

# **COUNTY OF SCOTT, IOWA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Year Ended June 30, 2009**

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

---

Craig Hufford, Financial Management Supervisor  
Office of County Treasurer

Sarah Kautz, Budget Manager  
Office of County Administrator



# **INTRODUCTORY**



## Contents

---

### Introductory Section

---

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

---

### Financial Section

---

Independent auditor's report	1 - 2
Management's discussion and analysis	3 - 14
Basic financial statements:	
Government-wide financial statements:	
Statement of net assets	15 - 16
Statement of activities	17 - 18
Fund financial statements:	
Balance sheet - governmental funds	19 - 20
Reconciliation of total governmental fund balances – primary government to net assets of governmental activities	21
Statement of revenues, expenditures and changes in fund balances – governmental funds	22 - 23
Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities – primary government	24
Statement of net assets (deficit) – Enterprise Fund	25
Statement of revenues, expenses and changes in net assets (deficit) – Enterprise Fund	26
Statement of cash flows – Enterprise Fund	27
Statement of assets and liabilities – agency funds	28
Statement of net assets, discretely presented component units	29 - 30
Statement of activities, discretely presented component units	31 - 32
Notes to basic financial statements	33 - 57
Required supplementary information:	
Other postemployment benefit plan	58
Budgetary comparison schedule – all governmental funds	59
Note to required supplementary information	60
Nonmajor governmental funds:	
Combining balance sheet	61
Combining statement of revenues, expenditures and changes in fund balances	62
Combining statement of changes in assets and liabilities, all agency funds	63 - 66
Combining balance sheet and reconciliation to statement of net assets, discretely presented component units	67 - 68
Combining statement of revenues, expenditures and changes in fund balances and reconciliation to statement of activities, discretely presented component units	69 - 72

---

## Contents

---

### Statistical Section

---

Statistical section contents	73
Net assets by component	74 – 75
Changes in net assets	76 – 79
Fund balances, governmental funds	80 – 81
Changes in fund balances, governmental funds	82 – 83
Program revenues by function/program	84 – 85
Tax revenues by source, governmental funds	86 – 87
Assessed value and actual value of taxable property	88 – 89
Principal property taxpayers	90
Property tax levies and collections	91
Direct and overlapping property tax rates	92 – 93
Ratios of outstanding debt by type	94 – 95
Ratios of general bonded debt outstanding	96
Direct and overlapping governmental activities debt	97
Legal debt margin information	98 – 99
Demographic and economic statistics	100
Principal employers	101
Full-time equivalent county government employees by function/program	102 – 103
Operating indicators by function/program	104 – 107
Capital asset statistics by function/program	108 – 109

---

### Compliance Section

---

Schedule of expenditures of federal awards	110 – 112
Notes to schedule of expenditures of federal awards	113
Summary schedule of prior audit findings	114
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	115 – 116
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	117 – 118
Schedule of findings and questioned costs	119 – 121

---

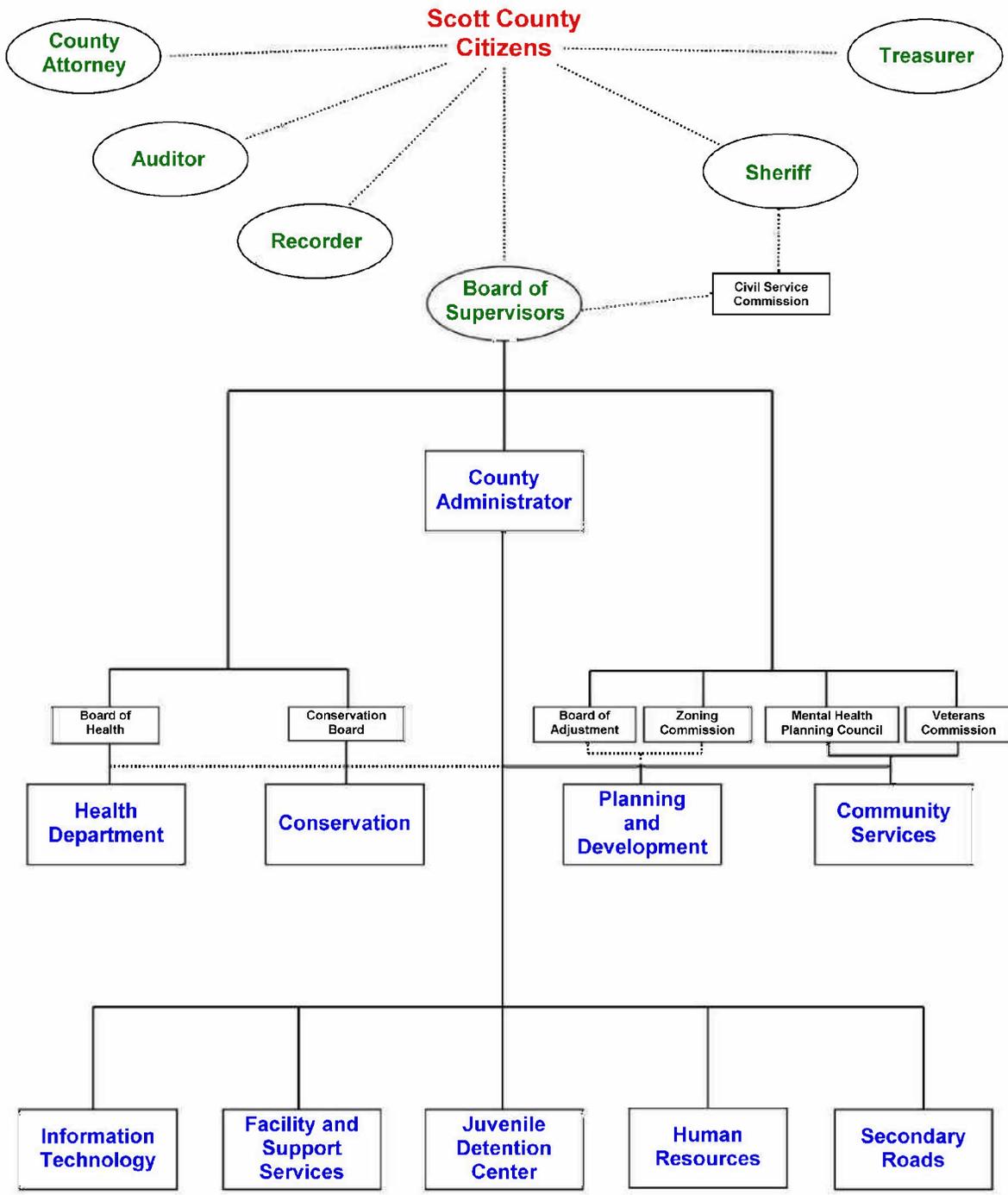
## County of Scott, Iowa

### County Officials

---

Official Title	Official	Term Expiration Date of Elected Officials
<b>Elected Officials</b>		
Supervisor, Chairperson	Jim Hancock	2012
Supervisor	Chris Gallin	2010
Supervisor	Jeff Liske	2010
Supervisor	Larry Minard	2010
Supervisor	Tom Sunderbruch	2012
Attorney	Mike Walton	2012
Auditor	Roxanna Moritz	2010
Recorder	Rita Vargas	2010
Sheriff	Dennis Conard	2012
Treasurer	Bill Fennelly	2010
<b>Administration</b>		
County Administrator	Dee Bruemmer	
<b>Department Heads</b>		
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	Jeremy Kaiser	
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, 2008

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.



A stylized, handwritten signature in black ink, appearing to be "JRE".

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director



***Scott County***

***Iowa***

## OFFICE OF THE COUNTY ADMINISTRATOR

600 West Fourth Street  
Davenport, Iowa 52801-1003

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

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

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

---



November 17, 2009

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, 2009.

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, 2009. 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, Emergency Management Agency-Scott Emergency Communication Center (SECC), which provides county-wide consolidated emergency 911 dispatch services; County Library, which provides library services to all cities within Scott County with the exception of the City of Bettendorf, the City of Davenport, and the City of LeClaire; County Assessor, which is responsible for the operations of the Scott County Assessor's office including the assessment of all properties within Scott county with the exception of the City of Davenport, County Assessor Special, which is responsible to the County Conference Board to perform in-house revaluations for various classes of property; City Assessor, which is responsible for the operations of the City Assessor's office, including assessment of all properties within the City of Davenport; City Assessor Special, which is responsible to the City Conference Board to perform in-house revaluations for various classes of property; and the Scott County Public Safety Authority, which is responsible for the construction of the recently voter approved jail expansion project.

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

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

## ***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 359,077 which is a 2.3% increase over the 1990 census count of 350,861. The U. S. Census Bureau's 2000 population of Scott County was 158,669, which is a 5.1% increase over the 1990 census count of 150,979. However, that figure is still under the 1980 census count for Scott County which was 160,022 and only 11.2% greater than the 1970 census count of 142,687. The U.S. Census Bureau's estimate for 2008 for Scott County's population is 164,690. Recently the MSA was expanded to include the numbers for Mercer County (Illinois). The 2000 U.S. Census Bureau number for the four county MSA was 376,034 and its 2008 estimate for this expanded MSA is 377,626, which is an increase of only 0.4%.

The Quad-Cities has been historically known as an industrial, retail/service and transportation center. In the last thirty years the economy has shifted, showing a decline in the number of manufacturing sector jobs. In 1980, 30% of the area jobs were in manufacturing and 53% in the service sector. In 1990 that had changed to 17% manufacturing, 41% service sector; with 20% classified as trade and 4% mining and construction. In 2007 the split was 14% manufacturing and 50% classified as service sector; with 17% classified as trade and 5% mining and construction. The portion of government sector jobs has remained fairly even at 16.2% in 1980, to 16% in 1990 and 14% in 2007.

The Quad Cities and Scott County have not escaped the impacts of the current national recession. Some of the largest layoffs announced in 2008 and 2009 have been ALCOA 400 jobs, John Deere Davenport Works 305 jobs, Q-C Die Casting closing with the loss of 100 jobs, and Seaford Clothing shutdown with the loss of 330 jobs. Additionally as part of the Base Closure and Realignment Commission (BRAC) process the Rock Island Arsenal, the region's largest employer, will see a net loss of 1,100 civilian jobs by 2011.

The annual average labor force in the Quad Cities MSA (four county) was 199,904 in 2000. The annual average labor force for Scott County was 86,140 in 2000, which was a 9.5% increase over the 1990 annual average labor force of 78,660 for the county. The annual average labor force for the MSA in 2008 was 207,526 and for Scott County was 89,860 which was a 3.8% and 4.3% increase, respectively. In 1980 the unemployment rate for the Quad Cities was 6.7%. In 1983 the unemployment rate for the Quad-Cities MSA hit a high of 14.8%. Scott County's unemployment rate that same year was 10.8%, following a Scott County high the year before in 1982 of 11.2%. In 1990 the unemployment rate for the QCA was 5.0% and Scott County was 4.2%. Those rates dipped to a low of 3.4 % and 2.7% in 1998 but have recently risen to the current rates for 2008 of 5.2% and 4.2%, respectively. The estimates for 2009 are 7.0% for the MSA and 5.6% for Scott County which actually compares favorably with the estimated national figure of 8.8%.

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 106% over the twenty-year period. The median household income in 2008 in Scott County increased another 22% over the 2000 figure to \$52,013, just a shade under the 2008 U.S. median household income of \$52,029.

New residential construction has slowed significantly in the Quad-Cities MSA and Scott County after very strong years from 1999-2005. Between 1985 and 1987, only 700 single family dwellings 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 2500 new house permits have been issued in the MSA. Between 1998 and 2000, of the new house permits issued in the Quad Cities, 62% have been in Scott County. This is an average for Scott County of over 500 permits a year over that three year time period. In 2002, of the 863 new house permits issued 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% of the total. In 2006-2008, housing starts have started to slow with Scott County having 538 housing starts in 2006, 407 in 2007 and 334 in 2008. This is an average of 426 new house starts a year for Scott County over that three year time period. The Scott County figures represented 65% of the total Quad Cities MSA housing starts in 2006, 61% in 2007 and 69% in 2008.

Even with a slowing 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, \$162,300 in June, 2007 and \$164,300 in June, 2008. 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, \$112,200 in June, 2007 and \$159,400 in June, 2008. The median home values between 1980 and 1990 in Scott County only increased 3% from \$52,800 to \$54,400. From 1990 to 2000 the median home values in Scott County jumped 70% to \$92,400. From 2000 to 2008 median home values in Scott County jumped another 44% to \$133,200.

Even with the drastic decline in the national economic indicators, the global credit crisis and a decrease in consumer confidence the immediate outlook for the Quad Cities still can be considered somewhat stable. Housing prices have not seen a sharp decline in this area mainly because they had not seen significant increases in previous years. There have been some layoffs and production slow-downs at some of the area's 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. 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. The Quad Cities and Scott County is also positioned well for the renewable energy sector as a location for the manufacture, assembly and distribution of wind and solar energy generators. Recently the regional economic development efforts for the Quad Cities have been focused on the creation of Quad Cities First, a Chamber of Commerce led initiative that succeeds the Quad City Development Group as the main marketing organization for the region. Scott County, as always, is part of those efforts.

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

Unreserved, undesignated fund balance in the general fund (13.1% 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). Fiscal year 2009 ended with an increase in general fund balance of approximately \$266,000. During these challenging economic times, as the county faces cutbacks at the state level, retaining the current level of fund balance is important. At this time, it would be difficult to budget any projected increase. The County is continuing to find ways to reduce its costs for providing services through LEAN and other efficiency initiatives. This is very important as the County weathers this recession. We are committed to remain a county with a superior level of service at one of the lowest tax rates in the State of Iowa.

### ***Relevant Financial Policies***

It is Scott County's policy to use its share of riverboat gaming proceeds for one-time capital projects. The County is currently using half of these funds toward pay as you go courthouse renovation projects, while the other half funds county-wide economic development and quality of life initiatives.

## **Major Initiatives**

The County is in the last phase of a GIS initiative which will complete the 2003 Strategic Plan. Also, the staff is in the process of hiring a consultant to embark on an IT Master Plan in order to develop the capital budget necessary to keep our software and hardware systems current.

The capital budget includes two other goals of the Board which include renovating a courtroom for use of technology and renovating the 3<sup>rd</sup> floor of the jail for Juvenile Court Services. This move will discontinue the leasing of downtown facilities and reduce the operating costs for the program.

## **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, 2008. This was the twentieth consecutive year that Scott County has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both general accepted accounting principles and applicable legal requirements.

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

In addition, Scott County also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated March 15, 2009. 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



Roxanna Moritz  
County Auditor



Dee F. Bruemmer  
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, 2009, 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, 2009, 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.

As explained in Note 10 to the basic financial statements, the County changed its method of accounting for other postemployment benefits.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2009, 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, budgetary comparison information on pages 59 and 60 and schedule of funding progress for other postemployment benefits on page 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 the audit of the basic financial statements and, accordingly, we express no opinion on them.

*McGladrey & Pullen, LLP*

Davenport, Iowa  
November 17, 2009

## County of Scott, Iowa

### Management's Discussion and Analysis Year Ended June 30, 2009

---

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, 2009. 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, 2009 and 2008 by \$79,374,633 and \$79,493,421 (net assets), respectively. Of this amount, \$2,582,190 and \$2,834,881, respectively, may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net assets decreased by \$118,788 and \$189,696 during the years ended June 30, 2009 and 2008, respectively.

As of June 30, 2009, the County of Scott's governmental funds reported combined ending fund balances of \$19,619,018, a decrease of \$561,678 in comparison with 2008. Approximately 62 percent of this total amount, \$12,254,301, is available for spending at the government's discretion (unreserved undesignated fund balance). As of June 30, 2008, the County of Scott's governmental funds reported combined ending fund balances of \$20,180,696, a decrease of \$1,376,105 in comparison with 2007. Approximately 63 percent of this total amount, \$12,707,926, is available for spending at the government's discretion (unreserved undesignated fund balance).

As of June 30, 2009, unreserved undesignated fund balance for the General Fund was \$5,956,480 or 14 percent of total General Fund expenditures and \$5,849,553 or 14 percent for 2008.

The County of Scott, Iowa's total long-term debt, excluding compensated absences, other postemployment benefits and claims payable, decreased by \$2,410,072 and \$2,254,492 during fiscal years June 30, 2009 and 2008, respectively. The decrease in both 2009 and 2008 was attributed to scheduled payments on bonds.

#### Overview of the Financial Statements

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

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

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 Year Ended June 30, 2009

---

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, Public Safety Authority and Scott Emergency Communication Center. 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, Secondary Roads Fund, Capital Projects Fund and Debt Service Fund which are considered to be major funds. Data from the other two 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 Year Ended June 30, 2009

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 \$217,766,499 and \$206,838,406 for the years ended June 30, 2009 and 2008, 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 and other postemployment benefit plan schedule of funding progress. This information can be found on pages 58 and 60 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 decreased from a year ago from \$79,493,421 to \$79,374,633.

Of the County of Scott's net assets, 89 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 \$71,029,091 for 2009 and \$71,334,933 for 2008. 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	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 63,646,707	\$ 64,122,137	\$ (2,681,577)	\$ (2,254,825)	\$ 60,965,130	\$ 61,867,312
Capital assets	96,537,372	98,344,173	2,125,994	2,266,457	98,663,366	100,610,630
<b>Total assets</b>	<b>160,184,079</b>	<b>162,466,310</b>	<b>(555,583)</b>	<b>11,632</b>	<b>159,628,496</b>	<b>162,477,942</b>
Noncurrent liabilities outstanding	31,366,315	34,067,530	843,562	1,133,817	32,209,877	35,201,347
Other liabilities	47,155,979	46,811,740	888,007	971,434	48,043,986	47,783,174
<b>Total liabilities</b>	<b>78,522,294</b>	<b>80,879,270</b>	<b>1,731,569</b>	<b>2,105,251</b>	<b>80,253,863</b>	<b>82,984,521</b>
Net assets:						
Invested in capital assets, net of related debt	70,017,361	70,527,812	1,011,730	807,121	71,029,091	71,334,933
Restricted	5,438,952	4,994,081	324,400	325,166	5,763,352	5,319,247
Unrestricted	6,205,472	6,065,147	(3,623,282)	(3,225,906)	2,582,190	2,839,241
<b>Total net assets</b>	<b>\$ 81,661,785</b>	<b>\$ 81,587,040</b>	<b>\$ (2,287,152)</b>	<b>\$ (2,093,619)</b>	<b>\$ 79,374,633</b>	<b>\$ 79,493,421</b>

## County of Scott, Iowa

### Management's Discussion and Analysis Year Ended June 30, 2009

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 2009 and 2008 consist of \$3,229,346 and \$3,728,760 for debt service, \$1,713,646 and \$572,242 for mental health and \$273,409 and \$486,405 for secondary roads, respectively. An additional \$546,951 and \$531,840 is restricted by external third parties, respectively. The remaining balance of unrestricted net assets, \$2,582,190 for 2009 and \$2,839,241 for 2008, 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 for governmental activities. The same situation held true for the prior fiscal year.

The County's total net assets decreased by \$118,788 during the current fiscal year as compared to a decrease of \$189,696 in 2008. The governmental-type activities' net assets increased by \$74,745 in 2009 and \$31,357 in 2008. The increases in 2008 and 2009 were due to increases in capital assets. The total business-type activities' net assets decreased by \$193,533 in 2009 and \$221,053 in 2008. The decreases in 2008 and 2009 were due to interest payments on the debt of the golf course and increased costs to operate the golf course.

Table 2 highlights the County's revenues and expenses for the fiscal year ended June 30, 2009 and 2008. 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	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 5,021,603	\$ 4,877,531	\$ 949,445	\$ 947,487	\$ 5,971,048	\$ 5,825,018
Operating grants and contributions	12,233,452	11,847,705	-	-	12,233,452	11,847,705
Capital grants and contributions	1,184,458	153,469	-	-	1,184,458	153,469
General revenues:						
Taxes:						
Property taxes	34,113,141	33,138,131	-	-	34,113,141	33,138,131
Local option sales tax	3,602,230	3,867,941	-	-	3,602,230	3,867,941
Gaming	748,920	815,524	-	-	748,920	815,524
Other taxes	66,852	65,253	-	-	66,852	65,253
Utility tax replacements	1,348,776	1,341,669	-	-	1,348,776	1,341,669
Penalties, interest and costs on taxes	847,456	731,456	-	-	847,456	731,456
State tax replacement credits	5,183,554	5,194,016	-	-	5,183,554	5,194,016
State shared revenues	2,743,735	2,866,918	-	-	2,743,735	2,866,918
Payments in lieu of taxes	9,046	8,226	-	-	9,046	8,226
Investment earnings	674,859	1,447,577	1,276	9,827	676,135	1,457,404
Miscellaneous	702,537	859,093	-	-	702,537	859,093
<b>Total revenues</b>	<b>68,480,619</b>	<b>67,214,509</b>	<b>950,721</b>	<b>957,314</b>	<b>69,431,340</b>	<b>68,171,823</b>

County of Scott, Iowa

Management's Discussion and Analysis  
Year Ended June 30, 2009

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

	Governmental Activities		Business-Type Activities		Total County	
	2009	2008	2009	2008	2009	2008
Expenses:						
Public safety and legal services	20,925,221	20,289,680	-	-	20,925,221	20,289,680
Physical health and social services	6,180,832	5,956,132	-	-	6,180,832	5,956,132
Mental health	14,605,242	15,211,596	-	-	14,605,242	15,211,596
County environment and education	4,882,023	4,410,086	-	-	4,882,023	4,410,086
Roads and transportation	7,461,585	6,712,511	-	-	7,461,585	6,712,511
Government services to residents	2,821,526	2,151,064	-	-	2,821,526	2,151,064
Administration	10,135,767	10,980,111	-	-	10,135,767	10,980,111
Debt service, interest	1,393,678	1,471,972	-	-	1,393,678	1,471,972
Golf course	-	-	1,144,254	1,178,367	1,144,254	1,178,367
<b>Total expenses</b>	<b>68,405,874</b>	<b>67,183,152</b>	<b>1,144,254</b>	<b>1,178,367</b>	<b>69,550,128</b>	<b>68,361,519</b>
<b>Increase in net assets</b>	<b>74,745</b>	<b>31,357</b>	<b>(193,533)</b>	<b>(221,053)</b>	<b>(118,788)</b>	<b>(189,696)</b>
Net assets, beginning	81,587,040	81,555,683	(2,093,619)	(1,872,566)	79,493,421	79,683,117
Net assets, ending	<u>\$ 81,661,785</u>	<u>\$ 81,587,040</u>	<u>\$ (2,287,152)</u>	<u>\$ (2,093,619)</u>	<u>\$ 79,374,633</u>	<u>\$ 79,493,421</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 2009	Total Cost of Services 2008	Net (Expense) of Services 2009	Net (Expense) of Services 2008
Public safety and legal services	\$ 20,925,221	\$ 20,289,680	\$ (17,844,905)	\$ (18,202,256)
Physical health and social services	6,180,832	5,956,132	(3,958,414)	(3,776,438)
Mental health	14,605,242	15,211,596	(6,441,660)	(7,320,249)
County environment and education	4,882,023	4,410,086	(3,580,961)	(3,103,406)
Roads and transportation	7,461,585	6,712,511	(7,307,004)	(6,657,725)
Government services to residents	2,821,526	2,151,064	242,192	775,395
Administration	10,135,767	10,980,111	(9,681,931)	(10,547,796)
Debt service, interest	1,393,678	1,471,972	(1,393,678)	(1,471,972)
Golf course	1,144,254	1,178,367	(194,809)	(230,880)
<b>Total</b>	<u>\$ 69,550,128</u>	<u>\$ 68,361,519</u>	<u>\$ (50,161,170)</u>	<u>\$ (50,535,327)</u>

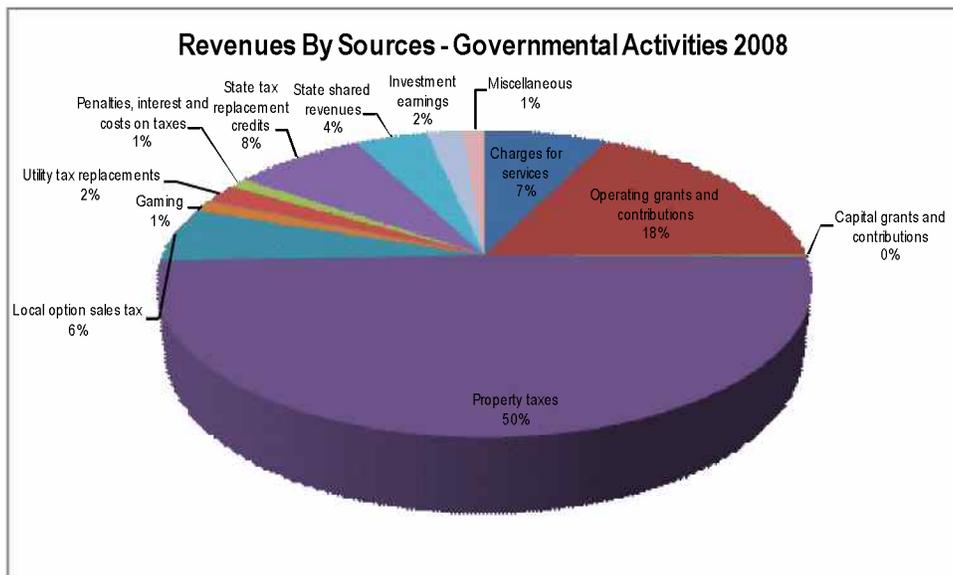
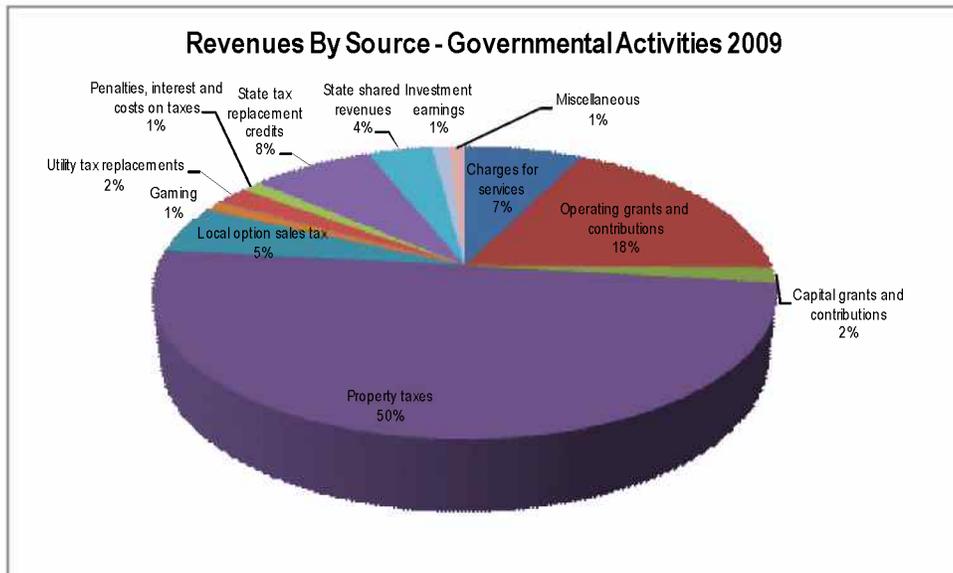
Net cost of services is 72 percent of total cost of services in 2009 and 74 percent in 2008. The County was able to maintain the net cost of services in the current year due to nontax revenues and fees being reviewed and adjusted on an ongoing basis.

County of Scott, Iowa

Management's Discussion and Analysis  
Year Ended June 30, 2009

Governmental Activities

The graphs below show the percentage of the total governmental activities revenues allocated by each revenue type for 2009 and 2008.

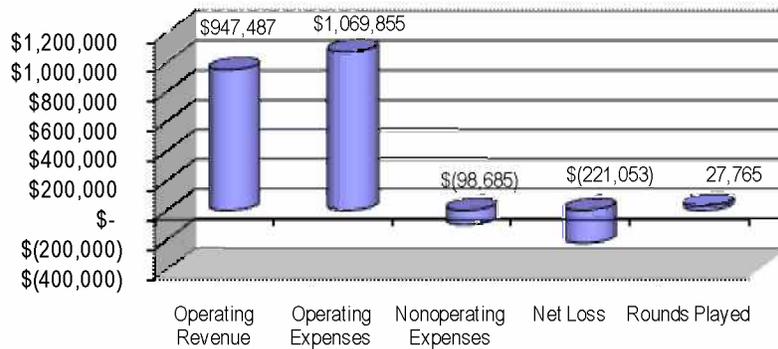


County of Scott, Iowa

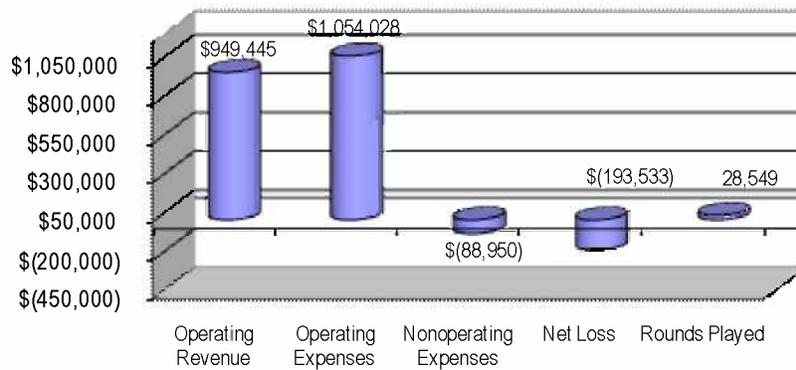
Management's Discussion and Analysis  
 Year Ended June 30, 2009

Total business-type activities' revenue for the fiscal years ended June 30, 2009 and 2008 was \$950,721 and \$957,314, respectively. All but \$1,276 and \$9,827 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 2009 and 2008.

**Golf Course Operations 2008**



**Golf Course Operations 2009**

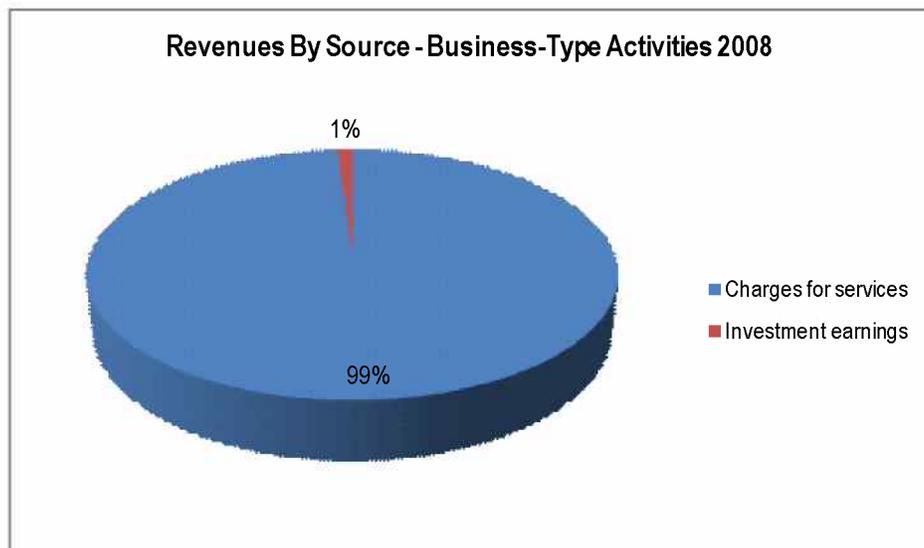
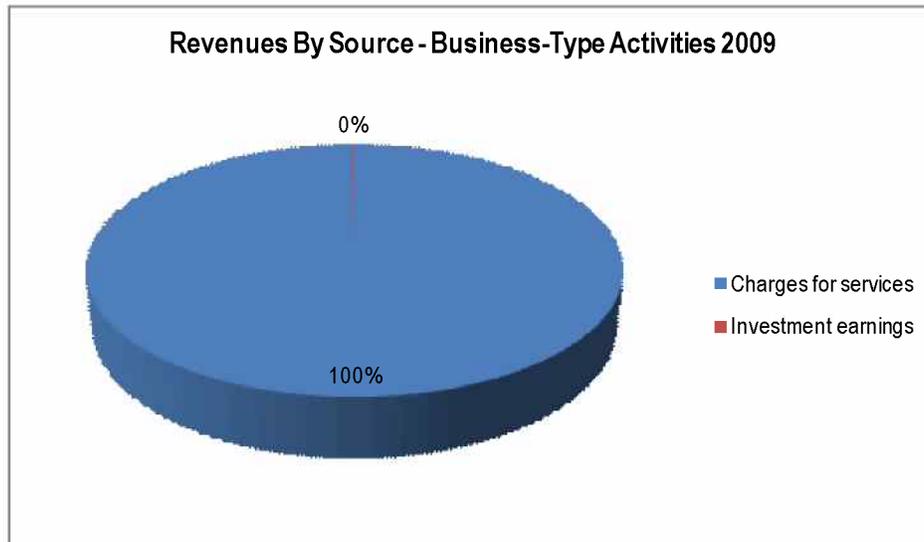


County of Scott, Iowa

Management's Discussion and Analysis  
Year Ended June 30, 2009

---

The graphs below show the breakdown of revenues by source for the business-type activities in 2009 and 2008.



**Business-type activities:** Business-type activities decreased the County of Scott's net assets by \$221,053, accounting for 117 percent of the decline in the government's net assets in fiscal year ended June 30, 2008 compared to a decrease of \$193,533 and 163 percent in fiscal year ended June 30, 2009. 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 Year Ended June 30, 2009

---

As of the end of the current fiscal year, the County of Scott, Iowa's governmental funds reported combined ending fund balances of \$19,619,018, a decrease of \$561,678 in comparison with the prior year fund balance of \$20,180,696. Approximately 62 percent of the 2009 total amount, or \$12,254,301, and \$12,707,926, or 63 percent, for 2008 constitutes unreserved fund balance, which is available for spending at the government's discretion. However, approximately 51 percent of this unreserved amount, \$6,297,821 in 2009 and 54 percent \$6,858,373 in 2008, 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 \$5,956,480 for 2009 and \$5,849,553 for 2008 while total fund balance reached \$10,091,851 for 2009 and \$9,593,563 for 2008. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved/undesignated fund balance and total fund balance to fund expenditures. Unreserved/undesignated fund balance represents 14 percent of total General Fund expenditures for 2009 and 2008, while total fund balance also represents approximately 24 and 23 percent of that same amount for 2009 and 2008, respectively.

The fund balance of the County's General Fund increased by \$498,288 during the year ended June 30, 2009. The key factors in this increase are FEMA reimbursements and a decrease in expenditures as a result of various efficiency initiatives throughout the County.

The fund balance of the County's General Fund increased by \$728,099 during the year ended June 30, 2008. 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 Mental Health/Development Disabilities Fund balance increased to \$1,713,646 in 2009 from \$572,242 in 2008 and increased from \$396,372 in 2007. Revenues are to be used to provide mental health and disability services. The Mental Health/Development Disabilities Fund balance increased in 2009 due to additional state funding provided to the Counties following local officials lobbying efforts for additional state mental health funding. Fund balance increased in 2008 due to additional state funding provided to the Counties following local officials lobbying efforts for additional state mental health funding. 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. For 2009, the MH-DD fund balance increased by \$1,141,404. This increase is a direct result of a decrease in expenditures related to the County's portion of the FMAP Medicaid match. This change occurred as a result of ARRA stimulus funds. Because of the state's budget cuts in 2010, the County MH-DD Advisory Committee has developed a list of prioritized service reductions totaling approximately \$300,000 which will be implemented should the legislature not take action to restore MH-DD funding during their 2009/2010 legislative session.

The Secondary Roads Fund decreased \$212,996 in 2009 from \$486,405 in 2008 from \$936,185 in 2007. The decreases in fund balance relate to planned capital and construction projects.

The Capital Projects Fund decreased \$1,487,388 in 2009 from \$5,541,207 in 2008. The decrease in fund balance relates to planned capital projects.

The Debt Service Fund decreased \$499,414 in 2009 from \$3,728,760 in 2008. The decrease in fund balance relates to the normal principal and interest payments on debt outstanding.

## County of Scott, Iowa

### Management's Discussion and Analysis Year Ended June 30, 2009

---

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

#### Budgetary Highlights

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

- The total original revenue budget of \$67,878,395 was increased to \$68,369,210 (an increase of \$490,815) mainly due to an expected increase in intergovernmental revenues such as grant revenues and FEMA reimbursements. Actual revenues received were \$67,554,259.
- The total original expenditure budget of \$72,852,147 was increased to \$74,674,212 (an increase of \$1,822,065) mainly for expected expenditures in the service areas of public safety and legal services, physical health and social services, roads and transportation, County environment and education services, government services to residents, capital projects and administration. Specifically, the additional expenditures relate to FEMA expenditures, additional grant expenditures and expenditures related to the secondary roads department. Actual expenditures were \$68,143,387.
- The total original budget for transfers in and out of \$9,700,891 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, 2009 and 2008, amounts to \$98,663,366 and \$100,610,630 (net of accumulated depreciation), respectively. This investment in capital assets includes land, buildings and improvements, equipment, infrastructure and construction-in-progress. The total decrease in capital assets for 2009 was 2 percent (a 2 percent decrease for governmental activities and a 6 percent decrease for business-type activities). The total increase in capital assets for 2008 was 4 percent (a 4 percent increase for governmental activities and a 6 percent decrease for business-type activities).

Major capital asset events during the current fiscal year ended June 30, 2009 included restroom improvements at West Lake Park, culvert and drainage repairs at Scott County Park, GIS implementation, the pool and aquatic center renovation, Pine Knoll chiller replacement and completion of the jail facility expansion.

Major capital asset events during the current fiscal year ended June 30, 2008 included the Wapsi Environmental Education Center residence, the pool and aquatic center renovation, the 5<sup>th</sup> street parking lot expansion, the second floor courthouse renovation and the jail facility expansion.

## County of Scott, Iowa

### Management's Discussion and Analysis Year Ended June 30, 2009

Table 4 - County of Scott's Capital Assets

	Business-Type Activities		Governmental Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 1,556,336	\$ 1,556,336	\$ 4,365,740	\$ 4,365,740	\$ 5,922,076	\$ 5,922,076
Construction-in-progress	-	-	4,369,853	33,686,691	4,369,853	33,686,691
Buildings	506,490	506,490	65,344,202	35,269,249	65,850,692	35,775,739
Improvements other than buildings	663,428	663,428	2,949,321	2,785,053	3,612,749	3,448,481
Infrastructure	62,374	62,374	80,068,048	78,871,946	80,130,422	78,934,320
Machinery and equipment	990,800	970,497	15,143,757	15,524,893	16,134,557	16,495,390
Accumulated depreciation	(1,653,434)	(1,492,668)	(75,703,549)	(72,159,399)	(77,356,983)	(73,652,067)
<b>Total</b>	<b>\$ 2,125,994</b>	<b>\$ 2,266,457</b>	<b>\$ 96,537,372</b>	<b>\$ 98,344,173</b>	<b>\$ 98,663,366</b>	<b>\$ 100,610,630</b>

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

**Debt:** As of June 30, 2009, the County of Scott, Iowa had general obligation bonds outstanding totaling \$7,765,000, a lease agreement for the jail facility for \$24,670,000 and a purchase contract and capital lease (business-type activities) outstanding totaling \$1,114,264. In the current year, the County governmental activities paid \$2,065,000 in principal and \$1,398,136 in interest on outstanding debt. Business-type activities paid \$351,177 in principal and \$90,226 in interest on outstanding debt in the current year.

As of June 30, 2008, the County of Scott, Iowa had general obligation bonds outstanding totaling \$8,760,000, a lease agreement for the jail facility for \$25,740,000 and a purchase contract and capital lease (business-type activities) outstanding totaling \$1,459,336. In the current year, the County governmental activities paid \$1,925,000 in principal and \$1,503,745 in interest on outstanding debt. Business-type activities paid \$335,597 in principal and \$108,512 in interest on outstanding debt in the current year.

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

	2009	2008	Maturity
Governmental activities:			
General obligation bonds	\$ 7,765,000	\$ 8,760,000	2017
Lease agreement	24,670,000	25,740,000	2025
<b>Total governmental activities</b>	<b>\$ 32,435,000</b>	<b>\$ 34,500,000</b>	
Business-type activities, purchase contract and capital lease	\$ 1,114,264	\$ 1,459,336	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 2.6 percent and also increased the rural county levy rate by 1.7 percent for the budget year ending June 30, 2010 to make up for a decrease in other County revenues such as interest income, recorder revenues and sales tax receipts.
- The tax base for the County of Scott increased 3.5 percent over the previous year.

## County of Scott, Iowa

### Management's Discussion and Analysis Year Ended June 30, 2009

---

- 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. Three of the County's five bargaining unit contracts are currently under negotiation for the next budget year.
- The County will face revenue shortfalls for the fiscal year 2010. Revenue from the sales tax, recording of instruments and interest income continue to fall. State budget cuts will also affect the County for fiscal year 2010. The County will reduce expenditures to make up for these shortfalls.

All of these factors were considered in preparing the County of Scott, Iowa's budget for the June 30, 2010 fiscal year.

#### Requests for Information

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



***Scott County***

***Iowa***

County of Scott, Iowa

Statement of Net Assets  
June 30, 2009

Assets	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Cash and investments	\$ 18,314,333	\$ 5,838	\$ 18,320,171	\$ 2,296,272
Cash and investments in escrow	-	324,400	324,400	-
Restricted cash and investments	222,551	-	222,551	-
Receivables:				
Property taxes	38,936,809	-	38,936,809	1,957,453
Accrued interest	510,566	-	510,566	-
Accounts	286,385	136,884	423,269	23,376
Due from other governmental agencies	2,002,980	-	2,002,980	8,516
Capital lease receivable from primary government	-	-	-	1,110,000
Inventories	-	58,615	58,615	-
<b>Total current assets</b>	<b>60,273,624</b>	<b>525,737</b>	<b>60,799,361</b>	<b>5,395,617</b>
Noncurrent assets:				
Receivables, notes	116,175	-	116,175	-
Capital lease receivable from primary government	-	-	-	23,560,000
Internal balances	3,207,314	(3,207,314)	-	-
Bond issuance costs	49,594	-	49,594	98,518
Capital assets:				
Not depreciated:				
Land	4,365,740	1,556,336	5,922,076	16,600
Construction-in-progress	4,369,853	-	4,369,853	-
Depreciated:				
Buildings	65,344,202	506,490	65,850,692	1,297,266
Improvements other than buildings	2,949,321	663,428	3,612,749	-
Infrastructure	80,068,048	62,374	80,130,422	-
Machinery and equipment	15,143,757	990,800	16,134,557	890,151
Less accumulated depreciation	(75,703,549)	(1,653,434)	(77,356,983)	(560,715)
<b>Total capital assets</b>	<b>96,537,372</b>	<b>2,125,994</b>	<b>98,663,366</b>	<b>1,643,302</b>
<b>Total noncurrent assets</b>	<b>99,910,455</b>	<b>(1,081,320)</b>	<b>98,829,135</b>	<b>25,301,820</b>
<b>Total assets</b>	<b>\$ 160,184,079</b>	<b>\$ (555,583)</b>	<b>\$ 159,628,496</b>	<b>\$ 30,697,437</b>

See Notes to Basic Financial Statements.

Liabilities and Net Assets	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Liabilities:				
Accounts payable	\$ 3,130,480	\$ 26,218	\$ 3,156,698	\$ 300,856
Current portion of claims payable	546,301	-	546,301	-
Accrued liabilities	1,109,778	26,209	1,135,987	53,222
Interest payable	36,798	507,641	544,439	84,171
Unearned revenue	38,859,058	20,478	38,879,536	1,951,277
Compensated absences	1,333,564	18,037	1,351,601	111,061
Current portion of general obligation bonds	1,030,000	-	1,030,000	-
Current portion of capital lease payable to component unit	1,110,000	-	1,110,000	-
Current portion of purchase contract	-	250,000	250,000	-
Current portion of capital leases	-	39,424	39,424	-
Current portion of revenue bonds	-	-	-	1,110,000
<b>Total current liabilities</b>	<b>47,155,979</b>	<b>888,007</b>	<b>48,043,986</b>	<b>3,610,587</b>
Noncurrent liabilities:				
Claims payable	43,030	-	43,030	-
Compensated absences	923,392	18,722	942,114	82,545
Other post employment benefits obligation	99,882	-	99,882	766
General obligation bonds payable, net bond premium	6,740,011	-	6,740,011	-
Capital lease payable to component unit	23,560,000	-	23,560,000	-
Purchase contract	-	824,840	824,840	-
Revenue bonds payable, net bond discount	-	-	-	23,334,490
<b>Total noncurrent liabilities</b>	<b>31,366,315</b>	<b>843,562</b>	<b>32,209,877</b>	<b>23,417,801</b>
<b>Total liabilities</b>	<b>78,522,294</b>	<b>1,731,569</b>	<b>80,253,863</b>	<b>27,028,388</b>
Net assets (deficit):				
Invested in capital assets, net of related debt	70,017,361	1,011,730	71,029,091	1,643,302
Restricted for:				
Debt service	3,229,346	-	3,229,346	-
County conservation sewage treatment	222,551	-	222,551	-
Lease purchase contract	-	324,400	324,400	-
Mental health	1,713,646	-	1,713,646	-
Secondary roads	273,409	-	273,409	-
Capital project, jail expansion	-	-	-	244,108
Unrestricted	6,205,472	(3,623,282)	2,582,190	1,781,639
<b>Total net assets (deficit)</b>	<b>81,661,785</b>	<b>(2,287,152)</b>	<b>79,374,633</b>	<b>3,669,049</b>
<b>Total liabilities and net assets</b>	<b>\$ 160,184,079</b>	<b>\$ (555,583)</b>	<b>\$ 159,628,496</b>	<b>\$ 30,697,437</b>

County of Scott, Iowa

Statement of Activities  
Year Ended June 30, 2009

Functions/ Programs	Expenses	Program Revenues		
		Charges for Sales and Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities:				
Public safety and legal services	\$ 20,925,221	\$ 1,182,577	\$ 997,871	\$ 899,868
Physical health and social services	6,180,832	358,704	1,863,714	-
Mental health	14,605,242	31,633	8,131,949	-
County environment and education	4,882,023	891,352	409,710	-
Roads and transportation	7,461,585	21,109	133,472	-
Government services to residents	2,821,526	2,307,783	471,345	284,590
Administration	10,135,767	228,445	225,391	-
Interest on long-term debt	1,393,678	-	-	-
<b>Total governmental activities</b>	<b>68,405,874</b>	<b>5,021,603</b>	<b>12,233,452</b>	<b>1,184,458</b>
Business-type activities, golf	1,144,254	949,445	-	-
<b>Total primary government</b>	<b>\$ 69,550,128</b>	<b>\$ 5,971,048</b>	<b>\$ 12,233,452</b>	<b>\$ 1,184,458</b>
<b>Component Units</b>	<b>\$ 7,768,351</b>	<b>\$ 17,582</b>	<b>\$ 3,794,037</b>	<b>\$ 397,775</b>

**General Revenues**

Taxes:
Property taxes
Local option sales tax
Gaming
Other taxes
Utility tax replacements
Penalties, interest and costs on taxes
State tax replacement credits, unrestricted
State shared revenues, unrestricted
Payments in lieu of taxes
Investment earnings
Miscellaneous
<b>Total general revenues</b>
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	
\$ (17,844,905)	\$ -	\$ (17,844,905)	\$ -	
(3,958,414)	-	(3,958,414)	-	
(6,441,660)	-	(6,441,660)	-	
(3,580,961)	-	(3,580,961)	-	
(7,307,004)	-	(7,307,004)	-	
242,192	-	242,192	-	
(9,681,931)	-	(9,681,931)	-	
(1,393,678)	-	(1,393,678)	-	
(49,966,361)	-	(49,966,361)	-	
-	(194,809)	(194,809)	-	
(49,966,361)	(194,809)	(50,161,170)	-	
-	-	-	(3,558,957)	
34,113,141	-	34,113,141	1,688,447	
3,602,230	-	3,602,230	-	
748,920	-	748,920	-	
66,852	-	66,852	70,150	
1,348,776	-	1,348,776	-	
847,456	-	847,456	-	
5,183,554	-	5,183,554	-	
2,743,735	-	2,743,735	-	
9,046	-	9,046	-	
674,859	1,276	676,135	1,054,431	
702,537	-	702,537	222,016	
50,041,106	1,276	50,042,382	3,035,044	
74,745	(193,533)	(118,788)	(523,913)	
81,587,040	(2,093,619)	79,493,421	4,192,962	
\$ 81,661,785	\$ (2,287,152)	\$ 79,374,633	\$ 3,669,049	

County of Scott, Iowa

Balance Sheet  
Governmental Funds  
June 30, 2009

Assets	Primary Government	
	General	Mental Health/ Development Disabilities
Cash and investments	\$ 7,350,232	\$ 3,187,441
Restricted cash	222,551	-
Receivables, net of allowance for uncollectibles:		
Property taxes, net of allowance for collection losses of \$16,228	32,532,039	3,266,933
Accrued interest	510,566	-
Accounts	220,177	14,261
Notes	116,175	-
Advance to other funds	3,207,314	-
Due from other governmental agencies	1,449,136	108,063
<b>Total assets</b>	<b>\$ 45,608,190</b>	<b>\$ 6,576,698</b>
<b>Liabilities and Fund Balances</b>		
Liabilities:		
Accounts payable	\$ 1,186,248	\$ 1,577,476
Claims payable	7,670	-
Accrued liabilities	1,006,680	19,510
Compensated absences	6,334	-
Accrued interest payable	-	-
Deferred revenue	33,309,407	3,266,066
<b>Total liabilities</b>	<b>35,516,339</b>	<b>4,863,052</b>
Fund balances:		
Reserved for:		
Notes receivable	116,175	-
Advances	3,207,314	-
Debt service	-	-
County conservation sewage treatment	222,551	-
Unreserved, designated, claim liabilities	589,331	-
Unreserved, undesignated, reported in:		
General Fund	5,956,480	-
Special revenue funds	-	1,713,646
Capital Projects Fund	-	-
<b>Total fund balances</b>	<b>10,091,851</b>	<b>1,713,646</b>
<b>Total liabilities and fund balances</b>	<b>\$ 45,608,190</b>	<b>\$ 6,576,698</b>

See Notes to Basic Financial Statements.

Primary Government

Secondary Roads	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
\$ 88,003	\$ 4,192,288	\$ 3,240,041	\$ 256,328	\$ 18,314,333
-	-	-	-	222,551
-	-	767,382	2,370,455	38,936,809
-	-	-	-	510,566
-	51,500	-	447	286,385
-	-	-	-	116,175
-	-	-	-	3,207,314
445,781	-	-	-	2,002,980
<u>\$ 533,784</u>	<u>\$ 4,243,788</u>	<u>\$ 4,007,423</u>	<u>\$ 2,627,230</u>	<u>\$ 63,597,113</u>
\$ 176,787	\$ 189,969	\$ -	\$ -	\$ 3,130,480
-	-	-	-	7,670
83,588	-	-	-	1,109,778
-	-	-	-	6,334
-	-	10,910	-	10,910
-	-	767,167	2,370,283	39,712,923
<u>260,375</u>	<u>189,969</u>	<u>778,077</u>	<u>2,370,283</u>	<u>43,978,095</u>
-	-	-	-	116,175
-	-	-	-	3,207,314
-	-	3,229,346	-	3,229,346
-	-	-	-	222,551
-	-	-	-	589,331
-	-	-	-	5,956,480
273,409	-	-	256,947	2,244,002
-	4,053,819	-	-	4,053,819
<u>273,409</u>	<u>4,053,819</u>	<u>3,229,346</u>	<u>256,947</u>	<u>19,619,018</u>
<u>\$ 533,784</u>	<u>\$ 4,243,788</u>	<u>\$ 4,007,423</u>	<u>\$ 2,627,230</u>	<u>\$ 63,597,113</u>

County of Scott, Iowa

Reconciliation of Total Governmental Fund Balances - Primary Government  
to Net Assets of Governmental Activities  
June 30, 2009

---

Total governmental fund balances \$ 19,619,018

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

Land	\$ 4,365,740	
Construction-in-progress	4,369,853	
Buildings	65,344,202	
Improvements other than buildings	2,949,321	
Infrastructure	80,068,048	
Machinery and equipment	15,143,757	
Accumulated depreciation	<u>(75,703,549)</u>	96,537,372

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

Deferred revenues		853,865
-------------------	--	---------

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	\$ (581,661)	
Compensated absences	(2,250,622)	
Other post employment benefits obligation	(99,882)	
Accrued interest payable	(25,888)	
Capital lease payable to component unit	(24,670,000)	
Bond issuance costs	49,594	
Bond premium	(5,011)	
General obligation bonds payable	<u>(7,765,000)</u>	<u>(35,348,470)</u>
<b>Net assets of governmental activities</b>		<u><u>\$ 81,661,785</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, 2009

	Primary Government	
	General	Mental Health/ Development Disabilities
Revenues:		
Property taxes	\$ 28,257,301	\$ 3,056,057
Local option sales tax	3,691,392	-
Other taxes	1,188,837	127,227
Interest and penalties on taxes	847,456	-
Intergovernmental	4,760,004	12,428,937
Charges for services	4,440,019	31,633
Investment earnings	661,743	-
Licenses and permits	493,680	-
Rentals and fees	165,676	-
Other	405,391	58,388
<b>Total revenues</b>	<b>44,911,499</b>	<b>15,702,242</b>
Expenditures:		
Current:		
Public safety and legal services	19,768,037	-
Physical health and social services	6,075,938	-
Mental health	-	14,560,838
County environment and education	3,899,432	-
Roads and transportation	-	-
Government services to residents	2,134,299	-
Administration	8,711,784	-
Capital outlay	-	-
Debt service:		
Principal	1,070,000	-
Interest	1,050,180	-
<b>Total expenditures</b>	<b>42,709,670</b>	<b>14,560,838</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>2,201,829</b>	<b>1,141,404</b>
Other financing sources (uses):		
Transfers in	4,305,942	-
Transfers out	(6,009,483)	-
Proceeds from sale of capital assets	-	-
<b>Total other financing sources (uses)</b>	<b>(1,703,541)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>498,288</b>	<b>1,141,404</b>
Fund balances, beginning of year	9,593,563	572,242
Fund balances, end of year	\$ 10,091,851	\$ 1,713,646

See Notes to Basic Financial Statements.

Primary Government

Secondary Roads Fund	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
\$ -	\$ -	\$ 676,402	\$ 2,093,016	\$ 34,082,776
-	-	-	-	3,691,392
-	748,920	26,706	72,858	2,164,548
-	-	-	-	847,456
2,877,207	75,000	140,434	87,506	20,369,088
9,489	-	-	35,162	4,516,303
-	10,775	-	2,341	674,859
11,620	-	-	-	505,300
-	-	-	-	165,676
32,387	40,695	-	-	536,861
2,930,703	875,390	843,542	2,290,883	67,554,259
-	-	-	-	19,768,037
-	-	-	-	6,075,938
-	-	-	-	14,560,838
-	-	-	479,355	4,378,787
4,680,676	-	-	-	4,680,676
-	-	-	-	2,134,299
-	-	-	-	8,711,784
874,692	3,495,200	-	-	4,369,892
-	-	995,000	-	2,065,000
-	-	347,956	-	1,398,136
5,555,368	3,495,200	1,342,956	479,355	68,143,387
(2,624,665)	(2,619,810)	(499,414)	1,811,528	(589,128)
2,411,669	1,899,288	-	-	8,616,899
-	(794,316)	-	(1,813,100)	(8,616,899)
-	27,450	-	-	27,450
2,411,669	1,132,422	-	(1,813,100)	27,450
(212,996)	(1,487,388)	(499,414)	(1,572)	(561,678)
486,405	5,541,207	3,728,760	258,519	20,180,696
\$ 273,409	\$ 4,053,819	\$ 3,229,346	\$ 256,947	\$ 19,619,018

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, 2009

---

Net change in fund balances - governmental funds		\$ (561,678)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the detail of the amount by which capital outlays exceeded depreciation in the current year:		
Capital outlay		3,950,133
Depreciation:		
Public safety and legal services	\$ (1,024,798)	
Physical health and social services	(17,498)	
Mental health	(33,469)	
County environment and education	(485,562)	
Roads and transportation	(2,769,314)	
Governmental services to residents	(116,267)	
Administration	(1,306,621)	(5,753,529)
Proceeds from sale of capital assets		(27,450)
Loss on sales of capital assets		(898,634)
Capital contribution		284,590
Capital assets from capital lease		638,089
Contribution to agency expenditure to pay prior year payable		275,827
Contribution from component unit to reduce prior year payable related to capital assets		261,779
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(273,968)
Noncash grants are not a financial resource in governmental funds. These are reported as expenses and operating grants and contributions in the statement of activities:		
Public safety and legal services donated		15,870
Public safety and legal services used		(15,870)
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		2,065,000
Interest expense		3,108
Amortization of bond premium and bond issuance costs		(18,835)
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		105,674
Change in compensated absences		124,521
Change in other post employment benefits obligation		(99,882)
Change in net assets of governmental activities		<u>\$ 74,745</u>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Net Assets (Deficit)  
Enterprise Fund  
June 30, 2009

	<u>Golf Course</u>
<b>Assets</b>	
Current assets:	
Cash and investments	\$ 5,838
Cash and investments in escrow	324,400
Receivables, accounts	136,884
Inventories	58,615
<b>Total current assets</b>	<u>525,737</u>
Noncurrent assets:	
Capital assets:	
Land	1,556,336
Buildings	506,490
Improvements other than buildings	663,428
Infrastructure	62,374
Machinery and equipment	990,800
Less accumulated depreciation	<u>(1,653,434)</u>
<b>Total noncurrent assets</b>	<u>2,125,994</u>
<b>Total assets</b>	<u>\$ 2,651,731</u>
<b>Liabilities and Net Assets (Deficit)</b>	
Current liabilities:	
Accounts payable	\$ 26,218
Accrued liabilities	26,209
Interest payable	507,641
Unearned revenue	20,478
Compensated absences	18,037
Current portion of purchase contract	250,000
Current portion of capital lease	39,424
<b>Total current liabilities</b>	<u>888,007</u>
Noncurrent liabilities:	
Compensated absences	18,722
Advance from other funds	3,207,314
Purchase contract, noncurrent portion	824,840
<b>Total noncurrent liabilities</b>	<u>4,050,876</u>
<b>Total liabilities</b>	<u>4,938,883</u>
Net assets (deficit):	
Invested in capital assets, net of related debt	1,011,730
Restricted for lease purchase contract	324,400
Unrestricted (deficit)	<u>(3,623,282)</u>
<b>Total net assets (deficit)</b>	<u>(2,287,152)</u>
<b>Total liabilities and net assets (deficit)</b>	<u>\$ 2,651,731</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, 2009

---

	Golf Course
Operating revenues:	
Charges for services	\$ 788,128
Sales, net of cost of goods sold of \$31,160	160,327
Other	990
<b>Total operating revenues</b>	<u>949,445</u>
Operating expenses:	
Personnel	590,213
Depreciation	160,766
Other	303,049
<b>Total operating expenses</b>	<u>1,054,028</u>
<b>Operating loss</b>	<u>(104,583)</u>
Nonoperating revenues (expenses):	
Investment earnings	1,276
Interest expense	(90,226)
<b>Total nonoperating revenues (expenses)</b>	<u>(88,950)</u>
<b>Change in net assets</b>	(193,533)
Total net assets (deficit), beginning of year	(2,093,619)
Total net assets (deficit), end of year	<u>\$ (2,287,152)</u>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Cash Flows  
Enterprise Fund  
Year Ended June 30, 2009

	Golf Course
Cash flows from operating activities:	
Cash received from customers	\$ 941,373
Cash payments to acquire goods for resale	(76,266)
Cash payments to suppliers for goods and services	(317,838)
Cash payments to employees for services	(594,891)
<b>Net cash (used in) operating activities</b>	<u>(47,622)</u>
Cash flows from capital and related financing activities:	
Payments of purchase contract	(235,000)
Payments on capital lease	(116,177)
Purchase of capital assets	(20,303)
Interest paid on purchase contract and capital lease	(92,873)
<b>Net cash (used in) capital and related financing activities</b>	<u>(464,353)</u>
Cash flows from noncapital financing activities, advance from other funds	<u>505,000</u>
Cash flows from investing activities, interest received	<u>1,276</u>
<b>Net decrease in cash and cash equivalents</b>	(5,699)
Cash and cash equivalents:	
Beginning	335,937
Ending	<u>\$ 330,238</u>
Reconciliation of operating loss to net cash (used in) operating activities:	
Operating loss	\$ (104,583)
Adjustments to reconcile operating loss to net cash (used in) operating activities:	
Depreciation	160,766
(Increase) in:	
Receivables	(38,841)
Inventories	(45,106)
Increase (decrease) in:	
Accounts payable	(14,789)
Accrued compensation	3,848
Compensated absences	(8,526)
Unearned revenue	(391)
<b>Net cash (used in) operating activities</b>	<u>\$ (47,622)</u>
Noncash capital and related financing activities, amortization of bond issuance costs and discount on purchase contract	<u>\$ 6,105</u>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Assets and Liabilities

Agency Funds

June 30, 2009

---

**Assets**

Cash and investments	\$	8,509,104
Receivables:		
Property taxes		209,237,399
Accounts		19,996
<b>Total assets</b>	<b>\$</b>	<b>217,766,499</b>

**Liabilities**

Accounts payable	\$	236,021
Due to other governmental agencies		216,989,813
Due to private individuals		540,665
<b>Total liabilities</b>	<b>\$</b>	<b>217,766,499</b>

See Notes to Basic Financial Statements.



***Scott County***

***Iowa***

County of Scott, Iowa

Statement of Net Assets  
Discretely Presented Component Units  
June 30, 2009

Assets	Emergency Management Agency	County Library	County Assessor	County Assessor Special
<b>Current assets:</b>				
Cash and investments	\$ 209,322	\$ 134,715	\$ 312,322	\$ 600,388
Receivables:				
Property taxes	-	-	713,290	239,947
Accounts	23,376	-	-	-
Due from other governmental agencies	8,516	-	-	-
Capital lease receivable from primary government	-	-	-	-
<b>Total current assets</b>	<b>241,214</b>	<b>134,715</b>	<b>1,025,612</b>	<b>840,335</b>
<b>Noncurrent assets:</b>				
Capital lease receivable from primary government	-	-	-	-
Bond issuance costs	-	-	-	-
Capital assets:				
Land	-	16,600	-	-
Buildings	-	1,297,266	-	-
Machinery and equipment	593,581	180,005	-	-
Accumulated depreciation	(97,849)	(370,903)	-	-
<b>Total capital assets, net</b>	<b>495,732</b>	<b>1,122,968</b>	<b>-</b>	<b>-</b>
<b>Total noncurrent assets</b>	<b>495,732</b>	<b>1,122,968</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>\$ 736,946</b>	<b>\$ 1,257,683</b>	<b>\$ 1,025,612</b>	<b>\$ 840,335</b>
<b>Liabilities and Net Assets</b>				
<b>Current liabilities:</b>				
Accounts payable	\$ 984	\$ 11,199	\$ 4,576	\$ -
Accrued liabilities	2,816	23,152	18,971	10
Interest payable	-	-	-	-
Unearned revenue	-	-	710,876	239,887
Compensated absences	3,764	26,713	30,445	-
Current portion revenue bonds payable	-	-	-	-
<b>Total current liabilities</b>	<b>7,564</b>	<b>61,064</b>	<b>764,868</b>	<b>239,897</b>
<b>Noncurrent liabilities:</b>				
Compensated absences	18,159	1,404	62,982	-
Other post employment benefits obligation	1,064	(2,383)	2,085	-
Revenue bonds payable, net bond discount	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>19,223</b>	<b>(979)</b>	<b>65,067</b>	<b>-</b>
<b>Total liabilities</b>	<b>26,787</b>	<b>60,085</b>	<b>829,935</b>	<b>239,897</b>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	495,732	1,122,968	-	-
Restricted for capital project, jail expansion	-	-	-	-
Unrestricted	214,427	74,630	195,677	600,438
<b>Total net assets</b>	<b>710,159</b>	<b>1,197,598</b>	<b>195,677</b>	<b>600,438</b>
<b>Total liabilities and net assets</b>	<b>\$ 736,946</b>	<b>\$ 1,257,683</b>	<b>\$ 1,025,612</b>	<b>\$ 840,335</b>

See Notes to Basic Financial Statements.

City Assessor	City Assessor Special	Public Safety Authority	Scott Emergency Communication Center	Total
\$ 467,822	\$ 120,962	\$ 134,877	\$ 315,864	\$ 2,296,272
803,280	200,936	-	-	1,957,453
-	-	-	-	23,376
-	-	-	-	8,516
-	-	1,110,000	-	1,110,000
1,271,102	321,898	1,244,877	315,864	5,395,617
-	-	23,560,000	-	23,560,000
-	-	98,518	-	98,518
-	-	-	-	16,600
-	-	-	-	1,297,266
116,565	-	-	-	890,151
(91,963)	-	-	-	(560,715)
24,602	-	-	-	1,643,302
24,602	-	23,658,518	-	25,301,820
\$ 1,295,704	\$ 321,898	\$ 24,903,395	\$ 315,864	\$ 30,697,437
\$ 46,330	\$ 10,275	\$ 130,626	\$ 96,866	\$ 300,856
-	-	-	8,273	53,222
-	-	84,171	-	84,171
799,635	200,879	-	-	1,951,277
43,144	-	-	6,995	111,061
-	-	1,110,000	-	1,110,000
889,109	211,154	1,324,797	112,134	3,610,587
-	-	-	-	82,545
-	-	-	-	766
-	-	23,334,490	-	23,334,490
-	-	23,334,490	-	23,417,801
889,109	211,154	24,659,287	112,134	27,028,388
24,602	-	-	-	1,643,302
-	-	244,108	-	244,108
381,993	110,744	-	203,730	1,781,639
406,595	110,744	244,108	203,730	3,669,049
\$ 1,295,704	\$ 321,898	\$ 24,903,395	\$ 315,864	\$ 30,697,437

County of Scott, Iowa

Statement of Activities  
Discretely Presented Component Units  
Year Ended June 30, 2009

	Program Revenues				
	Expenses	Charges for Sales and Services	Operating Grants and Contributions	Capital Grants and Contributions	Emergency Management Agency
<b>Emergency Management Agency</b>					
Public safety and legal services	\$ 176,906	\$ -	\$ 80,975	\$ 397,775	\$ 301,844
<b>County Library</b>					
County environment and education	1,083,741	16,502	935,539	-	-
<b>County Assessor</b>					
Government services to residents	638,121	1,080	18,633	-	-
<b>County Assessor Special</b>					
Government services to residents	96,107	-	4,687	-	-
<b>City Assessor</b>					
Government services to residents	685,456	-	20,017	-	-
<b>City Assessor Special</b>					
Government services to residents	214,178	-	3,433	-	-
<b>Public Safety Authority</b>					
Public safety and legal services	1,981,847	-	-	-	-
<b>Scott Emergency Communication Center</b>					
Government services to residents	2,891,995	-	2,730,753	-	-
<b>Total component units</b>	<b>\$ 7,768,351</b>	<b>\$ 17,582</b>	<b>\$ 3,794,037</b>	<b>\$ 397,775</b>	<b>301,844</b>

**General Revenues**

Taxes:

Property taxes	-
Other taxes	-
Interest earnings	-
Miscellaneous	76,685

**Total general revenues**

<b>Total general revenues</b>	<b>76,685</b>
Changes in net assets	378,529
Net assets, beginning of year	331,630
Net assets, end of year	<b>\$ 710,159</b>

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Assets

County Library	County Assessor	County Assessor Special	City Assessor	City Assessor Special	Public Safety Authority	Scott Emergency Communication Center	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 301,844
(131,700)	-	-	-	-	-	-	(131,700)
-	(618,408)	-	-	-	-	-	(618,408)
-	-	(91,420)	-	-	-	-	(91,420)
-	-	-	(665,439)	-	-	-	(665,439)
-	-	-	-	(210,745)	-	-	(210,745)
-	-	-	-	-	(1,981,847)	-	(1,981,847)
-	-	-	-	-	-	(161,242)	(161,242)
(131,700)	(618,408)	(91,420)	(665,439)	(210,745)	(1,981,847)	(161,242)	(3,558,957)
-	608,647	153,085	791,032	135,683	-	-	1,688,447
-	22,622	5,690	35,714	6,124	-	-	70,150
-	-	-	-	-	1,054,431	-	1,054,431
38,933	-	-	2,098	-	104,300	-	222,016
38,933	631,269	158,775	828,844	141,807	1,158,731	-	3,035,044
(92,767)	12,861	67,355	163,405	(68,938)	(823,116)	(161,242)	(523,913)
1,290,365	182,816	533,083	243,190	179,682	1,067,224	364,972	4,192,962
\$ 1,197,598	\$ 195,677	\$ 600,438	\$ 406,595	\$ 110,744	\$ 244,108	\$ 203,730	\$ 3,669,049



***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.

Scott Emergency Communication Center: The Scott Emergency Communication Center (SECC) provides public safety dispatch and communication services for all participating public safety answering points to improve services to the citizens of Scott County, Iowa. Although the SECC has a jointly appointed Board by the members, it is considered a component unit of the County due to the SECC being fiscally dependent on the County, making the County financially accountable for the SECC.

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 4<sup>th</sup> 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.

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

Debt Service Fund: To account for the servicing of the general long-term debt not financed by a specific source.

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.

**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 County has elected not to apply FASB guidance subsequent to November 30, 1989.

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 May 2008, based on the 2007 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, 2009, but which were levied to finance fiscal year 2010 operations, have been recorded as unearned revenue.

## 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 \$3,229,346 for debt service, \$1,713,646 for mental health and \$273,409 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 2009.

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 \$2,287,152 as of June 30, 2009. The deficit is expected to be eliminated through future earnings of the golf course.

#### **Note 3. Deposits and Investments**

As of June 30, 2009, the County's cash and investments were as follows:

Cash on hand and deposits with financial institutions	\$ 15,692,722
Investments	3,174,400
Cash on hand and deposits with financial institutions, discretely presented component units	2,296,272
Cash on hand and deposits with financial institutions, Agency Funds	8,509,104
	<u>\$ 29,672,498</u>

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

As of June 30, 2009, the County had the following investments:

Investments	Maturities	Fair Value
Scott Area Solid Waste Commission Revenue Bond	06/01/2015	\$ 2,850,000
Fidelity Treasury Money Market Fund	55 days	324,400
		<u>\$ 3,174,400</u>

**County of Scott, Iowa**

**Notes to Basic Financial Statements**

---

**Note 3. Deposits and Investments (Continued)**

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, 2009, 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
Fidelity Treasury Money Market Fund	Aaa	AAAm

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 of the County's investments (money market funds are excluded from this) are as follows:

Issuer	Investment Type	
Scott County Solid Waste Commission	Revenue Bond	89.9%

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, 2009, the County had no deposits or investments exposed to custodial credit risk.

## County of Scott, Iowa

### Notes to Basic Financial Statements

---

#### Note 4. Interfund Account Balances

Advances from and to other funds as of June 30, 2009 were as follows:

	Advances To Other Funds	Advances From Other Funds
Major governmental fund, General	\$ 3,207,314	\$ -
Business-type activity, Glynn's Creek Golf Course	-	3,207,314
	<u>\$ 3,207,314</u>	<u>\$ 3,207,314</u>

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

#### Note 5. Interfund Transfers

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

	Transfers In	Transfers Out
Governmental activities:		
Major governmental funds:		
General	\$ 4,305,942	\$ 6,009,483
Secondary roads	2,411,669	-
Capital projects	1,899,288	794,316
Nonmajor governmental funds:		
Rural services	-	1,775,246
Recorders management fees	-	37,854
<b>Total governmental activities</b>	<u>\$ 8,616,899</u>	<u>\$ 8,616,899</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. During 2008, the County modified the agreement, which increased the principal amount to \$116,175 and decreased the interest rate to 0 percent. The note is due upon the sale or conveyance by GDRC of any lot or parcel, of which there was a sale of one lot of 4.09 acres on March 10, 2009. As of June 30, 2009, the outstanding balance was \$116,175.

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 \$116,175 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, 2009:

<b>Governmental Activities</b>	2008 Balance	Additions	Deletions	2009 Balance
Capital assets not depreciated:				
Land	\$ 4,365,740	\$ -	\$ -	\$ 4,365,740
Construction-in-progress	33,686,691	1,374,717	(30,691,555)	4,369,853
<b>Total capital assets not being depreciated</b>	<b>38,052,431</b>	<b>1,374,717</b>	<b>(30,691,555)</b>	<b>8,735,593</b>
Capital assets being depreciated:				
Buildings	35,269,249	31,521,769	(1,446,816)	65,344,202
Improvements other than buildings	2,785,053	201,600	(37,332)	2,949,321
Infrastructure	78,871,946	1,332,677	(136,575)	80,068,048
Machinery and equipment	15,524,893	1,133,604	(1,514,740)	15,143,757
<b>Total capital assets being depreciated</b>	<b>132,451,141</b>	<b>34,189,650</b>	<b>(3,135,463)</b>	<b>163,505,328</b>
Less accumulated depreciation for:				
Buildings	18,119,409	2,054,993	(1,196,971)	18,977,431
Improvements other than buildings	861,872	164,960	(15,803)	1,011,029
Infrastructure	43,426,499	2,328,291	(136,575)	45,618,215
Machinery and equipment	9,751,619	1,205,285	(860,030)	10,096,874
<b>Total accumulated depreciation</b>	<b>72,159,399</b>	<b>5,753,529</b>	<b>(2,209,379)</b>	<b>75,703,549</b>
<b>Total capital assets being depreciated, net</b>	<b>60,291,742</b>	<b>28,436,121</b>	<b>(926,084)</b>	<b>87,801,779</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 98,344,173</b>	<b>\$ 29,810,838</b>	<b>\$ (31,617,639)</b>	<b>\$ 96,537,372</b>

<b>Business-Type Activities</b>	2008 Balance	Additions	Deletions	2009 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	970,497	20,303	-	990,800
<b>Total capital assets being depreciated</b>	<b>2,202,789</b>	<b>20,303</b>	<b>-</b>	<b>2,223,092</b>
Less accumulated depreciation for:				
Buildings	154,830	10,130	-	164,960
Improvements other than buildings	554,901	12,376	-	567,277
Infrastructure	62,374	-	-	62,374
Machinery and equipment	720,563	138,260	-	858,823
<b>Total accumulated depreciation</b>	<b>1,492,668</b>	<b>160,766</b>	<b>-</b>	<b>1,653,434</b>
<b>Total capital assets being depreciated, net</b>	<b>710,121</b>	<b>(140,463)</b>	<b>-</b>	<b>569,658</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 2,266,457</b>	<b>\$ (140,463)</b>	<b>\$ -</b>	<b>\$ 2,125,994</b>

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:

<b>Discretely Presented Component Units</b>	<b>2008 Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>2009 Balance</b>
Capital assets not being depreciated:				
Land	\$ 16,600	\$ -	\$ -	\$ 16,600
Construction-in-progress	-	638,089	(638,089)	-
<b>Total capital assets not being depreciated</b>	<b>16,600</b>	<b>638,089</b>	<b>(638,089)</b>	<b>16,600</b>
Capital assets being depreciated:				
Buildings	1,297,266	-	-	1,297,266
Machinery and equipment	555,297	418,825	(83,971)	890,151
<b>Total capital assets being depreciated</b>	<b>1,852,563</b>	<b>418,825</b>	<b>(83,971)</b>	<b>2,187,417</b>
Less accumulated depreciation for:				
Buildings	179,783	33,519	-	213,302
Machinery and equipment	338,590	78,764	(69,941)	347,413
<b>Total accumulated depreciation</b>	<b>518,373</b>	<b>112,283</b>	<b>(69,941)</b>	<b>560,715</b>
<b>Total capital assets being depreciated, net</b>	<b>1,334,190</b>	<b>306,542</b>	<b>(14,030)</b>	<b>1,626,702</b>
<b>Component units capital assets, net</b>	<b>\$ 1,350,790</b>	<b>\$ 944,631</b>	<b>\$ (652,119)</b>	<b>\$ 1,643,302</b>

As of June 30, 2009, the discretely presented component unit, Public Safety Authority, transferred \$638,089 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	\$ 1,024,798
Physical health and social services	17,498
Mental health	33,469
County environment and education	485,562
Roads and transportation	2,769,314
Governmental services to residents	116,267
Administration	1,306,621
<b>Total depreciation expense, governmental activities</b>	<b>\$ 5,753,529</b>
Business-type activities, golf course	\$ 160,766

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, 2009:

	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009	Due Within One Year
<b>Governmental Activities:</b>					
General obligation bonds	\$ 8,760,000	\$ -	\$ 995,000	\$ 7,765,000	\$ 1,030,000
Compensated absences	2,375,345	1,208,841	1,327,230	2,256,956	1,333,564
Capital lease	25,740,000	-	1,070,000	24,670,000	1,110,000
Claims payable	718,847	495,158	624,674	589,331	546,301
	<u>\$ 37,594,192</u>	<u>\$ 1,703,999</u>	<u>\$ 4,016,904</u>	<u>\$ 35,281,287</u>	<u>\$ 4,019,865</u>
<b>Business-Type Activities:</b>					
Capital lease	\$ 155,601	\$ -	\$ 116,177	\$ 39,424	\$ 39,424
Purchase contract	1,303,735	-	228,895	1,074,840	250,000
Compensated absences	45,285	9,511	18,037	36,759	18,037
	<u>\$ 1,504,621</u>	<u>\$ 9,511</u>	<u>\$ 363,109</u>	<u>\$ 1,151,023</u>	<u>\$ 307,461</u>
<b>Discretely Presented Component</b>					
<b>Units Activities:</b>					
Revenue bonds	\$ 25,740,000	\$ -	\$ 1,070,000	\$ 24,670,000	\$ 1,110,000
Compensated absences	163,604	143,007	113,005	193,606	111,061
	<u>\$ 25,903,604</u>	<u>\$ 143,007</u>	<u>\$ 1,183,005</u>	<u>\$ 24,863,606</u>	<u>\$ 1,221,061</u>

General obligation bonds outstanding as of June 30, 2009 consist of \$2,850,000 of solid waste refunding bonds with interest rates ranging from 3.6 percent to 3.8 percent, \$3,070,000 of general obligation urban renewal bonds with interest at rates ranging from 2.3 percent to 4.6 percent and \$1,845,000 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 in General Obligation County Solid Waste Disposal Refunding Bonds, Series 2007A 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.

On July 13, 2006, the County issued \$2,500,000 in General Obligation Geographic Information System Bonds, Series 2006A. The bonds were issued to finance improvements to the County's Geographic Information System and related costs. The bonds are due in 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, 2009 are as follows:

<u>Year ending June 30:</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
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	1,356,613	1,170,000	186,613
2014	1,360,587	1,220,000	140,587
2015-2017	2,309,850	2,145,000	164,850
<b>Total</b>	<b>\$ 9,069,151</b>	<b>\$ 7,765,000</b>	<b>\$ 1,304,151</b>

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, 2009 are as follows:

<u>Year Ending June 30:</u>	<u>Total Payment</u>	<u>Principal</u>	<u>Interest</u>
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 - 2019	10,683,325	7,370,000	3,313,325
2020 - 2024	10,859,075	9,190,000	1,669,075
2025	4,385,618	2,105,000	92,094
	<b>\$ 36,541,618</b>	<b>\$ 24,670,000</b>	<b>\$ 9,683,094</b>

The County has pledged as security for bonds issued by the Public Safety Authority, a portion of the County's property taxes. The bonds issued by the Public Safety Authority in February 2006 in the amount of \$29,700,000 for the purpose of renovation and construction additions to existing jail facilities are payable through 2025. The County has committed to appropriate each year, from the property taxes, amount sufficient to cover the principal and interest requirements on the Public Safety Authority's debt. The Public Safety Authority has pledged as sole security for the bonds the appropriation from the County. Total principal and interest remaining on the debt is \$36,541,618 with annual requirements ranging from \$995,000 to \$2,105,000. Property taxes, from which the appropriations will be made, have been equal to the principal and interest amount owed per year. For the current year, principal and interest paid by the Public Safety Authority and the total property taxes recognized by the County were \$2,120,180 each.

## County of Scott, Iowa

### Notes to Basic Financial Statements

#### Note 8. Long-Term Debt (Continued)

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. The Agreement requires the County to pay any deficiency in funds required to complete the construction of the project. As of June 30, 2009, construction of the jail facility has been completed.

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, 2009, the County recognized a liability of \$24,670,000. The PSA has transferred \$638,089 of construction-in-progress as of year-end.

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>
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>\$ 34,353,094</u>	<u>\$ 24,670,000</u>	<u>\$ 9,683,094</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, 2009 is as follows:

January 2007 assessed valuation	\$ 10,859,451,632
Less military exemption	18,732,972
<b>Total assessed value</b>	<u>\$ 10,840,718,660</u>
Debt limit, 5% of assessed valuation (Iowa statutory limitation)	\$ 542,035,933
Total amount of debt applicable to debt margin	32,435,000
<b>Legal debt margin</b>	<u>\$ 509,600,933</u>

County of Scott, Iowa

Notes to Basic Financial Statements

**Note 8. Long-Term Debt (Continued)**

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

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

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

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>
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	1,281,391	1,105,000	176,391	
Unamortized discount and bond issue costs	-	(30,160)	30,160	
	<u>\$ 1,281,391</u>	<u>\$ 1,074,840</u>	<u>\$ 206,551</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. 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>
2010	\$ 41,938	\$ 39,424	\$ 2,514

## County of Scott, Iowa

### Notes to Basic Financial Statements

---

#### 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 4.10 percent of their annual covered salary and the County is required to contribute 6.35 percent of annual covered payroll, except for sheriff deputies, in which case the percentages are 7.52 percent and 7.52 percent, respectively and conservation peace officers, in which case the percentages are 5.63 percent and 8.45 percent, respectively. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2009, 2008 and 2007 were \$1,562,197, \$1,360,924 and \$1,260,066, respectively, equal to the required contributions for each year.

#### Note 10. Other Postemployment Benefits

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

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

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2009, the County contributed \$80,543. Retiree and active members receiving benefits have required monthly contributions of:

	Single	Family
Heritage Choice	\$ 423	\$ 1,160
Heritage Select	401	1,100
Dental	28	83
Vision	8	17

County of Scott, Iowa

Notes to Basic Financial Statements

**Note 10. Other Postemployment Benefits (Continued)**

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

Annual required contribution/OPEB cost	\$ 181,191
Contributions and payments made	80,543
Increase in net OPEB obligation	<u>100,648</u>
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	<u>\$ 100,648</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for 2009, which is the transition year of GASB Statement No. 45.

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2009	\$ 181,191	44.5%	\$ 100,648

Funded status and funding progress: As of January 1, 2009, the most recent valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$1,770,912 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of \$1,770,912. The covered payroll (annual payroll of active employees covered by the plan) was \$20,080,910 and the ratio of the UAAL to the covered payroll was 8.8 percent.

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

**Note 10. Other Postemployment Benefits (Continued)**

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

In the January 1, 2009 actuarial valuation, projected unit credit method was used. The actuarial assumptions included a 3.63 percent investment rate of return, salary increases of 3 percent, health care cost trend rates of: 8 percent for year 1, 7 percent for year 2, 6 percent for year 3 and 5 percent for year 4 and beyond; mortality rates using the 2001 CSO Mortality Table, retiree participation rate of 90 percent, an initial spouse participation rate of 50 percent and turnover rates based on Scale T-8 of the Actuary's Pension Handbook. The UAAL is being amortized as a level dollar amount on an open basis. The amortization of UAAL is done over a period of 30 years.

**Note 11. 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.

**Note 12. 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, \$96,196,270 maximum coverage on property and \$2,000,000 maximum coverage on workers' compensation. All claims handling procedures are performed by the County.

## County of Scott, Iowa

### Notes to Basic Financial Statements

---

#### **Note 12. Risk Management and Insurance (Continued)**

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, 2009, the amount of liabilities recorded for estimated claim settlements for general, automobile, property and workers' compensation liability claims was \$589,331 of which \$7,670 was recorded in the General Fund and \$581,661 was recorded on the government wide statement of net assets. The County has designated \$589,331 of General Fund balance for payment of future claims liability.

The changes in the aggregate liabilities for claims for the years ended June 30, 2009 and 2008 are as follows:

	Self-Insurance	
	2009	2008
Claims payable, beginning of year	\$ 718,847	\$ 1,004,488
Claims expense and change in reserve	495,158	495,784
Claims payments	(624,674)	(781,425)
Claims payable, end of year	<u>\$ 589,331</u>	<u>\$ 718,847</u>

The Emergency Management Agency, County Library, County Assessor, County Assessor Special, City Assessor, City Assessor Special and City Assessor FICA component units of the County have transferred risk by purchasing commercial insurance. Settled claims have not exceeded this coverage in any of the past three fiscal years.

#### **Note 13. 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, 2009, there were four series of revenue bonds outstanding. The aggregate principal balance of the revenue bonds outstanding is \$15,935,673.

#### **Note 14. 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, 2009 is \$2,850,000.

## County of Scott, Iowa

### Notes to Basic Financial Statements

---

#### **Note 14. Scott Area Solid Waste Management Commission Agreement (Continued)**

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 \$2,850,000 remains outstanding as of June 30, 2009.

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

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

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

#### **Note 15. 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 16. Commitments and Contingency**

The County has financial commitments relating to renovation projects that are estimated to be approximately \$294,000.

## County of Scott, Iowa

### Notes to Basic Financial Statements

---

#### Note 17. 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 \$93,200 for the year ended June 30, 2009.

The total minimum lease commitment as of June 30, 2009, is as follows:

Year ending June 30:

2010	\$	91,688
2011		70,471
	\$	<u>162,159</u>

#### Note 18. Governmental Accounting Standards Board (GASB) Statements

The County adopted the following statements during the year ended June 30, 2009:

- GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. 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. The effect of the adoption of this Statement to the County was to record a liability of \$100,648 for the net other postemployment benefit obligation. The actuarial accrued liability is estimated by an actuary to be \$1,770,912 as of June 30, 2009.
- GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. 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 County 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. The adoption of this Statement had no effect on the County in the current year.
- GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. This Statement established consistent standards for the reporting of land and other real estate held as investments. Endowments were previously required to report their land and other real estate held for investment purposes at historical cost. However, such investments are reported at fair value by similar entities, such as pension plans. The Statement requires endowments to report land and other real estate investments at fair value. The adoption of this Statement had no effect on the County in the current year.

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

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. 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.
- GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, issued June 2008, will be effective for the County beginning with its year ending June 30, 2010. This Statement will improve how state and local governments report information about derivative instruments in their financial statements. The Statement specifically requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. The guidance in this Statement also addresses hedge accounting requirements.
- GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, issued March 2009, will be effective for the County beginning with its year ending June 30, 2011. This Statement is intended to improve the usefulness of information provided to financial report users about fund balances by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance information is among the most widely and frequently used information in state and local government financial reports. The GASB developed this standard to address the diversity of practice and the resulting lack of consistency that had evolved in fund balance reporting. To reduce confusion, the new standard establishes a hierarchy of fund balance classification based primarily on the extent to which a government is bound to observe spending constraints.

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

**Note 19. Subsequent Event**

The County Board has approved the issuance of General Obligation Emergency Services Communication Bonds, Series 2009A for \$10,445,000 and General Obligation Urban Renewal Refunding Bonds, Series 2009B for \$2,835,000 in November 2009. The Series 2009A will finance the acquisition of various items for emergency services communication equipment. The Series 2009B will be used to refund the General Obligation Urban Renewal Bonds, Series 2002A.

On November 12, 2009, the Board approved as of January 1, 2010 the County will become self-insured for their health benefits.

County of Scott, Iowa

Required Supplementary Information  
Other Postemployment Benefit Plan

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2009	1/1/09	\$ -	\$ 1,770,912	\$ 1,770,912	- %	\$ 20,080,910	8.82%

Note: Fiscal year 2009 is the transition year for GASB Statement No. 45

The information presented in the required supplementary schedules was determined as part of the actuarial valuation date as of January 1, 2009. Additional information follows:

- a. The cost method used to determine the ARC is the Projected Unit Credit Actuarial Cost method.
- b. There are no plan assets.
- c. The actuarial assumptions included: 1) 3.63 percent investment rate of return, 2) salary increases of 3 percent, 3) health care cost trend rates of: 8 percent for year 1, 7 percent for year 2, 6 percent for year 3 and 5 percent for year 4 and beyond, 4) mortality rates using the 2001 CSO Mortality Table, 5) retiree participation rate of 90 percent, 6) an initial spouse participation rate of 50 percent and 7) turnover rates based on Scale T-8 of the Actuary's Pension Handbook.
- d. The amortization method is level dollar amount on an open basis.

County of Scott, Iowa

Required Supplementary Information  
 Budgetary Comparison Schedule  
 All Governmental Funds  
 Year Ended June 30, 2009

	Budget		Governmental Fund Types Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 34,172,309	\$ 34,143,160	\$ 34,082,776	\$ (60,384)
Local option sales tax	3,972,400	3,972,400	3,691,392	(281,008)
Other taxes	2,170,590	2,170,590	2,164,548	(6,042)
Interest and penalties on taxes	775,000	775,000	847,456	72,456
Intergovernmental	19,493,392	20,013,356	20,369,088	355,732
Charges for services	4,779,026	4,779,026	4,516,303	(262,723)
Investment earnings	1,454,633	1,454,633	674,859	(779,774)
Licenses and permits	546,600	546,600	505,300	(41,300)
Rentals and fees	165,930	165,930	165,676	(254)
Other	348,515	348,515	536,861	188,346
<b>Total revenues</b>	<b>67,878,395</b>	<b>68,369,210</b>	<b>67,554,259</b>	<b>(814,951)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety and legal services	20,219,107	20,671,615	19,768,037	903,578
Physical health and social services	6,207,864	6,211,565	6,075,938	135,627
Mental health	16,184,078	16,184,078	14,560,838	1,623,240
County environment and education	4,316,421	4,554,087	4,378,787	175,300
Roads and transportation	4,632,500	5,068,715	4,680,676	388,039
Government services to residents	1,964,811	2,174,811	2,134,299	40,512
Administration	8,953,706	9,435,681	8,711,784	723,897
Capital outlay	6,910,523	6,910,523	4,369,892	2,540,631
Debt service	3,463,137	3,463,137	3,463,136	1
<b>Total expenditures</b>	<b>72,852,147</b>	<b>74,674,212</b>	<b>68,143,387</b>	<b>6,530,825</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(4,973,752)</b>	<b>(6,305,002)</b>	<b>(589,128)</b>	<b>5,715,874</b>
<b>Other financing sources (uses):</b>				
Transfers in	9,700,891	9,700,891	8,616,899	(1,083,992)
Transfers out	(9,700,891)	(9,700,891)	(8,616,899)	1,083,992
Proceeds from sale of capital assets	56,000	56,000	27,450	(28,550)
<b>Total other financing sources (uses)</b>	<b>56,000</b>	<b>56,000</b>	<b>27,450</b>	<b>(28,550)</b>
<b>Net change in fund balances</b>	<b>\$ (4,917,752)</b>	<b>\$ (6,249,002)</b>	<b>\$ (561,678)</b>	<b>\$ 5,687,324</b>

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 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 \$1,822,065. The budget amendment was primarily due to FEMA reimbursements, various State/Federal pass through grants, increased expenditures for Conservation equipments, additional Roads projects, increased expenses related to elections, Risk Management costs, retirement accrual payouts and additional training expenses.

County of Scott, Iowa

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2009

	Special Revenue		
	Rural Services Fund	Recorders Management Fees Fund	Total
<b>Assets</b>			
Cash and investments	\$ 117,279	\$ 139,049	\$ 256,328
Receivables:			
Property taxes	2,370,455	-	2,370,455
Accounts	-	447	447
<b>Total assets</b>	<b>\$ 2,487,734</b>	<b>\$ 139,496</b>	<b>\$ 2,627,230</b>
<b>Liabilities and Fund Balances</b>			
Liabilities, deferred revenue	\$ 2,370,283	\$ -	\$ 2,370,283
Fund balances, unreserved, undesignated, reported in special revenue funds	117,451	139,496	256,947
<b>Total liabilities and fund balances</b>	<b>\$ 2,487,734</b>	<b>\$ 139,496</b>	<b>\$ 2,627,230</b>

County of Scott, Iowa

Combining Statement of Revenues, Expenditures and Changes In Fund Balances  
 Nonmajor Governmental Funds  
 Year Ended June 30, 2009

	Special Revenue		Total
	Rural Services Fund	Recorders Management Fees Fund	
Revenues:			
Property taxes	\$ 2,093,016	\$ -	\$ 2,093,016
Other taxes	72,858	-	72,858
Intergovernmental	87,506	-	87,506
Charges for services	-	35,162	35,162
Investment earnings	-	2,341	2,341
<b>Total revenues</b>	<b>2,253,380</b>	<b>37,503</b>	<b>2,290,883</b>
Expenditures, current, County environment and education	479,355	-	479,355
<b>Excess of revenue over expenditures</b>	<b>1,774,025</b>	<b>37,503</b>	<b>1,811,528</b>
Other financing (uses), transfers out	(1,775,246)	(37,854)	(1,813,100)
<b>Net change in fund balances</b>	<b>(1,221)</b>	<b>(351)</b>	<b>(1,572)</b>
Fund balances, beginning of year	118,672	139,847	258,519
Fund balances, end of year	\$ 117,451	\$ 139,496	\$ 256,947

County of Scott, Iowa

**Combining Statement of Changes in Assets and Liabilities  
All Agency Funds  
Year Ended June 30, 2009**

	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009
<b>Agricultural Extension Service Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 5,699	\$ 418,851	\$ 417,855	\$ 6,695
Receivables, property taxes	421,480	436,726	421,668	436,538
<b>Total assets</b>	<b>\$ 427,179</b>	<b>\$ 855,577</b>	<b>\$ 839,523</b>	<b>\$ 443,233</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 427,179</b>	<b>\$ 855,694</b>	<b>\$ 839,640</b>	<b>\$ 443,233</b>
<b>Bangs Eradication Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 10,289	\$ 22,406	\$ 21,973	\$ 10,722
Receivables, property taxes	21,690	19,251	21,690	19,251
<b>Total assets</b>	<b>\$ 31,979</b>	<b>\$ 41,657</b>	<b>\$ 43,663</b>	<b>\$ 29,973</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 31,979</b>	<b>\$ 41,660</b>	<b>\$ 43,666</b>	<b>\$ 29,973</b>
<b>City Taxing Districts Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 1,275,199	\$ 91,175,289	\$ 90,798,723	\$ 1,651,765
Receivables, property taxes	91,728,542	95,812,010	91,757,629	95,782,923
<b>Total assets</b>	<b>\$ 93,003,741</b>	<b>\$ 186,987,299</b>	<b>\$ 182,556,352</b>	<b>\$ 97,434,688</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 93,003,741</b>	<b>\$ 187,020,443</b>	<b>\$ 182,589,496</b>	<b>\$ 97,434,688</b>
<b>Community College Taxing District Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 51,488	\$ 3,882,112	\$ 3,871,539	\$ 62,061
Receivables, property taxes	3,906,038	5,922,175	3,907,694	5,920,519
<b>Total assets</b>	<b>\$ 3,957,526</b>	<b>\$ 9,804,287</b>	<b>\$ 7,779,233</b>	<b>\$ 5,982,580</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 3,957,526</b>	<b>\$ 9,805,368</b>	<b>\$ 7,780,314</b>	<b>\$ 5,982,580</b>
<b>Fire Taxing District Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 3,831	\$ 303,140	\$ 302,889	\$ 4,082
Receivables, property taxes	303,484	318,195	303,801	317,878
<b>Total assets</b>	<b>\$ 307,315</b>	<b>\$ 621,335</b>	<b>\$ 606,690</b>	<b>\$ 321,960</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 307,315</b>	<b>\$ 621,335</b>	<b>\$ 606,690</b>	<b>\$ 321,960</b>

(Continued)

County of Scott, Iowa

**Combining Statement of Changes in Assets and Liabilities  
All Agency Funds (Continued)  
Year Ended June 30, 2009**

	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009
<b>School Taxing District Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 1,387,269	\$ 102,442,727	\$ 102,163,592	\$ 1,666,404
Receivables, property taxes	103,058,636	106,600,708	103,099,566	106,559,778
<b>Total assets</b>	<b>\$ 104,445,905</b>	<b>\$ 209,043,435</b>	<b>\$ 205,263,158</b>	<b>\$ 108,226,182</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 104,445,905</b>	<b>\$ 209,079,659</b>	<b>\$ 205,299,382</b>	<b>\$ 108,226,182</b>
<b>Township Taxing District Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 1,996	\$ 153,820	\$ 153,817	\$ 1,999
Receivables, property taxes	153,745	165,355	153,817	165,283
<b>Total assets</b>	<b>\$ 155,741</b>	<b>\$ 319,175</b>	<b>\$ 307,634</b>	<b>\$ 167,282</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 155,741</b>	<b>\$ 319,176</b>	<b>\$ 307,635</b>	<b>\$ 167,282</b>
<b>Other Taxing Districts Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 138,552	\$ 31,510,674	\$ 31,554,298	\$ 94,928
Receivables, property taxes	33,320	93,304	91,395	35,229
<b>Total assets</b>	<b>\$ 171,872</b>	<b>\$ 31,603,978</b>	<b>\$ 31,645,693</b>	<b>\$ 130,157</b>
<b>Liabilities</b>				
Accounts payable	\$ 10,842	\$ 19,677	\$ 19,150	\$ 11,369
Due to other governmental agencies	161,030	31,526,226	31,568,468	118,788
<b>Total liabilities</b>	<b>\$ 171,872</b>	<b>\$ 31,545,903</b>	<b>\$ 31,587,618</b>	<b>\$ 130,157</b>
<b>City Special Assessments Fund</b>				
<b>Assets, cash and investments</b>	<b>\$ 407,737</b>	<b>\$ 2,264,806</b>	<b>\$ 2,254,272</b>	<b>\$ 418,271</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 407,737</b>	<b>\$ 2,264,806</b>	<b>\$ 2,254,272</b>	<b>\$ 418,271</b>

(Continued)

County of Scott, Iowa

**Combining Statement of Changes in Assets and Liabilities  
All Agency Funds (Continued)  
Year Ended June 30, 2009**

	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009
<b>County Recorder Agency Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 119,397	\$ 1,141,027	\$ 1,137,209	\$ 123,215
Receivables, accounts	19,975	1,183,000	1,182,984	19,991
<b>Total assets</b>	<b>\$ 139,372</b>	<b>\$ 2,324,027</b>	<b>\$ 2,320,193</b>	<b>\$ 143,206</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 139,372</b>	<b>\$ 1,141,219</b>	<b>\$ 1,137,385</b>	<b>\$ 143,206</b>
<b>County Sheriff Agency Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 215,096	\$ 4,572,763	\$ 4,565,012	\$ 222,847
Receivables, accounts	-	754	749	5
<b>Total assets</b>	<b>\$ 215,096</b>	<b>\$ 4,573,517</b>	<b>\$ 4,565,761</b>	<b>\$ 222,852</b>
<b>Liabilities, accounts payable</b>	<b>\$ 215,096</b>	<b>\$ 4,525,819</b>	<b>\$ 4,518,063</b>	<b>\$ 222,852</b>
<b>Motor Vehicle Tax Fund</b>				
<b>Assets, cash and investments</b>	<b>\$ 1,493,524</b>	<b>\$ 20,442,995</b>	<b>\$ 20,111,632</b>	<b>\$ 1,824,887</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 1,493,524</b>	<b>\$ 20,442,995</b>	<b>\$ 20,111,632</b>	<b>\$ 1,824,887</b>
<b>Original Bond Issue Escrow Fund</b>				
<b>Assets, cash and investments</b>	<b>\$ 1,800</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,800</b>
<b>Liabilities, accounts payable</b>	<b>\$ 1,800</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,800</b>
<b>Tax Sale Redemption Fund</b>				
<b>Assets, cash and investments</b>	<b>\$ 155,329</b>	<b>\$ 677,449</b>	<b>\$ 343,742</b>	<b>\$ 489,036</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 155,329</b>	<b>\$ 677,449</b>	<b>\$ 343,742</b>	<b>\$ 489,036</b>

(Continued)

County of Scott, Iowa

**Combining Statement of Changes in Assets and Liabilities  
All Agency Funds (Continued)  
Year Ended June 30, 2009**

	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009
<b>Use Tax Fund</b>				
<b>Assets, cash and investments</b>	\$ 1,276,198	\$ 13,636,442	\$ 13,522,913	\$ 1,389,727
<b>Liabilities, due to other governmental agencies</b>	\$ 1,276,198	\$ 13,636,442	\$ 13,522,913	\$ 1,389,727
<b>Community Services Fund</b>				
<b>Assets, cash and investments</b>	\$ 598,870	\$ -	\$ 89,788	\$ 509,082
<b>Liabilities, due to private individuals</b>	\$ 598,870	\$ -	\$ 89,788	\$ 509,082
<b>Jail Inmate Fund</b>				
<b>Assets, cash and investments</b>	\$ 49,222	\$ -	\$ 17,639	\$ 31,583
<b>Liabilities, due to private individuals</b>	\$ 49,222	\$ -	\$ 17,639	\$ 31,583
<b>Total Combined Funds</b>				
<b>Assets</b>				
Cash and investments	\$ 7,191,496	\$ 272,644,501	\$ 271,326,893	\$ 8,509,104
Receivables:				
Property taxes	199,626,935	209,367,724	199,757,260	209,237,399
Accounts	19,975	1,183,754	1,183,733	19,996
<b>Total assets</b>	<b>\$ 206,838,406</b>	<b>\$ 483,195,979</b>	<b>\$ 472,267,886</b>	<b>\$ 217,766,499</b>
<b>Liabilities</b>				
Accounts payable	\$ 227,738	\$ 4,545,496	\$ 4,537,213	\$ 236,021
Due to other governmental agencies	205,962,576	477,432,472	466,405,235	216,989,813
Due to private individuals	648,092	-	107,427	540,665
<b>Total liabilities</b>	<b>\$ 206,838,406</b>	<b>\$ 481,977,968</b>	<b>\$ 471,049,875</b>	<b>\$ 217,766,499</b>



***Scott County***

***Iowa***

County of Scott, Iowa

Combining Balance Sheet and Reconciliation to Statement of Net Assets  
Discretely Presented Component Units  
June 30, 2009

Assets	Emergency Management Agency	County Library	County Assessor
Cash and investments	\$ 209,322	\$ 134,715	\$ 312,322
Receivables:			
Property taxes	-	-	713,290
Accounts	23,376	-	-
Due from other governmental agencies	8,516	-	-
<b>Total assets</b>	<b>\$ 241,214</b>	<b>\$ 134,715</b>	<b>\$ 1,025,612</b>
<b>Liabilities and Fund Balance</b>			
Liabilities:			
Accounts payable	\$ 984	\$ 11,199	\$ 4,576
Accrued liabilities	2,816	23,152	18,971
Deferred revenue	-	-	713,050
<b>Total liabilities</b>	<b>3,800</b>	<b>34,351</b>	<b>736,597</b>
Fund balances:			
Reserved for, capital project, jail expansion	-	-	-
Unreserved, undesignated	237,414	100,364	289,015
<b>Total fund balances</b>	<b>237,414</b>	<b>100,364</b>	<b>289,015</b>
<b>Total liabilities and fund balances</b>	<b>\$ 241,214</b>	<b>\$ 134,715</b>	<b>\$ 1,025,612</b>
<b>Reconciliation to statement of net assets:</b>			
Total component unit fund balances	\$ 237,414	\$ 100,364	\$ 289,015
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	593,581	180,005	-
Accumulated depreciation	(97,849)	(370,903)	-
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	-	-	-
Liabilities not due and payable in the current period are not reported in the funds:			
Compensated absences	(21,923)	(28,117)	(93,427)
Other post employment benefits obligation	(1,064)	2,383	(2,085)
Revenue bonds payable	-	-	-
Bond discounts	-	-	-
Accrued interest payable	-	-	-
Bond issuance costs	-	-	-
<b>Total net assets</b>	<b>\$ 710,159</b>	<b>\$ 1,197,598</b>	<b>\$ 195,677</b>

County Assessor Special	City Assessor	City Assessor Special	Public Safety Authority	Scott Emergency Communication Center	Total
\$ 600,388	\$ 467,822	\$ 120,962	\$ 134,877	\$ 315,864	\$ 2,296,272
239,947	803,280	200,936	-	-	1,957,453
-	-	-	-	-	23,376
-	-	-	-	-	8,516
<u>\$ 840,335</u>	<u>\$ 1,271,102</u>	<u>\$ 321,898</u>	<u>\$ 134,877</u>	<u>\$ 315,864</u>	<u>\$ 4,285,617</u>
\$ -	\$ 46,330	\$ 10,275	\$ 130,626	\$ 96,866	\$ 300,856
10	-	-	-	8,273	53,222
239,887	803,110	200,879	-	-	1,956,926
<u>239,897</u>	<u>849,440</u>	<u>211,154</u>	<u>130,626</u>	<u>105,139</u>	<u>2,311,004</u>
-	-	-	4,251	-	4,251
600,438	421,662	110,744	-	210,725	1,970,362
<u>600,438</u>	<u>421,662</u>	<u>110,744</u>	<u>4,251</u>	<u>210,725</u>	<u>1,974,613</u>
<u>\$ 840,335</u>	<u>\$ 1,271,102</u>	<u>\$ 321,898</u>	<u>\$ 134,877</u>	<u>\$ 315,864</u>	<u>\$ 4,285,617</u>
\$ 600,438	\$ 421,662	\$ 110,744	\$ 4,251	\$ 210,725	\$ 1,974,613
-	-	-	-	-	16,600
-	-	-	-	-	1,297,266
-	116,565	-	-	-	890,151
-	(91,963)	-	-	-	(560,715)
-	3,475	-	-	-	5,649
-	-	-	24,670,000	-	24,670,000
-	(43,144)	-	-	(6,995)	(193,606)
-	-	-	-	-	(766)
-	-	-	(24,670,000)	-	(24,670,000)
-	-	-	225,510	-	225,510
-	-	-	(84,171)	-	(84,171)
-	-	-	98,518	-	98,518
<u>\$ 600,438</u>	<u>\$ 406,595</u>	<u>\$ 110,744</u>	<u>\$ 244,108</u>	<u>\$ 203,730</u>	<u>\$ 3,669,049</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, 2009

	Emergency Management Agency	County Library	County Assessor
Revenues:			
Property taxes	\$ -	\$ -	\$ 608,647
Other taxes	-	-	22,622
Intergovernmental	80,975	935,539	18,633
Charges for services	-	16,502	1,080
Investment earnings	-	-	-
Rentals and fees	-	-	-
Other	76,685	38,933	-
<b>Total revenues</b>	<b>157,660</b>	<b>990,974</b>	<b>650,982</b>
Expenditures:			
Current:			
Public safety and legal services	105,858	-	-
County environment and education	-	1,024,595	-
Government services to residents	-	-	628,976
Debt service:			
Principal	-	-	-
Interest	-	-	-
<b>Total expenditures</b>	<b>105,858</b>	<b>1,024,595</b>	<b>628,976</b>
<b>Net change in fund balances</b>	<b>51,802</b>	<b>(33,621)</b>	<b>22,006</b>
Fund balances, beginning of year	185,612	133,985	267,009
Fund balances, end of year	<b>\$ 237,414</b>	<b>\$ 100,364</b>	<b>\$ 289,015</b>

(Continued)

County Assessor Special	City Assessor	City Assessor Special	Public Safety Authority	Scott Emergency Communication Center	Total
\$ 153,085	\$ 791,032	\$ 135,683	\$ -	\$ -	\$ 1,688,447
5,690	35,714	6,124	-	-	70,150
4,687	20,017	3,433	275,827	2,730,753	4,069,864
-	-	-	-	-	17,582
-	-	-	1,054,431	-	1,054,431
-	-	-	1,070,000	-	1,070,000
-	2,098	-	104,300	-	222,016
163,462	848,861	145,240	2,504,558	2,730,753	8,192,490
-	-	-	638,089	2,885,000	3,628,947
-	-	-	-	-	1,024,595
96,107	695,759	214,178	-	-	1,635,020
-	-	-	1,070,000	-	1,070,000
-	-	-	1,050,180	-	1,050,180
96,107	695,759	214,178	2,758,269	2,885,000	8,408,742
67,355	153,102	(68,938)	(253,711)	(154,247)	(216,252)
533,083	268,560	179,682	257,962	364,972	2,190,865
\$ 600,438	\$ 421,662	\$ 110,744	\$ 4,251	\$ 210,725	\$ 1,974,613

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, 2009**

	Emergency Management Agency	County Library	County Assessor
<b>Reconciliation to statement of activities,</b>			
net change in fund balances	\$ 51,802	\$ (33,621)	\$ 22,006
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	-	-	-
Depreciation	(64,446)	(41,592)	-
Capital contributions	397,775	-	-
Loss on sale of capital assets	-	(14,030)	-
Contribution to primary government to reduce prior year payable	-	-	-
Capital contribution to primary government	-	-	-
Revenue received from primary government for capital assets	-	-	-
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	(5,538)	(5,907)	(7,060)
Change in other post employment benefits obligation	(1,064)	2,383	(2,085)
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	-	-	-
<b>Changes in net assets of component units</b>	<b>\$ 378,529</b>	<b>\$ (92,767)</b>	<b>\$ 12,861</b>

County Assessor Special	City Assessor	City Assessor Special	Public Safety Authority	Scott Emergency Communication Center	Total
\$ 67,355	\$ 153,102	\$ (68,938)	\$ (253,711)	\$ (154,247)	\$ (216,252)
-	21,050	-	638,089	-	659,139
-	(6,245)	-	-	-	(112,283)
-	-	-	-	-	397,775
-	-	-	-	-	(14,030)
-	-	-	(261,779)	-	(261,779)
-	-	-	(638,089)	-	(638,089)
-	-	-	(275,827)	-	(275,827)
-	-	-	(1,070,000)	-	(1,070,000)
-	(4,502)	-	-	(6,995)	(30,002)
-	-	-	-	-	(766)
-	-	-	1,070,000	-	1,070,000
-	-	-	3,344	-	3,344
-	-	-	(35,143)	-	(35,143)
\$ 67,355	\$ 163,405	\$ (68,938)	\$ (823,116)	\$ (161,242)	\$ (523,913)



***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.

Contents	Page
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the County's financial performance and well being have changed over time.	74
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the County's most significant local revenue sources, the property tax (or sales tax).	86
<b>Debt Capacity</b>	
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
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	100
<b>Operating Information</b>	
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 Seven 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
<b>Total governmental activities net assets</b>	<b>\$ 68,456,562</b>	<b>\$ 70,034,311</b>	<b>\$ 74,516,539</b>
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)
<b>Total business-type activities net assets</b>	<b>\$ (1,433,970)</b>	<b>\$ (1,319,581)</b>	<b>\$ (1,382,467)</b>
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
<b>Total primary government net assets</b>	<b>\$ 67,022,592</b>	<b>\$ 68,714,730</b>	<b>\$ 73,134,072</b>

GASB Statement No. 34 implemented in fiscal year 2003.

Source: County records.

				Fiscal Year			
2006		2007		2008		2009	
\$	62,017,939	\$	65,298,164	\$	70,527,812	\$	70,017,361
	4,460,937		4,152,198		3,728,760		3,229,346
	182,850		196,692		206,674		222,551
	855,147		396,372		572,242		1,713,646
	1,459,411		936,185		486,405		273,409
	11,004,368		10,576,072		6,065,147		6,205,472
\$	79,980,652	\$	81,555,683	\$	81,587,040	\$	81,661,785
<hr/>							
\$	475,691	\$	633,574	\$	807,121	\$	1,011,730
	326,596		326,831		325,166		324,400
	(2,341,036)		(2,832,971)		(3,225,906)		(3,623,282)
\$	(1,538,749)	\$	(1,872,566)	\$	(2,093,619)	\$	(2,287,152)
<hr/>							
\$	62,493,630	\$	65,931,738	\$	71,334,933	\$	71,029,091
	4,460,937		4,152,198		3,728,760		3,229,346
	182,850		196,692		206,674		222,551
	326,596		326,831		325,166		324,400
	855,147		396,372		572,242		1,713,646
	1,459,411		936,185		486,405		273,409
	8,663,332		7,743,101		2,839,241		2,582,190
\$	78,441,903	\$	79,683,117	\$	79,493,421	\$	79,374,633

County of Scott, Iowa

**Changes in Net Assets**  
**Last Seven 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
<b>Total governmental activities expenses</b>	<b>50,819,181</b>	<b>53,400,054</b>	<b>58,130,206</b>
Business-type activities, golf course	964,728	988,195	1,074,754
<b>Total government expenses</b>	<b>\$ 51,783,909</b>	<b>\$ 54,388,249</b>	<b>\$ 59,204,960</b>
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
<b>Total governmental activities program revenues</b>	<b>11,907,015</b>	<b>14,094,591</b>	<b>20,242,395</b>
Business-type activities, golf course	1,033,286	1,101,788	1,008,046
<b>Total government program revenues</b>	<b>\$ 12,940,301</b>	<b>\$ 15,196,379</b>	<b>\$ 21,250,441</b>
Net (expense)/revenue:			
Governmental activities	\$ (38,912,166)	\$ (39,305,463)	\$ (37,887,811)
Business-type activities	68,558	113,593	(66,708)
<b>Total government net expense</b>	<b>\$ (38,843,608)</b>	<b>\$ (39,191,870)</b>	<b>\$ (37,954,519)</b>

(Continued)

Fiscal Year							
2006		2007		2008		2009	
\$	19,231,650	\$	20,051,534	\$	20,289,680	\$	20,925,221
	5,543,800		5,682,835		5,956,132		6,180,832
	13,430,170		14,308,820		15,211,596		14,605,242
	4,142,926		4,371,103		4,410,086		4,882,023
	5,983,682		6,711,217		6,712,511		7,461,585
	1,945,223		2,074,972		2,151,064		2,821,526
	9,376,193		9,943,559		10,980,111		10,135,767
	662,882		1,606,659		1,471,972		1,393,678
	60,316,526		64,750,699		67,183,152		68,405,874
	1,186,450		1,223,696		1,178,367		1,144,254
\$	61,502,976	\$	65,974,395	\$	68,361,519	\$	69,550,128
<hr/>							
\$	1,101,152	\$	1,053,355	\$	939,874	\$	1,182,577
	290,280		285,637		330,296		358,704
	57,465		41,070		42,261		31,633
	943,194		889,915		920,315		891,352
	27,646		9,943		11,268		21,109
	2,616,909		2,506,821		2,382,447		2,307,783
	191,548		251,682		251,070		228,445
	9,135,717		9,896,826		11,847,705		12,233,452
	2,846,478		1,417,942		153,469		1,184,458
	17,210,389		16,353,191		16,878,705		18,439,513
	1,019,793		875,270		947,487		949,445
\$	18,230,182	\$	17,228,461	\$	17,826,192	\$	19,388,958
<hr/>							
\$	(43,106,137)	\$	(48,397,508)	\$	(50,304,447)	\$	(49,966,361)
	(166,657)		(348,426)		(230,880)		(194,809)
\$	(43,272,794)	\$	(48,745,934)	\$	(50,535,327)	\$	(50,161,170)

County of Scott, Iowa

**Changes in Net Assets (Continued)**  
**Last Seven 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)	-	-
<b>Total governmental activities</b>	<b>41,272,387</b>	<b>40,883,212</b>	<b>42,370,039</b>
Business-type activities, investment earnings	2,461	796	3,822
<b>Total government</b>	<b>\$ 41,274,848</b>	<b>\$ 40,884,008</b>	<b>\$ 42,373,861</b>
Change in net assets:			
Governmental activities	\$ 2,360,221	\$ 1,577,749	\$ 4,482,228
Business-type activities	71,019	114,389	(62,886)
<b>Total primary government</b>	<b>\$ 2,431,240</b>	<b>\$ 1,692,138</b>	<b>\$ 4,419,342</b>

GASB Statement No. 34 implemented in fiscal year 2003.

Source: County records.

Fiscal Year							
2006		2007		2008		2009	
\$	31,335,227	\$	31,995,844	\$	33,138,131	\$	34,113,141
	3,470,318		3,700,844		3,867,941		3,602,230
	887,690		789,210		815,524		748,920
	63,287		61,766		65,253		66,852
	1,377,835		1,382,625		1,341,669		1,348,776
	791,859		782,123		731,456		847,456
	5,246,050		5,243,536		5,194,016		5,183,554
	-		165		8,226		2,743,735
	2,970,800		2,906,371		2,866,918		9,046
	241,277		188,557		-		-
	1,381,353		2,140,787		1,447,577		674,859
	804,554		780,711		859,093		702,537
	-		-		-		-
	48,570,250		49,972,539		50,335,804		50,041,106
	10,375		14,609		9,827		1,276
\$	48,580,625	\$	49,987,148	\$	50,345,631	\$	50,042,382
\$	5,464,113	\$	1,575,031	\$	50,335,804	\$	74,745
	(156,282)		(333,817)		9,827		(193,533)
\$	5,307,831	\$	1,241,214	\$	50,345,631	\$	(118,788)

County of Scott, Iowa

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

	Fiscal Year			
	2000	2001	2002	2003
General Fund:				
Reserved:				
Notes receivable	\$ 205,761	\$ 120,507	\$ 60,254	\$ 100,000
Advances	1,423,314	1,423,314	1,423,314	1,423,314
County conservation sewage treatment	-	-	-	151,021
Unreserved, designated claim liabilities	-	-	1,051,977	1,116,806
Unreserved, undesignated	5,755,165	5,373,104	6,012,505	6,372,309
<b>Total general fund</b>	<b>\$ 7,384,240</b>	<b>\$ 6,916,925</b>	<b>\$ 8,548,050</b>	<b>\$ 9,163,450</b>
All other governmental funds:				
Reserved for:				
Debt service	\$ 5,963,836	\$ 5,688,836	\$ 5,426,805	\$ 5,142,886
Unreserved, undesignated reported in:				
Special revenue funds:				
Mental health/development disabilities	2,042,319	2,166,738	1,218,233	1,021,020
Secondary Roads	690,460	875,848	561,446	2,189,357
Rural services	155,078	132,012	83,889	2,148,185
Recorders management fees	111,718	154,882	192,259	259,036
Capital projects funds, capital projects	7,743,389	9,007,745	5,916,295	1,788,279
<b>Total all other governmental funds</b>	<b>\$ 16,706,800</b>	<b>\$ 18,026,061</b>	<b>\$ 13,398,927</b>	<b>\$ 12,548,763</b>

Source: County records.

		Fiscal Year									
		2004	2005	2006	2007	2008	2009				
\$	100,000	\$	100,000	\$	100,000	\$	116,175	\$	116,175		
	1,508,314		1,673,314		1,863,314		2,702,314		3,207,314		
	160,678		170,507		182,850		206,674		222,551		
	805,257		886,689		886,689		1,004,488		589,331		
	5,488,379		4,637,761		5,479,818		5,301,970		5,956,480		
\$	8,062,628	\$	7,468,271	\$	8,512,671	\$	8,865,464	\$	9,593,563	\$	10,091,851
\$	724,111	\$	5,269,337	\$	4,460,937	\$	4,152,198	\$	3,728,760	\$	3,229,346
	1,000,512		1,251,251		855,147		396,372		572,242		1,713,646
	2,943,900		1,552,667		1,459,411		936,185		486,405		273,409
	1,997,741		2,191,392		111,064		123,384		118,672		117,451
	93,315		117,636		129,231		138,081		139,847		139,496
	1,275,218		3,426,597		4,223,180		6,945,117		5,541,207		4,053,819
\$	8,034,797	\$	13,808,880	\$	11,238,970	\$	12,691,337	\$	10,587,133	\$	9,527,167

County of Scott, Iowa

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2000	2001	2002	2003
<b>Revenues:</b>				
Property taxes	\$ 19,283,597	\$ 19,852,285	\$ 20,644,047	\$ 22,769,823
Local option sales tax	3,341,526	3,196,756	3,195,497	3,289,382
Other taxes	902,381	1,876,688	1,980,614	2,039,181
Interest and penalty on taxes	489,444	522,155	579,951	667,318
Intergovernmental	13,670,627	15,491,941	15,895,641	17,130,707
Charges for services	3,172,085	3,576,260	4,181,051	4,698,212
Investment earnings	2,097,176	2,286,576	956,679	518,804
Licenses and permits	428,267	386,316	418,998	430,540
Rentals and fees	139,890	163,735	142,050	127,387
Other	509,131	392,014	784,724	564,798
<b>Total revenues</b>	<b>44,034,124</b>	<b>47,744,726</b>	<b>48,779,252</b>	<b>52,236,152</b>
<b>Expenditures:</b>				
Public safety and legal services	10,625,223	12,247,225	12,490,629	13,584,142
Physical health and social services	4,493,516	5,305,350	5,675,225	5,279,964
Mental health	10,574,774	11,615,292	12,507,653	12,540,895
County environment and education	2,336,675	2,601,159	2,974,726	3,331,750
Roads and transportation	3,215,371	3,240,775	3,380,066	3,025,694
Governmental services to residents	1,509,901	1,658,522	1,748,504	1,638,400
Administration	-	5,824,175	5,907,458	6,214,537
Interprogram services	5,439,162	-	-	-
Capital outlay	3,408,430	4,128,588	13,388,707	9,256,988
<b>Debt service:</b>				
Principal	720,000	275,000	290,000	610,000
Bond issuance costs	-	-	-	-
Interest	354,375	317,485	317,818	502,750
<b>Total expenditures</b>	<b>42,677,427</b>	<b>47,213,571</b>	<b>58,680,786</b>	<b>55,985,120</b>
<b>Excess of revenues over (under) expenditures</b>	<b>1,356,697</b>	<b>531,155</b>	<b>(9,901,534)</b>	<b>(3,748,968)</b>
<b>Other financing sources (uses):</b>				
Transfers in	7,467,088	6,761,451	5,919,049	5,949,549
Transfers out	(7,467,088)	(6,761,451)	(5,919,049)	(5,949,549)
Proceeds from sale of capital assets	-	-	-	-
Proceeds from issuance of long-term debt	-	-	5,041,777	-
Bond premium	-	-	-	-
Payment to bond escrow agent	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>5,041,777</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>1,356,697</b>	<b>531,155</b>	<b>(4,859,757)</b>	<b>(3,748,968)</b>
Fund balances, beginning of year	22,734,343	24,411,832	24,942,986	23,183,554
Residual equity transfer in	-	-	1,863,748	-
<b>Fund balances, end of year</b>	<b>\$ 24,091,040</b>	<b>\$ 24,942,987</b>	<b>\$ 21,946,977</b>	<b>\$ 19,434,586</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>2.81%</b>	<b>1.39%</b>	<b>1.36%</b>	<b>2.44%</b>

Source: County records.

							Fiscal Year					
2004		2005		2006		2007		2008		2009		
\$	24,996,346	\$	25,895,065	\$	31,364,663	\$	32,017,310	\$	33,120,748	\$	34,082,776	
	3,403,432		3,418,462		3,382,318		3,727,522		3,860,101		3,691,392	
	2,171,528		2,192,673		2,328,812		2,233,601		2,222,446		2,164,548	
	652,959		837,554		791,859		782,123		731,456		847,456	
	17,181,934		17,899,516		18,596,027		18,714,770		19,873,049		20,369,088	
	4,389,232		4,336,407		4,656,145		4,521,226		4,337,361		4,516,303	
	348,442		738,160		1,381,353		2,008,067		1,447,577		674,859	
	454,731		529,000		572,049		517,197		540,170		505,300	
	113,952		124,758		141,568		144,693		157,323		165,676	
	604,805		695,374		569,001		636,018		701,770		536,861	
	<u>54,317,361</u>		<u>56,666,969</u>		<u>63,783,795</u>		<u>65,302,527</u>		<u>66,992,001</u>		<u>67,554,259</u>	
	14,593,427		16,507,338		18,225,493		19,330,101		19,214,446		19,768,037	
	5,563,018		5,398,110		5,489,011		5,638,002		5,915,796		6,075,938	
	12,454,452		12,673,353		13,416,089		14,288,703		15,182,707		14,560,838	
	3,809,045		3,554,450		3,558,603		3,845,185		4,099,548		4,378,787	
	3,716,998		3,915,398		3,937,871		4,360,061		4,493,009		4,680,676	
	1,746,145		1,765,623		1,866,796		1,933,065		2,012,787		2,134,299	
	6,622,680		6,815,170		7,306,402		7,555,798		8,238,360		8,711,784	
	-		-		-		-		-		-	
	5,320,722		5,583,383		5,290,532		5,580,379		5,832,465		4,369,892	
	580,000		610,000		2,570,000		1,880,000		1,925,000		2,065,000	
	-		-		-		99,453		-		-	
	458,905		436,926		665,130		1,569,359		1,503,745		1,398,136	
	<u>54,865,392</u>		<u>57,259,751</u>		<u>62,325,927</u>		<u>66,080,106</u>		<u>68,417,863</u>		<u>68,143,387</u>	
	(548,031)		(592,782)		1,457,868		(777,579)		(1,425,862)		(589,128)	
	6,468,235		5,835,149		6,665,376		5,107,655		8,516,222		8,616,899	
	(6,468,235)		(5,835,149)		(6,665,376)		(5,107,655)		(8,516,222)		(8,616,899)	
	-		-		-		33,394		49,757		27,450	
	-		-		-		6,185,000		-		-	
	-		-		-		9,345		-		-	
	-		-		-		(3,645,000)		-		-	
	-		-		-		2,582,739		49,757		27,450	
	(548,031)		(592,782)		1,457,868		1,805,160		(1,376,105)		(561,678)	
	19,434,586		18,886,555		18,293,773		19,751,641		21,556,801		20,180,696	
	-		-		-		-		-		-	
\$	<u>18,886,555</u>	\$	<u>18,293,773</u>	\$	<u>19,751,641</u>	\$	<u>21,556,801</u>	\$	<u>20,180,696</u>	\$	<u>19,619,018</u>	
	2.14%		2.07%		6.01%		6.03%		5.39%		5.39%	

County of Scott, Iowa

**Program Revenues by Function/Program**  
**Last Seven 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
<b>Total governmental activities</b>	<b>11,907,015</b>	<b>14,094,591</b>	<b>20,242,395</b>
Business-type activities, Glynn's Creek Golf Course	1,033,286	1,101,788	1,008,046
<b>Total government</b>	<b>\$ 12,940,301</b>	<b>\$ 15,196,379</b>	<b>\$ 21,250,441</b>

GASB Statement No. 34 implemented in fiscal year 2003.

Source: County records.

Fiscal Year							
2006		2007		2008		2009	
\$	2,396,794	\$	2,624,858	\$	2,087,424	\$	3,080,316
	2,126,736		2,114,672		2,179,694		2,222,418
	5,507,832		6,324,361		7,891,347		8,163,582
	1,197,394		1,074,486		1,306,680		1,301,062
	1,943,220		979,629		54,786		154,581
	3,670,976		2,824,963		2,926,459		3,063,718
	367,437		410,222		432,315		453,836
	17,210,389		16,353,191		16,878,705		18,439,513
	1,019,793		875,270		947,487		949,445
\$	18,230,182	\$	17,228,461	\$	17,826,192	\$	19,388,958

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
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
2008	33,120,748	3,860,101	2,222,446	731,456	19,873,049
<b>2009</b>	<b>34,082,776</b>	<b>3,691,392</b>	<b>2,164,548</b>	<b>847,456</b>	<b>20,369,088</b>
Change 2000-2009	76.74%	10.47%	139.87%	73.15%	49.00%

Source: County records.

---

	Charges for Services	Investment Earnings	Licenses & Permits	Rentals & Fees	Other	Total
\$	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
	4,337,361	1,447,577	540,170	157,323	701,770	66,992,001
	<b>4,516,303</b>	<b>674,859</b>	<b>505,300</b>	<b>165,676</b>	<b>536,861</b>	<b>67,554,259</b>
	42.38%	(67.82)%	17.99%	18.43%	5.45%	53.41%

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
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
2008	5,782,600,890	9,629,908,628	-	-	236,556,404	311,762,064
<b>2009</b>	<b>6,175,708,574</b>	<b>10,870,184,903</b>	-	-	<b>244,749,886</b>	<b>300,708,935</b>

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			
\$ 4,577,244,439	\$ 6,381,537,994	71.7%	\$ 175,894,540	\$ 4.06
4,841,192,517	6,939,774,711	69.8	207,991,891	4.16
4,996,063,686	7,044,069,397	70.9	218,666,744	4.18
5,129,605,579	7,694,893,285	66.7	226,164,092	4.48
5,220,437,746	8,054,218,997	64.8	232,697,034	4.81
5,504,517,426	8,808,541,125	62.5	213,970,420	4.75
5,705,147,908	9,263,537,356	61.6	235,146,048	5.57
5,878,691,852	9,591,895,642	61.3	235,149,590	5.51
6,019,157,294	9,941,670,692	59.1	301,116,369	5.34
<b>6,420,458,460</b>	<b>11,170,893,838</b>	<b>57.5</b>	<b>330,175,178</b>	<b>5.48</b>

County of Scott, Iowa

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

	2000		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
MidAmerican Energy	\$ 243,651,418	1	5.30%
Aluminum Company of America	171,003,784	2	3.72%
Equitable Life Assurance Society	65,583,800	3	1.43%
Davenport Water Company	49,005,129	4	1.07%
U.S. West Communications	37,188,970	5	0.81%
Davenport Cement Company	31,775,566	6	0.69%
Oscar Mayer Foods Corporation	28,718,711	7	0.62%
Deere & Company	24,736,642	8	0.53%
Quanex Corporation	18,109,100	9	0.39%
Ralston Purina Company	16,019,883	10	0.35%
	<u>\$ 685,793,003</u>		<u>14.91%</u>

Taxpayer	2009		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Isle of Capri Bettendorf	\$ 85,002,320	1	1.41%
SDG Macerich Properties	63,972,785	2	1.06%
Aluminum Company of America	40,858,880	3	0.68%
Gulf Investments LLC	24,522,800	4	0.41%
Deere & Company	22,600,000	5	0.38%
Davenport-Durler Family Trust	20,554,200	6	0.34%
LaFarge Corporation	20,291,260	7	0.34%
Northbrook Housing Partners	19,374,430	8	0.32%
National Amusement Inc	19,015,000	9	0.32%
THF Davenport North Development	17,372,600	10	0.29%
<b>Total</b>	<u>\$ 333,564,275</u>		<u>5.54%</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
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
2008	210,294,826	209,445,543	99.60	131,295	209,576,838	99.66
<b>2009</b>	<b>213,092,062</b>	<b>221,671,064</b>	<b>99.36</b>	<b>205,504</b>	<b>221,876,568</b>	<b>99.46</b>

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			
	2000	2001	2002	2003
County direct rates:				
Scott County Urban Rate	4.05869	4.15929	4.18290	4.48067
Scott County Rural Rate	7.29139	7.13428	7.23474	7.49188
Total direct rates	11.35008	11.29357	11.41764	11.97255
City and town rates:				
Bettendorf	11.49320	11.46317	11.45555	11.85000
Blue Grass	10.38054	11.14846	11.56925	12.43356
Buffalo	6.65000	7.00003	6.99999	7.00203
Davenport	13.95123	14.63429	14.60301	14.63000
Dixon	8.09981	7.92961	8.09975	8.09986
Donahue	5.31451	5.14553	5.20471	5.15138
Durant	12.84869	12.58764	12.19810	12.17088
Eldridge	6.46747	6.37566	6.37553	6.37555
LeClaire	14.44722	14.69772	14.69771	14.69660
Long Grove	6.99376	7.50571	7.87004	7.89977
Maysville	4.60923	4.31483	4.76008	4.85690
McCausland	7.91701	7.64701	7.64697	7.91705
New Liberty	1.49144	1.44891	1.52958	1.52478
Panorama Park	6.16271	5.64725	6.13308	6.27994
Princeton	6.69112	7.15950	9.30742	9.30739
Riverdale	1.76835	2.29856	2.29648	2.29649
Walcott	10.09000	10.50225	10.00001	9.50001
School District Rates:				
Bennett Schools	13.38001	12.01282	11.62167	11.85225
Bettendorf Schools	14.81448	14.57951	14.56220	15.78768
Davenport Schools	14.92898	15.50967	15.46758	16.96204
Durant Schools	10.95551	12.11375	12.18444	12.24493
North Scott Schools	15.76085	15.70745	15.66165	15.32122
Pleasant Valley Schools	14.44722	13.45589	13.45953	13.45042
Area IX CC	0.54709	0.60302	0.60382	0.62633
Other:				
Scott County Assessor	0.22997	0.31843	0.31830	0.33124
Davenport City Assessor	0.29311	0.31303	0.33488	0.37656
Ag. Extension - BANGS	0.06732	0.06700	0.06790	0.06248

Source: County records - Auditor's Office.

Year Taxes are Payable

2004	2005	2006	2007	2008	2009
4.80887	4.75497	5.56513	5.51106	5.33791	5.47607
7.71192	7.84647	8.60445	8.52602	8.35745	8.49561
12.52079	12.60144	14.16958	14.03708	13.69536	13.97168
11.85000	12.34932	12.34952	12.60000	12.85000	12.85000
12.48463	11.51524	11.43975	11.58668	11.07291	10.98600
7.65547	8.09999	8.09998	8.10000	8.09999	8.17628
14.96445	15.24000	15.24000	15.56702	15.57584	15.58000
8.09977	8.10000	8.10000	8.10000	8.10000	8.10000
7.96293	7.36868	5.42517	5.43321	5.96370	5.96079
12.17088	14.20315	15.56204	15.56204	15.56203	14.95411
6.64799	6.64795	6.64795	6.64800	6.64880	6.64916
14.69660	14.69639	14.69637	14.69636	14.69998	16.08173
8.10000	8.10000	8.10000	8.39529	9.76863	11.15854
5.16066	5.16083	5.16097	5.16094	5.16100	5.16094
7.91704	8.10000	8.10000	8.10000	8.10000	8.10000
2.22375	2.99975	2.90011	3.57028	2.93849	2.92797
6.29016	6.25158	6.50590	6.76329	5.64940	5.55117
9.22504	8.81288	9.02314	8.97804	8.94763	9.58243
2.30970	2.30949	2.93819	2.50485	2.70103	2.70103
9.50000	9.75001	9.75001	9.75000	10.00000	10.00000
12.43900	12.85967	11.78130	11.62880	11.01374	11.25066
15.77779	15.46630	14.69042	15.00216	14.84626	14.85367
17.07873	17.09591	17.09734	17.10760	17.08731	17.09334
12.04676	12.21711	12.62186	11.96178	12.60365	13.34659
14.99307	15.03382	15.12320	15.17814	14.76476	14.51584
13.45835	13.46470	13.66430	13.86154	13.98720	13.99319
0.61738	0.59216	0.59269	0.61277	0.60635	0.87714
0.33119	0.27124	0.27404	0.29563	0.28870	0.33733
0.31521	0.27648	0.26045	0.29672	0.27680	0.25789
0.06721	0.06939	0.06973	0.07034	0.06892	0.06845

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		Business-Type Activities	
	General Obligation Bonds	Capital Lease	Capital Lease	Purchase Contract
2000	\$ 5,915	\$ -	\$ -	\$ -
2001	5,640	-	-	-
2002	10,435	-	-	-
2003	9,825	-	-	2,361
2004	9,245	-	218	2,101
2005	8,635	-	476	1,918
2006	8,000	27,765	370	1,725
2007	9,655	26,770	266	1,523
2008	8,760	25,740	156	1,304
2009	7,765	24,670	39	1,075

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

Source: County records.

N/A - Not Available

---

	Total Government	Percentage of Personal Income*	Per Capita*
\$	6,028	0.13%	3.78
	6,426	0.14	4.05
	11,711	0.24	7.38
	43,117	0.87	26.85
	38,851	0.73	24.15
	39,860	N/A	24.89
	71,809	N/A	44.60
	41,399	N/A	25.27
	39,099	N/A	23.75
	<b>33,549</b>	<b>N/A</b>	20.28

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*
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
2008	8,760,000	0.09	53.20
<b>2009</b>	<b>7,765,000</b>	<b>0.07</b>	<b>46.93</b>

\* 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, 2009  
 (Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Scott County	\$ 7,765,000	100.00%	\$ 7,765,000
School Districts:			
Bettendorf Community	9,565,000	100.00	9,565,000
Durant Community	2,985,000	25.75	768,638
North Scott Community	365,000	100.00	365,000
Wheatland Community	1,530,000	8.25	126,225
Eastern Iowa Community College	57,605,000	59.59	34,326,820
<b>Subtotal, School Districts</b>			<b>45,151,682</b>
Cities:			
Bettendorf	70,510,000	100.00	70,510,000
Blue Grass	2,180,485	100.00	2,180,485
Buffalo	325,000	100.00	325,000
Davenport	149,105,000	100.00	149,105,000
Durant	2,985,000	4.35	129,848
Eldridge	4,995,000	100.00	4,995,000
LeClaire	12,692,165	100.00	12,692,165
Long Grove	2,089,000	100.00	2,089,000
Princeton	904,754	100.00	904,754
Walcott	3,205,000	100.00	3,205,000
<b>Subtotal, Cities</b>			<b>246,136,251</b>
<b>Total direct and overlapping debt:</b>			<b>\$ 299,052,933</b>

Source: County records

County of Scott, Iowa

Legal Debt Margin Information

As of June 30, 2009

(Unaudited)

---

	2000	2001	2002	2003
Debt limit	\$ 319,076,900	\$ 347,055,848	\$ 352,203,470	\$ 363,102,618
Total net debt applicable to limit	5,915,000	5,640,000	10,435,000	9,825,000
Legal debt margin	\$ 313,161,900	\$ 341,415,848	\$ 341,768,470	\$ 353,277,618
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	1.89%	1.65%	3.05%	2.78%

Source: County records.

Legal Debt Margin Calculation for Fiscal Year 2009

Assessed value	<u>\$ 11,170,893,838</u>
Debt limit (5% of assessed value)	<u>\$ 558,544,692</u>
Debt applicable to limit:	
General obligation bonds	7,765,000
Capital lease	<u>24,670,000</u>
Total net applicable to limit	<u>32,435,000</u>
Legal debt margin	<u>\$ 526,109,692</u>

2004	2005	2006	2007	2008	2009
\$ 392,500,605	\$ 428,112,694	\$ 451,734,795	\$ 479,594,782	\$ 497,083,535	\$ 558,544,692
9,245,000	8,635,000	35,765,000	36,425,000	34,500,000	32,435,000
<u>\$ 383,255,605</u>	<u>\$ 419,477,694</u>	<u>\$ 415,969,795</u>	<u>\$ 443,169,782</u>	<u>\$ 462,583,535</u>	<u>\$ 526,109,692</u>
2.41%	2.06%	8.60%	8.22%	7.46%	6.17%

County of Scott, Iowa

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

Year	Population <sup>1</sup>	Personal Income (000's) <sup>2</sup>	Per Capita Personal Income <sup>2</sup>	Farm Proprietors <sup>3</sup>	School Enrollment <sup>4</sup>	Unemployment Rate <sup>5</sup>
2000	159,458	\$ 4,469,469	\$ 28,169	830	27,793	3.4
2001	158,668	4,677,783	29,507	780	27,500	3.9
2002	158,668	4,855,622	30,599	750	27,436	4.6
2003	160,582	4,945,087	31,131	740	27,328	4.7
2004	160,889	5,360,743	33,628	740	27,264	5.0
2005	160,141	5,613,427	35,036	730	27,216	4.5
2006	160,998	5,974,647	36,950	730	27,126	3.8
2007	163,835	N/A	N/A	730	27,316	3.8
2008	164,650	N/A	N/A	N/A	N/A	3.9
2009	165,453	N/A	N/A	N/A	N/A	5.9

<sup>1</sup> Source: Woods and Poole Economics, Inc.

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

<sup>3</sup> Source: Iowa Department of Agriculture website "nass.usda.gov"

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

<sup>5</sup> Source: Iowa Workforce Development, 2009 Data Average Through June.

**Note:** Historical figures may be adjusted from prior publications due to re-benchmarking according to the various methodologies used by the individual sources.

N/A - Not Available

County of Scott, Iowa

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

Employer	1999		
	Employees	Rank	Percentage of Total County Employment
Genesis Medical Center	3,000	1	3.5%
Alcoa	2,703	2	3.1%
Oscar Meyer	1,635	3	1.9%
HyVee Foods	N/A	4	N/A
President Riverboat Casino & Blackhawk Hotel	500+	5	0.0%
Deere & Company (Davenport Works)	500+	7	0.0%
Lady Luck Casino	500+	8	0.0%
MidAmerican	N/A	6	N/A
St Ambrose University	N/A	9	N/A
Sears Manufacturing	N/A	10	N/A

Employer	2009		
	Employees	Rank	Percentage of Total County Employment
Genesis Medical Center	4,900	1	5.8%
Alcoa	2,030	2	2.4%
Oscar Meyer	1,650	3	1.9%
Isle of Capri	1,050	4	1.2%
MidAmerican Energy	1,025	5	1.2%
Eastern Iowa Community College	1,005	6	1.2%
APAC	900	7	1.1%
St Ambrose University	636	8	0.7%
AT&T	610	9	0.7%
Sears Manufacturing	600	10	0.7%
Rhythm City Casino	600	10	0.7%

**Sources:** Dunn and Bradstreet Marketplace 2nd Qtr 2009 and responses from individual organizations, compiled by Bi-State Regional Commission

**Note:** Data provided is derived from multiple sources with varying levels of accuracy.

County of Scott, Iowa

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

Function / Program	Fiscal Year			
	2000	2001	2002	2003
Public safety and legal services:				
Attorney	37.00	37.00	31.00	30.63
Health	2.76	2.90	2.90	2.30
Juvenile Court Services	11.80	12.40	12.40	15.20
Sheriff	136.70	137.70	140.70	141.70
Physical health and social services:				
Community Services	9.70	9.20	9.70	9.20
Health	29.14	30.00	30.75	31.85
Mental Health, Mental Retardation & Developmental Disabilities:				
Community Services	3.55	3.55	3.55	3.80
County Environment and Education				
Conservation	40.60	40.60	40.60	40.60
Planning & Development	4.33	4.33	4.33	4.33
Roads and Transportation				
Secondary Roads	33.40	33.40	33.40	33.40
Governmental services to residents:				
Auditor	6.00	6.00	6.00	6.00
Recorder	14.00	14.00	13.00	13.00
Treasurer	15.00	15.00	14.70	14.20
Administration:				
Administration	2.70	2.70	3.70	3.70
Auditor	9.40	9.40	9.40	9.40
Facility & Support Services	17.79	19.24	23.74	23.74
Human Resources	7.50	7.50	7.50	7.50
Information Technology	15.50	15.50	10.00	10.00
Non-Departmental	-	-	-	-
Supervisors, Board of	5.00	5.00	5.00	5.00
Treasurer	13.60	13.60	13.90	14.40
<b>Total</b>	<b>415.47</b>	<b>419.02</b>	<b>416.27</b>	<b>419.95</b>

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

Fiscal Year						
2004	2005	2006	2007	2008	2009	
30.63	30.63	30.75	30.75	31.00	30.00	
4.90	4.90	7.30	8.30	8.30	11.15	
15.20	14.20	14.20	14.20	14.20	14.20	
154.15	159.65	166.10	164.10	166.10	166.35	
9.20	8.70	8.70	8.70	8.70	8.70	
31.25	32.25	31.85	29.85	30.85	31.85	
3.80	3.80	3.80	3.80	3.80	3.80	
40.60	41.60	41.60	41.60	41.60	41.60	
4.08	4.08	4.08	4.08	4.08	4.08	
35.15	35.15	35.15	35.15	35.15	35.15	
6.00	6.00	6.00	6.00	6.00	6.00	
13.00	12.00	12.00	11.50	11.50	11.50	
14.20	14.20	14.20	14.20	14.20	12.20	
3.70	3.10	3.10	3.10	3.10	3.50	
9.40	9.40	9.40	9.90	9.90	9.40	
23.74	24.19	24.19	28.69	28.69	29.04	
7.50	4.50	4.50	4.50	4.50	4.50	
10.00	10.00	11.00	11.00	11.00	12.00	
-	-	-	-	-	-	
5.00	5.00	5.00	5.00	5.00	5.00	
14.40	14.40	14.40	14.40	14.40	15.40	
435.90	437.75	447.32	448.82	452.07	455.42	

County of Scott, Iowa

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

Function / Program	Fiscal Year			
	2000	2001	2002	2003
Public Safety and Legal Services				
Attorney:				
# of felonies/aggravated field cases filed	4,296	4,302	4,322	4,152
Sheriff:				
# of civil papers served	12,383	13,571	14,311	14,973
# of jail bookings	5,254	6,789	7,780	8,257
# of traffic citations written	-	3,315	2,714	1,882
# of 9-1-1 calls	17,973	18,717	10,867	11,830
Physical Health and Social Services				
Community Services:				
# of applications for general assistance	4,612	5,353	6,506	7,354
# of applications approved for general assist	1,974	2,395	2,750	3,025
# of requests for veteran services	407	516	682	911
# of invol commit filed for substance abuse	152	141	184	244
Health Department:				
# of health related inmate contacts within jail	2,386	2,334	2,583	2,762
# of comm disease requiring investigation	204	182	157	153
# of environmental health inspections conducted	4,443	3,801	3,986	3,806
Mental Health, HR & DD				
Community Services:				
# of invol commit filed for mental health	224	216	237	263
# of persons with MH/CMI served	-	-	3,221	3,667
# of persons with MR/DD served	-	-	493	502
# of protective payee cases	417	433	426	441
County Environment and Education				
Conservation:				
# of camp sites available	738	738	738	738
# of rounds for golf course	39,880	36,717	34,004	33,316
Planning & Development:				
# of building permits issued	745	724	664	550
Roads and Transportation:				
Secondary Roads:				
# of miles of road paved	167	168	168	168
# of bridges/culverts repaired/replaced	102	103	99	100

(Continued)

Source: County records - Year-end Indicator Report

Fiscal Year					
2004	2005	2006	2007	2008	2009
4,641	4,832	5,077	4,845	4,814	4,752
15,069	15,620	14,764	14,479	14,879	14,002
9,343	9,876	10,859	11,658	9,747	9,011
4,003	3,114	3,502	2,068	2,233	2,802
12,088	11,767	11,088	11,580	13,002	12,442
7,822	6,575	6,446	6,524	7,544	8,105
4,133	3,490	3,354	3,569	3,797	3,829
1,026	1,055	1,613	814	982	880
213	241	289	340	260	210
2,520	4,509	3,795	3,979	5,434	10,617
234	122	302	369	285	360
3,124	3,955	3,987	4,363	4,464	4,198
218	322	304	338	335	361
3,777	4,115	4,015	4,136	4,078	1,537
529	518	560	572	570	384
430	434	398	401	390	367
788	788	788	788	788	788
33,012	30,803	30,898	27,196	27,765	28,549
653	613	691	622	603	643
175	176	176	176	176	183
98	102	104	140	213	79

County of Scott, Iowa

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

Function / Program	Fiscal Year			
	2000	2001	2002	2003
Governmental Services to Residents				
Auditor:				
# of elections	25	14	26	6
# of registered voters	109,227	107,073	110,557	97,139
Recorder:				
# of real estate transactions recorded	45,312	43,103	57,177	68,404
# of vital statistics registered/issued	21,657	21,593	22,393	22,302
# of passport applications accepted	223	280	389	427
# of conservation privileges Issued	4,044	4,255	2,524	2,379
# of conservation licenses - ATV/Snow boat reg, titles and liens and privileges issued	2,843	13,264	5,212	13,946
Treasurer:				
# of titles issued	57,753	58,500	67,330	67,729
Administration				
Auditor:				
# of real estate transactions processed	8,384	7,659	8,108	8,791
Facility & Support Service:				
# of service calls	1,414	2,655	3,273	4,524
# of purchase requisitions received	1,983	1,841	1,890	1,014
# of pieces of outgoing mail	548,658	568,504	548,028	562,476
# of files imaged	95,234	53,343	59,063	80,120
Information Technology:				
# of network users	409	424	415	424
# of 3rd party applications maintained	41	62	90	62
Treasurer:				
# of prop tax/spec assessmt statutes issued	157,538	166,091	166,932	162,190
# of tax certificates issued	2,056	2,027	1,613	2,003

Fiscal Year					
2004	2005	2006	2007	2008	2009
24	6	26	11	27	5
104,462	111,806	114,507	115,457	116,570	118,641
59,384	49,447	48,297	43,976	40,493	40,010
21,770	20,315	20,207	21,830	20,726	20,196
641	531	788	1,564	1,430	1,134
1,282	1,235	808	797	N/A	N/A
5,587	13,642	6,098	13,498	6,505	4,291
72,522	75,405	76,517	64,468	60,342	66,597
9,357	8,829	8,859	8,414	7,728	6,689
5,010	5,810	4,608	4,586	4,408	4,579
739	733	849	864	1,113	1,011
524,775	550,631	524,752	547,591	491,571	534,148
109,450	273,526	327,979	887,629	746,690	899,403
566	652	686	805	851	899
108	47	52	54	54	55
183,741	184,685	180,196	186,423	176,450	181,657
23	3,284	1,834	1,974	2,116	2,592

County of Scott, Iowa

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

Function / Program	Fiscal Year			
	2000	2001	2002	2003
Public safety and legal services:				
Sheriff				
# of patrol cars	45	46	48	53
Physical health and social services:				
Health Department				
# of vehicles	14	14	15	15
County environment and education:				
Conservation				
# of acres managed	2,795	2,795	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	10	10
Administration:				
Facility and Support Services				
# of vehicles	4	4	4	5
# of buildings maintained	7	11	11	11
Non-Departmental (Risk Management)				
# of vehicles	-	-	1	1

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

---

Fiscal Year					
2004	2005	2006	2007	2008	2009
48	62	54	54	55	42
16	18	13	13	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
5	4	6	6	5	5
12	12	12	12	12	12
1	1	6	6	1	1



***Scott County***

***Iowa***

# COMPLIANCE



County of Scott, Iowa

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Identifying Number	Federal Expenditures
<b>U.S. Department of Agricultural Food and Nutrition Services</b>			
(Passed through Iowa Department of Human Services):			
National School Lunch Program	10.555	N/A	\$ 14,522
Food Stamp Program	10.561	N/A	90,318
			<u>104,840</u>
(Passed through Iowa Department of Public Health):			
Breastfeeding Peer Counseling	10.557	5889A099	21,325
Special Supplemental Nutrition Program For Women, Infants and Children (WIC)	10.557	5889A036	499,135
Special Supplemental Nutrition Program For Women, Infants and Children (WIC)	10.557	5888A036	151,395
Summer Food Health Inspection Grant	10.559	115508	1,100
			<u>672,955</u>
(Passed through Iowa Department of Agriculture and Land Stewardship), Iowa Farmers' Market Nutrition Program			
	10.572	N/A	1,941
			<u>1,941</u>
<b>Total U.S. Department of Agricultural Food and Nutrition Services</b>			<u>779,736</u>
<b>U.S. Department of Commerce</b>			
(Passed through Iowa Homeland Security and Emergency Management Division)			
2007 Public Safety Interoperability Communications Grant	11.555	2007-GS-H7-0042-05B	2,090,325
<b>U.S. Department of Justice</b>			
(Passed through the Governor's Alliance on Substance Abuse):			
Justice Assistance Grant	16.738	2007-DJ-BX-0265	95,854
Justice Assistance Grant	16.738	08JAG/C06-A09	20,395
Justice Assistance Grant	16.606	2008-AP-BX-0714	2,394
			<u>118,643</u>
(Passed through American Bar Association)			
CCTV/Recording Tech Grant Program	16.580	03-32-13490	4,698
(Passed through State of Iowa Department of Justice, Crime Victim Assistance Division):			
Stop Violence Against Women	16.588	VW-09-15	19,685
(Passed through the Office of Community Oriented Policing Services),			
COPS 2007 Technology Program Grant	16.710	2007-CK-WX-00	256,644
COPS in School	16.710	2008-CK-WX-00	11,582
			<u>268,226</u>
<b>Total U.S. Department of Justice</b>			<u>411,252</u>

(Continued)

County of Scott, Iowa

Schedule of Expenditures of Federal Awards (Continued)  
 Year Ended June 30, 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Identifying Number	Federal Expenditures
<b>U.S. Department of Transportation</b>			
National Highway Traffic Safety Administration			
(Passed through Iowa Department of Public Safety-Governor's Traffic Safety Division):			
Police Traffic Services	20.600	PAP 08-02, Task 05	2,097
Police Traffic Services	20.600	PAP 09-02, Task 05	8,873
<b>Total U.S. Department of Transportation</b>			<u>10,970</u>
<b>Corporation for National and Community Service</b>			
(Passed through Linn County Conservation):			
Eastern Iowa Conservation Alliance Americorps Program	94.006	06ACHIA0010006	<u>18,987</u>
<b>U.S. Department of Homeland Security</b>			
(Passed through Iowa Disaster Services Division):			
FEMA Reimbursements - Disaster Assistance	97.036	N/A	309,476
Emergency Management Agency- State and Local Assistance Grant	97.042	N/A	<u>45,618</u>
			<u>355,094</u>
(Passed through Iowa Homeland Security & Emergency Management Division):			
FY 2006 Law Enforcement Terrorism Prevention Program	97.067	FY2006-LETPP-LEIN6-06	114,452
FY 2006 Law Enforcement Terrorism Prevention Program	97.067	N/A	4,961
FY 2006 Law Enforcement Terrorism Prevention Program	97.067	2007-GE-T7-0032-06A	3,250
FY 2007 Law Enforcement Terrorism Prevention Program	97.074	FY2007-LETPP-LEIN7-07	<u>192,711</u>
			<u>315,374</u>
<b>Total U.S. Department of Homeland Security</b>			<u>670,468</u>
<b>U.S. Department of Health and Human Services</b>			
(Passed through Iowa Department of Health):			
HRSA EMS Disaster Preparedness	93.003	5888EM182	<u>956</u>
Childhood Lead Poisoning Prevention	93.197	5889LP04	<u>49,182</u>
I-4 Project	93.268	5888I468	33,490
I-4 Project	93.268	5889I468	<u>36,887</u>
			<u>70,377</u>
Child Health Grant	93.994	5888MH21	12,430
Maternal Health Grant	93.994	5888MH21	594
Child Health Grant	93.994	5889MH21	54,180
Maternal Health Grant	93.994	5889MH21	<u>29,690</u>
			<u>96,894</u>

(Continued)

County of Scott, Iowa

Schedule of Expenditures of Federal Awards (Continued)  
 Year Ended June 30, 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Identifying Number	Federal Expenditures
Health Breast/Cervical Cancer Early Detection	93.283	5889NB21	103,425
Local Bioterrorism Grant	93.283	8208	3,169
Local Bioterrorism Grant	93.283	8209	54,867
WISEWOMEN Cardiovascular Program	93.283	5889WW30	9,995
Mosquito Surveillance Project	93.283	MOU-2009-ELC09	1,000
Regional Bioterrorism	93.283	5888BT12	7,541
Regional Bioterrorism	93.283	5889BT12	1,192
Regional Bioterrorism	93.283	N/A	7,648
			<u>188,837</u>
Directly Observed Therapy	93.116	MOU-2008-TB12	4,495
Directly Observed Therapy	93.116	MOU-2009-TB12	5,400
			<u>9,895</u>
<b>Total passed through Iowa Department of Health</b>			<u>416,141</u>
(Passed through Iowa Department of Human Services):			
Refugee and Entrant Assistance	93.566	N/A	151
Temp Assist for Needy Families	93.558	N/A	83,741
Child Care Development Fund	93.596	N/A	23,735
Foster Care	93.658	N/A	50,716
Adoption	93.659	N/A	12,196
Expansion Title XXI	93.767	N/A	695
SSBG -Indirect	93.667	N/A	54,886
SSBG -Direct	93.667	N/A	748,559
Scott County Empowerment Agreement (DECAT)	93.575	N/A	77,187
Medical Assistance (Title XIX)	93.778	N/A	110,417
			<u>1,162,283</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>1,578,424</u>
<b>Total expenditures of federal awards</b>			<u>\$ 5,560,162</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	\$ 517,869
Iowa Farmers' Market Nutrition Program	10.572	1,941
COPS in School	16.710	11,582
Childhood Lead Poisoning Prevention	93.197	1,824
Law Enforcement Terrorism Prevention Program	97.067	27,426
Health Breast/Cervical Cancer Early Detection	93.283	103,425
WISEWOMEN Cardiovascular Program	93.283	8,295
Directly Observed Therapy	93.116	8,570
I-4 Project	93.268	23,845
Law Enforcement Terrorism Prevention Program	97.074	37,858
Maternal and Child Health Grant	93.994	70,877
		<u>\$ 813,512</u>

#### Note 4. Noncash Assistance

As reported on the Schedule of Expenditures of Federal Awards, the County received noncash assistance in the current year in the form of equipment in the amount of \$8,211 (CFDA 97.067) and \$7,648 (CFDA 93.283). The equipment was included in the determination of federal awards expended for the year.

County of Scott, Iowa

Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2009

---

Finding		Status
<b>Significant Deficiencies</b>		
08-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.	Corrected
<b>Other Findings Related to Required Statutory Reporting</b>		
08-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.	Corrected



***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, 2009, which collectively comprise the County of Scott, Iowa's basic financial statements and have issued our report thereon dated November 17, 2009. 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.

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.

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 the 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 the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## 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*.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2009 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.

We noted certain matters that we reported to management of the County in a separate letter dated November 17, 2009.

This report is intended solely for the information and use of management, the 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 17, 2009

# 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, 2009. 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, 2009.

### **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.

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.

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.

Our consideration of internal control over compliance 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 or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the 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 17, 2009

County of Scott, Iowa

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2009

---

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
11.555	Public Safety Interoperable Communications
97.036	Disaster Grants - Public Assistance

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

Auditee qualified as low-risk auditee?  Yes  No

(Continued)

County of Scott, Iowa

Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2009

---

**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**

None

**B. Compliance Findings**

None

**III. Findings and Questioned Costs for Federal Awards**

**A. Significant Deficiencies in Internal Control**

None

**B. Instance of Noncompliance**

None

**IV. Other Findings Related to Required Statutory Reporting**

09-IV-A Certified Budget: Disbursements during the year ended June 30, 2009 did not exceed the amounts budgeted.

09-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.

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

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

09-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.

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

09-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.

(Continued)

**County of Scott, Iowa**

**Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2009**

---

09-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).

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

09-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, 2009 for the County Extension Office did not exceed the amount budgeted.



***Scott County***

***Iowa***

# McGladrey & Pullen

Certified Public Accountants

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

In connection with our audit of the financial statements of County of Scott, Iowa (County) as of and for the year ended June 30, 2009, we identified deficiencies in internal control over financial reporting (control 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 financial statement misstatements on a timely basis. A deficiency in design exists when a control necessary to meet the control objective is missing, or when an existing control is not properly designed so that even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or qualifications to perform the control effectively.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected.

A significant deficiency is a deficiency, or a combination of control deficiencies, that adversely affect the entity's ability to authorize, initiate, record, process or report financial data reliably in accordance with generally accepted accounting principles 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.

We have separately communicated, to you and the Board of Supervisors, identified deficiencies, if any, that we determined to be significant deficiencies or material weaknesses.

Following are descriptions of other identified control deficiencies that we determined did not constitute significant deficiencies or material weaknesses:

**Agency Funds:** During our testing of the agency funds, we noted not all the agency cash accounts are being reconciled to the general ledger balances. Instead the off-line systems are reconciled to the bank statements, but neither of these amounts are reconciled to the general ledger. We recommend the bank reconciliations not only reconcile between the off-line system and the bank but also to the general ledger balance.

For the Jail Inmate Kiosk account, the bank reconciliations were not being performed timely which resulted in an incorrect transfer between accounts not being caught in a timely manner. The timely reconciliation of the cash accounts is an important step in the process to ensure all monies are accounted for and properly posted. We recommend cash reconciliations be completed on a monthly basis.

**Capital Assets:** The County does not perform reconciliation between the capital asset system, the general ledger and the roll forward of the capital assets at year-end. It was noted in the current year, several beginning balances of the capital asset categories did not agree to the ending balance from the prior year due to changes in the capital asset system being performed. Due to the method of the changes in the capital asset system, there is not a record of the change as part of the reporting from the capital asset system due to the movement of the asset between categories. These types of changes do not get properly posted to the general ledger. We recommend the County review the procedures for making changes in the capital asset system and consider posting changes on a quarterly basis for additions and disposals of capital assets.

This communication is intended solely for the information and use of management, the Board of Supervisors, others within the County and is not intended to be and should not be used by anyone other than these specified parties.

*McGladrey & Pullen, LLP*

Davenport, Iowa  
November 17, 2009