109
Capital assets	94,361,014	75,889,815	2,422,402	2,571,585	96,783,416	78,461,400
Total assets	162,771,429	158,684,378	556,478	1,064,131	163,327,907	159,748,509
Noncurrent liabilities outstanding	36,120,641	35,327,410	1,481,097	1,802,020	37,601,738	37,129,430
Other liabilities	45,095,105	43,376,316	947,947	800,860	46,043,052	44,177,176
Total liabilities	81,215,746	78,703,726	2,429,044	2,602,880	83,644,790	81,306,606
Net assets:						
Invested in capital assets, net of related debt	65,298,164	62,017,939	633,574	475,691	65,931,738	62,493,630
Restricted	5,681,447	6,958,345	326,831	326,596	6,008,278	7,284,941
Unrestricted	10,576,072	11,004,368	(2,832,971)	(2,341,036)	7,743,101	8,663,332
Total net assets	\$ 81,555,683	\$ 79,980,652	\$ (1,872,566)	\$ (1,538,749)	\$ 79,683,117	\$ 78,441,903

County of Scott, Iowa

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2007

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. Net assets restricted through enabling legislation for 2007 and 2006 consist of \$4,152,198 and \$4,460,937 for debt service, \$396,372 and \$855,147 for mental health and \$936,185 and \$1,459,411 for secondary roads, respectively. An additional \$523,523 and \$507,477 is restricted by external third parties, respectively. The remaining balance of unrestricted net assets, \$7,743,101 for 2007 and \$8,663,332 for 2006, 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 \$1,241,214 during the current fiscal year as compared to \$5,307,831 in 2006. The governmental-type activities' net assets increased by \$1,575,031 in 2007 and \$5,464,113 in 2006. The total business-type activities' net assets decreased by \$333,817 in 2007 and \$156,282 in 2006. The decreases in 2006 and 2007 were due to interest payments on the lease of new golf carts 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, 2007 and 2006. 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	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues:						
Charges for services	\$ 5,038,423	\$ 5,228,194	\$ 875,270	\$ 1,019,793	\$ 5,913,693	\$ 6,247,987
Operating grants and contributions	9,896,826	9,135,717	-	-	9,896,826	9,135,717
Capital grants and contributions	1,417,942	2,846,478	-	-	1,417,942	2,846,478
General revenues:						
Taxes:						
Property taxes	31,995,844	31,335,227	-	-	31,995,844	31,335,227
Local option sales tax	3,700,844	3,470,318	-	-	3,700,844	3,470,318
Gaming	789,210	887,690	-	-	789,210	887,690
Other taxes	61,766	63,287	-	-	61,766	63,287
Utility tax replacements	1,382,625	1,377,835	-	-	1,382,625	1,377,835
Penalties, interest and costs on taxes	782,123	791,859	-	-	782,123	791,859
State tax replacement credits	5,243,536	5,246,050	-	-	5,243,536	5,246,050
State shared revenues	2,906,371	2,970,800	-	-	2,906,371	2,970,800
Grants and contributions not restricted to specific program	188,557	241,277	-	-	188,557	241,277
Payments in lieu of taxes	165	-	-	-	165	-
Investment earnings	2,140,787	1,381,353	14,609	10,375	2,155,396	1,391,728
Miscellaneous	780,711	804,554	-	-	780,711	804,554
Total revenues	66,325,730	65,780,639	889,879	1,030,168	67,215,609	66,810,807

County of Scott, Iowa

Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2007

Table 2 - County of Scott's Changes in Net Assets (Continued)

	Governmental Activities		Business-Type Activities		Total County	
	2007	2006	2007	2006	2007	2006
Expenses:						
Public safety and legal services	20,051,534	19,231,650	-	-	20,051,534	19,231,650
Physical health and social services	5,682,835	5,543,800	-	-	5,682,835	5,543,800
Mental health	14,308,820	13,430,170	-	-	14,308,820	13,430,170
County environment and education	4,371,103	4,142,926	-	-	4,371,103	4,142,926
Roads and transportation	6,711,217	5,983,682	-	-	6,711,217	5,983,682
Government services to residents	2,074,972	1,945,223	-	-	2,074,972	1,945,223
Administration	9,943,559	9,376,193	-	-	9,943,559	9,376,193
Debt service, interest	1,606,659	662,882	-	-	1,606,659	662,882
Golf course	-	-	1,223,696	1,186,450	1,223,696	1,186,450
Total expenses	64,750,699	60,316,526	1,223,696	1,186,450	65,974,395	61,502,976
Increase in net assets	1,575,031	5,464,113	(333,817)	(156,282)	1,241,214	5,307,831
Net assets, beginning	79,980,652	74,516,539	(1,538,749)	(1,382,467)	78,441,903	73,134,072
Net assets, ending	<u>\$ 81,555,683</u>	<u>\$ 79,980,652</u>	<u>\$ (1,872,566)</u>	<u>\$ (1,538,749)</u>	<u>\$ 79,683,117</u>	<u>\$ 78,441,903</u>

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 2007	Total Cost of Services 2006	Net (Expense) of Services 2007	Net (Expense) of Services 2006
Public safety and legal services	\$ 20,051,534	\$ 19,231,650	\$ (17,426,676)	\$ (16,834,856)
Physical health and social services	5,682,835	5,543,800	(3,568,163)	(3,417,064)
Mental health	14,308,820	13,430,170	(7,984,459)	(7,922,338)
County environment and education	4,371,130	4,142,926	(3,296,617)	(2,945,532)
Roads and transportation	6,711,217	5,983,682	(5,731,588)	(4,040,462)
Government services to residents	2,074,972	1,945,223	749,991	1,725,753
Administration	9,943,559	9,376,193	(9,533,337)	(9,008,756)
Debt service, interest	1,606,659	662,882	(1,606,659)	(662,882)
Golf course	1,223,696	1,186,450	(348,426)	(166,657)
Total	<u>\$ 65,974,422</u>	<u>\$ 61,502,976</u>	<u>\$ (48,745,934)</u>	<u>\$ (43,272,794)</u>

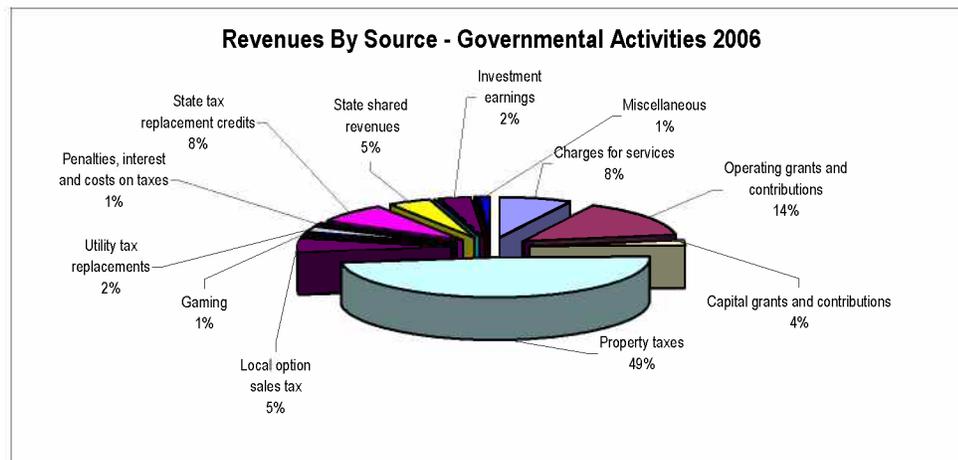
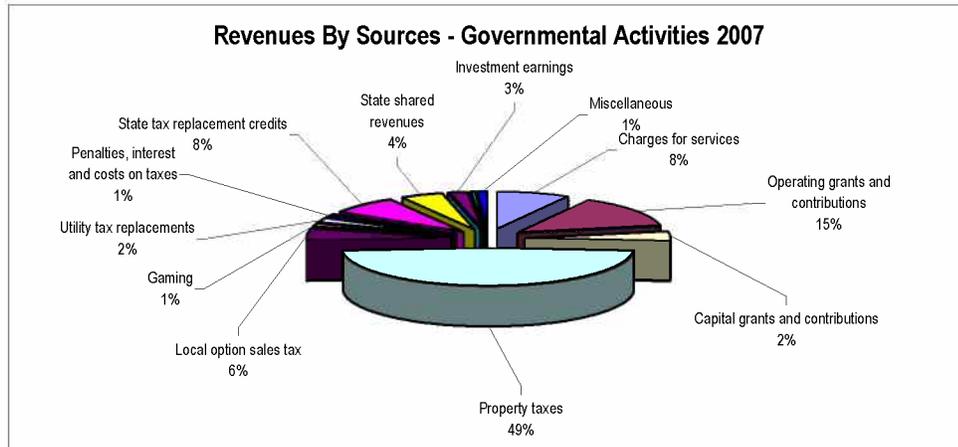
Net cost of services is 74 percent of total cost of services in 2007 as compared to 70 percent for the year ended June 30, 2006. The increase in 2007 relates to increased costs in housing inmates in out of county facilities. The completion of the voter approved jail expansion project will alleviate these costs in the future.

County of Scott, Iowa

Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2007

Governmental Activities

The graphs below show the percentage of the total governmental activities revenues allocated by each revenue type for 2007 and 2006.

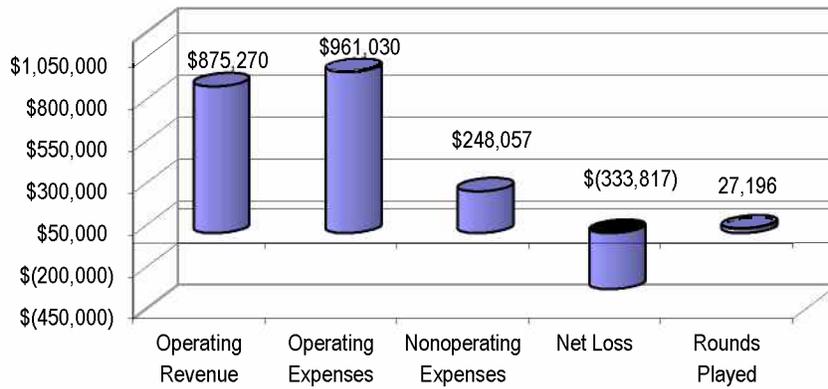


County of Scott, Iowa

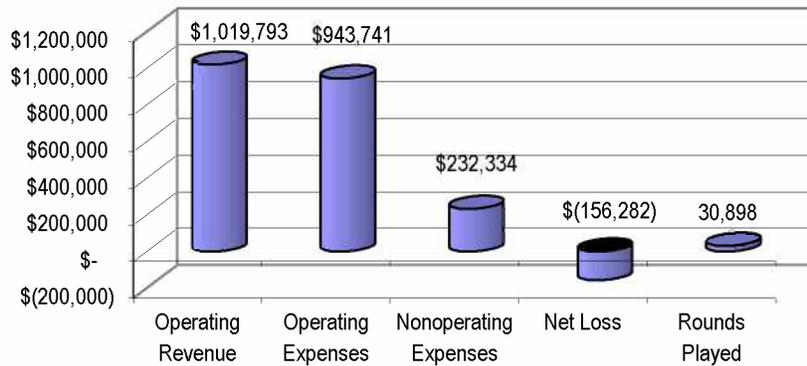
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2007

Total business-type activities' revenue for the fiscal years ended June 30, 2007 and 2006 was \$889,879 and \$1,030,168, respectively. All but \$14,609 and \$10,375 of this revenue was generated for specific business-type activity expenses. The graphs below show a comparison between the business-type activity expenditures and program revenues and operations for Glynn's Creek Golf Course in 2007 and 2006.

Golf Course Operations 2007



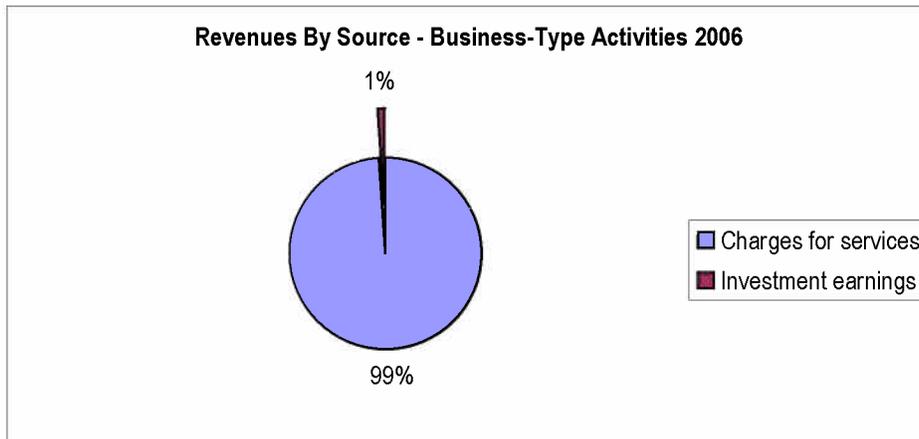
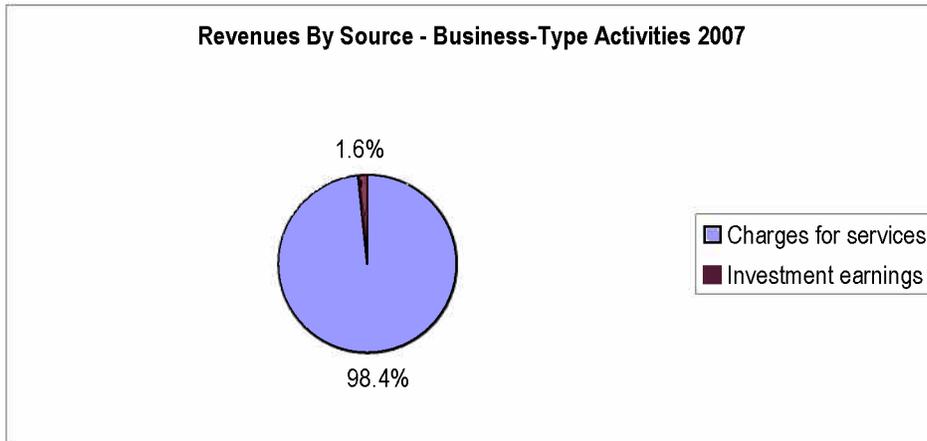
Golf Course Operations 2006



County of Scott, Iowa

Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2007

The graphs below show the breakdown of revenues by source for the business-type activities in 2007 and 2006.



Business-type activities: Business-type activities decreased the County of Scott's net assets by \$62,886, accounting for (.09) percent of the decline in the government's net assets in fiscal year ended June 30, 2006 compared to a decrease of \$333,817 and (.12) percent in fiscal year ended June 30, 2007. 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.

County of Scott, Iowa

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2007

As of the end of the current fiscal year, the County of Scott, Iowa's governmental funds reported combined ending fund balances of \$21,556,801, an increase of \$1,805,160 in comparison with the prior year fund balance of \$19,751,641. Approximately 64 percent of the 2007 total amount, or \$13,841,109, and \$12,257,851, or 62 percent, for 2006 constitutes unreserved fund balance, which is available for spending at the government's discretion. However, approximately 61 percent of this unreserved amount, \$8,539,139 in 2007 and 56 percent \$6,778,033 in 2006, 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 \$5,301,970 for 2007 and \$5,479,818 for 2006 while total fund balance reached \$8,865,464 for 2007 and \$8,512,671 for 2006. 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 13 and 14 percent of total General Fund expenditures for 2007 and 2006, respectively, while total fund balance also represents approximately 22 percent of that same amount for both years ended June 30, 2007 and 2006, respectively.

The fund balance of the County's General Fund increased by \$352,793 during the year ended June 30, 2007. The key factors in this increase are a planned increase in property tax revenues and local option taxes received and unplanned increases in interest income received due to market recoveries.

The fund balance of the County's General Fund increased by \$1,044,400 during the year ended June 30, 2006. The key factors in this increase are a planned increase in property tax revenues and unplanned increases in interest income received due to market recoveries, in intergovernmental revenues and in charges for services.

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. It is expected the cost to house inmates out-of-County will decrease significantly when the new jail facility is completed.

The Mental Health/Development Disabilities Fund balance decreased to \$396,372 in 2007 from \$855,147 in 2006 and decreased from \$1,251,251 in 2005. Revenues are to be used to provide mental health and disability services. The Mental Health/Developmental Disabilities Fund balances have declined due to state budget cuts in county funding made in 2001 that have never been fully restored. This has been the highest legislative priority of the Board of Supervisors for the past several legislative sessions – to find a permanent solution to funding MH-DD services in Iowa. The County MH-DD Advisory Committee has developed a list of prioritized service reductions totaling \$1.7 million which will be implemented should the legislature not take action to restore MH-DD funding during their 2008 legislative session.

The Secondary Roads Fund decreased \$523,226 in 2007 from \$1,459,411 in 2006 from \$1,974,522 in 2005. The decreases in fund balance relate to planned projects.

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.

County of Scott, Iowa

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2007

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 \$63,741,507 was increased to \$63,940,282 (an increase of \$198,775) mainly due to an expected increase in intergovernmental revenues. Actual revenues received were \$65,302,527.
- The total original expenditure budget of \$68,754,793 was increased to \$71,900,686 (an increase of \$3,145,893) mainly for expected expenditures in the service areas of mental health, MR & DD services, public safety and legal services, physical health and social services, County environment and education services, government services to residents, administration and debt services. Actual expenditures were \$66,080,106.
- The total original budget for transfers in and out of \$8,402,679 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, 2007 and 2006, amounts to \$96,783,416 and \$78,461,400 (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 2007 was 23 percent (a 24 percent increase for governmental activities and a 6 percent decrease for business-type activities). The total increase in capital assets for 2006 was 11 percent (a 13 percent increase for governmental activities and a 3 percent decrease for business-type activities).

Major capital asset events during the current fiscal year ended June 30, 2007 included the Whispering Pines renovation, the pool and aquatic center renovation, the Juvenile Detention Center roof expansion, the 5th Street parking lot expansion, the second floor courthouse renovation and the jail facility expansion.

Major capital asset events during the current fiscal year ended June 30, 2006 included the Whispering Pines renovation, the beach house addition, the Tremont facility expansion, the Princeton library remodel, HAVA voting equipment, the 4th Street Streetscape and the jail facility expansion.

County of Scott, Iowa

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2007

Table 4 - County of Scott's Capital Assets

	Business-Type Activities		Governmental Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$ 1,556,336	\$ 1,556,336	\$ 4,365,740	\$ 4,365,740	\$ 5,922,076	\$ 5,922,076
Construction-in-progress	-	-	27,267,969	8,105,023	27,267,969	8,105,023
Buildings	506,490	506,490	35,133,892	34,308,128	35,640,382	34,814,618
Improvements other than buildings	663,428	663,428	2,752,982	2,698,765	3,416,410	3,362,193
Infrastructure	62,374	62,374	77,323,701	75,157,979	77,386,075	75,220,353
Machinery and equipment	954,847	952,962	15,078,812	14,190,860	16,033,659	15,143,822
Accumulated depreciation	(1,321,073)	(1,170,005)	(67,562,082)	(62,936,680)	(68,883,155)	(64,106,685)
Total	\$ 2,422,402	\$ 2,571,585	\$ 94,361,014	\$ 75,889,815	\$ 96,783,416	\$ 78,461,400

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

Debt: As of June 30, 2007, the County of Scott, Iowa had general obligation bonds outstanding totaling \$9,655,000, a lease agreement for the jail facility for \$26,770,000 and a purchase contract and capital lease (business-type activities) outstanding totaling \$1,788,828. In the current year, the County governmental activities paid \$5,525,000 in principal and \$1,569,359 in interest on outstanding debt. Business-type activities paid \$307,066 in principal and \$262,540 in interest on outstanding debt in the current year.

As of June 30, 2006, the County of Scott, Iowa had general obligation bonds outstanding totaling \$8,000,000, a lease agreement for the jail facility for \$27,765,000 and a purchase contract and capital lease (business-type activities) outstanding totaling \$2,095,894. In the current year, the County governmental activities paid \$2,570,000 in principal and \$655,130 in interest on outstanding debt. Business-type activities paid \$305,104 in principal and \$142,045 in interest on outstanding debt in the current year.

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

	2007	2006	Maturity
Governmental activities:			
General obligation bonds	\$ 9,655,000	\$ 8,000,000	2017
Lease agreement	26,770,000	27,765,000	2025
Total governmental activities	<u>\$ 36,425,000</u>	<u>\$ 35,765,000</u>	
Business-type activities, purchase contract and capital lease	<u>\$ 1,788,828</u>	<u>\$ 2,095,894</u>	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 0.5 percent and increased the rural county levy rate by 1.2 percent for the budget year ending June 30, 2008 primarily due to inflationary increases.
- The tax base for the County of Scott increased 2.4 percent over the previous year.

County of Scott, Iowa

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2007

- Health care costs and personnel costs, which make up a significant portion of the County's operating costs, continue to be reasonably controlled and negotiated. All of the County's four bargaining unit contracts are currently under multi-year agreements with various expiration dates from four to six years. No units 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 next year 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, 2008 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, 600 West 4th Street, Davenport, Iowa 52801-1003.



Scott County

Iowa

County of Scott, Iowa

Statement of Net Assets
June 30, 2007

Assets	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Cash and investments	\$ 23,035,548	\$ 20,763	\$ 23,056,311	\$ 1,098,082
Cash and investments in escrow	-	326,831	326,831	-
Restricted cash and investments	192,332	-	192,332	7,092,041
Receivables:				
Property taxes	35,660,620	-	35,660,620	1,816,523
Accrued interest	626,519	-	626,519	29,157
Accounts	112,645	42,911	155,556	327
Due from other governmental agencies	2,056,004	-	2,056,004	8,740
Capital lease receivable from primary government	-	-	-	1,030,000
Inventories	-	5,885	5,885	-
Total current assets	61,683,668	396,390	62,080,058	11,074,870
Noncurrent assets:				
Receivables, notes	100,000	-	100,000	-
Capital lease receivable from primary government	-	-	-	25,740,000
Internal balances	2,262,314	(2,262,314)	-	-
Bond issuance costs	89,335	-	89,335	120,281
Bond discounts	-	-	-	275,325
Deferred item	4,275,098	-	4,275,098	-
Capital assets:				
Not depreciated:				
Land	4,365,740	1,556,336	5,922,076	16,600
Construction-in-progress	27,267,969	-	27,267,969	-
Depreciated:				
Buildings	35,133,892	506,490	35,640,382	1,297,266
Improvements other than buildings	2,752,982	663,428	3,416,410	-
Infrastructure	77,323,701	62,374	77,386,075	-
Machinery and equipment	15,078,812	954,847	16,033,659	382,616
Less accumulated depreciation	(67,562,082)	(1,321,073)	(68,883,155)	(454,345)
Total capital assets	94,361,014	2,422,402	96,783,416	1,242,137
Total noncurrent assets	101,087,761	160,088	101,247,849	27,377,743
Total assets	\$ 162,771,429	\$ 556,478	\$ 163,327,907	\$ 38,452,613

See Notes to Basic Financial Statements.

Liabilities and Net Assets	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Liabilities:				
Accounts payable	\$ 5,094,487	\$ 35,326	\$ 5,129,813	\$ 1,953,811
Current portion of claims payable	411,840	-	411,840	-
Accrued liabilities	891,980	22,823	914,803	38,477
Interest payable	71,680	525,940	597,620	90,734
Unearned revenue	35,578,329	16,846	35,595,175	1,818,963
Compensated absences	1,121,789	12,647	1,134,436	91,039
Current portion of general obligation bonds	895,000	-	895,000	-
Current portion of capital lease payable to component unit	1,030,000	-	1,030,000	-
Current portion of purchase contract	-	225,000	225,000	-
Current portion of capital leases	-	109,365	109,365	-
Current portion of revenue bonds	-	-	-	1,030,000
Total current liabilities	45,095,105	947,947	46,043,052	5,023,024
Noncurrent liabilities:				
Claims payable	592,648	-	592,648	-
Compensated absences	1,020,143	26,634	1,046,777	61,890
Unearned revenue	-	-	-	4,275,098
General obligation bonds payable	8,760,000	-	8,760,000	-
Capital lease payable to component unit	25,740,000	-	25,740,000	-
Bond premium	7,850	-	7,850	-
Purchase contract	-	1,297,630	1,297,630	-
Capital leases	-	156,833	156,833	-
Revenue bonds payable	-	-	-	25,740,000
Total noncurrent liabilities	36,120,641	1,481,097	37,601,738	30,076,988
Total liabilities	81,215,746	2,429,044	83,644,790	35,100,012
Net assets:				
Invested in capital assets, net of related debt	65,298,164	633,574	65,931,738	1,242,137
Restricted for:				
Debt service	4,152,198	-	4,152,198	-
County conservation sewage treatment	192,332	-	192,332	-
Lease purchase contract	-	326,831	326,831	-
Mental health	396,372	-	396,372	-
Secondary roads	936,185	-	936,185	-
Capital project, jail expansion	-	-	-	930,775
Unrestricted	10,580,432	(2,832,971)	7,747,461	1,179,689
Total net assets	81,555,683	(1,872,566)	79,683,117	3,352,601
Total liabilities and net assets	\$ 162,771,429	\$ 556,478	\$ 163,327,907	\$ 38,452,613

County of Scott, Iowa

Statement of Activities
Year Ended June 30, 2007

Functions/ Programs	Expenses	Program Revenues		
		Charges for Sales and Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
Public safety and legal services	\$ 20,051,534	\$ 1,053,355	\$ 1,204,067	\$ 367,436
Physical health and social services	5,682,835	285,637	1,829,035	-
Mental health	14,308,820	41,070	6,283,291	-
County environment and education	4,371,103	889,915	78,307	106,264
Roads and transportation	6,711,217	9,943	39,118	930,568
Government services to residents	2,074,972	2,506,821	304,468	13,674
Administration	9,943,559	251,682	158,540	-
Interest on long-term debt	1,606,659	-	-	-
Total governmental activities	64,750,699	5,038,423	9,896,826	1,417,942
Business-type activities, golf	1,223,696	875,270	-	-
Total primary government	\$ 65,974,395	\$ 5,913,693	\$ 9,896,826	\$ 1,417,942
Component Units	\$ 3,920,905	\$ 13,988	\$ 982,514	\$ -

General Revenues

- Taxes:
 - Property taxes
 - Local option sales tax
 - Gaming
 - Other taxes
 - Utility tax replacements
 - Penalties, interest and costs on taxes
 - State tax replacement credits, unrestricted
- State shared revenues, unrestricted
- Payments in lieu of taxes
- Grants and contributions not restricted to specific programs
- 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	
\$ (17,426,676)	\$ -	\$ (17,426,676)	\$ -	-
(3,568,163)	-	(3,568,163)	-	-
(7,984,459)	-	(7,984,459)	-	-
(3,296,617)	-	(3,296,617)	-	-
(5,731,588)	-	(5,731,588)	-	-
749,991	-	749,991	-	-
(9,533,337)	-	(9,533,337)	-	-
(1,606,659)	-	(1,606,659)	-	-
(48,397,508)	-	(48,397,508)	-	-
-	(348,426)	(348,426)	-	-
(48,397,508)	(348,426)	(48,745,934)	-	-
-	-	-	(2,924,403)	-
31,995,844	-	31,995,844	1,613,440	-
3,700,844	-	3,700,844	-	-
789,210	-	789,210	-	-
61,766	-	61,766	73,220	-
1,382,625	-	1,382,625	-	-
782,123	-	782,123	-	-
5,243,536	-	5,243,536	-	-
2,906,371	-	2,906,371	-	-
165	-	165	-	-
188,557	-	188,557	-	-
2,140,787	14,609	2,155,396	1,846,379	-
780,711	-	780,711	29,070	-
49,972,539	14,609	49,987,148	3,562,109	-
1,575,031	(333,817)	1,241,214	637,706	-
79,980,652	(1,538,749)	78,441,903	2,714,895	-
\$ 81,555,683	\$ (1,872,566)	\$ 79,683,117	\$ 3,352,601	-

County of Scott, Iowa

Balance Sheet
Governmental Funds
June 30, 2007

Assets	Primary Government	
	General	Mental Health/ Development Disabilities
Cash and investments	\$ 7,312,570	\$ 2,748,305
Restricted cash	192,332	-
Receivables, net of allowance for uncollectibles:		
Property taxes, net of allowance for collection losses of \$177,045	29,433,088	3,316,486
Accrued interest	626,519	-
Accounts	112,645	-
Notes	100,000	-
Advance to other funds	2,262,314	-
Due from other governmental agencies	1,507,953	60,550
Total assets	\$ 41,547,421	\$ 6,125,341
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ 1,606,096	\$ 2,397,468
Claims payable	8,149	-
Accrued liabilities	809,904	16,190
Accrued interest payable	-	-
Deferred revenue	30,257,808	3,315,311
Total liabilities	32,681,957	5,728,969
Fund balances:		
Reserved for:		
Notes receivable	100,000	-
Advances	2,262,314	-
Debt service	-	-
County conservation sewage treatment	192,332	-
Unreserved, designated, claim liabilities	1,004,488	-
Unreserved, undesignated, reported in:		
General Fund	5,306,330	-
Special revenue funds	-	396,372
Capital Projects Fund	-	-
Total fund balances	8,865,464	396,372
Total liabilities and fund balances	\$ 41,547,421	\$ 6,125,341

See Notes to Basic Financial Statements.

Primary Government

	Secondary Roads	Capital Projects	Nonmajor Governmental Funds	Total
\$	948,200	\$ 7,602,410	\$ 4,424,063	\$ 23,035,548
	-	-	-	192,332
	-	-	2,911,046	35,660,620
	-	-	-	626,519
	-	-	-	112,645
	-	-	-	100,000
	-	-	-	2,262,314
	471,237	16,264	-	2,056,004
\$	1,419,437	\$ 7,618,674	\$ 7,335,109	\$ 64,045,982

\$	417,366	\$ 673,557	\$ -	\$ 5,094,487
	-	-	-	8,149
	65,886	-	-	891,980
	-	-	10,911	10,911
	-	-	2,910,535	36,483,654
	483,252	673,557	2,921,446	42,489,181

	-	-	-	100,000
	-	-	-	2,262,314
	-	-	4,152,198	4,152,198
	-	-	-	192,332
	-	-	-	1,004,488
	-	-	-	5,306,330
	936,185	-	261,465	1,594,022
	-	6,945,117	-	6,945,117
	936,185	6,945,117	4,413,663	21,556,801
\$	1,419,437	\$ 7,618,674	\$ 7,335,109	\$ 64,045,982

County of Scott, Iowa

Reconciliation of Total Governmental Fund Balances - Primary Government
to Net Assets of Governmental Activities
June 30, 2007

Total governmental fund balances \$ 21,556,801

Amounts reported for governmental activities are not financial resources and, therefore, are not reported in the funds:

Land	4,365,740	
Construction-in-progress	27,267,969	
Buildings	35,133,892	
Improvements other than buildings	2,752,982	
Infrastructure	77,323,701	
Machinery and equipment	15,078,812	
Accumulated depreciation	<u>(67,562,082)</u>	94,361,014

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:

Deferred revenues 905,325

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	(996,339)	
Compensated absences	(2,141,932)	
Accrued interest payable	(60,769)	
Capital lease payable to component unit	(26,770,000)	
Deferred item, uncompleted construction on capital lease	4,275,098	
Bond issuance costs	89,335	
Bond premium	(7,850)	
General obligation bonds payable	<u>(9,655,000)</u>	<u>(35,267,457)</u>
Net assets of governmental activities		<u><u>\$ 81,555,683</u></u>

See Notes to Basic Financial Statements.



Scott County

Iowa

County of Scott, Iowa

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2007

	Primary Government	
	General	Mental Health/ Development Disabilities
Revenues:		
Property taxes	\$ 26,259,850	\$ 3,066,083
Local option sales tax	3,727,522	-
Other taxes	1,202,113	139,056
Interest and penalties on taxes	782,123	-
Intergovernmental	4,414,960	10,564,524
Charges for services	4,435,974	41,070
Investment earnings	1,903,060	-
Licenses and permits	513,662	-
Rentals and fees	144,693	-
Other	332,124	19,195
Total revenues	43,716,081	13,829,928
Expenditures:		
Current:		
Public safety and legal services	19,330,101	-
Physical health and social services	5,638,002	-
Mental health	-	14,288,703
County environment and education	3,409,473	-
Roads and transportation	-	-
Government services to residents	1,933,065	-
Administration	7,555,798	-
Capital outlay	-	-
Debt service:		
Principal	995,000	-
Bond issuance costs	-	-
Interest	1,126,117	-
Total expenditures	39,987,556	14,288,703
Excess (deficiency) of revenue over expenditures	3,728,525	(458,775)
Other financing sources (uses):		
Transfers in	11,532	-
Transfers out	(3,387,264)	-
Proceeds from sale of capital assets	-	-
Issuance of bonds	-	-
Bond premium	-	-
Payment to bond escrow agent	-	-
Total other financing sources (uses)	(3,375,732)	-
Net change in fund balances	352,793	(458,775)
Fund balances, beginning of year	8,512,671	855,147
Fund balances, end of year	\$ 8,865,464	\$ 396,372

See Notes to Basic Financial Statements.

Primary Government

Secondary Roads Fund	Capital Projects	Nonmajor Governmental Funds	Total
\$ -	\$ -	\$ 2,691,377	\$ 32,017,310
-	-	-	3,727,522
-	789,210	103,222	2,233,601
-	-	-	782,123
2,945,491	487,374	302,421	18,714,770
6,408	-	37,774	4,521,226
-	58,412	46,595	2,008,067
3,535	-	-	517,197
-	-	-	144,693
149,458	135,241	-	636,018
<u>3,104,892</u>	<u>1,470,237</u>	<u>3,181,389</u>	<u>65,302,527</u>
-	-	-	19,330,101
-	-	-	5,638,002
-	-	-	14,288,703
-	-	435,712	3,845,185
4,360,061	-	-	4,360,061
-	-	-	1,933,065
-	-	-	7,555,798
1,549,152	4,031,227	-	5,580,379
-	-	885,000	1,880,000
-	63,308	36,145	99,453
-	-	443,242	1,569,359
<u>5,909,213</u>	<u>4,094,535</u>	<u>1,800,099</u>	<u>66,080,106</u>
<u>(2,804,321)</u>	<u>(2,624,298)</u>	<u>1,381,290</u>	<u>(777,579)</u>
2,273,229	2,822,894	-	5,107,655
-	(11,532)	(1,708,859)	(5,107,655)
7,866	25,528	-	33,394
-	2,500,000	3,685,000	6,185,000
-	9,345	-	9,345
-	-	(3,645,000)	(3,645,000)
<u>2,281,095</u>	<u>5,346,235</u>	<u>(1,668,859)</u>	<u>2,582,739</u>
(523,226)	2,721,937	(287,569)	1,805,160
1,459,411	4,223,180	4,701,232	19,751,641
<u>\$ 936,185</u>	<u>\$ 6,945,117</u>	<u>\$ 4,413,663</u>	<u>\$ 21,556,801</u>

County of Scott, Iowa

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities - Primary Government
Year Ended June 30, 2007**

Net change in fund balances - governmental funds \$ 1,805,160

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		5,300,337
Capital assets contributed		930,568
Depreciation:		
Public safety and legal services	\$ (618,678)	
Physical health and social services	(20,792)	
Mental health	(15,094)	
County environment and education	(434,536)	
Roads and transportation	(2,691,548)	
Governmental services to residents	(133,722)	
Administration	(1,367,224)	(5,281,594)

Proceeds from sale of capital assets		(33,394)
Loss on sales of capital assets		(62,744)
Capital assets from capital lease		17,618,026
Change in deferred item		(17,618,026)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 92,635

The issuance of long-term debt (e.g. bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following is a detail of the net effect of these differences in the treatment of long-term debt and related items:

Repayment of bond principal and capital lease		1,880,000
Payment to escrow agent		3,645,000
Issuance of long term debt		(6,185,000)
Bond issuance costs		99,453
Premiums		(9,345)
Interest expense		(28,677)
Amortization of bond premium and bond issuance costs		(8,623)

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		(304,015)
Change in compensated absences		(264,730)
Change in net assets of governmental activities		\$ 1,575,031

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Net Assets (Deficit)
Enterprise Fund
June 30, 2007

	<u>Golf Course</u>
Assets	
Current assets:	
Cash and investments	\$ 20,763
Cash and investments in escrow	326,831
Receivables, accounts	42,911
Inventories	5,885
Total current assets	<u>396,390</u>
Noncurrent assets:	
Capital assets:	
Land	1,556,336
Buildings	506,490
Improvements other than buildings	663,428
Infrastructure	62,374
Machinery and equipment	954,847
Less accumulated depreciation	<u>(1,321,073)</u>
Total noncurrent assets	<u>2,422,402</u>
Total assets	<u>\$ 2,818,792</u>
Liabilities and Net Assets (Deficit)	
Current liabilities:	
Accounts payable	\$ 35,326
Accrued liabilities	22,823
Interest payable	525,940
Unearned revenue	16,846
Compensated absences	12,647
Current portion of purchase contract	225,000
Current portion of capital lease	109,365
Total current liabilities	<u>947,947</u>
Noncurrent liabilities:	
Compensated absences	26,634
Advance from other funds	2,262,314
Purchase contract, noncurrent portion	1,297,630
Capital lease, noncurrent	156,833
Total noncurrent liabilities	<u>3,743,411</u>
Total liabilities	<u>4,691,358</u>
Net assets (deficit):	
Invested in capital assets, net of related debt	633,574
Restricted for lease purchase contract	326,831
Unrestricted (deficit)	<u>(2,832,971)</u>
Total net assets (deficit)	<u>(1,872,566)</u>
Total liabilities and net assets (deficit)	<u>\$ 2,818,792</u>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Revenues, Expenses and Changes in Net Assets (Deficit)
Enterprise Fund
Year Ended June 30, 2007

	<u>Golf Course</u>
Operating revenues:	
Charges for services	\$ 756,360
Sales, net of cost of goods sold of \$64,938	118,218
Other	692
Total operating revenues	<u>875,270</u>
Operating expenses:	
Personnel	539,425
Depreciation	172,566
Other	249,039
Total operating expenses	<u>961,030</u>
Operating loss	<u>(85,760)</u>
Nonoperating revenues (expense):	
Loss on the sale of capital assets	(126)
Investment earnings	14,609
Interest expense	(262,540)
Total nonoperating revenues (expenses)	<u>(248,057)</u>
Change in net assets	(333,817)
Total net assets (deficit), beginning of year	(1,538,749)
Total net assets (deficit), end of year	<u>\$ (1,872,566)</u>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Cash Flows
Enterprise Fund
Year Ended June 30, 2007

	Golf Course
Cash flows from operating activities:	
Cash received from customers	\$ 913,094
Cash payments to acquire goods for resale	(65,155)
Cash payments to suppliers for goods and services	(255,314)
Cash payments to employees for services	(527,060)
Net cash provided by operating activities	65,565
Cash flows from capital and related financing activities:	
Payments of purchase contract	(210,000)
Payments on capital lease	(104,329)
Purchase of capital assets	(23,509)
Interest paid on purchase contract and capital lease	(130,821)
Net cash (used in) capital and related financing activities	(468,659)
Cash flows from noncapital financing activities, advance from other funds	399,000
Cash flows from investing activities, interest received	14,609
Net increase in cash and cash equivalents	10,515
Cash and cash equivalents:	
Beginning	337,079
Ending	\$ 347,594
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (85,760)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	172,566
(Increase) decrease in:	
Receivables	(29,798)
Inventories	(217)
Increase (decrease) in:	
Accounts payable	(6,275)
Accrued compensation	4,393
Compensated absences	7,972
Unearned revenue	2,684
Net cash provided by operating activities	\$ 65,565
Noncash capital and related financing activities, amortization of bond issuance costs and discount on purchase contract	\$ 7,263

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Assets and Liabilities

Agency Funds

June 30, 2007

Assets

Cash and investments	\$	7,223,494
Receivables, property taxes		188,219,197
Total assets	\$	195,442,691

Liabilities

Accounts payable	\$	223,570
Due to other governmental agencies		194,511,122
Due to private individuals		707,999
Total liabilities	\$	195,442,691

See Notes to Basic Financial Statements.



Scott County

Iowa

County of Scott, Iowa

Statement of Net Assets
Discretely Presented Component Units
June 30, 2007

Assets	Emergency Management Agency	County Library	County Assessor	County Assessor Special
Current assets:				
Cash and investments	\$ 200,288	\$ 205,986	\$ 378,678	\$ 317,817
Restricted cash and investments	-	-	-	-
Receivables:				
Property taxes	-	-	507,175	244,535
Accrued interest	-	-	-	-
Accounts	-	327	-	-
Due from other governmental agencies	8,740	-	-	-
Capital lease receivable from primary government	-	-	-	-
Total current assets	209,028	206,313	885,853	562,352
Noncurrent assets:				
Capital lease receivable from primary government	-	-	-	-
Bond issuance costs	-	-	-	-
Bond discounts	-	-	-	-
Capital assets:				
Land	-	16,600	-	-
Buildings	-	1,297,266	-	-
Machinery and equipment	42,046	230,109	-	-
Accumulated depreciation	(42,046)	(319,554)	-	-
Total capital assets, net	-	1,224,421	-	-
Total noncurrent assets	-	1,224,421	-	-
Total assets	\$ 209,028	\$ 1,430,734	\$ 885,853	\$ 562,352
Liabilities and Net Assets				
Current liabilities:				
Accounts payable	\$ 1,649	\$ 26,340	\$ 5,133	\$ -
Accrued liabilities	2,341	18,746	17,390	-
Interest payable	-	-	-	-
Unearned revenue	8,740	-	504,895	244,484
Compensated absences	3,661	16,362	25,381	-
Current portion revenue bonds payable	-	-	-	-
Total current liabilities	16,391	61,448	552,799	244,484
Noncurrent liabilities:				
Compensated absences	8,753	-	53,137	-
Unearned revenue	-	-	-	-
Revenue bonds payable	-	-	-	-
Total noncurrent liabilities	8,753	-	53,137	-
Total liabilities	25,144	61,448	605,936	244,484
Net Assets:				
Invested in capital assets, net of related debt	-	1,224,421	-	-
Restricted for capital project, jail expansion	-	-	-	-
Unrestricted	183,884	144,865	279,917	317,868
Total net assets	183,884	1,369,286	279,917	317,868
Total liabilities and net assets	\$ 209,028	\$ 1,430,734	\$ 885,853	\$ 562,352

See Notes to Basic Financial Statements.

City Assessor	City Assessor Special	Public Safety Authority	Total
\$ 191,199	\$ 151,658	\$ (347,544)	\$ 1,098,082
-	-	7,092,041	7,092,041
866,734	198,079	-	1,816,523
-	-	29,157	29,157
-	-	-	327
-	-	-	8,740
-	-	1,030,000	1,030,000
1,057,933	349,737	7,803,654	11,074,870
-	-	25,740,000	25,740,000
-	-	120,281	120,281
-	-	275,325	275,325
-	-	-	16,600
-	-	-	1,297,266
110,461	-	-	382,616
(92,745)	-	-	(454,345)
17,716	-	-	1,242,137
17,716	-	26,135,606	27,377,743
\$ 1,075,649	\$ 349,737	\$ 33,939,260	\$ 38,452,613
\$ 39,503	\$ 8,533	\$ 1,872,653	\$ 1,953,811
-	-	-	38,477
-	-	90,734	90,734
862,857	197,987	-	1,818,963
45,635	-	-	91,039
-	-	1,030,000	1,030,000
947,995	206,520	2,993,387	5,023,024
-	-	-	61,890
-	-	4,275,098	4,275,098
-	-	25,740,000	25,740,000
-	-	30,015,098	30,076,988
947,995	206,520	33,008,485	35,100,012
17,716	-	-	1,242,137
-	-	930,775	930,775
109,938	143,217	-	1,179,689
127,654	143,217	930,775	3,352,601
\$ 1,075,649	\$ 349,737	\$ 33,939,260	\$ 38,452,613

County of Scott, Iowa

Statement of Activities
 Discretely Presented Component Units
 Year Ended June 30, 2007

	Program Revenues			
	Expenses	Charges for Sales and Services	Operating Grants and Contributions	Capital Grants and Contributions
Emergency Management Agency				
Public safety and legal services	\$ 100,055	\$ -	\$ 58,817	\$ -
County Library				
County environment and education	993,480	12,761	871,553	-
County Assessor				
Government services to residents	565,281	1,227	20,295	-
County Assessor Special				
Government services to residents	170,581	-	4,834	-
City Assessor				
Government services to residents	771,572	-	20,497	-
City Assessor Special				
Government services to residents	161,754	-	6,518	-
Public Safety Authority				
Public safety and legal services	1,158,182	-	-	-
Total component units	\$ 3,920,905	\$ 13,988	\$ 982,514	\$ -

General Revenues

- Taxes:
 - Property taxes
 - Other taxes
- Interest 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

Emergency Management Agency	County Library	County Assessor	County Assessor Special	City Assessor	City Assessor Special	Public Safety Authority	Total
\$ (41,238)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (41,238)
-	(109,166)	-	-	-	-	-	(109,166)
-	-	(543,759)	-	-	-	-	(543,759)
-	-	-	(165,747)	-	-	-	(165,747)
-	-	-	-	(751,075)	-	-	(751,075)
-	-	-	-	-	(155,236)	-	(155,236)
-	-	-	-	-	-	(1,158,182)	(1,158,182)
(41,238)	(109,166)	(543,759)	(165,747)	(751,075)	(155,236)	(1,158,182)	(2,924,403)
-	-	564,541	134,220	693,561	221,118	-	1,613,440
-	-	22,606	5,384	34,317	10,913	-	73,220
-	-	-	-	-	-	1,846,379	1,846,379
17,282	5,042	-	-	6,746	-	-	29,070
17,282	5,042	587,147	139,604	734,624	232,031	1,846,379	3,562,109
(23,956)	(104,124)	43,388	(26,143)	(16,451)	76,795	688,197	637,706
207,840	1,473,410	236,529	344,011	144,105	66,422	242,578	2,714,895
\$ 183,884	\$ 1,369,286	\$ 279,917	\$ 317,868	\$ 127,654	\$ 143,217	\$ 930,775	\$ 3,352,601



Scott County

Iowa

County of Scott, Iowa

Notes to Basic Financial Statements

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. The organizations provide specific benefits to 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.

County of Scott, Iowa

Notes to 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)

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 accounts 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 entered into a lease with the County to provide the funding necessary for the bond repayment schedule. Although the PSA has a jointly appointed Board by the County 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, 600 West 4th Street, 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.

County of Scott, Iowa

Notes to 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.

County of Scott, Iowa

Notes to 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)

Secondary Roads Fund: To account for state revenue allocated to the County to be used to maintain and improve the County's roads. The Secondary Roads Fund is presented as a major fund for public interest purposes.

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

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.

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.

Notes to 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)

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

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

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

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

Original Bond Issue Escrow Fund: To account for monies held in escrow.

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.

Notes to 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)

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 2006, based on the 2005 assessed valuations. These taxes are due in two installments, on September 30 and March 31, with a 1.5 percent per month penalty for delinquent payment.

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.

County of Scott, Iowa

Notes to 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)

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, 2007, but which were levied to finance fiscal year 2008 operations, have been recorded as unearned revenue. In addition, the portion of the lease between the County and its component unit, the Public Safety Authority, for which construction has not been completed, is accounted for as unearned revenue in the Public Safety Authority.

County of Scott, Iowa

Notes to 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)

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

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 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 percent of all hours above 720 up to a maximum of 1,680 hours or to be paid 25 percent of all hours available up to a maximum of 1,680 hours. Payment should not exceed 480 hours. The option is not selected until retirement. Employees hired after July 1, 2000 are paid 25 percent of all hours available up to a maximum of 1,680. Payment should not exceed 420 hours.

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

Fund equity: 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.

Notes to 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)

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. Net assets restricted through enabling legislation consists of \$4,152,198 for debt service, \$396,372 for mental health and \$936,185 for secondary roads.

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

Bond discounts, premiums and issue costs: In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Bond discounts and premiums, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method.

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

Budgetary information: 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.

County of Scott, Iowa

Notes to 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)

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 was one budget amendment adopted in May 2007.

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, Glynn's Creek Golf Course, had a net asset deficit of \$1,872,566 as of June 30, 2007. The deficit is expected to be eliminated through future earnings of the golf course.

Note 3. Deposits and Investments

As of June 30, 2007, the County's cash and investments were as follows:

Cash on hand and deposits with financial institutions	\$ 17,205,061
Investments	6,370,413
Cash on hand and deposits with financial institutions, discretely presented component units	1,098,082
Investments, discretely presented component units	7,092,041
Cash on hand and deposits with financial institutions, Agency Funds	7,223,494
	<u>\$ 38,989,091</u>

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

County of Scott, Iowa

Notes to Basic Financial Statements

Note 3. Deposits and Investments (Continued)

As of June 30, 2007, the County had the following investments:

Investments	Maturities	Fair Value
Scott Area Solid Waste Commission Revenue Bond	06/01/2015	\$ 3,685,000
General Electric CAPT Corp Commercial Paper	07/13/2007	591,433
General Electric CAPT Corp Commercial Paper	07/27/2007	590,234
General Electric CAPT Corp Commercial Paper	08/10/2007	589,056
General Electric CAPT Corp Commercial Paper	08/24/2007	587,859
Fidelity Treasury Money Market Fund	19 days	326,831
Wells Fargo Advantage Government Money Market Fund	12 days	7,092,041
		\$ 13,462,454

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

As of June 30, 2007, the County's investments were rated as follows:

Investment Type	Moody's Investor Services	Standard & Poor's
Scott Area Solid Waste Commission Revenue Bond	Aa3	Not Rated
General Electric CAPT Corp Commercial Paper	P1	A1+
General Electric CAPT Corp Commercial Paper	P1	A1+
General Electric CAPT Corp Commercial Paper	P1	A1+
General Electric CAPT Corp Commercial Paper	P1	A1+
Fidelity Treasury Money Market Fund	Aaa	AAAm
Wells Fargo Advantage Government Money Market Fund	Aaa	AAA

County of Scott, Iowa

Notes to Basic Financial Statements

Note 3. Deposits and Investments (Continued)

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 percent of the investment portfolio and more than 5 percent of the investment portfolio with a single issuer at the time of purchase. In addition, no more than 5 percent 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 at the time of purchase. Investments in any one issuer that represent more than 5 percent or more of the County's investments (money market funds are excluded from this) are as follows:

Issuer	Investment Type	Fair Value
Scott County Solid Waste Commission	Revenue Bond	\$ 3,685,000
General Electric CAPT Corp Commercial Paper	Commercial Paper	2,358,852

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, 2007, the County had no deposits or investments exposed to custodial credit risk.

Note 4. Interfund Account Balances

Advances from and to other funds as of June 30, 2007 were as follows:

	Advances To	Advances From
Major governmental fund, General	\$ 2,262,314	\$ -
Business-type activity, Glynn's Creek Golf Course	-	2,262,314
	<u>\$ 2,262,314</u>	<u>\$ 2,262,314</u>

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

County of Scott, Iowa

Notes to Basic Financial Statements

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	\$ 11,532	\$ 3,387,264
Secondary roads	2,273,229	-
Capital projects	2,822,894	11,532
Nonmajor governmental funds:		
Rural services	-	1,673,340
Recorders management fees	-	35,519
Total governmental activities	<u>\$ 5,107,655</u>	<u>\$ 5,107,655</u>

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

Note 6. Note Receivable

The County issued a note to Greater Davenport Redevelopment Corporation (GDRC) for the purpose of funding operating expenses. The note was originally due in one annual installment on June 30, 2007; during 2007, the County agreed to extend the payment date to June 30, 2008. The note includes 4 percent interest. As of June 30, 2007, 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.

County of Scott, Iowa

Notes to Basic Financial Statements

Note 7. Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2007:

Governmental Activities	2006 Balance	Additions	Deletions	2007 Balance
Capital assets not depreciated:				
Land	\$ 4,365,740	\$ -	\$ -	\$ 4,365,740
Construction-in-progress	8,105,023	19,290,035	(127,089)	27,267,969
Total capital assets not being depreciated	12,470,763	19,290,035	(127,089)	31,633,709
Capital assets being depreciated:				
Buildings	34,308,128	825,764	-	35,133,892
Improvements other than buildings	2,698,765	54,217	-	2,752,982
Infrastructure	75,157,979	2,165,722	-	77,323,701
Machinery and equipment	14,190,860	1,640,282	(752,330)	15,078,812
Total capital assets being depreciated	126,355,732	4,685,985	(752,330)	130,289,387
Less accumulated depreciation for:				
Buildings	15,218,731	1,424,580	-	16,643,311
Improvements other than buildings	539,600	152,533	-	692,133
Infrastructure	38,891,457	2,253,828	-	41,145,285
Machinery and equipment	8,286,892	1,450,653	(656,192)	9,081,353
Total accumulated depreciation	62,936,680	5,281,594	(656,192)	67,562,082
Total capital assets being depreciated, net	63,419,052	(595,609)	(96,138)	62,727,305
Governmental activities capital assets, net	\$ 75,889,815	\$ 18,694,426	\$ (223,227)	\$ 94,361,014

Business-Type Activities	2006 Balance	Additions	Deletions	2007 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	952,962	23,509	(21,624)	954,847
Total capital assets being depreciated	2,185,254	23,509	(21,624)	2,187,139
Less accumulated depreciation for:				
Buildings	134,570	10,130	-	144,700
Improvements other than buildings	530,149	12,376	-	542,525
Infrastructure	62,374	-	-	62,374
Machinery and equipment	442,912	150,060	(21,498)	571,474
Total accumulated depreciation	1,170,005	172,566	(21,498)	1,321,073
Total capital assets being depreciated, net	1,015,249	(149,057)	(126)	866,066
Business-type activities capital assets, net	\$ 2,571,585	\$ (149,057)	\$ (126)	\$ 2,422,402

County of Scott, Iowa

Notes to Basic Financial Statements

Note 7. Capital Assets (Continued)

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

Discretely Presented Component Units	2006 Balance	Additions	Deletions	2007 Balance
Capital assets not being depreciated:				
Land	\$ 16,600	\$ -	\$ -	\$ 16,600
Construction-in-progress	-	17,618,026	(17,618,026)	-
Total capital assets not being depreciated	16,600	17,618,026	(17,618,026)	16,600
Capital assets being depreciated:				
Buildings	1,297,266	-	-	1,297,266
Machinery and equipment	354,176	28,440	-	382,616
Total capital assets being depreciated	1,651,442	28,440	-	1,679,882
Less accumulated depreciation for:				
Buildings	112,745	33,519	-	146,264
Machinery and equipment	287,749	20,332	-	308,081
Total accumulated depreciation	400,494	53,851	-	454,345
Total capital assets being depreciated, net	1,250,948	(25,411)	-	1,225,537
Component units capital assets, net	\$ 1,267,548	\$ 17,592,615	\$ (17,618,026)	\$ 1,242,137

As of June 30, 2007, the discretely presented component unit, Public Safety Authority, transferred \$17,618,026 of construction-in-progress related to the capital lease agreement between the County and the Public Safety Authority to Governmental Activities.

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

Governmental activities:	
Public safety and legal services	\$ 618,678
Physical health and social services	20,792
Mental health	15,094
County environment and education	434,536
Roads and transportation	2,691,548
Governmental services to residents	133,722
Administration	1,367,224
Total depreciation expense, governmental activities	\$ 5,281,594
Business-type activities, golf course	\$ 172,566

County of Scott, Iowa

Notes to Basic Financial Statements

Note 8. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2007:

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 8,000,000	\$ 6,185,000	\$ 4,530,000	\$ 9,655,000	\$ 895,000
Compensated absences	1,915,622	1,348,099	1,121,789	2,141,932	1,121,789
Capital lease	27,765,000	-	995,000	26,770,000	1,030,000
Claims payable	724,295	528,467	248,274	1,004,488	411,840
	<u>\$ 38,404,917</u>	<u>\$ 8,061,566</u>	<u>\$ 6,895,063</u>	<u>\$ 39,571,420</u>	<u>\$ 3,458,629</u>
Business-Type Activities:					
Capital lease	\$ 370,527	\$ -	\$ 104,329	\$ 266,198	\$ 109,365
Purchase contract	1,725,367	-	202,737	1,522,630	225,000
Compensated absences	31,309	20,619	12,647	39,281	12,647
	<u>\$ 2,127,203</u>	<u>\$ 20,619</u>	<u>\$ 319,713</u>	<u>\$ 1,828,109</u>	<u>\$ 347,012</u>
Discretely Presented Component					
Units Activities:					
Revenue bonds	\$ 27,765,000	\$ -	\$ 995,000	\$ 26,770,000	\$ 1,030,000
Compensated absences	141,807	45,914	34,792	152,929	91,039
	<u>\$ 27,906,807</u>	<u>\$ 45,914</u>	<u>\$ 1,029,792</u>	<u>\$ 26,922,929</u>	<u>\$ 1,121,039</u>

General obligation bonds outstanding as of June 30, 2007 consist of \$3,685,000 of solid waste refunding bonds with interest rates ranging from 3.6 percent to 3.8 percent, \$3,685,000 of general obligation urban renewal bonds with interest at rates ranging from 2.3 percent to 4.6 percent and \$2,285,000 of general obligation geographic information systems bonds with interest at rates ranging from 4.0 percent to 4.1 percent.

On March 1, 2007, Scott County issued \$3,685,000 of general obligation urban renewal bonds with interest rates ranging from 3.6 percent to 3.8 percent to refund \$3,645,000 of outstanding Scott Area Solid Waste Management Commission Solid Waste Disposal Revenue Bond, Series 1995, with interest rates ranging from 5.0 percent to 5.7 percent. The net proceeds of \$3,687,040 (after payment of \$47,567 of underwriting fees, insurance and other costs) were used to call the Series 1995 Bonds.

The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$345,115. The County completed the current refunding to obtain an economic gain of \$245,847.

On July 13, 2006, the County issued \$2,500,000 in General Obligation Geographic Information System Bonds, Series 2006A. The bond proceeds will be used to finance improvements to the County's Geographic Information System and related costs. The bonds are due in annual installments of \$215,000 to \$290,000 through 2016 at an interest rate of 4.0 percent to 4.1 percent.

County of Scott, Iowa

Notes to Basic Financial Statements

Note 8. Long-Term Debt (Continued)

The debt service requirements on the bonds outstanding as of June 30, 2007 are as follows:

<u>Year ending June 30:</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 1,309,940	\$ 895,000	\$ 414,940
2009	1,342,957	995,000	347,957
2010	1,340,650	1,030,000	310,650
2011	1,351,583	1,080,000	271,583
2012	1,349,868	1,120,000	229,868
2013-2017	5,027,050	4,535,000	492,050
Total	\$ 11,722,048	\$ 9,655,000	\$ 2,067,048

On February 13, 2006, the Public Safety Authority, a discretely presented component unit, issued \$29,700,000 Jail Facilities Revenue Bonds, Series 2006. The bonds were issued for the purpose of building a new jail facility. The bonds were issued with interest rates ranging from 3.75 percent to 4.375 percent. The debt service requirements on the bonds outstanding as of June 30, 2007 are as follows:

<u>Year Ending June 30:</u>	<u>Total Payment</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 2,118,805	\$ 1,030,000	\$ 1,088,805
2009	2,120,180	1,070,000	1,050,180
2010	2,120,055	1,110,000	1,010,055
2011	2,118,430	1,150,000	968,430
2012	2,125,305	1,200,000	925,305
2013 - 2017	10,641,925	6,775,000	3,866,925
2018 - 2022	10,781,637	8,400,000	2,381,637
2023 - 2025	6,565,742	6,035,000	530,742
	\$ 38,592,079	\$ 26,770,000	\$ 11,822,079

On March 14, 2006, the County entered into a Capital Lease Agreement (the "Agreement") with the Public Safety Authority ("PSA"), to lease the above mentioned jail facility. When the revenue bonds were issued by PSA, the monies were deposited with the Trustee into the Construction Fund and the Bond Fund as required by the Indenture. All disbursements made for the project are made by the Trustee based on executed disbursement requests. The monies on deposit as of June 30, 2007 totaled \$7,092,041 and have been shown as restricted cash in the balance sheet and statement of net assets of the PSA. The Agreement requires the County to pay any deficiency in funds required to complete the construction of the project.

The Agreement commenced on March 23, 2006 and terminates on May 26, 2025 (the date at which all rental payments have been made). The rental payments as outlined in the agreement are set at a level to meet the revenue bond principal and interest payments of the PSA. The Agreement further requires the County to pay all trustee fees, maintenance costs, taxes and utility charges of the facility. The County plans to fund its payments with a property tax levy. As of June 30, 2007, the County recognized a liability of \$26,770,000. The PSA has transferred \$17,618,026 of construction-in-progress as of year-end. The County has currently recorded a deferred item of \$4,275,098 for the uncompleted construction; as the project progresses, the deferred item will be recognized.

County of Scott, Iowa

Notes to Basic Financial Statements

Note 8. Long-Term Debt (Continued)

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
2008	\$ 2,118,805	\$ 1,030,000	\$ 1,088,805
2009	2,120,180	1,070,000	1,050,180
2010	2,120,055	1,110,000	1,010,055
2011	2,118,430	1,150,000	968,430
2012	2,125,305	1,200,000	925,305
2013	2,122,305	1,245,000	877,305
2014	2,127,505	1,300,000	827,505
2015	2,125,505	1,350,000	775,505
2016	2,131,505	1,410,000	721,505
2017	2,135,105	1,470,000	665,105
2018	2,141,305	1,535,000	606,305
2019	2,149,905	1,605,000	544,905
2020	2,155,705	1,675,000	480,705
2021	2,161,611	1,750,000	411,611
2022	2,173,111	1,835,000	338,111
2023	2,180,124	1,920,000	260,124
2024	2,188,524	2,010,000	178,524
2025	2,197,094	2,105,000	92,094
	<u>\$ 38,592,079</u>	<u>\$ 26,770,000</u>	<u>\$ 11,822,079</u>

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

The computation of the County's legal margin as of June 30, 2007 is as follows:

January 2004 assessed valuation	\$ 9,610,965,684
Less military exemption	19,070,042
Total assessed value	<u>\$ 9,591,895,642</u>
Debt limit, 5% of assessed valuation (Iowa statutory limitation)	\$ 479,594,782
Total amount of debt applicable to debt margin	36,425,000
Legal debt margin	<u>\$ 443,169,782</u>

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.

County of Scott, Iowa

Notes to Basic Financial Statements

Note 8. Long-Term Debt (Continued)

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.

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

<u>Year Ending June 30:</u>	<u>Total Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Prepayment Price</u>
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	1,921,051	1,565,000	356,051	
Unamortized discount and bond issue costs	-	(42,370)	42,370	
	<u>\$ 1,921,051</u>	<u>\$ 1,522,630</u>	<u>\$ 398,421</u>	

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 percent through July 2008. A schedule of annual principal and interest payments under this agreement as of the end of the year is as follows:

<u>Year Ending June 30:</u>	<u>Total Payment</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 48,460	\$ 43,955	\$ 4,505
2009	48,460	46,153	2,307
	<u>\$ 96,920</u>	<u>\$ 90,108</u>	<u>\$ 6,812</u>

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 percent through August 2009. The other agreement requires annual payments of \$53,000 including interest of 8.63 percent through July 2009.

County of Scott, Iowa

Notes to Basic Financial Statements

Note 8. Long-Term Debt (Continued)

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

<u>Year Ending June 30:</u>	<u>Total Payment</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 77,512	\$ 65,410	\$ 12,102
2009	77,511	70,025	7,486
2010	43,169	40,655	2,514
	<u>\$ 198,192</u>	<u>\$ 176,090</u>	<u>\$ 22,102</u>

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 percent of their annual covered salary and the County is required to contribute 5.75 percent of annual covered payroll, except for law enforcement employees, in which case the percentages are 8.37 percent and 8.37 percent, respectively. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2007, 2006 and 2005 were \$1,260,066, \$1,240,380 and \$1,134,104, 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(b) 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.

County of Scott, Iowa

Notes to Basic 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 claims 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.

As of June 30, 2007, the amount of liabilities recorded for estimated claim settlements for general, automobile, property and workers' compensation liability claims was \$1,004,488. The County has designated \$1,004,488 of General Fund balance for payment of future claims liability.

The changes in the aggregate liabilities for claims for the years ended June 30, 2007 and 2006 are as follows:

	Self-Insurance	
	2007	2006
Claims payable, beginning of year	\$ 724,295	\$ 891,240
Claims expense and change in reserve	528,467	244,193
Claims payments	(248,274)	(411,138)
Claims payable, end of year	<u>\$ 1,004,488</u>	<u>\$ 724,295</u>

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.

County of Scott, Iowa

Notes to Basic Financial Statements

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, 2007, there were four series of revenue bonds outstanding. The aggregate principal balance of the revenue bonds outstanding is \$19,785,000.

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. On March 1, 2007, Scott County issued \$3,685,000 in General Obligation County Solid Waste Disposal Refunding Bonds, Series 2007A to refund \$3,645,000 of outstanding Scott Area Solid Waste Management Commission Solid Waste Disposal Revenue Bond, Series 1995. The net proceeds were used to call the Series 1995 Bonds. The total amount of the bonds outstanding as of June 30, 2007 is \$3,685,000.

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 corresponds to the payment of the Bonds by the County and \$3,685,000 remains outstanding as of June 30, 2007.

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

County of Scott, Iowa

Notes to Basic Financial Statements

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

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 Public Safety Authority, a discretely presented component unit, has financial commitments relating to the jail expansion construction that are estimated to be approximately \$3,666,388.

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 \$96,383 for the year ended June 30, 2007.

The total minimum lease commitment as of June 30, 2007, is as follows:

Year ending June 30:

2008	\$	85,626
2009		88,657
2010		91,688
2011		70,471
	\$	<u>336,442</u>

County of Scott, Iowa

Notes to Basic Financial Statements

Note 17. Governmental Accounting Standards Board (GASB) Statements

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

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

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 postemployment benefits expenses and related liabilities or assets, note disclosures and, if applicable, required supplementary information in the financial reports.

GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, issued September 2006, will be effective for the County beginning with its year ending June 30, 2008. This Statement establishes accounting and financial reporting standards for transactions in which a government receives, or is entitled to, resources in exchange for future cash flows generated by collecting specific receivables or specific future revenues. It also provides disclosure requirements for a government that pledges or commits future cash flows from a specific revenue source. In addition, this Statement establishes accounting and financial reporting standards for intra-entity transfers of assets and future revenues.

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, issued November 2006, will be effective for the County beginning with its year ending June 30, 2009. This Statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities, such as site assessments and cleanups. This standard requires the government to estimate the components of expected pollution remediation outlays and determine whether the outlays for those components should be accrued as a liability or, if appropriate, capitalized when goods and services are acquired.

GASB Statement No. 50, *Pension Disclosures*, an amendment of GASB Statement Nos. 25 and 27, issued May 2007, will be effective for the County beginning with its year ending June 30, 2008. This Statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in notes to the financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits.

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, issued July 2007, will be effective for the County beginning with its year ending June 30, 2010. This Statement provides guidance regarding how to identify, account for and report intangible assets. The new standard characterizes an intangible asset as an asset that lacks physical substance, is nonfinancial in nature and has an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, computer software, water rights, timber rights, patents and trademarks. This standard provides that intangible assets be classified as capital assets (except for those explicitly excluded from the scope of the new standard, such as capital leases). Relevant authoritative guidance for capital assets should be applied to these intangible assets.

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

County of Scott, Iowa

Required Supplementary Information
 Budgetary Comparison Schedule
 All Governmental Funds
 Year Ended June 30, 2007

	Budget		Governmental Fund Types Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Property taxes	\$ 32,189,502	\$ 32,189,502	\$ 32,017,310	\$ (172,192)
Local option sales tax	3,612,385	3,612,385	3,727,522	115,137
Other taxes	2,408,226	2,408,226	2,233,601	(174,625)
Interest and penalties on taxes	735,000	735,000	782,123	47,123
Intergovernmental	17,849,503	18,048,278	18,714,770	666,492
Charges for services	4,439,300	4,439,300	4,521,226	81,926
Investment earnings	1,477,442	1,477,442	2,008,067	530,625
Licenses and permits	475,340	475,340	517,197	41,857
Rentals and fees	147,532	147,532	144,693	(2,839)
Other	407,277	407,277	636,018	228,741
Total revenues	63,741,507	63,940,282	65,302,527	1,362,245
Expenditures:				
Current:				
Public safety and legal services	21,739,952	21,739,952	19,330,101	2,409,851
Physical health and social services	5,806,716	5,866,716	5,638,002	228,714
Mental health	14,236,281	14,837,281	14,288,703	548,578
County environment and education	3,860,822	4,068,822	3,845,185	223,637
Roads and transportation	4,385,500	4,385,500	4,360,061	25,439
Government services to residents	1,885,195	1,945,970	1,933,065	12,905
Administration	7,912,588	7,962,588	7,555,798	406,790
Capital outlay	7,536,700	7,536,700	5,580,379	1,956,321
Debt service	1,391,039	3,557,157	3,548,812	8,345
Total expenditures	68,754,793	71,900,686	66,080,106	5,820,580
Excess (deficiency) of revenue over expenditures	(5,013,286)	(7,960,404)	(777,579)	7,182,825
Other financing sources (uses):				
Transfers in	8,402,679	8,402,679	5,107,655	(3,295,024)
Transfers out	(8,402,679)	(8,402,679)	(5,107,655)	3,295,024
Proceeds from sale of capital assets	49,000	49,000	33,394	(15,606)
Issuance of bonds	-	-	6,185,000	6,185,000
Bond premium	-	-	9,345	9,345
Payment to bond escrow agent	-	-	(3,645,000)	(3,645,000)
Total other financing sources (uses)	49,000	49,000	2,582,739	2,533,739
Net change in fund balances	\$ (4,964,286)	\$ (7,911,404)	\$ 1,805,160	\$ 9,716,564

See Note to Required Supplementary Information.

County of Scott, Iowa

Note to Required Supplementary Information

Note 1. Budgetary Comparison Schedule

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

Formal and legal budgetary control is based upon 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 General Fund budgeted for its debt service payments within the public safety and legal services function. The legal level of control is at the aggregated function level, not at the fund or fund type level. During the year, one budget amendment increased budgeted expenditures by \$3,145,893. The budget amendment was primarily due to the annual rental payment to the Scott County Public Safety Authority for the jail debt, HCBS waiver costs, and to allow for spending authority for various state and federal pass-through public safety grants.



Scott County

Iowa

County of Scott, Iowa

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2007

	Special Revenue	
	Rural Services Fund	Recorders Management Fees Fund
Assets		
Cash and investments	\$ 123,137	\$ 138,081
Receivables, property taxes	2,191,649	-
Total assets	\$ 2,314,786	\$ 138,081
Liabilities and Fund Balances		
Liabilities:		
Accrued interest payable	\$ -	\$ -
Deferred revenue	2,191,402	-
Total liabilities	2,191,402	-
Fund balances:		
Reserved for debt service	-	-
Unreserved, undesignated, reported in special revenue funds	123,384	138,081
Total liabilities and fund balances	\$ 2,314,786	\$ 138,081

Debt Service		Total	
\$	4,162,845	\$	4,424,063
	719,397		2,911,046
<u>\$</u>	<u>4,882,242</u>	<u>\$</u>	<u>7,335,109</u>

\$	10,911	\$	10,911
	719,133		2,910,535
	730,044		2,921,446

	4,152,198		4,152,198
	-		261,465
	4,152,198		4,413,663
<u>\$</u>	<u>4,882,242</u>	<u>\$</u>	<u>7,335,109</u>

County of Scott, Iowa

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended June 30, 2007

	Special Revenue	
	Rural Services Fund	Recorders Management Fees Fund
Revenues:		
Property taxes	\$ 1,959,032	\$ -
Other taxes	71,352	-
Intergovernmental	90,988	-
Charges for services	-	37,774
Investment earnings	-	6,595
Total revenues	2,121,372	44,369
Expenditures:		
Current, County environment and education	435,712	-
Debt service:		
Principal	-	-
Bond issuance costs	-	-
Interest	-	-
Total expenditures	435,712	-
Excess (deficiency) of revenue over expenditures	1,685,660	44,369
Other financing sources (uses):		
Transfers out	(1,673,340)	(35,519)
Issuance of bonds	-	-
Payment to bond escrow agent	-	-
Total other financing sources (uses)	(1,673,340)	(35,519)
Net change in fund balances	12,320	8,850
Fund balances, beginning of year	111,064	129,231
Fund balances, end of year	\$ 123,384	\$ 138,081

Debt Service		Total	
\$	732,345	\$	2,691,377
	31,870		103,222
	211,433		302,421
	-		37,774
	40,000		46,595
	<u>1,015,648</u>		<u>3,181,389</u>
	-		435,712
	885,000		885,000
	36,145		36,145
	443,242		443,242
	<u>1,364,387</u>		<u>1,800,099</u>
	(348,739)		1,381,290
	-		(1,708,859)
	3,685,000		3,685,000
	(3,645,000)		(3,645,000)
	<u>40,000</u>		<u>(1,668,859)</u>
	(308,739)		(287,569)
	4,460,937		4,701,232
\$	<u>4,152,198</u>	\$	<u>4,413,663</u>

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

Year Ended June 30, 2007

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
Agricultural Extension Service Fund				
Assets				
Cash and investments	\$ 5,774	\$ 389,533	\$ 389,422	\$ 5,885
Receivables, property taxes	391,794	406,434	391,794	406,434
Total assets	\$ 397,568	\$ 795,967	\$ 781,216	\$ 412,319
Liabilities, due to other governmental agencies	\$ 397,568	\$ 796,797	\$ 782,046	\$ 412,319
Bangs Eradication Fund				
Assets				
Cash and investments	\$ 11,322	\$ 23,474	\$ 11,002	\$ 23,794
Receivables, property taxes	23,624	20,301	23,624	20,301
Total assets	\$ 34,946	\$ 43,775	\$ 34,626	\$ 44,095
Liabilities, due to other governmental agencies	\$ 34,946	\$ 43,800	\$ 34,651	\$ 44,095
City Taxing Districts Fund				
Assets				
Cash and investments	\$ 1,250,303	\$ 80,916,762	\$ 80,959,899	\$ 1,207,166
Receivables, property taxes	81,508,572	86,096,493	81,508,572	86,096,493
Total assets	\$ 82,758,875	\$ 167,013,255	\$ 162,468,471	\$ 87,303,659
Liabilities, due to other governmental agencies	\$ 82,758,875	\$ 167,285,775	\$ 162,740,991	\$ 87,303,659
Community College Taxing District Fund				
Assets				
Cash and investments	\$ 52,065	\$ 3,598,085	\$ 3,595,795	\$ 54,355
Receivables, property taxes	3,618,932	3,668,908	3,618,932	3,668,908
Total assets	\$ 3,670,997	\$ 7,266,993	\$ 7,214,727	\$ 3,723,263
Liabilities, due to other governmental agencies	\$ 3,670,997	\$ 7,274,661	\$ 7,222,395	\$ 3,723,263
Fire Taxing District Fund				
Assets				
Cash and investments	\$ 3,853	\$ 286,515	\$ 285,985	\$ 4,383
Receivables, property taxes	288,342	288,953	288,342	288,953
Total assets	\$ 292,195	\$ 575,468	\$ 574,327	\$ 293,336
Liabilities, due to other governmental agencies	\$ 292,195	\$ 575,468	\$ 574,327	\$ 293,336

(Continued)

County of Scott, Iowa

**Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
Year Ended June 30, 2007**

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
School Taxing District Fund				
Assets				
Cash and investments	\$ 1,426,171	\$ 94,422,408	\$ 94,407,338	\$ 1,441,241
Receivables, property taxes	95,234,968	97,188,362	95,234,968	97,188,362
Total assets	\$ 96,661,139	\$ 191,610,770	\$ 189,642,306	\$ 98,629,603
Liabilities, due to other governmental agencies	\$ 96,661,139	\$ 191,821,256	\$ 189,852,792	\$ 98,629,603
Township Taxing District Fund				
Assets				
Cash and investments	\$ 1,924	\$ 148,020	\$ 147,509	\$ 2,435
Receivables, property taxes	147,661	159,862	147,661	159,862
Total assets	\$ 149,585	\$ 307,882	\$ 295,170	\$ 162,297
Liabilities, due to other governmental agencies	\$ 149,585	\$ 307,882	\$ 295,170	\$ 162,297
Other Taxing Districts Fund				
Assets				
Cash and investments	\$ 134,160	\$ 21,534,476	\$ 21,604,301	\$ 64,335
Receivables, property taxes	268,556	439,003	317,675	389,884
Total assets	\$ 402,716	\$ 21,973,479	\$ 21,921,976	\$ 454,219
Liabilities				
Accounts payable	\$ 12,078	\$ 17,402	\$ 22,191	\$ 7,289
Due to other governmental agencies	390,638	21,906,958	21,850,666	446,930
Total liabilities	\$ 402,716	\$ 21,924,360	\$ 21,872,857	\$ 454,219
City Special Assessments Fund				
Assets, cash and investments	\$ 268,664	\$ 1,844,379	\$ 1,805,842	\$ 307,201
Liabilities, due to other governmental agencies	\$ 268,664	\$ 1,844,379	\$ 1,805,842	\$ 307,201

(Continued)

County of Scott, Iowa

**Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
Year Ended June 30, 2007**

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
County Recorder Agency Fund				
Assets				
Cash and investments	\$ 172,143	\$ 1,807,994	\$ 1,806,266	\$ 173,871
Receivables, accounts	-	1,820,532	1,820,532	-
Total assets	\$ 172,143	\$ 3,628,526	\$ 3,626,798	\$ 173,871
Liabilities, due to other governmental agencies	\$ 172,143	\$ 1,807,942	\$ 1,806,214	\$ 173,871
County Sheriff Agency Fund				
Assets				
Cash and investments	\$ 172,852	\$ 5,038,201	\$ 4,996,572	\$ 214,481
Receivables, accounts	-	379	379	-
Total assets	\$ 172,852	\$ 5,038,580	\$ 4,996,951	\$ 214,481
Liabilities, accounts payable	\$ 172,852	\$ 4,738,376	\$ 4,696,747	\$ 214,481
Motor Vehicle Tax Fund				
Assets, cash and investments	\$ 1,574,136	\$ 18,600,843	\$ 18,591,642	\$ 1,583,337
Liabilities, due to other governmental agencies	\$ 1,574,136	\$ 18,600,843	\$ 18,591,642	\$ 1,583,337
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	\$ 135,272	\$ 575,313	\$ 606,198	\$ 104,387
Liabilities, due to other governmental agencies	\$ 135,272	\$ 575,313	\$ 606,198	\$ 104,387

(Continued)

County of Scott, Iowa

**Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
Year Ended June 30, 2007**

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
Use Tax Fund				
Assets, cash and investments	\$ 1,407,970	\$ 14,516,640	\$ 14,597,786	\$ 1,326,824
Liabilities, due to other governmental agencies	\$ 1,407,970	\$ 14,516,640	\$ 14,597,786	\$ 1,326,824
Community Services Fund				
Assets, cash and investments	\$ 632,570	\$ 24,872	\$ -	\$ 657,442
Liabilities, due to private individuals	\$ 632,570	\$ 24,872	\$ -	\$ 657,442
Jail Inmate Fund				
Assets, cash and investments	\$ 61,884	\$ -	\$ 11,327	\$ 50,557
Liabilities, due to private individuals	\$ 61,884	\$ -	\$ 11,327	\$ 50,557
Total Combined Funds				
Assets				
Cash and investments	\$ 7,312,863	\$ 243,727,515	\$ 243,816,884	\$ 7,223,494
Receivables:				
Property taxes	181,482,449	188,268,316	181,531,568	188,219,197
Accounts	-	1,820,911	1,820,911	-
Total assets	\$ 188,795,312	\$ 433,816,742	\$ 427,169,363	\$ 195,442,691
Liabilities				
Accounts payable	\$ 186,730	\$ 4,755,778	\$ 4,718,938	\$ 223,570
Due to other governmental agencies	187,914,128	427,357,714	420,760,720	194,511,122
Due to private individuals	694,454	24,872	11,327	707,999
Total liabilities	\$ 188,795,312	\$ 432,138,364	\$ 425,490,985	\$ 195,442,691

County of Scott, Iowa

Combining Balance Sheet and Reconciliation to Statement of Net Assets
Discretely Presented Component Units
June 30, 2007

Assets	Emergency Management Agency	County Library	County Assessor
Cash and investments	\$ 200,288	\$ 205,986	\$ 378,678
Restricted cash and investments	-	-	-
Receivables:			
Property taxes	-	-	507,175
Accrued interest	-	-	-
Accounts	-	327	-
Due from other governmental agencies	8,740	-	-
Total assets	\$ 209,028	\$ 206,313	\$ 885,853
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	\$ 1,649	\$ 26,340	\$ 5,133
Accrued liabilities	2,341	18,746	17,390
Deferred revenue	8,740	-	507,069
Total liabilities	12,730	45,086	529,592
Fund balances:			
Reserved for, capital project, jail expansion	-	-	-
Unreserved, undesignated	196,298	161,227	356,261
Total fund balances	196,298	161,227	356,261
Total liabilities and fund balances	\$ 209,028	\$ 206,313	\$ 885,853
Reconciliation to statement of net assets:			
Total component unit fund balances	\$ 196,298	\$ 161,227	\$ 356,261
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	-
Buildings	-	1,297,266	-
Machinery and equipment	42,046	230,109	-
Accumulated depreciation	(42,046)	(319,554)	-
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds,			
deferred revenue	-	-	2,174
Capital lease receivable from primary government	-	-	-
Unearned revenue	-	-	-
Liabilities not due and payable in the current period are not reported in the funds:			
Compensated absences	(12,414)	(16,362)	(78,518)
Revenue bonds payable	-	-	-
Bond discounts	-	-	-
Accrued interest payable	-	-	-
Bond issuance costs	-	-	-
Total net assets	\$ 183,884	\$ 1,369,286	\$ 279,917

County Assessor Special	City Assessor	City Assessor Special	Public Safety Authority	Total
\$ 317,817	\$ 191,199	\$ 151,658	\$ (347,544)	\$ 1,098,082
-	-	-	7,092,041	7,092,041
244,535	866,734	198,079	-	1,816,523
-	-	-	29,157	29,157
-	-	-	-	327
-	-	-	-	8,740
<u>\$ 562,352</u>	<u>\$ 1,057,933</u>	<u>\$ 349,737</u>	<u>\$ 6,773,654</u>	<u>\$ 10,044,870</u>
\$ -	\$ 39,503	\$ 8,533	\$ 1,872,653	\$ 1,953,811
-	-	-	-	38,477
244,484	866,332	197,987	-	1,824,612
<u>244,484</u>	<u>905,835</u>	<u>206,520</u>	<u>1,872,653</u>	<u>3,816,900</u>
-	-	-	4,901,001	4,901,001
317,868	152,098	143,217	-	1,326,969
<u>317,868</u>	<u>152,098</u>	<u>143,217</u>	<u>4,901,001</u>	<u>6,227,970</u>
<u>\$ 562,352</u>	<u>\$ 1,057,933</u>	<u>\$ 349,737</u>	<u>\$ 6,773,654</u>	<u>\$ 10,044,870</u>
\$ 317,868	\$ 152,098	\$ 143,217	\$ 4,901,001	\$ 6,227,970
-	-	-	-	16,600
-	-	-	-	1,297,266
-	110,461	-	-	382,616
-	(92,745)	-	-	(454,345)
-	3,475	-	-	5,649
-	-	-	26,770,000	26,770,000
-	-	-	(4,275,098)	(4,275,098)
-	(45,635)	-	-	(152,929)
-	-	-	(26,770,000)	(26,770,000)
-	-	-	275,325	275,325
-	-	-	(90,734)	(90,734)
-	-	-	120,281	120,281
<u>\$ 317,868</u>	<u>\$ 127,654</u>	<u>\$ 143,217</u>	<u>\$ 930,775</u>	<u>\$ 3,352,601</u>

County of Scott, Iowa

Combining Statement of Revenues, Expenditures and Changes in Fund Balances and Reconciliation to
Statement of Activities - Discretely Presented Component Units
Year Ended June 30, 2007

	Emergency Management Agency	County Library
Revenues:		
Property taxes	\$ -	\$ -
Other taxes	-	-
Intergovernmental	58,817	871,553
Charges for services	-	12,761
Investment earnings	-	-
Rentals and fees	-	-
Other	17,282	5,042
Total revenues	76,099	889,356
Expenditures:		
Current:		
Public safety and legal services	98,292	-
County environment and education	-	974,738
Government services to residents	-	-
Debt service:		
Principal	-	-
Interest	-	-
Total expenditures	98,292	974,738
Net change in fund balances	(22,193)	(85,382)
Fund balances, beginning of year	218,491	246,609
Fund balances, end of year	\$ 196,298	\$ 161,227

(Continued)

County Assessor	County Assessor Special	City Assessor	City Assessor Special	Public Safety Authority	Total
\$ 563,392	\$ 134,220	\$ 695,481	\$ 221,118	\$ -	\$ 1,614,211
22,606	5,384	34,317	10,913	-	73,220
20,295	4,834	20,497	6,518	-	982,514
1,227	-	-	-	-	13,988
-	-	-	-	1,846,379	1,846,379
-	-	-	-	995,000	995,000
-	-	6,746	-	-	29,070
607,520	144,438	757,041	238,549	2,841,379	5,554,382
-	-	-	-	17,615,517	17,713,809
-	-	-	-	-	974,738
555,689	170,581	765,136	161,754	-	1,653,160
-	-	-	-	995,000	995,000
-	-	-	-	1,126,117	1,126,117
555,689	170,581	765,136	161,754	19,736,634	22,462,824
51,831	(26,143)	(8,095)	76,795	(16,895,255)	(16,908,442)
304,430	344,011	160,193	66,422	21,796,256	23,136,412
\$ 356,261	\$ 317,868	\$ 152,098	\$ 143,217	\$ 4,901,001	\$ 6,227,970

County of Scott, Iowa

Combining Statement of Revenues, Expenditures and Changes in Fund Balances and Reconciliation to Statement of Activities - Discretely Presented Component Units (Continued)
Year Ended June 30, 2007

	Emergency Management Agency	County Library
Reconciliation to statement of activities,		
net change in fund balances	\$ (22,193)	\$ (85,382)
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	-	28,440
Depreciation	-	(45,831)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	-	-
Rentals and fees	-	-
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	(1,763)	(1,351)
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following is a detail of the net effect of these differences in the treatment of long-term debt and related items:		
Repayment of bond principal	-	-
Interest expense	-	-
Amortization of bond issuance costs and discounts	-	-
Changes in net assets of component units	\$ (23,956)	\$ (104,124)

County Assessor	County Assessor Special	City Assessor	City Assessor Special	Public Safety Authority	Total
\$ 51,831	\$ (26,143)	\$ (8,095)	\$ 76,795	\$ (16,895,255)	\$ (16,908,442)
-	-	-	-	17,618,026	17,646,466
-	-	(8,020)	-	-	(53,851)
1,149	-	(1,920)	-	-	(771)
-	-	-	-	(995,000)	(995,000)
(9,592)	-	1,584	-	-	(11,122)
-	-	-	-	995,000	995,000
-	-	-	-	(23,117)	(23,117)
-	-	-	-	(11,457)	(11,457)
\$ 43,388	\$ (26,143)	\$ (16,451)	\$ 76,795	\$ 688,197	\$ 637,706



Scott County

Iowa

STATISTICAL

County of Scott, Iowa

Statistical Section
Contents

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

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These schedules contain trend information to help the reader understand how the County's financial performance and well being have changed over time.	74
Revenue Capacity	
These schedules contain information to help the reader assess the County's most significant local revenue sources, the property tax (or sales tax).	86
Debt Capacity	
These schedules present information to help the reader assess the affordability of the County's current level of outstanding debt and the County's ability to issue additional debt in the future.	94
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	100
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	102

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual report for the relevant year. The County implemented GASB Statement No. 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

County of Scott, Iowa

Net Assets by Component
Last Five Fiscal Years*
(accrual basis of accounting)
(Unaudited)

	Fiscal Year		
	2003	2004	2005
Governmental activities:			
Invested in capital assets, net of related debt	\$ 51,390,670	\$ 53,196,584	\$ 58,403,448
Restricted for:			
Debt Service	5,142,886	4,828,092	4,486,204
County Conservation Sewage Treatment	151,021	160,678	170,507
Mental health	-	-	-
Secondary roads	-	-	-
Unrestricted	11,771,985	11,848,957	11,456,380
Total governmental activities net assets	\$ 68,456,562	\$ 70,034,311	\$ 74,516,539
Business-type activities:			
Invested in capital assets, net of related debt	\$ (50,362)	\$ 198,958	\$ 342,758
Restricted for lease purchase contract	-	324,627	326,105
Unrestricted	(1,383,608)	(1,843,166)	(2,051,330)
Total business-type activities net assets	\$ (1,433,970)	\$ (1,319,581)	\$ (1,382,467)
Primary government:			
Invested in capital assets, net of related debt	\$ 51,340,308	\$ 53,395,542	\$ 58,746,206
Restricted for:			
Debt Service	5,142,886	4,828,092	4,486,204
County Conservation Sewage Treatment	151,021	160,678	170,507
Lease purchase contract	-	324,627	326,105
Mental health	-	-	-
Secondary roads	-	-	-
Unrestricted	10,388,377	10,005,791	9,405,050
Total primary government net assets	\$ 67,022,592	\$ 68,714,730	\$ 73,134,072

GASB Statement No. 34 implemented in fiscal year 2003.

Source: County records.

Fiscal Year	
2006	2007
\$ 62,017,939	\$ 65,298,164
4,460,937	4,152,198
182,850	196,692
855,147	396,372
1,459,411	936,185
11,004,368	10,576,072
<u>\$ 79,980,652</u>	<u>\$ 81,555,683</u>

\$ 475,691	\$ 633,574
326,596	326,831
(2,341,036)	(2,832,971)
<u>\$ (1,538,749)</u>	<u>\$ (1,872,566)</u>

\$ 62,493,630	\$ 65,931,738
4,460,937	4,152,198
182,850	196,692
326,596	326,831
855,147	396,372
1,459,411	936,185
8,663,332	7,743,101
<u>\$ 78,441,903</u>	<u>\$ 79,683,117</u>

County of Scott, Iowa

Changes in Net Assets
Last Five Fiscal Years*
(accrual basis of accounting)
(Unaudited)

	Fiscal Year		
	2003	2004	2005
Expenses:			
Governmental activities:			
Public safety and legal services	\$ 14,416,219	\$ 15,359,610	\$ 17,378,230
Physical health and social services	5,354,508	5,599,865	5,433,189
Mental health	12,560,244	12,464,838	12,689,373
County environment and education	4,077,028	4,179,381	3,978,818
Roads and transportation	5,319,941	5,322,321	6,514,158
Governmental services to residents	1,728,824	1,834,390	1,853,466
Administration	6,864,076	8,182,576	9,848,118
Interest on long-term debt	498,341	457,073	434,854
Total governmental activities expenses	50,819,181	53,400,054	58,130,206
Business-type activities, golf course	964,728	988,195	1,074,754
Total government expenses	\$ 51,783,909	\$ 54,388,249	\$ 59,204,960
Program revenues:			
Governmental activities:			
Public safety and legal services	\$ 966,549	\$ 899,053	\$ 878,359
Physical health and social services	264,329	356,232	291,344
Mental health	46,259	18,432	40,441
County environment and education	695,885	693,246	880,593
Roads and transportation	2,841	32,875	9,241
Governmental services to residents	2,930,055	2,693,220	2,501,165
Administration	222,833	150,904	264,264
Operating grants and contributions	5,448,938	8,544,625	8,857,256
Capital grants and contributions	1,329,326	706,004	6,519,732
Total governmental activities program revenues	11,907,015	14,094,591	20,242,395
Business-type activities, golf course	1,033,286	1,101,788	1,008,046
Total government program revenues	\$ 12,940,301	\$ 15,196,379	\$ 21,250,441
Net (expense)/revenue:			
Governmental activities	\$ (38,912,166)	\$ (39,305,463)	\$ (37,887,811)
Business-type activities	68,558	113,593	(66,708)
Total government net expense	\$ (38,843,608)	\$ (39,191,870)	\$ (37,954,519)

(Continued)

		Fiscal Year	
		2006	2007
\$	19,231,650	\$	20,051,534
	5,543,800		5,682,835
	13,430,170		14,308,820
	4,142,926		4,371,103
	5,983,682		6,711,217
	1,945,223		2,074,972
	9,376,193		9,943,559
	662,882		1,606,659
	60,316,526		64,750,699
	1,186,450		1,223,696
\$	61,502,976	\$	65,974,395

\$	1,101,152	\$	1,053,355
	290,280		285,637
	57,465		41,070
	943,194		889,915
	27,646		9,943
	2,616,909		2,506,821
	191,548		251,682
	9,135,717		9,896,826
	2,846,478		1,417,942
	17,210,389		16,353,191
	1,019,793		875,270
\$	18,230,182	\$	17,228,461

\$	(43,106,137)	\$	(48,397,508)
	(166,657)		(348,426)
\$	(43,272,794)	\$	(48,745,934)

County of Scott, Iowa

Changes in Net Assets (Continued)
Last Five Fiscal Years*
(accrual basis of accounting)
(Unaudited)

	Fiscal Year		
	2003	2004	2005
General revenues and other changes in net assets:			
Governmental activities:			
Taxes:			
Property taxes	\$ 22,780,080	\$ 24,998,507	\$ 25,923,952
Local option sales tax	3,199,382	3,393,432	3,488,462
Gaming	805,667	919,864	904,897
Other taxes	172,113	117,731	59,143
Utility tax replacements	1,061,401	1,133,932	1,228,633
Penalties, interest and costs on taxes	667,318	652,959	837,554
State tax replacement credits	8,313,347	5,435,819	5,152,761
Payments in lieu of taxes	3,659	-	-
State shared revenues	2,804,003	2,851,114	2,909,524
Grants and contributions not restricted to specific purpose	289,800	274,703	258,703
Investment earnings	518,804	367,089	782,291
Miscellaneous	692,184	738,062	824,119
(Loss) on the sales of capital assets	(35,371)	-	-
Total governmental activities	41,272,387	40,883,212	42,370,039
Business-type activities, investment earnings	2,461	796	3,822
Total government	\$ 41,274,848	\$ 40,884,008	\$ 42,373,861
Change in net assets:			
Governmental activities	\$ 2,360,221	\$ 1,577,749	\$ 4,482,228
Business-type activities	71,019	114,389	(62,886)
Total primary government	\$ 2,431,240	\$ 1,692,138	\$ 4,419,342

GASB Statement No. 34 implemented in fiscal year 2003.

Source: County records.

		Fiscal Year	
		2006	2007
\$	31,335,227	\$	31,995,844
	3,470,318		3,700,844
	887,690		789,210
	63,287		61,766
	1,377,835		1,382,625
	791,859		782,123
	5,246,050		5,243,536
	-		165
	2,970,800		2,906,371
	241,277		188,557
	1,381,353		2,140,787
	804,554		780,711
	-		-
	48,570,250		49,972,539
	10,375		14,609
\$	48,580,625	\$	49,987,148
\$	5,464,113	\$	1,575,031
	(156,282)		(333,817)
\$	5,307,831	\$	1,241,214

County of Scott, Iowa

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

	Fiscal Year			
	1998	1999*	2000	2001
General Fund:				
Reserved:				
Notes receivable	\$ -	\$ -	\$ 205,761	\$ 120,507
Advances	1,423,314	1,423,314	1,423,314	1,423,314
County conservation sewage treatment	-	-	-	-
Unreserved, designated claim liabilities	-	-	-	-
Unreserved, undesignated	6,971,767	8,401,174	5,755,165	5,373,104
Total general fund	\$ 8,395,081	\$ 9,824,488	\$ 7,384,240	\$ 6,916,925
All other governmental funds:				
Reserved for:				
Debt service	\$ 6,462,322	\$ 6,223,688	\$ 5,963,836	\$ 5,688,836
Unreserved, undesignated reported in:				
Special revenue funds:				
Mental health/development disabilities	1,196,130	1,714,861	2,042,319	2,166,738
Secondary Roads	524,854	666,640	690,460	875,848
Rural services	136,828	157,643	155,078	132,012
Recorders management fees	61,106	78,772	111,718	154,882
Capital projects funds, capital projects	3,306,160	4,068,251	7,743,389	9,007,745
Total all other governmental funds	\$ 11,687,400	\$ 12,909,855	\$ 16,706,800	\$ 18,026,061

Source: County records.

							Fiscal Year					
2002		2003		2004		2005		2006		2007		
\$	60,254	\$	100,000	\$	100,000	\$	100,000	\$	100,000	\$	100,000	
	1,423,314		1,423,314		1,508,314		1,673,314		1,863,314		2,262,314	
	-		151,021		160,678		170,507		182,850		196,692	
	1,051,977		1,116,806		805,257		886,689		886,689		1,004,488	
	6,012,505		6,372,309		5,488,379		4,637,761		5,479,818		5,301,970	
\$	8,548,050	\$	9,163,450	\$	8,062,628	\$	7,468,271	\$	8,512,671	\$	8,865,464	
<hr/>												
\$	5,426,805	\$	5,142,886	\$	724,111	\$	5,269,337	\$	4,460,937	\$	4,152,198	
	1,218,233		1,021,020		1,000,512		1,251,251		855,147		396,372	
	561,446		2,189,357		2,943,900		1,552,667		1,459,411		936,185	
	83,889		2,148,185		1,997,741		2,191,392		111,064		123,384	
	192,259		259,036		93,315		117,636		129,231		138,081	
	5,916,295		1,788,279		1,275,218		3,426,597		4,223,180		6,945,117	
\$	13,398,927	\$	12,548,763	\$	8,034,797	\$	13,808,880	\$	11,238,970	\$	12,691,337	

County of Scott, Iowa

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	1998	1999*	2000	2001
Revenues:				
Property taxes	\$ 18,125,931	\$ 18,177,319	\$ 19,283,597	\$ 19,852,285
Local option sales tax	2,833,819	3,317,574	3,341,526	3,196,756
Other taxes	836,233	894,402	902,381	1,876,688
Interest and penalty on taxes	320,601	420,615	489,444	522,155
Intergovernmental	13,556,742	13,586,119	13,670,627	15,491,941
Charges for services	3,048,139	3,336,418	3,172,085	3,576,260
Investment earnings	1,699,696	1,751,709	2,097,176	2,286,576
Licenses and permits	324,532	362,164	428,267	386,316
Rentals and fees	130,428	156,948	139,890	163,735
Other	420,322	466,149	509,131	392,014
Total revenues	41,296,443	42,469,417	44,034,124	47,744,726
Expenditures:				
Public safety and legal services	9,452,170	10,277,713	10,625,223	12,247,225
Physical health and social services	5,078,519	4,212,753	4,493,516	5,305,350
Mental health	9,424,014	9,903,740	10,574,774	11,615,292
County environment and education	2,249,955	2,233,586	2,336,675	2,601,159
Roads and transportation	2,963,400	3,047,814	3,215,371	3,240,775
Governmental services to residents	1,453,858	1,449,209	1,509,901	1,658,522
Administration	-	-	-	5,824,175
Interprogram services	5,028,129	4,478,582	5,439,162	-
Capital outlay	3,383,005	3,155,483	3,408,430	4,128,588
Debt service:				
Principal	620,000	670,000	720,000	275,000
Bond issuance costs	-	-	-	-
Interest	419,825	388,675	354,375	317,485
Total expenditures	40,072,875	39,817,555	42,677,427	47,213,571
Excess of revenues over (under) expenditures	1,223,568	2,651,862	1,356,697	531,155
Other financing sources (uses):				
Transfers in	5,920,493	4,129,217	7,467,088	6,761,451
Transfers out	(5,920,493)	(4,129,217)	(7,467,088)	(6,761,451)
Proceeds from sale of capital assets	-	-	-	-
Proceeds from issuance of long-term debt	-	-	-	-
Bond premium	-	-	-	-
Payment to bond escrow agent	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	1,223,568	2,651,862	1,356,697	531,155
Fund balances, beginning of year	18,858,913	20,082,481	22,734,343	24,411,832
Residual equity transfer in	-	-	-	-
Fund balances, end of year	\$ 20,082,481	\$ 22,734,343	\$ 24,091,040	\$ 24,942,987
Debt service as a percentage of noncapital expenditures	2.92%	2.97%	2.81%	1.39%

Source: County records.

Fiscal Year						
	2002	2003	2004	2005	2006	2007
\$	20,644,047	\$ 22,769,823	\$ 24,996,346	\$ 25,895,065	\$ 31,364,663	\$ 32,017,310
	3,195,497	3,289,382	3,403,432	3,418,462	3,382,318	3,727,522
	1,980,614	2,039,181	2,171,528	2,192,673	2,328,812	2,233,601
	579,951	667,318	652,959	837,554	791,859	782,123
	15,895,641	17,130,707	17,181,934	17,899,516	18,596,027	18,714,770
	4,181,051	4,698,212	4,389,232	4,336,407	4,656,145	4,521,226
	956,679	518,804	348,442	738,160	1,381,353	2,008,067
	418,998	430,540	454,731	529,000	572,049	517,197
	142,050	127,387	113,952	124,758	141,568	144,693
	784,724	564,798	604,805	695,374	569,001	636,018
	48,779,252	52,236,152	54,317,361	56,666,969	63,783,795	65,302,527
	12,490,629	13,584,142	14,593,427	16,507,338	18,225,493	19,330,101
	5,675,225	5,279,964	5,563,018	5,398,110	5,489,011	5,638,002
	12,507,653	12,540,895	12,454,452	12,673,353	13,416,089	14,288,703
	2,974,726	3,331,750	3,809,045	3,554,450	3,558,603	3,845,185
	3,380,066	3,025,694	3,716,998	3,915,398	3,937,871	4,360,061
	1,748,504	1,638,400	1,746,145	1,765,623	1,866,796	1,933,065
	5,907,458	6,214,537	6,622,680	6,815,170	7,306,402	7,555,798
	-	-	-	-	-	-
	13,388,707	9,256,988	5,320,722	5,583,383	5,290,532	5,580,379
	290,000	610,000	580,000	610,000	2,570,000	1,880,000
	-	-	-	-	-	99,453
	317,818	502,750	458,905	436,926	665,130	1,569,359
	58,680,786	55,985,120	54,865,392	57,259,751	62,325,927	66,080,106
	(9,901,534)	(3,748,968)	(548,031)	(592,782)	1,457,868	(777,579)
	5,919,049	5,949,549	6,468,235	5,835,149	6,665,376	5,107,655
	(5,919,049)	(5,949,549)	(6,468,235)	(5,835,149)	(6,665,376)	(5,107,655)
	-	-	-	-	-	33,394
	5,041,777	-	-	-	-	6,185,000
	-	-	-	-	-	9,345
	-	-	-	-	-	(3,645,000)
	5,041,777	-	-	-	-	2,582,739
	(4,859,757)	(3,748,968)	(548,031)	(592,782)	1,457,868	1,805,160
	24,942,986	23,183,554	19,434,586	18,886,555	18,293,773	19,751,641
	1,863,748	-	-	-	-	-
\$	21,946,977	\$ 19,434,586	\$ 18,886,555	\$ 18,293,773	\$ 19,751,641	\$ 21,556,801
	1.36%	2.44%	2.14%	2.07%	6.01%	6.03%

County of Scott, Iowa

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

Function / Program	Fiscal Year		
	2003	2004	2005
Governmental activities:			
Public safety and legal services	\$ 1,510,542	\$ 1,440,430	\$ 2,076,189
Physical health and social services	1,995,547	2,278,296	2,393,807
Mental health	2,681,440	5,019,401	5,435,434
County environment and education	1,064,191	1,253,269	1,143,866
Roads and transportation	1,180,590	725,079	5,980,515
Governmental services to residents	3,048,029	3,041,924	2,705,131
Administration	426,676	336,192	507,453
Total governmental activities	11,907,015	14,094,591	20,242,395
Business-type activities, Glynn's Creek Golf Course	1,033,286	1,101,788	1,008,046
Total government	\$ 12,940,301	\$ 15,196,379	\$ 21,250,441

GASB Statement No. 34 implemented in fiscal year 2003.

Source: County records.

		Fiscal Year	
		2006	2007
\$	2,396,794	\$	2,624,858
	2,126,736		2,114,672
	5,507,832		6,324,361
	1,197,394		1,074,486
	1,943,220		979,629
	3,670,976		2,824,963
	367,437		410,222
	17,210,389		16,353,191
	1,019,793		875,270
\$	18,230,182	\$	17,228,461

County of Scott, Iowa

Tax Revenues by Source, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

Fiscal Year	Property	Local Option Sales Tax	Other Tax	Interest & Penalties on Taxes	Intergovernmental
1998	\$ 18,125,931	\$ 2,833,819	\$ 836,233	\$ 320,601	\$ 13,556,742
1999	18,177,319	3,317,574	894,402	420,615	13,586,119
2000	19,283,597	3,341,526	902,381	489,444	13,670,627
2001	19,852,285	3,196,756	1,876,688	522,155	15,491,941
2002	20,644,047	3,195,497	1,980,614	579,951	15,895,641
2003	25,895,065	3,418,462	2,192,673	837,554	17,899,516
2004	24,996,346	3,403,432	2,171,528	652,959	17,181,934
2005	25,895,065	3,418,462	2,192,673	837,554	17,899,516
2006	31,364,663	3,382,318	2,328,812	791,859	18,596,027
2007	32,017,310	3,727,522	2,233,601	782,123	18,714,770
Change 1998-2007	76.64%	31.54%	167.10%	143.96%	38.05%

Source: County records.

Charges for Services	Investment Earnings	Licenses & Permits	Rentals & Fees	Other	Total
\$ 3,048,139	\$ 1,699,696	\$ 324,532	\$ 130,428	\$ 420,322	\$ 41,296,443
3,336,418	1,751,709	362,164	156,948	466,149	42,469,417
3,172,085	2,097,176	428,267	139,890	509,131	44,034,124
3,576,260	2,286,576	386,316	163,735	392,014	47,744,726
4,181,051	956,679	418,998	142,050	784,724	48,779,252
4,336,407	738,160	529,000	124,758	695,374	56,666,969
4,389,232	348,442	454,731	113,952	604,805	54,317,361
4,336,407	738,160	529,000	124,758	695,374	56,666,969
4,656,145	1,381,353	572,049	141,568	569,001	63,783,795
4,521,226	2,008,067	517,197	144,693	636,018	65,302,527
48.33%	18.14%	59.37%	10.94%	51.32%	58.13%

County of Scott, Iowa

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

Fiscal Year Ended June 30	Real Property		Personal Property		Utilities	
	Taxable Value	Assessed Value	Taxable Value	Assessed Value	Taxable Value	Assessed Value
1998	\$ 3,593,077,609	\$ 5,094,524,701	\$ 267,715,978	\$ 267,715,978	\$ 332,821,148	\$ 332,821,148
1999	3,807,731,607	5,668,739,100	255,956,108	255,956,108	390,444,779	390,533,049
2000	3,972,859,733	5,777,153,288	244,123,480	244,123,480	360,261,226	360,261,226
2001	4,283,599,697	6,382,142,701	190,103,913	190,103,913	367,488,907	367,528,097
2002	4,494,546,377	6,542,552,088	128,389,476	128,389,476	373,127,833	373,127,833
2003	4,697,380,131	7,262,052,360	55,912,460	55,912,460	376,912,988	376,928,465
2004	4,812,295,795	7,645,182,637	5,356,152	5,356,152	402,785,799	403,680,208
2005	5,087,898,264	8,391,908,858	-	-	416,619,162	416,632,167
2006	5,299,824,281	8,858,213,729	-	-	405,323,627	405,323,627
2007	5,636,684,084	9,304,359,638	-	-	242,007,768	287,536,004

Source: Auditor's Office

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

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

Total		Ratio Taxable to Assessed Value	Tax Increment Financing District Values	Total Direct Tax Rate
Taxable Value	Assessed Value			
\$ 4,193,614,735	\$ 5,695,061,827	73.6%	\$ 94,850,981	\$ 2.15
4,454,132,494	6,315,228,257	70.5	115,708,030	2.01
4,577,244,439	6,381,537,994	71.7	175,894,540	2.06
4,841,192,517	6,939,774,711	69.8	207,991,891	2.09
4,996,063,686	7,044,069,397	70.9	218,666,744	2.10
5,129,605,579	7,694,893,285	66.7	226,164,092	2.25
5,220,437,746	8,054,218,997	64.8	232,697,034	2.39
5,504,517,426	8,808,541,125	62.5	213,970,420	2.38
5,705,147,908	9,263,537,356	61.6	235,146,048	2.74
5,878,691,852	9,591,895,642	61.3	235,149,590	2.72

County of Scott, Iowa

Principal Property Taxpayers
 Current Year and Nine Years Ago
(in thousands of dollars)
 (Unaudited)

	1997		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
MidAmerican Energy	\$ 275,497,022	1	6.69%
Aluminum Company of America	195,008,470	2	4.74
Equitable Life Assurance Society	79,251,932	3	1.93
Davenport Water Company	40,829,063	4	0.99
Oscar Mayer Foods Corporation	28,862,106	5	0.70
Davenport Cement Company	28,499,614	6	0.69
U.S. West Communications	28,111,498	7	0.68
Deere & Company	26,601,400	8	0.65
Ralston Purina Company	24,986,909	9	0.61
Quanex Corporation	24,824,932	10	0.60
	<u>\$ 752,472,946</u>		<u>18.28%</u>

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

Source: County records

County of Scott, Iowa

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

Fiscal Year Ended June 30	Property Taxes Levied for the Fiscal Year	Property Taxes Collected Within the Fiscal Year of the Levy		Property Tax Collections In Subsequent Years	Property Tax Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1998	\$ 128,794,368	\$ 128,168,403	99.51%	\$ (86,183)	\$ 128,082,220	99.45%
1999	138,308,158	137,499,635	99.42	50,202	137,549,837	88.45
2000	141,568,042	140,229,377	99.05	117,589	140,346,966	99.14
2001	146,117,608	145,193,712	99.37	119,615	145,313,327	99.45
2002	152,133,150	151,191,798	99.38	75,947	151,267,745	99.43
2003	164,344,090	163,141,398	99.27	38,060	163,179,458	99.29
2004	170,396,572	168,156,252	98.69	618,183	168,774,435	99.05
2005	181,497,890	179,753,240	99.04	1,664,237	181,417,477	99.96
2006	194,032,266	193,001,228	99.46	195,545	193,196,773	99.57
2007	202,141,914	200,878,707	99.38	(20,856)	200,857,851	99.36

Note: Information presented above includes all taxing districts and their respective levies; Scott County's tax levy in 2007 was \$33,137,782 with current tax collections of \$32,009,567 for a percent of levy collected of 96.6%. Delinquent taxes were \$7,743 with a delinquent as a percent of current levy of 96.6%.

Source: County records.

County of Scott, Iowa

Direct and Overlapping Property Tax Rates

Last Ten Years

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

(Unaudited)

	Year Taxes are Payable			
	1998	1999	2000	2001
County direct rates:				
Scott County Urban Rate	4.19239	3.91472	4.05869	4.15929
Scott County Rural Rate	7.74642	7.23492	7.29139	7.13428
City and town rates:				
Bettendorf	11.45630	11.45555	11.49320	11.46317
Blue Grass	11.60248	10.57459	10.38054	11.14846
Buffalo	6.65000	6.65000	6.65000	7.00003
Davenport	13.96012	13.96012	13.95123	14.63429
Dixon	8.10000	8.09974	8.09981	7.92961
Donahue	5.22584	5.25586	5.31451	5.14553
Durant	10.32394	12.88643	12.84869	12.58764
Eldridge	8.05589	7.16197	6.46747	6.37566
LeClaire	13.66101	14.94376	14.44722	14.69772
Long Grove	5.43945	5.78412	6.99376	7.50571
Maysville	3.99992	3.99799	4.60923	4.31483
McCausland	6.52500	6.52507	7.91701	7.64701
New Liberty	1.39317	1.47129	1.49144	1.44891
Panorama Park	6.47085	6.30832	6.16271	5.64725
Princeton	6.71036	6.69140	6.69112	7.15950
Riverdale	1.34560	1.51305	1.76835	2.29856
Walcott	6.70018	8.14002	10.09000	10.50225
School District Rates:				
Bennett Schools	13.37286	13.17830	13.38001	12.01282
Bettendorf Schools	15.46181	15.57107	14.81448	14.57951
Davenport Schools	15.19448	15.26607	14.92898	15.50967
Durant Schools	11.18477	11.14827	10.95551	12.11375
North Scott Schools	15.98307	17.73248	15.76085	15.70745
Pleasant Valley Schools	14.05556	14.68808	14.44722	13.45589
Area IX CC	0.58671	0.57182	0.54709	0.60302
Other:				
Scott County Assessor	0.23867	0.25072	0.22997	0.31843
Davenport City Assessor	0.34669	0.29389	0.29311	0.31303
Ag. Extension - BANGS	0.04077	0.03868	0.06732	0.06700

Source: County records - Auditor's Office.

Year Taxes are Payable

2002	2003	2004	2005	2006	2007
4.18290	4.48067	4.80887	4.75497	5.56513	5.51106
7.23474	7.49188	7.71192	7.84647	8.60445	8.52602
11.45555	11.85000	11.85000	12.34932	12.34952	12.60000
11.56925	12.43356	12.48463	11.51524	11.43975	11.58668
6.99999	7.00203	7.65547	8.09999	8.09998	8.10000
14.60301	14.63000	14.96445	15.24000	15.24000	15.56702
8.09975	8.09986	8.09977	8.10000	8.10000	8.10000
5.20471	5.15138	7.96293	7.36868	5.42517	5.43321
12.19810	12.17088	12.17088	14.20315	15.56204	15.56204
6.37553	6.37555	6.64799	6.64795	6.64795	6.64800
14.69771	14.69660	14.69660	14.69639	14.69637	14.69636
7.87004	7.89977	8.10000	8.10000	8.10000	8.39529
4.76008	4.85690	5.16066	5.16083	5.16097	5.16094
7.64697	7.91705	7.91704	8.10000	8.10000	8.10000
1.52958	1.52478	2.22375	2.99975	2.90011	3.57028
6.13308	6.27994	6.29016	6.25158	6.50590	6.76329
9.30742	9.30739	9.22504	8.81288	9.02314	8.97804
2.29648	2.29649	2.30970	2.30949	2.93819	2.50485
10.00001	9.50001	9.50000	9.75001	9.75001	9.75000
11.62167	11.85225	12.43900	12.85967	11.78130	11.62880
14.56220	15.78768	15.77779	15.46630	14.69042	15.00216
15.46758	16.96204	17.07873	17.09591	17.09734	17.10760
12.18444	12.24493	12.04676	12.21711	12.62186	11.96178
15.66165	15.32122	14.99307	15.03382	15.12320	15.17814
13.45953	13.45042	13.45835	13.46470	13.66430	13.86154
0.60382	0.62633	0.61738	0.59216	0.59269	0.61277
0.31830	0.33124	0.33119	0.27124	0.27404	0.29563
0.33488	0.37656	0.31521	0.27648	0.26045	0.29672
0.06790	0.06248	0.06721	0.06939	0.06973	0.07034

County of Scott, Iowa

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(dollars in thousands, except per capita)

(Unaudited)

Fiscal Year	Governmental Activities			
	General Obligation Bonds	Capital Lease	Compensated Absences	Claims Payable
1998	\$ 7,305	\$ -	\$ 58	\$ -
1999	6,635	-	88	-
2000	5,915	-	113	-
2001	5,640	-	786	-
2002	10,435	-	224	1,052
2003	9,825	-	1,649	1,132
2004	9,245	-	1,713	819
2005	8,635	-	1,838	891
2006	8,000	27,765	1,916	724
2007	9,655	26,770	2,142	1,004

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

Source: County records.

Business-Type Activities

Capital Lease	Purchase Contract	Compensated Absences	Total Government	Percentage of Personal Income*	Per Capita*
\$ -	\$ -	\$ -	\$ 7,363	0.18%	\$ 46.77
-	-	-	6,723	0.16	42.39
-	-	-	6,028	0.13	37.80
-	-	-	6,426	0.14	40.50
-	-	-	11,711	0.24	73.81
-	2,361	28,150	43,117	0.87	268.50
218	2,101	24,755	38,851	0.73	241.48
476	1,918	26,102	39,860	Not available	248.91
370	1,725	31,309	71,809	Not available	446.02
266	1,523	39	41,399	Not available	252.69

County of Scott, Iowa

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

Fiscal Year	General Bonded Debt Outstanding General Obligation Bonds	Percent of Debt to Assessed Value	Per Capita*
1998	\$ 7,305,000	0.13%	\$ 46.40
1999	6,635,000	0.11	41.84
2000	5,915,000	0.09	37.09
2001	5,640,000	0.08	35.55
2002	10,435,000	0.15	65.77
2003	9,825,000	0.13	61.18
2004	9,245,000	0.12	57.46
2005	8,635,000	0.10	53.92
2006	8,000,000	0.09	49.69
2007	9,655,000	0.10	58.93

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

Source: County records.

County of Scott, Iowa

Direct and Overlapping Governmental Activities Debt
 As of June 30, 2007
 (Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Scott County	\$ 9,655,000	100.00%	\$ 9,655,000
School Districts:			
Bettendorf Community	11,165,000	100.00	11,165,000
Durant Community	2,621,459	30.09	788,797
North Scott Community	6,645,000	100.00	6,645,000
Wheatland Community	2,035,000	8.00	162,800
Eastern Iowa Community College	49,700,000	58.94	29,293,180
Subtotal, School Districts			48,054,777
Cities:			
Bettendorf	55,885,000	100.00	55,885,000
Blue Grass	186,000	100.00	186,000
Buffalo	405,000	100.00	405,000
Davenport	138,845,000	100.00	138,845,000
Durant	1,960,000	4.68	91,728
Eldridge	1,716,830	100.00	1,716,830
LeClaire	10,711,671	100.00	10,711,671
Princeton	115,837	100.00	115,837
Walcott	4,000,000	100.00	4,000,000
Subtotal, Cities			211,957,066
Total direct and overlapping debt:			\$ 269,666,843

Source: County records

County of Scott, Iowa

Legal Debt Margin Information

As of June 30, 2007

(Unaudited)

	1998	1999*	2000	2001
Debt limit	\$ 284,753,091	\$ 315,761,413	\$ 319,076,900	\$ 347,055,848
Total net debt applicable to limit	7,305,000	6,635,000	5,915,000	5,640,000
Legal debt margin	\$ 277,448,091	\$ 309,126,413	\$ 313,161,900	\$ 341,415,848
Total net debt applicable to the limit as a percentage of debt limit	2.63%	2.15%	1.89%	1.65%

Source: County records.

Legal Debt Margin Calculation for Fiscal Year 2007

Assessed value	<u>\$ 9,591,895,642</u>
Debt limit (5% of assessed value)	<u>\$ 479,594,782</u>
Debt applicable to limit:	
General obligation bonds	9,655,000
Capital lease	<u>26,770,000</u>
Total net applicable to limit	<u>36,425,000</u>
Legal debt margin	<u>\$ 443,169,782</u>

	2002	2003	2004	2005	2006	2007
	\$ 352,203,470	\$ 363,102,618	\$ 392,500,605	\$ 428,112,694	\$ 451,734,795	\$ 479,594,782
	10,435,000	9,825,000	9,245,000	8,635,000	35,765,000	36,425,000
	<u>\$ 341,768,470</u>	<u>\$ 353,277,618</u>	<u>\$ 383,255,605</u>	<u>\$ 419,477,694</u>	<u>\$ 415,969,795</u>	<u>\$ 443,169,782</u>
	3.05%	2.78%	2.41%	2.06%	8.60%	8.22%

County of Scott, Iowa

Demographic and Economic Statistics
Last Ten Calendar Years
(Unaudited)

Year	Population ¹	Personal Income (000's) ²	Per Capita Personal Income ²	Farm Proprietors ³	School Enrollment ⁴	Unemployment Rate ⁵
1998	157,433	\$ 4,176,600	\$ 26,807	840	28,308	2.8
1999	158,591	4,256,086	28,157	830	Not available	3.2
2000	159,458	4,469,469	28,157	830	27,793	2.4
2001	158,668	4,677,783	29,470	780	27,500	2.9
2002	158,668	4,855,622	30,524	750	27,436	4.0
2003	160,582	4,959,726	31,115	740	27,328	4.0
2004	160,889	5,292,804	33,054	740	27,264	5.7
2005	160,141	5,643,890	35,018	730	27,216	5.1
2006	160,998	Not available	Not available	730	27,126	4.0
2007	163,835	Not available	Not available	730	Not available	3.6

¹ Source: Woods and Pool Economics, Inc.

² Source: U.S. Department of Commerce, Bureau of Economic Analysis

³ Source: Iowa Department of Agriculture website "nass.usda.gov"

⁴ Source: Iowa Department of Education

⁵ Source: Iowa Workforce Development, 2007 Data Average Through September

County of Scott, Iowa

Principal Employers
 Current Year and Nine Years Ago
 (Unaudited)

Employer	1997		
	Employees	Rank	Percentage of Total County Employment
Genesis Medical Center	2,900	1	1.7%
Davenport Community Schools	2,537	2	1.5
Alcoa	2,500	3	1.4
Oscar Mayer	1,660	4	1.0
City of Davenport	1,234	5	0.7
President Riverboat Casino & Blackhawk Hotel	1,000	7	0.6
Eastern Iowa Community College District	902	8	0.5
MidAmerican	1,200	6	0.7
Deere & Company (Davenport Works)	850	9	0.5
APAC Customer Service Inc.	550	10	0.3

Employer	2007		
	Employees	Rank	Percentage of Total County Employment
Alcoa	2,250	1	2.5%
Kraft Foods	1,500	2	1.7
MidAmerican	1,200	3	1.4
Genesis Health System	1,090	4	1.2
Deere & Company (Davenport Works)	950	5	1.1
Farradays	923	6	1.0
APAC Customer Services Inc	900	7	1.0
Rhythm City Casino	750	8	0.8
Nestle Purina Factory	500	9	0.6
Hy-Vee 1106	450	10	0.5

Sources: Dunn and Bradstreet Marketplace 2007, Bi-State Regional Commission

County of Scott, Iowa

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

Function / Program	Fiscal Year			
	1998	1999	2000	2001
Public safety and legal services:				
Attorney	37.00	37.00	37.00	37.00
Health	-	2.76	2.76	2.90
Juvenile Court Services	11.00	11.00	11.80	12.40
Sheriff	136.20	135.70	136.70	137.70
Physical health and social services:				
Community Services	7.81	8.75	9.70	9.20
Health	31.39	29.63	29.14	30.00
Mental Health, Mental Retardation & Developmental Disabilities:				
Community Services	5.44	4.50	3.55	3.55
County Environment and Education				
Conservation	37.60	39.60	40.60	40.60
Planning & Development	4.33	4.33	4.33	4.33
Roads and Transportation				
Secondary Roads	33.10	33.10	33.40	33.40
Governmental services to residents:				
Auditor	6.00	6.00	6.00	6.00
Recorder	13.00	14.00	14.00	14.00
Treasurer	14.75	15.00	15.00	15.00
Administration:				
Administration	2.70	2.70	2.70	2.70
Auditor	9.40	9.40	9.40	9.40
Facility & Support Services	16.89	17.79	17.79	19.24
Human Resources	7.50	7.50	7.50	7.50
Information Technology	15.50	14.50	15.50	15.50
Non-Departmental	-	-	-	-
Supervisors, Board of	5.00	5.00	5.00	5.00
Treasurer	14.35	13.60	13.60	13.60
Total	408.96	411.86	415.47	419.02

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

Fiscal Year						
2002	2003	2004	2005	2006	2007	
31.00	30.63	30.63	30.63	30.75	30.75	
2.90	2.30	4.90	4.90	7.30	8.30	
12.40	15.20	15.20	14.20	14.20	14.20	
140.70	141.70	154.15	159.65	166.10	164.10	
9.70	9.20	9.20	8.70	8.70	8.70	
30.75	31.85	31.25	32.25	31.85	29.85	
3.55	3.80	3.80	3.80	3.80	3.80	
40.60	40.60	40.60	41.60	41.60	41.60	
4.33	4.33	4.08	4.08	4.08	4.08	
33.40	33.40	35.15	35.15	35.15	35.15	
6.00	6.00	6.00	6.00	6.00	6.00	
13.00	13.00	13.00	12.00	12.00	11.50	
14.70	14.20	14.20	14.20	14.20	14.20	
3.70	3.70	3.70	3.10	3.10	3.10	
9.40	9.40	9.40	9.40	9.40	9.90	
23.74	23.74	23.74	24.19	24.19	28.69	
7.50	7.50	7.50	4.50	4.50	4.50	
10.00	10.00	10.00	10.00	11.00	11.00	
-	-	-	-	-	-	
5.00	5.00	5.00	5.00	5.00	5.00	
13.90	14.40	14.40	14.40	14.40	14.40	
416.27	419.95	435.90	437.75	447.32	448.82	

County of Scott, Iowa

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

Function / Program	Fiscal Year			
	1998	1999	2000	2001
Public Safety and Legal Services				
Attorney:				
# of felonies/aggravated field cases filed	5,160	5,445	4,296	4,302
Sheriff:				
# of civil papers served	-	13,379	12,383	13,571
# of jail bookings	4,820	5,061	5,254	6,789
# of traffic citations written	-	-	-	3,315
# of 9-1-1 calls	-	15,276	17,973	18,717
Physical Health and Social Services				
Community Services:				
# of applications for general assistance	5,115	4,918	4,612	5,353
# of applications approved for general assist	1,992	2,037	1,974	2,395
# of requests for veteran services	387	460	407	516
# of invol commit filed for substance abuse	134	172	152	141
Health Department:				
# of health related inmate contacts within jail	-	3,417	2,386	2,334
# of comm disease requiring investigation	-	95	204	182
# of environmntl health inspections conducte	-	3,719	4,443	3,801
Mental Health, HR & DD				
Community Services:				
# of invol commit filed for mental health	188	199	224	216
# of persons with MH/CMI served	2,814	2,936	-	-
# of persons with MR/DD served	400	450	-	-
# of protective payee cases	367	381	417	433
County Environment and Education				
Conservation:				
# of camp sites available	408	738	738	738
# of rounds for golf course	35,802	37,162	39,880	36,717
Planning & Development:				
# of building permits issued	719	638	1,107	1,027
Roads and Transportation:				
Secondary Roads:				
# of miles of road paved	165	167	167	168
# of bridges/culverts repaired/replaced	100	104	102	103

(Continued)

Source: County records - Year-end Indicator Report

Fiscal Year						
2002	2003	2004	2005	2006	2007	
4,322	4,152	4,641	4,832	5,077	5,077	
14,311	14,973	15,069	15,620	14,764	14,479	
7,780	8,257	9,343	9,876	10,859	11,658	
2,714	1,882	4,003	3,114	3,502	2,068	
10,867	11,830	12,088	11,767	11,088	11,580	
6,506	7,354	7,822	6,575	6,446	6,524	
2,750	3,025	4,133	3,490	3,354	3,569	
682	911	1,026	1,055	1,613	814	
184	244	213	241	289	340	
2,583	2,762	2,520	4,509	3,795	3,979	
157	153	234	122	302	369	
3,986	3,806	3,124	3,955	3,987	4,363	
237	263	218	322	304	338	
3,221	3,667	3,777	4,115	4,015	4,136	
493	502	529	518	560	572	
426	441	430	434	398	401	
738	738	788	788	788	788	
34,004	33,316	33,012	30,803	30,898	27,196	
1,082	929	1,043	1,076	1,137	990	
168	168	175	176	176	176	
99	100	98	102	104	140	

County of Scott, Iowa

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

Function / Program	Fiscal Year			
	1998	1999	2000	2001
Governmental Services to Residents				
Auditor:				
# of elections	75	16	25	14
# of registered voters	103,899	107,489	109,227	107,073
Recorder:				
# of real estate transactions recorded	49,084	52,815	45,312	43,103
# of vital statistics registered/issued	20,499	21,748	21,657	21,593
# of passport applications accepted	154	124	223	280
# of conservation privileges Issued	32,558	25,010	4,044	4,255
# of ATV/boats/snowmobile liens & titles registered and renewed	2,653	11,107	2,843	13,264
Treasurer:				
# of titles issued	53,151	53,751	57,753	58,500
Administration				
Auditor:				
# of real estate transactions processed	8,185	8,726	8,384	7,659
Facility & Support Service:				
# of service calls	1,211	1,462	1,414	2,655
# of purchase requisitions received	2,029	2,130	1,983	1,841
# of pieces of outgoing mail	530,945	596,146	548,658	568,504
# of files imaged	109,809	75,390	95,234	53,343
Information Technology:				
# of network users	-	-	409	424
# of 3rd party applications maintained	-	-	41	62
Treasurer:				
# of prop tax/spec assessmt statutes issued	150,590	150,559	157,538	166,091
# of tax certificates issued	2,155	1,799	2,056	2,027

Fiscal Year					
2002	2003	2004	2005	2006	2007
26	6	24	6	26	11
110,557	97,139	104,462	111,806	114,507	115,457
57,177	68,404	59,384	49,447	48,297	43,976
22,393	22,302	21,770	20,315	20,207	21,830
389	427	641	531	788	1,564
2,524	2,379	1,282	1,235	808	797
5,212	13,946	5,587	13,642	6,098	13,498
67,330	67,729	72,522	75,405	76,517	64,468
8,108	8,791	9,357	8,829	8,859	8,414
3,273	4,524	5,010	5,810	4,608	4,586
1,890	1,014	739	733	849	864
548,028	562,476	524,775	550,631	524,752	547,591
59,063	80,120	109,450	273,526	327,979	887,629
415	424	566	652	686	805
90	62	108	47	52	54
166,932	162,190	183,741	184,685	180,196	186,423
1,613	2,003	23	3,284	1,834	1,974

County of Scott, Iowa

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

Function / Program	Fiscal Year			
	1998	1999	2000	2001
Public safety and legal services:				
Sheriff				
# of patrol cars	33	45	45	46
Physical health and social services:				
Health Department				
# of vehicles	14	14	14	14
County environment and education:				
Conservation				
# of acres managed	2,795	1,795	2,795	2,795
Planning and Development				
# of vehicles	2	2	2	2
Roads and transportation:				
Secondary Roads				
# of vehicles	61	61	61	61
# of buildings	9	9	9	9
Administration:				
Facility and Support Services				
# of vehicles	4	4	4	4
# of buildings maintained	8	8	7	11
Non-Departmental (Risk Management)				
# of vehicles	-	-	-	-

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

Fiscal Year					
2002	2003	2004	2005	2006	2007
48	53	48	62	54	54
15	15	16	18	13	13
2,795	2,795	2,795	2,795	2,795	2,795
2	2	2	2	2	2
61	61	61	61	61	61
10	10	10	10	10	10
4	5	5	4	6	6
11	11	12	12	12	12
1	1	1	1	6	6



Scott County

Iowa

COMPLIANCE

County of Scott, Iowa

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2007

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):			
National School Lunch Program	10.555	82-8029	\$ 13,820
Food Stamp Program	10.561	N/A	59,132
			<u>72,952</u>
(Passed through Iowa Department of Public Health):			
Special Supplemental Nutrition Program For Women, Infants and Children (WIC)	10.557	5886AO36	162,041
Special Supplemental Nutrition Program For Women, Infants and Children (WIC)	10.557	5887AO36	435,881
Summer Food Health Inspection Grant	10.559	12607	2,500
			<u>600,422</u>
(Passed through Iowa Department of Agriculture and Land Stewardship), Iowa Farmers' Market Nutrition Program			
	10.572	1191-05-36	2,012
Total U.S. Department of Agricultural Food and Nutrition Services			<u>675,386</u>
U.S. Department of Justice			
(Passed through the Governor's Alliance on Substance Abuse):			
Justice Assistance Grant	16.738	2005-DJ-BX-0442	93,719
Justice Assistance Grant	16.738	2006-DJ-BX-0377	195,820
			<u>289,539</u>
(Passed through State of Iowa Department of Justice, Crime Victim Assistance Division):			
Stop Violence Against Women	16.588	VW-07-16	20,900
(Passed through the Governor's Office of Drug Control Policy),			
2006 Meth Hotspots Licit Drug Diversion Program	16.710	06LDDAP-06	4,403
Eastern Iowa Clan Lab Task Force	16.710	06JAG/HS-A26	49,000
			<u>53,403</u>
Total U.S. Department of Justice			<u>363,842</u>
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	PAP06-04, Task 21	2,053
Police Traffic Services	20.600	PAP07-02, Task 05	13,540
Total U.S. Department of Transportation			<u>15,593</u>

(Continued)

County of Scott, Iowa

Schedule of Expenditures of Federal Awards (Continued)
 Year Ended June 30, 2007

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Identifying Number	Federal Expenditures
Federal Emergency Management Agency			
(Passed through Iowa Disaster Services Division):			
Emergency Management Agency- State and Local Assistance Grant	97.042	N/A	4,862
Emergency Management Agency- State and Local Assistance Grant	97.042	N/A	27,338
			32,200
U.S. Department of Homeland Security			
(Passed through Iowa Homeland Security & Emergency Management Division):			
FY 2004 Law Enforcement Terrorism Prevention Program	97.004	FY2004-LETPP-LEIN6-06	187
FY 2005 Law Enforcement Terrorism Prevention Program	97.004	FY2005-LETPP-LEIN6-06	181,866
FY 2006 Law Enforcement Terrorism Prevention Program	97.004	FY2006-LETPP-LEIN6-06	38,616
Total U.S. Department of Homeland Security			220,669
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	5886AP14	20,406
Childhood Lead Poisoning Prevention	93.197	5887LP07	54,527
I-4 Project	93.268	58861417	35,431
I-4 Project	93.268	58871417	22,225
			57,656
Health Breast/Cervical Cancer Early Detection	93.919	5887NB22	92,190
Child Health Grant	93.994	5886MH21	21,725
Dental Health Grant	93.994	5886MH21	6,201
Maternal Health Grant	93.994	5886MH21	16,025
Child Health Grant	93.994	5887MH21	69,664
Dental Health Grant	93.994	5887MH21	8,130
Maternal Health Grant	93.994	5887MH21	50,392
			172,137
Local Bioterrorism Grant	93.283	8206	31,270
Local Bioterrorism Grant	93.283	8207	42,854
Mosquito Surveillance Project	93.283	MOU-2007-ELC09	840
Mosquito Surveillance Project	93.283	MOU-2008-ELC09	280
Regional Bioterrorism	93.283	5886BT12	11,052
Regional Bioterrorism	93.283	5887BT12	306
			86,602

(Continued)

County of Scott, Iowa

Schedule of Expenditures of Federal Awards (Continued)
 Year Ended June 30, 2007

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Identifying Number	Federal Expenditures
Directly Observed Therapy	93.116	MOU-2006-TB08	560
Environmental Health Policies & Procedures	93.116	MOU-2007-EHC-01	4,000
			<u>4,560</u>
HRSA EMS Disaster Preparedness	93.003	5886EM181	7,021
HRSA EMS Disaster Preparedness	93.003	5887EM181	1,800
			<u>8,821</u>
Total passed through Iowa Department of Health			<u>496,899</u>
(Passed through Iowa Department of Human Services):			
Refugee and Entrant Assistance	93.566	N/A	140
Temporary Assistance for Needy Families	93.558	N/A	80,340
Child Care Development Fund	93.596	N/A	17,817
Foster Care	93.658	N/A	43,988
Adoption	93.659	N/A	8,945
Expansion Title XXI	93.767	N/A	514
Social Services Block Grant	93.667	N/A	853,445
Medical Assistance	93.778	N/A	104,411
Child Care Block Grant	93.575	N/A	27
Scott County Empowerment Agreement (DECAT)	93.575	N/A	78,566
			<u>1,188,193</u>
Total U.S. Department of Health and Human Services			<u>1,685,092</u>
U.S. Environmental Protection Agency			
(Passed through Linn County d/b/a Iowa AIR Coalition):			
Radon Testing Grant	66.032	N/A	900
Election Assistance Commission			
(Passed through Iowa Secretary of State):			
HAVA Voting System Allocation	90.401	06-HAVA-82-100	13,674
Total expenditures of federal awards			<u>\$ 3,007,356</u>

See Notes to Schedule of Expenditures of Federal Awards.

County of Scott, Iowa

Notes to Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County of Scott, Iowa 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
Infants and Children (WIC)	10.557	\$ 588,661
Iowa Farmers' Market Nutrition Program	10.572	2,012
Justice Assistance Grant	16.738	217,053
2006 Meth Hotspots Licit Drug Diversion Program	16.710	4,403
Law Enforcement Terrorism Prevention Program	97.004	172,265
HRSA EMS Disaster Preparedness	93.003	8,821
Directly Observed Therapy	93.116	560
I-4 Project	93.268	30,429
Health Breast/Cervical Cancer Early Detection	93.919	92,190
HIV Testing and Counseling (AIDS)	93.940	4,712
Child Health Grant	93.994	91,389
Maternal Health Grant	93.994	66,417
Dental Health Grant	93.994	14,331
		<u>\$ 1,293,243</u>

County of Scott, Iowa

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2007

	Finding	Status	Corrective Action Plan or Other Explanation
Reportable Conditions			
06-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's department.	Not corrected.	See response and corrective action plan at 07-II-A.
06-II-B	The County Library does not have an adequate segregation of duties over the cash receipt and revenue transaction cycle.	Not corrected.	See response and corrective action plan at 07-II-B.
Reportable Conditions in Administering Federal Awards			
06-III-A	The County does not have an adequate system in place for monitoring subrecipient activities.	Corrected.	
06-III-B	The County does not have an adequate system in place to determine if vendors and subrecipients are suspended and debarred.	Corrected.	
Other Findings Related to Required Statutory Reporting			
06-IV-K	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.	Not corrected.	See response and corrective action plan at 07-IV-K.



Scott County

Iowa

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, 2007, which collectively comprise the County of Scott, Iowa's basic financial statements and have issued our report thereon dated November 20, 2007. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Scott, Iowa's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Scott, Iowa's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting: 07-II-A and 07-II-B.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

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 or other matters that are described in Part IV of the accompanying schedule of findings and questioned costs.

We noted certain matters that we reported to management of the County in a separate letter dated November 20, 2007.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2007 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
November 20, 2007

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, 2007. 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, 2007.

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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Scott, Iowa's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 07-III-A to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by any entity's internal control. Of the significant deficiency described in internal control over compliance described in the accompanying schedule of findings and questioned costs, we considered none to be a material weakness.

The County of Scott, Iowa's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of management, Board of Supervisors, 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
November 20, 2007

County of Scott, Iowa

Schedule of Findings and Questioned Costs
Year Ended June 30, 2007

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
- Significant deficiencies 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
- Significant deficiencies 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
93.667	Social Services Block Grant
10.557	Supplemental Nutrition Program for Women, Infants and Children (WIC)

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

Auditee qualified as low-risk auditee? Yes No

(Continued)

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2007

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

A. Significant Deficiencies in Internal Control

07-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 office administrator reconciles the bank statement, has the ability to generate checks and has access to the electronic signature stamp.

Criteria: A system of internal control contemplates an adequate segregation of duties. An adequate segregation of duties requires that no one individual shall handle a transaction from inception to completion.

Context: Pervasive to Sheriff's Department cash receipts and disbursements.

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

Recommendation: We recommend removing access of the signature stamp from the individuals performing the check writing function. Also, we recommend an individual independent of the cash reconciliation process review the reconciliations and bank statements for completeness.

Response and Corrective Action Plan: The Sheriff's Department will review the system and will consider the above mentioned recommendations.

07-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.

Criteria: A system of internal control contemplates an adequate segregation of duties. An adequate segregation of duties requires that no one individual shall handle a transaction from inception to completion.

(Continued)

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2007

Context: Pervasive to Library cash receipts and disbursements.

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.

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.

B. Compliance Findings

None

(Continued)

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2007

III. Findings and Questioned Costs for Federal Awards

A. Significant Deficiencies in Internal Control

U.S. Department of Agricultural Food and Nutrition Services:

Passed through the Iowa Department of Public Health
Special Supplemental Nutrition Program for Women, Infants and Children (WIC) (CFDA 10.557)
Pass-through Grantor's Identifying Number: 5886AO36 and 5887AO36
Federal Award Year: 2007

07-III-A

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

Condition: The County did not conduct any on-site visits or any other testing to ensure that eligibility requirements were being followed.

Questioned Costs: None

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

Effect: The subrecipients may not be in compliance with federal requirements which could result in questioned costs for the County.

Prevalence: The County has one subrecipient under this program.

Recommendation: We recommend the County monitor its subrecipients by performing eligibility testing for their subrecipients that receive federal awards. The County should maintain documentation of the procedures and steps administered when doing eligibility testing.

Response and Corrective Action Plan: Starting in October 2007, the County conducted an on-site visit to test the eligibility requirements by performing chart reviews. The County is also working on revising their program procedures and obtaining access to the computer system used by the WIC program to continue to conduct reviews to determine eligibility requirements are being met.

B. Instance of Noncompliance

None

(Continued)

County of Scott, Iowa

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2007

IV. Other Findings Related to Required Statutory Reporting

07-IV-A Certified Budget: Disbursements during the year ended June 30, 2007 did not exceed the amounts budgeted.

07-IV-B Questionable Expenditures: No expenditures were noted that may not meet the requirements of public purpose as defined in the Attorney General's opinion dated April 25, 1979.

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

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

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

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

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

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

07-IV-I Capital Lease Purchase Agreements: No lease purchase agreements were entered into in the current year by the County.

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

Disbursements during the year ended June 30, 2007 for the County Extension Office did not exceed the amount budgeted.

07-IV-K 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, 2007, 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, 2007

Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
Significant Deficiencies				
07-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's department.	See response and corrective action plan at 07-II-A.	June 2008	Pam Bennett
07-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 07-II-B.	June 2008	Paul Seelau
Significant Deficiencies in Administering Federal Awards				
07-III-A	The County does not have an adequate system in place for monitoring subrecipient eligibility activities.	See response and corrective action plan at 07-III-A.	June 2008	Teri Arnold Amy Thorson
Other Findings Related to Required Statutory Reporting				
07-IV-K	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.	See response and corrective action plan at 07-IV-K.	June 2008	Craig Hufford