

COUNTY OF SCOTT, IOWA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

As of and for the Year Ended June 30, 2014

Prepared by

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INTRODUCTORY

County of Scott, Iowa

Table of 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 auditors' report	1 – 3
Management's discussion and analysis	4 – 15
Basic financial statements:	
Government-wide financial statements:	
Statement of net position	16 – 17
Statement of activities	18 – 19
Fund financial statements:	
Balance sheet – governmental funds	20 – 21
Reconciliation of total governmental fund balances to net position of governmental activities	22
Statement of revenues, expenditures and changes in fund balances – governmental funds	23 – 24
Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities	25
Statement of net position – proprietary funds	26
Statement of revenues, expenses and changes in net position – proprietary funds	27
Statement of cash flows – proprietary funds	28
Statement of assets and liabilities – agency funds	29
Statement of net position – discretely presented component units	30
Statement of activities – discretely presented component units	31
Notes to basic financial statements	32 – 62
Required supplementary information:	
Other postemployment benefit plan – schedule of funding progress	63
Budgetary comparison schedule – all governmental funds – primary government	64
Budgetary comparison schedule – Scott Emergency Communication Center	65 – 66
Budgetary comparison schedule – All Governmental Funds to Primary Government Budgeted Funds	67
Note to required supplementary information	68
Supplementary information:	
Nonmajor governmental funds:	
Combining balance sheet	69
Combining statement of revenues, expenditures and changes in fund balances	70
Combining statement of net position – internal service funds	71
Combining statement of revenues, expenses, and changes in net position – internal service funds	72
Combining statement of cash flows – internal service funds	73
Combining statement of changes in assets and liabilities – all agency funds	74 – 78
Combining balance sheet and reconciliation to statement of net position – discretely presented component units	79

County of Scott, Iowa

Table of Contents

Financial Section (continued)

Combining statement of revenues, expenditures and changes in fund balances and reconciliation to statement of activities – discretely presented component units	80 – 81
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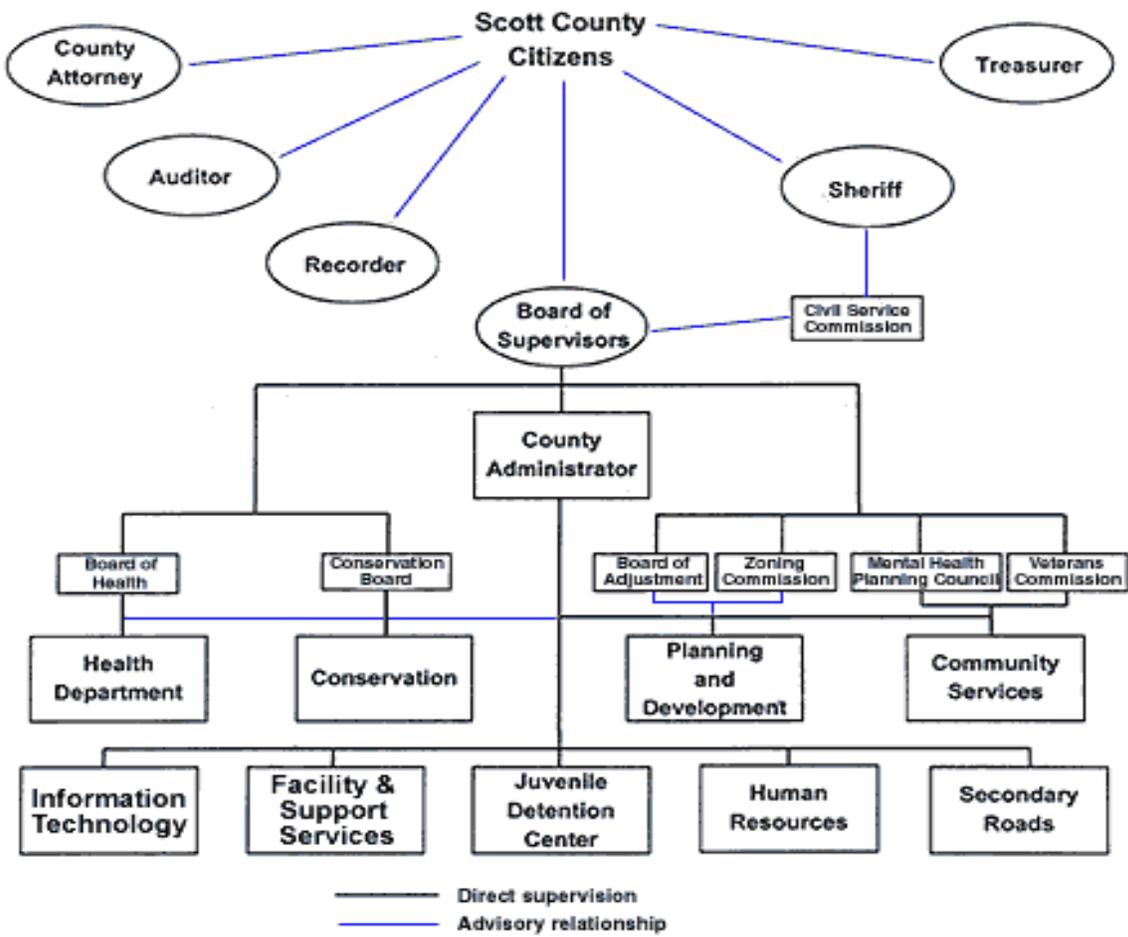
Statistical Section

Statistical section contents	82
Net position by component	83 – 84
Changes in net position	85 – 88
Fund balances, governmental funds	89 – 90
Changes in fund balances, governmental funds	91 – 92
Program revenues by function/program	93 – 94
Revenues by source, governmental funds	95 – 96
Assessed value and actual value of taxable property	97 – 98
Principal property taxpayers	99
Property tax levies and collections	100
Direct and overlapping property tax rates	101 – 102
Ratios of outstanding debt by type	103 – 104
Ratios of general bonded debt outstanding	105
Direct and overlapping governmental activities debt	106
Legal debt margin information	107 – 108
Demographic and economic statistics	109
Principals employers	110
Full-time equivalent county government employees by function/program	111 – 112
Operating indicators by function/program	113 – 116
Capital asset statistics by function/program	117 – 118

Compliance Section

Schedule of expenditures of federal awards	119 – 121
Notes to schedule of expenditures of federal awards	122
Summary schedule of prior audit findings	123
Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	124 – 125
Report on compliance each major program; and report on internal control over compliance	126 – 127
Schedule of findings and questioned costs	128 – 130

Scott County Government Organizational Chart





Government Finance Officers Association

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

Presented to

**County of Scott
Iowa**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

OFFICE OF THE COUNTY ADMINISTRATOR

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Davenport, Iowa 52801-1003

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December 3, 2014

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, 2014.

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

Baker Tilly Virchow Krause, LLP, Certified Public Accountants, have issued an unmodified (“clean”) opinion of Scott County’s financial statements for the year ended June 30, 2014. 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.

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

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

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

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

The County's discretely 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, and the County Library, which provides library services to all cities within Scott County with the exception of the City of Bettendorf, the City of Davenport, and the City of LeClaire.

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

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

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

Local Economy

Scott County is part of a four county, bi-state, metropolitan area referred to as the Quad-Cities. The counties of Scott (Iowa), Rock Island, Henry and Mercer (Illinois), contain the Davenport-Rock Island-Moline Metropolitan Statistical Area (MSA), with a 2010 U.S. Census Bureau count of 379,690 which is a 1.0% increase over the 2000 census count of 376,019. The U. S. Census Bureau's 2010 population of Scott County was 165,224, which is a 4.1% increase over the 2000 census count of 158,689. The 2014 population estimate is 170,385.

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

The annual average labor force in the Quad Cities MSA (four counties) was 204,440 in 2010. The annual average labor force for Scott County was 89,400 in September of 2014 which is a slight decline over the 2010 labor force of 89,950. In 2010 the unemployment rate for Scott County was 6.9% and for the MSA it was 8.4%. In September of 2014 the Scott County rate dropped to 5.9%. Decreasing unemployment is a consistent trend over the last four years and corresponds to the national average of 5.9%.

In 2010 the median household income for the MSA was \$48,091 and for Scott County it was \$52,218. The median household income in Scott County rose between 1980 and 2000, from \$20,767 in 1980 to \$29,979 in 1990 and \$42,701 in 2000. That is an increase of 106% over the twenty-year period. The median household income in 2008 in Scott County increased another 22% over the 2000 figure to \$52,013, just a shade under the 2008 U.S. median household income of \$52,029. The current estimate is \$53,002.

New residential construction slowed in the Quad Cities MSA and Scott County after very strong years from 2000-2007. The total housing starts for the Quad Cities MSA were 851 in 2006 and 688 in 2007, dropping to 421 in 2008, 371 in 2009 and 422 in 2010. The total housing starts for Scott County for those same years were 538 in 2006, 407 in 2007, dropping to 274 in 2008, 231 in 2009, and 251 in 2010, 243 in 2011. New construction due to higher demand in 2013 resulted in 282 starts and 202 through the first half of 2014.

The Quad Cities housing market remains one of the most affordable housing markets in the country. The average sales price for homes in the Iowa Quad Cities was \$182,500 in June of 2014 which is up from \$178,300 in September of 2013. On the Illinois side of the river the average sales price was \$106,000 in June of 2014 down slightly from \$107,000 in September of 2013. The median home value in north Scott County for 2014 was \$221,400. In the last five years home prices have risen 1.28% in the Quad Cities area.

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

Long-Term Financial Planning

Unassigned fund balance in the general fund (19.9% of total 2014 general fund expenditures including transferred expenditures to blended component units) falls within the policy guidelines set by the Board for budgetary and planning purposes (i.e., minimum of 15 percent of total general fund expenditures). Fiscal year 2014 ended with a decrease in the unassigned general fund balance of approximately \$209,000. Additionally, the County assigned fund balance to establish a long term building improvement capital plan and added reserves to enhance the employee health and dental benefit expenses. During these challenging economic times, as the county faces cutbacks at the state level and reduced property tax funding, retaining the current level of fund balance is important. The County is continuing to find ways to reduce its costs for providing services through collaborating with other jurisdictions in delivering services. This consolidation or service sharing is very important as the County weathers the changes in property tax enacted by the State in 2013. We are committed to remain a county with a superior level of service at one of the lowest tax rates in the State of Iowa.

Relevant Financial Policies

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

Major Initiatives

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

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Scott County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013. This was the twenty-fifth consecutive year that Scott County has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both general accepted accounting principles and applicable legal requirements.

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

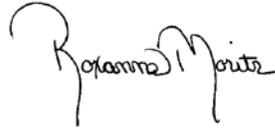
In addition, Scott County also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2013. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

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

Respectfully submitted,



Bill Fennelly
County Treasurer



Roxanna Moritz
County Auditor



Dee F. Bruemmer
County Administrator

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INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
County of Scott
Davenport, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Scott, Iowa, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County of Scott's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

To the Board of Supervisors
County of Scott

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Scott, Iowa, as of June 30, 2014 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, the County of Scott adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective July 1, 2013. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

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

To the Board of Supervisors
County of Scott

Other Matters (continued)

Supplementary Information (continued)

As discussed in Note 4 of the notes to schedule of expenditures of federal awards, this report is replacing a previously issued report dated December 3, 2014. The reissuance is the result of the County of Scott's subsequent identification of a federal award for the Social Service Block Grant program, CFDA No. 93.667, passed through the Iowa Department of Human Services that was omitted from the schedule of expenditures or federal awards. The differences between this report and the report previously issued include additional federal awards reported on the schedule of expenditures of federal awards and the identification of the Social Service Block Grant program in the summary of findings and questioned costs as a major program. Our opinion is not modified with respect to this matter.

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2014 on our consideration of the County of Scott's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Scott's internal control over financial reporting and compliance.

Baker Tilly Vinchow Krause, LLP

Milwaukee, Wisconsin
December 3, 2014 except for the schedule of expenditures of
federal awards as to which the date is August 18, 2015

County of Scott, Iowa

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2014

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, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

The County implemented *GASB Statement No. 65, Items Previously Reported as Assets and Liabilities* as of July 1, 2013. The implementation of this standard has required items previously reported as asset or liabilities to be expensed or reclassified. As a result, the County restated its June 30, 2013 net position. To assist readers in the analysis of the County, comparative information for 2013 was adjusted within the Management Discussion and Analysis.

Financial Highlights

The assets of the County of Scott exceeded its liabilities and deferred inflows of resources as of June 30, 2014 and 2013 by \$103,923,283 and \$96,520,813 (net position), respectively. Of this amount, \$20,782,641 and \$15,144,457, respectively, may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net position increased by \$7,402,470 during the year ended June 30, 2014 and increased by \$2,218,982 during the year ended June 30, 2013.

As of June 30, 2014, the County of Scott's governmental funds reported combined ending fund balances of \$52,449,589, an increase of \$7,540,239 in comparison with 2013. Approximately 19 percent of this total amount, \$9,832,639 is available for spending at the government's discretion (unassigned). The increase between 2014 and 2013 is due to the the state providing mental health equalization to the County as well as increased telephone surcharge fee revenue for debt service costs. As of June 30, 2013, the County of Scott's governmental funds reported combined ending fund balances of \$44,909,350, an increase of \$16,5270,093 in comparison with 2012, which rose due to the cross over refunding debt issuance. Approximately 21 percent of this total amount, \$9,963,814, was available for spending at the government's discretion (unassigned fund balance).

As of June 30, 2014, unassigned fund balance for the General Fund was \$9,832,639 or 19.9 percent of total General Fund expenditures including transfers to blended component units and \$10,041,990 or 19.9 percent for 2013.

The County's total long-term debt, excluding compensated absences, other postemployment benefits and claims payable, decreased by \$3,557,961 during fiscal year June 30, 2014 and increased by \$14,896,391 during fiscal year June 30, 2013. The decrease in 2014 from 2013 was attributable to payment of scheduled debt service. The increase in 2013 from 2012 was attributable to the Public Safety Authority issuing crossover refunding 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.

County of Scott, Iowa

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2014

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

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

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

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

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

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

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

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.

County of Scott, Iowa

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2014

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

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

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

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

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County of Scott, Iowa's own programs. The fiduciary funds of the County are considered agency funds. Total assets of the fiduciary funds were \$250,447,853 and \$252,105,662 for the years ended June 30, 2014 and 2013, respectively.

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

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

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County of Scott, Iowa's budgetary comparison and other postemployment benefit plan schedule of funding progress. This information can be found on pages 63 through 68 of this report.

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

County of Scott, Iowa

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2014

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The County's total net position has increased from a year ago from \$96,520,813 to \$103,923,283.

Of the County of Scott's net position, 69 percent reflects its investment in capital assets (e.g., land, buildings and improvements, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The County of Scott uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The County's net investment in capital assets, was \$71,816,242 for 2014 and \$73,539,759 for 2013. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1 - County of Scott's Net Position

	Governmental Activities		Business-Type Activities		Total County	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 111,704,556	\$ 102,301,164	\$ 325,074	\$ 247,157	\$ 112,029,630	\$ 102,548,321
Capital assets	106,704,787	110,893,817	2,168,898	2,214,625	108,873,685	113,108,442
Total assets	218,409,343	213,194,981	2,493,972	2,461,782	220,903,315	215,656,763
Noncurrent liabilities outstanding	37,781,585	58,312,934	29,850	35,264	37,811,435	58,348,198
Other liabilities	29,256,557	10,560,506	122,195	118,113	29,378,752	10,678,619
Total liabilities	67,038,142	68,873,440	152,045	153,377	67,190,187	69,026,817
Deferred inflows of resources	49,789,845	50,108,954	-	-	49,789,845	50,108,954
Net position:						
Net investment in capital assets	69,647,344	71,325,134	2,168,898	2,214,625	71,816,242	73,539,759
Restricted	11,324,400	7,836,597	-	-	11,324,400	7,836,597
Unrestricted	20,609,612	15,050,677	173,029	93,780	20,782,641	15,144,457
Total net position	\$ 101,581,356	\$ 94,212,408	\$ 2,341,927	\$ 2,308,405	\$ 103,923,283	\$ 96,520,813

Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted through enabling legislation for 2014 and 2013 consist of \$1,802,355 and \$1,491,035 for debt service, \$1,966,913 and \$0 for mental health, \$3,149,287 and \$2,320,739 for secondary roads, \$998,873 and \$968,492 for other statutory programs, \$3,049,339 and \$2,689,733 for Scott emergency communication center, and \$150,016 and \$154,168 for rural services, respectively. An additional \$207,617 and \$212,430 is restricted by external third parties, respectively. The remaining balance of unrestricted net position, \$20,782,641 for 2014 and \$15,144,457 for 2013, may be used to meet the government's ongoing obligations to citizens and creditors.

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

The County's total net position increased by \$7,402,470 during the current fiscal year as compared to a increase of \$2,218,982 in 2013. The governmental-type activities' net position increased by \$7,368,948 in 2014 and decreased by \$2,310,690 in 2013. Mental health services decreased by \$1.2 million due to continued reduction of Medicaid eligible expenditures incurred at the county level of government. Property taxes increased by \$0.8 million and charges for services increased by \$185,000. The County also received state equalization dollars of \$4.6 million specifically for Mental health services. This funding is allocated on a per capita basis to the county. Other intergovernmental revenues from the state and federal government decreased by \$2.25 million. The total business-type activities' net position increased by \$33,522 in 2014 and increased by \$4,529,672 in 2013. The increase in 2013 resulted from a transfer of equity to the golf course through the forgiveness of internal balances due to governmental

County of Scott, Iowa

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2014

activities from business-type activities, while the increase in 2014 was due to normal operating activities, supplemented with a transfer of \$145,560.

Table 2 highlights the County's revenues and expenses for the fiscal year ended June 30, 2014 and 2013. These two main components are subtracted to yield the change in net position. 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 Position

	Governmental Activities		Business-Type Activities		Total County	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 6,491,668	\$ 6,317,566	\$ 901,872	\$ 890,259	\$ 7,393,540	\$ 7,207,825
Operating grants and contributions	10,336,825	7,988,482	-	-	10,336,825	7,988,482
Capital grants and contributions	1,124,208	459,141	-	-	1,124,208	459,141
General revenues:						
Taxes:						
Property taxes	46,924,802	46,156,117	-	-	46,924,802	46,156,117
Local option sales tax	4,285,414	4,049,552	-	-	4,285,414	4,049,552
Gaming	527,014	579,504	-	-	527,014	579,504
Other taxes	66,301	70,286	-	-	66,301	70,286
Utility tax replacements	1,558,330	1,598,817	-	-	1,558,330	1,598,817
Penalties, interest and costs on taxes	930,986	816,474	-	-	930,986	816,474
State tax replacement credits	1,450,873	1,205,628	-	-	1,450,873	1,205,628
State shared revenues	3,200,405	3,156,344	-	-	3,200,405	3,156,344
Payments in lieu of taxes	7,306	6,521	-	-	7,306	6,521
Investment earnings	147,401	125,127	-	-	147,401	125,127
Miscellaneous	1,263,537	1,274,786	-	-	1,263,537	1,274,786
Total revenues	78,315,070	73,804,345	901,872	890,259	79,216,942	74,694,604
Expenses:						
Public safety and legal services	21,994,460	21,551,072	-	-	21,994,460	21,551,072
Public safety and legal services - SECC	7,755,245	7,650,488	-	-	7,755,245	7,650,488
Physical health and social services	5,387,800	5,293,759	-	-	5,387,800	5,293,759
Mental health	7,075,477	8,256,862	-	-	7,075,477	8,256,862
County environment and education	5,374,619	5,063,295	-	-	5,374,619	5,063,295
Roads and transportation	8,862,285	8,296,547	-	-	8,862,285	8,296,547
Government services to residents	2,204,779	2,236,126	-	-	2,204,779	2,236,126
Administration	10,071,070	10,869,732	-	-	10,071,070	10,869,732
Debt service, interest	2,074,927	2,281,028	-	-	2,074,927	2,281,028
Golf course	-	-	1,013,810	976,713	1,013,810	976,713
Total expenses	70,800,662	71,498,909	1,013,810	976,713	71,814,472	72,475,622
Transfers	(145,460)	(80,679)	145,460	80,679	-	-
Special item - forgiveness of advance	-	(4,535,447)	-	4,535,447	-	-
Increase (decrease) in net position	7,368,948	(2,310,690)	33,522	4,529,672	7,402,470	2,218,982
Net position (deficit), beginning, restated	94,212,408	96,523,098	2,308,405	(2,221,267)	96,520,813	94,301,831
Net position, ending	\$ 101,581,356	\$ 94,212,408	\$ 2,341,927	\$ 2,308,405	\$ 103,923,283	\$ 96,520,813

County of Scott, Iowa

Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2014

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 2014	Total Cost of 2013	Net (Expense) of Services 2014	Net (Expense) of Services 2013
Public safety and legal services	\$ 21,994,460	\$ 21,551,072	\$ (19,304,004)	\$ (18,891,896)
Public safety and legal services - SECC	7,755,245	7,650,488	(7,755,118)	(7,650,488)
Physical health and social services	5,387,800	5,293,759	(3,737,762)	(3,618,097)
Mental health	7,075,477	8,256,862	(1,165,442)	(4,162,447)
County environment and education	5,374,619	5,063,295	(3,844,060)	(3,426,298)
Roads and transportation	8,862,285	8,296,547	(7,679,980)	(8,228,310)
Government services to residents	2,204,779	2,236,126	752,643	840,571
Administration	10,071,070	10,869,732	(9,495,500)	(9,953,361)
Debt service, interest	2,074,927	2,281,028	(618,738)	(1,643,394)
Total	\$ 70,800,662	\$ 71,498,909	\$ (52,847,961)	\$ (56,733,720)

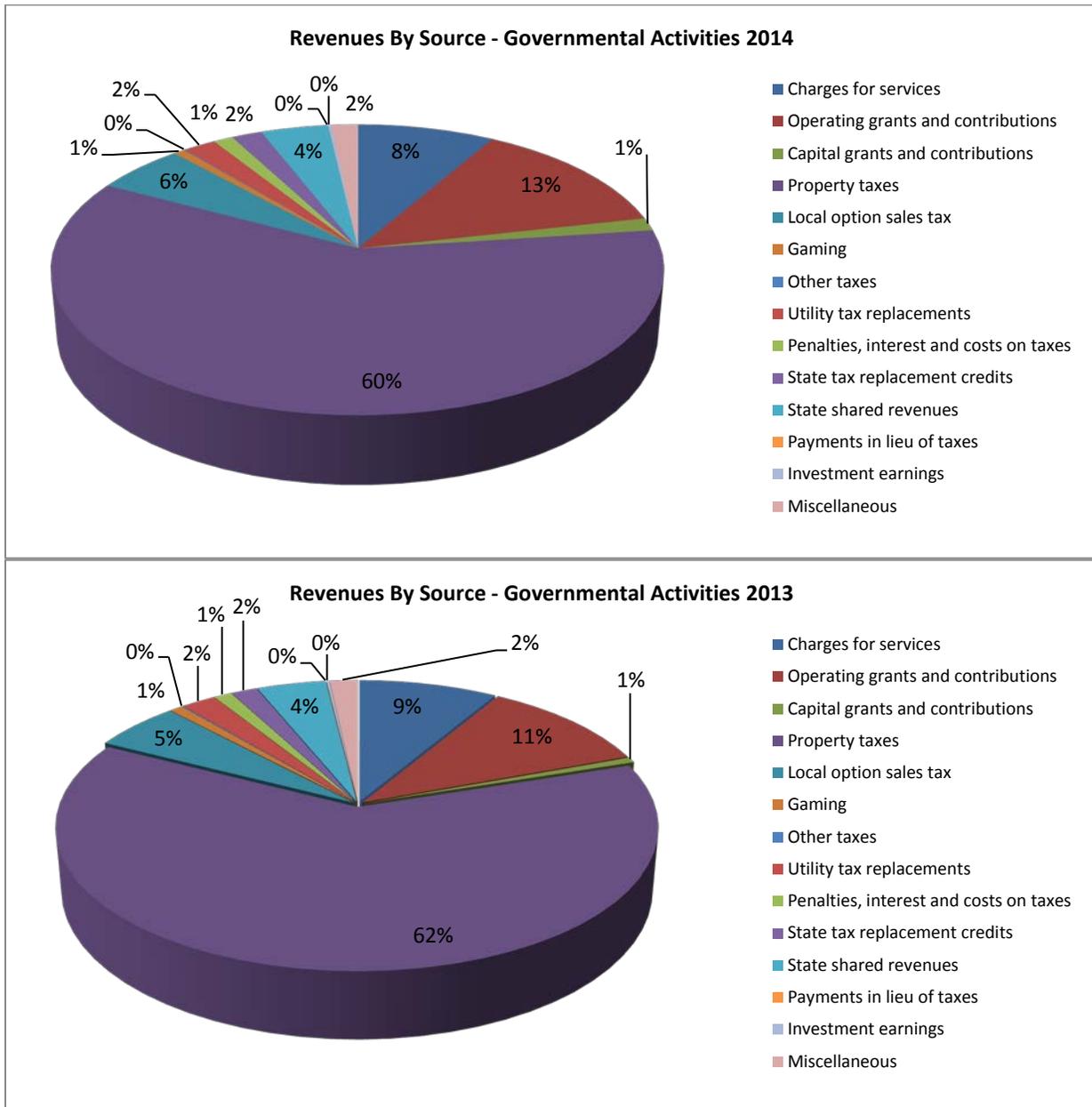
Net cost of services is 75 percent of total cost of services in 2014 and 79 percent in 2013. The change in net cost was significantly impacted by the change in state funding for MHDD eligible services through the funding of mental health equalization funding. Mental health services decreased \$1.2 million, while the net cost of the county decreased by \$3.0 million.

County of Scott, Iowa

Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2014

Governmental Activities

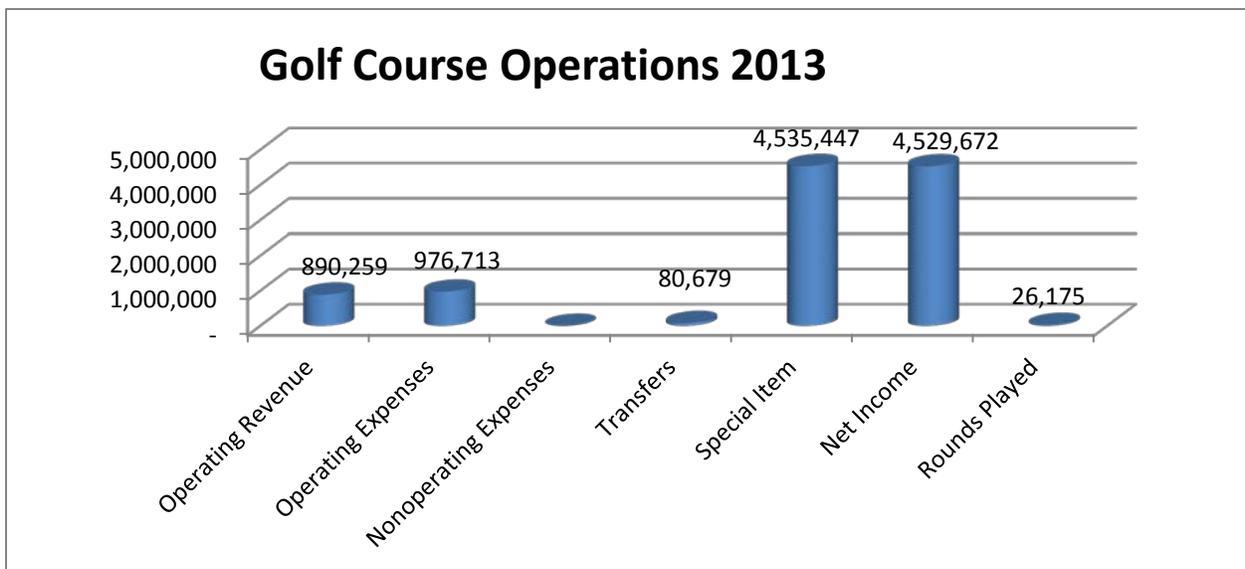
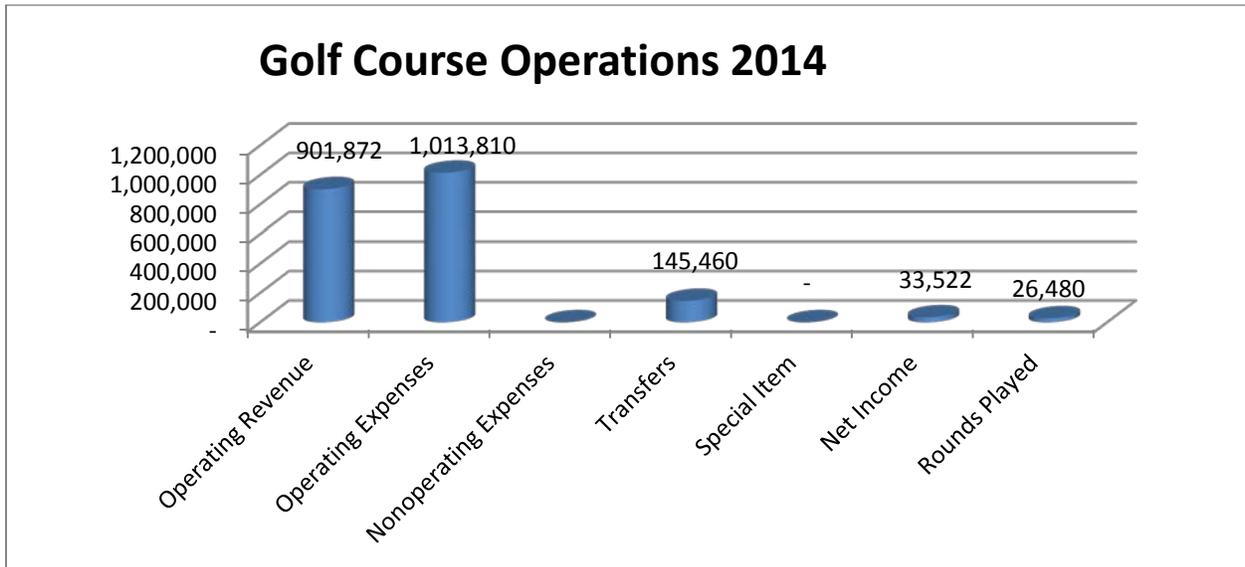
The graphs below show the percentage of the total governmental activities revenues allocated by each revenue type for 2014 and 2013.



County of Scott, Iowa

Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2014

Total business-type activities' revenue for the fiscal years ended June 30, 2014 and 2013 was \$901,872 and \$890,259, respectively. All of this revenue was generated for specific business-type activity expenses. The graphs below show a comparison between the business-type activity expenditures and program revenues and operations for Glynn's Creek Golf Course in 2014 and 2013. The golf course experienced a 1% increase in rounds played, while operating revenue increased to \$901,872 or 1%. The fund expended more on depreciation expense and utilities in fiscal year 2014. In 2013, the County forgave an interfund advance due from the Golf Fund to the General Fund as a special item.



County of Scott, Iowa

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2014

Business-type activities: Business-type activities increased net position by \$33,522 in the government's net position in fiscal year ended June 30, 2014 compared to an increase of \$4,529,672 in fiscal year ended June 30, 2013.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the County of Scott, Iowa's governmental funds reported combined ending fund balances of \$52,449,589, an increase of \$7,540,239 in comparison with the prior year fund balance of \$44,909,350. Approximately 19 percent of the 2014 total amount or \$9,832,639 constitutes unassigned fund balance. Approximately \$9,653,814, or 21 percent, for 2013 constitutes unassigned fund balance. Unassigned fund balance is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted or assigned to indicate that it is not available for new spending. Restricted fund balance increased between years due to restricted State of Iowa Equalization dollars received by the Mental Health Fund. Additionally, the Capital Projects Fund assigned capital balance increased \$3.5 million to fund future capital improvements.

The General Fund is the chief operating fund of the County. At the end of the fiscal year, the unassigned fund balance of the General Fund was \$9,832,639 for 2014. The amount unassigned was \$10,401,990 for 2013 while total fund balance was \$15,506,666 for 2014 and \$15,054,841 for 2013. Fund balance increased due to general revenues supporting the operating needs of fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to fund expenditures including transfers to blended component units. Unassigned fund balance represents 19.9 percent of General Fund expenditures including transfers to blended component units for 2014, while the unassigned fund balance represented 19.9 percent of total General Fund expenditures including transfers to blended component units for 2013. Total fund balance also represents approximately 37 and 30 percent of expenditures including transfers to blended component units for 2014 and 2013, respectively.

The fund balance of the County's General Fund increased by \$451,825 during the year ended June 30, 2014. Property tax revenues decreased approximately \$1.1 million as property tax funding for the Public Safety Authority lease was moved from the General Fund to the Debt Service Fund in 2014. The corresponding debt service payments also moved between funds. Net charges for services and Local Option Sales Taxes each increased by \$200,000. The County's General Fund expenditures were \$42,078,159 in fiscal year 2014, compared to \$40,932,818 in fiscal year 2013 or an increase of approximately \$1.1 million. Salary and benefit expenditures across all departments increased \$700,000 or 2.4% from the prior fiscal period.

The fund balance of the County's Mental Health / Development Disabilities Fund increased by \$2,355,089 in 2014 compared to a decrease of \$656,495 in 2013. The key factor in the increase is the state funding equalization per capita grants to local counties and specifically \$4.6 million to Scott County. The state is in process of redesigning mental health funding requiring counties to join regional governing bodies. The redesigned regional services in addition to changing health care laws have reduced the county's share of mental health services.

County of Scott, Iowa

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2014

The Secondary Roads Fund increased \$828,548 in 2014 compared to \$481,461 in 2013. The increase in fund balance relates to higher than anticipated revenues during the year of the road use tax. Additionally funds are restricted for future planned capital improvements with the secondary road system.

The Debt Service Fund increased \$265,130 in 2014 compared to a decrease of \$408,987 in 2013. The increase in fund balance relates to \$1.0 million in new 911 surcharge fee revenue to pay for the 2009 Emergency Equipment Bonds offset by the normal principal and interest payments on debt outstanding.

The Scott Emergency Communication Center increased fund balance by \$395,622 in 2014 compared to \$72,564 increase in 2013. Transferred contributions from the County tax levy decreased by \$127,000, while expenditures decreased by \$615,000. The Center has completed the major capital improvements of establishing operations.

The Public Safety Authority decreased fund balance by \$288,083 in 2014 compared to an increase \$17,897,379 in fiscal year 2013. The Authority issued two revenue bond series in fiscal year 2013 to set aside proceeds for a crossover refunding of 2006 debt. The crossover refunding will occur in 2015. The current year decrease is related to the planned payment of debt service of outstanding debt issues.

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 \$74,282,367 was increased to \$75,445,336 (an increase of \$1,162,969) mainly due to an increased intergovernmental revenues of Mental Health equalization dollars and E911 surcharge fees. Actual revenues received were \$77,051,902.
- The total original expenditure budget of \$76,452,477 was decreased to \$75,830,286 (an decrease of \$622,191) mainly for decrease mental health spending due to reduced mental health expenditures \$820,000), roads and transportation, \$370,000 decrease, and authorization of public safety and legal service levels, \$430,000. Actual expenditures were \$69,554,625.
- The total original budget for transfers to governmental funds in and out of \$10,771,749 was increased to \$13,921,749 (an increase of \$3,150,000).

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

County of Scott, Iowa

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2014

Capital Asset and Debt Administration

Capital assets: The County's investment in capital assets for its governmental and business-type activities as of June 30, 2014 and 2013, amounts to \$108,873,685 and \$113,108,442 (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 2014 was 3.74 percent (a 3.80 percent decrease for governmental activities and a 2.1 percent decrease for business-type activities). The total decrease in capital assets for 2013 was 3.45 percent (a 3.5 percent decrease for governmental activities and a .05 percent increase for business-type activities).

Major capital asset events during the current fiscal year ended June 30, 2014 included, ERP intangible software implementation, Sheriff patrol vehicles, bridge replacement and macadam, and general building improvements.

Capital Assets

Table 4 - County of Scott's Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
	Land	\$ 4,424,944	\$ 4,424,944	\$ 1,556,336	\$ 1,556,336	\$ 5,981,280
Construction-in-progress	1,078,564	4,984,123	-	-	1,078,564	4,984,123
Buildings	73,663,913	72,955,632	577,483	577,483	74,241,396	73,533,115
Improvements other than buildings	7,659,654	7,585,845	244,081	244,081	7,903,735	7,829,926
Infrastructure	91,615,815	88,915,629	-	-	91,615,815	88,915,629
Intangible-software	3,250,643	-	-	-	3,250,643	-
Machinery and equipment	35,605,055	35,158,842	1,505,142	1,554,487	37,110,197	36,713,329
Accumulated depreciation	(110,593,801)	(103,131,198)	(1,714,144)	(1,717,762)	(112,307,945)	(104,848,960)
Total	\$ 106,704,787	\$ 110,893,817	\$ 2,168,898	\$ 2,214,625	\$ 108,873,685	\$ 113,108,442

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

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

Debt: As of June 30, 2013, the County of Scott, Iowa had general obligation bonds outstanding totaling \$12,455,000, revenue bonds for the jail facility and cross over refunding for \$37,640,000, and notes payable of \$9,638,683. In the current year, the County governmental activities, through the Public Safety Authority, issued \$17,675,000 of new bonds and paid \$3,331,240 in principal and \$2,088,389 in interest on outstanding debt. During the issuance of the cross over refunding debt, the County received an Aa2 rating from Moody's Investors Service.

County of Scott, Iowa

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2014

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

	2014	2013	Maturity
Governmental activities:			
General obligation bonds	\$ 10,770,000	\$ 12,455,000	2029
Revenue bonds	36,340,000	37,640,000	2025
Notes payable	9,162,443	9,638,683	2029
Total governmental activities	<u>\$ 56,272,443</u>	<u>\$ 59,733,683</u>	

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

Economic Factors and Next Year's Budgets and Rates

- Scott County's urban levy rate was reduced to to \$6.13 for FY15 or 1.8%. The rural county levy rate decreased by 1.2% for the budget year ending June 30, 2015 due to the legal requirement of Road Use Tax (RUT) local effort match. The tax base for the County of Scott increased 1.2 percent over the previous year.
- Health care costs and personnel costs, which make up a significant portion of the County's operating costs, continue to be reasonably controlled and negotiated. The County's move to self-funded health insurance had resulted in 42 months of zero increase in County insurance premiums between 2010 and 2014. A rate increase for family insurance of \$4.24 per month occurred in January 1, 2014 and a January 1, 2015 rate increase of \$3.52 to the employee family plan was approved by the Board of Supervisors in October 2013 and October, 2014, respectively. The county has five bargaining units up for negotiation in the fall of 2014.
- The County's revenues are stable but flat and continue to remain at all-time low levels. Scott County has adjusted expenditures to meet flat revenue projections. The County is facing funding challenges. In the spring of 2013, the state legislature passed property tax reform that will be implemented over fiscal years 2014 – 2017. Beginning in 2015, taxable assessed valuations for commercial and industrial property will be rolled back 5% each year for two years. Additionally multi-family residences will be reclassified to residential property from commercial property. The amount of approximately \$450,000 to be lost in FY 17 is budgeted in FY 15 capital plan as one time revenue. This approach has allowed needed capital projects to be done in accelerated manner and created a stable base of revenue for the FY 17 budget. Additionally the savings from the previous year's General Fund continue to be transferred to the Capital Projects Fund to fund the space utilization master plan.

All of these factors were considered in preparing the County of Scott, Iowa's budget for the June 30, 2015 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 4th Street, Davenport, Iowa 52801-1003.

County of Scott, Iowa

Statement of Net Position
As of June 30, 2014

Assets	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Current assets:				
Cash and investments	\$ 41,302,020	\$ 256,233	\$ 41,558,253	\$ 578,496
Restricted cash and investments	17,816,913	-	17,816,913	-
Receivables:				
Property taxes	49,916,804	-	49,916,804	-
Accrued interest	7,755	-	7,755	-
Accounts	385,637	66,203	451,840	-
Due from other governmental agencies	1,710,644	-	1,710,644	2,594
Prepays	226,006	-	226,006	-
Inventories	-	2,638	2,638	-
Total current assets	111,365,779	325,074	111,690,853	581,090
Noncurrent assets:				
Receivables:				
Notes	58,777	-	58,777	-
Loans	280,000	-	280,000	-
Other post employment benefits	-	-	-	3,691
Capital assets:				
Not depreciated:				
Land	4,424,944	1,556,336	5,981,280	16,600
Construction-in-progress	1,078,564	-	1,078,564	-
Depreciated:				
Buildings	73,663,913	577,483	74,241,396	1,131,866
Improvements other than buildings	7,659,654	244,081	7,903,735	-
Infrastructure	91,615,815	-	91,615,815	-
Intangible - software	3,250,643	-	3,250,643	-
Machinery and equipment	35,605,055	1,505,142	37,110,197	829,061
Less accumulated depreciation	(110,593,801)	(1,714,144)	(112,307,945)	(910,831)
Total capital assets	106,704,787	2,168,898	108,873,685	1,066,696
Total noncurrent assets	107,043,564	2,168,898	109,212,462	1,070,387
Total assets	\$ 218,409,343	\$ 2,493,972	\$ 220,903,315	\$ 1,651,477

See Notes to Basic Financial Statements

Liabilities, Deferred Inflows of Resources, and Net Position	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Liabilities:				
Accounts payable	\$ 4,068,598	\$ 35,060	\$ 4,103,658	\$ 22,300
Current portion of claims payable	714,739	-	714,739	-
Accrued liabilities	1,735,826	40,783	1,776,609	39,989
Interest payable	170,857	-	170,857	-
Unearned revenue	232,541	27,622	260,163	-
Compensated absences	1,737,756	18,730	1,756,486	27,503
Current portion of general obligation bonds	1,440,000	-	1,440,000	-
Current portion of notes payable	491,240	-	491,240	-
Current portion of revenue bonds	18,665,000	-	18,665,000	-
Total current liabilities	29,256,557	122,195	29,378,752	89,792
Noncurrent liabilities:				
Claims payable	98,000	-	98,000	-
Compensated absences	1,170,049	29,850	1,199,899	53,125
Other post employment benefits obligation	373,301	-	373,301	3,424
General obligation bonds payable, net bond premium	9,357,620	-	9,357,620	-
Note payable	8,671,203	-	8,671,203	-
Revenue bonds payable, net bond premium	18,111,412	-	18,111,412	-
Total noncurrent liabilities	37,781,585	29,850	37,811,435	56,549
Total liabilities	67,038,142	152,045	67,190,187	146,341
Deferred inflows of resources:				
Unearned revenue	49,789,845	-	49,789,845	-
Net position:				
Net investment in capital assets	69,647,344	2,168,898	71,816,242	1,066,696
Restricted for:				
Debt service	1,802,355	-	1,802,355	-
County conservation sewage treatment	207,617	-	207,617	-
Other statutory programs	998,873	-	998,873	-
Scott emergency communication center	3,049,339	-	3,049,339	-
Mental health	1,966,913	-	1,966,913	-
Secondary roads	3,149,287	-	3,149,287	-
Rural services	150,016	-	150,016	-
Unrestricted	20,609,612	173,029	20,782,641	438,440
Total net position	101,581,356	2,341,927	103,923,283	1,505,136
Total liabilities, deferred inflows of resources, and net position	\$ 218,409,343	\$ 2,493,972	\$ 220,903,315	\$ 1,651,477

County of Scott, Iowa

Statement of Activities
For the Year Ended June 30, 2014

Functions / Programs	Program Revenues			
	Expenses	Charges for Sales and Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
Public safety and legal services	\$ 21,994,460	\$ 1,633,110	\$ 1,057,346	\$ -
Public safety and legal services - SECC	7,755,245	-	127	-
Physical health and social services	5,387,800	398,670	1,251,368	-
Mental health	7,075,477	203,301	5,706,734	-
County environment and education	5,374,619	1,466,769	63,790	-
Roads and transportation	8,862,285	35,159	22,938	1,124,208
Government services to residents	2,204,779	2,576,380	381,042	-
Administration	10,071,070	178,279	397,291	-
Interest on long-term debt	2,074,927	-	1,456,189	-
Total governmental activities	70,800,662	6,491,668	10,336,825	1,124,208
Business-Type activities, golf	1,013,810	901,872	-	-
Total primary government	\$ 71,814,472	\$ 7,393,540	\$ 10,336,825	\$ 1,124,208
Component Units				
Emergency Management Agency	\$ 182,023	\$ -	\$ 77,000	\$ -
County Library	1,110,066	13,309	1,123,225	-
Total component units	\$ 1,292,089	\$ 13,309	\$ 1,200,225	\$ -
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				
Total general revenues				
Transfers				
Changes in net position				
Net position, beginning of year, restated				
Net position, end of year				

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Position
Primary Government

Governmental Activities	Business-Type Activities	Total	Component Units
\$ (19,304,004)	\$ -	\$ (19,304,004)	\$ -
(7,755,118)	-	(7,755,118)	-
(3,737,762)	-	(3,737,762)	-
(1,165,442)	-	(1,165,442)	-
(3,844,060)	-	(3,844,060)	-
(7,679,980)	-	(7,679,980)	-
752,643	-	752,643	-
(9,495,500)	-	(9,495,500)	-
(618,738)	-	(618,738)	-
<u>(52,847,961)</u>	<u>-</u>	<u>(52,847,961)</u>	<u>-</u>
-	(111,938)	(111,938)	-
<u>(52,847,961)</u>	<u>(111,938)</u>	<u>(52,959,899)</u>	<u>-</u>
			(105,023)
			<u>26,468</u>
			<u>(78,555)</u>
46,924,802	-	46,924,802	-
4,285,414	-	4,285,414	-
527,014	-	527,014	-
66,301	-	66,301	-
1,558,330	-	1,558,330	-
930,986	-	930,986	-
1,450,873	-	1,450,873	-
3,200,405	-	3,200,405	-
7,306	-	7,306	-
147,401	-	147,401	-
1,263,537	-	1,263,537	56,633
<u>60,362,369</u>	<u>-</u>	<u>60,362,369</u>	<u>56,633</u>
<u>(145,460)</u>	<u>145,460</u>	<u>-</u>	<u>-</u>
7,368,948	33,522	7,402,470	(21,922)
94,212,408	2,308,405	96,520,813	1,527,058
<u>\$ 101,581,356</u>	<u>\$ 2,341,927</u>	<u>\$ 103,923,283</u>	<u>\$ 1,505,136</u>

County of Scott, Iowa

Balance Sheet
 Governmental Funds
 As of June 30, 2014

	General	Mental Health/ Development Disabilities
Assets		
Cash and investments	\$ 16,413,680	\$ 4,405,442
Restricted cash and investments	207,617	-
Receivables, net of allowance for uncollectibles:		
Property taxes, net of allowance for collection losses	40,893,862	3,317,559
Accrued interest	7,755	-
Accounts	171,085	1,165
Loans	-	-
Notes	58,777	-
Prepays	131,406	-
Due from other governmental agencies	1,453,387	-
Total assets	\$ 59,337,569	\$ 7,724,166
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities:		
Accounts payable	\$ 1,022,501	\$ 2,426,115
Claims payable	45,714	-
Accrued liabilities	1,432,255	13,842
Unearned revenue	232,541	-
Total liabilities	2,733,011	2,439,957
Deferred Inflows of Resources:		
Unavailable revenue	304,233	9,264
Unearned revenue	40,793,659	3,308,032
Total deferred resources of inflows	41,097,892	3,317,296
Fund balances:		
Nonspendable	190,183	-
Restricted	1,153,164	1,966,913
Assigned	4,330,680	-
Unassigned	9,832,639	-
Total fund balances	15,506,666	1,966,913
Total liabilities, deferred inflows of resources, and fund balances	\$ 59,337,569	\$ 7,724,166

See Notes to Basic Financial Statements

Secondary Roads	Scott Emergency Communication Center	Public Safety Authority	Debt Service	Nonmajor Governmental Funds	Total
\$ 3,246,504	\$ 3,345,764	\$ -	\$ 1,415,623	\$ 9,507,465	\$ 38,334,478
-	-	17,609,296	-	-	17,816,913
-	-	-	2,892,208	2,813,175	49,916,804
-	-	-	-	-	7,755
-	-	-	213,387	-	385,637
-	-	-	280,000	-	280,000
-	-	-	-	-	58,777
-	-	-	-	-	131,406
247,959	-	-	-	9,298	1,710,644
<u>\$ 3,494,463</u>	<u>\$ 3,345,764</u>	<u>\$ 17,609,296</u>	<u>\$ 4,801,218</u>	<u>\$ 12,329,938</u>	<u>\$ 108,642,414</u>
\$ 236,351	\$ 79,505	\$ -	\$ -	\$ 294,111	\$ 4,058,583
-	-	-	-	-	45,714
108,825	180,904	-	-	-	1,735,826
-	-	-	-	-	232,541
<u>345,176</u>	<u>260,409</u>	<u>-</u>	<u>-</u>	<u>294,111</u>	<u>6,072,664</u>
-	-	-	9,326	7,493	330,316
-	-	-	2,882,665	2,805,489	49,789,845
-	-	-	2,891,991	2,812,982	50,120,161
-	-	-	-	-	190,183
3,149,287	3,085,355	17,609,296	1,909,227	203,343	29,076,585
-	-	-	-	9,019,502	13,350,182
-	-	-	-	-	9,832,639
<u>3,149,287</u>	<u>3,085,355</u>	<u>17,609,296</u>	<u>1,909,227</u>	<u>9,222,845</u>	<u>52,449,589</u>
<u>\$ 3,494,463</u>	<u>\$ 3,345,764</u>	<u>\$ 17,609,296</u>	<u>\$ 4,801,218</u>	<u>\$ 12,329,938</u>	<u>\$ 108,642,414</u>

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County of Scott, Iowa

**Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
As of June 30, 2014**

Total governmental fund balances \$ 52,449,589

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

Land	\$	4,424,944	
Construction-in-progress		1,078,564	
Buildings		73,663,913	
Improvements other than buildings		7,659,654	
Infrastructure		91,615,815	
Intangibles - software		3,250,643	
Machinery and equipment		35,605,055	
Accumulated depreciation and amortization		<u>(110,593,801)</u>	106,704,787

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

Delinquent Tax			120,316
Local Option Sales Tax			210,000

Internal service funds are used by management to charge costs associated with self-insured health insurance. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position is:

2,615,782

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		(330,680)	
Compensated absences		(2,907,805)	
Other post employment benefits obligation		(373,301)	
Accrued interest payable		(170,857)	
Notes payable		(9,162,443)	
Bond premium		(464,032)	
Revenue bonds payable		(36,340,000)	
General obligation bonds payable		<u>(10,770,000)</u>	(60,519,118)
Net position of governmental activities			<u><u>\$ 101,581,356</u></u>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2014

	General	Mental Health/ Development Disabilities
Revenues:		
Property taxes	\$ 38,071,785	\$ 3,104,170
Local option sales tax	4,268,291	-
Other taxes	1,344,081	108,229
Interest and penalties on taxes	930,986	-
Intergovernmental	4,309,607	5,801,361
Charges for services	5,534,073	117,893
Investment earnings	94,698	-
Licenses and permits	773,502	-
Rentals and fees	80,591	-
Other	978,032	75,278
Total revenues	56,385,646	9,206,931
Expenditures:		
Current:		
Public safety and legal services	20,580,553	-
Physical health and social services	5,381,859	-
Mental health	178,405	6,851,842
County environment and education	3,836,726	-
Roads and transportation	-	-
Government services to residents	2,202,471	-
Administration	9,598,011	-
Capital outlay	300,134	-
Debt service		
Principal	-	-
Interest and fees	-	-
Total Expenditures	42,078,159	6,851,842
Excess (deficiency) of revenues over expenditures	14,307,487	2,355,089
Other financing sources (uses):		
Transfers in	20,000	-
Transfers out	(13,875,662)	-
Proceeds from sale of capital assets	-	-
Total other financing sources (uses)	(13,855,662)	-
Net change in fund balances	451,825	2,355,089
Fund balances (deficit), beginning of year	15,054,841	(388,176)
Fund balances, end of year	\$ 15,506,666	\$ 1,966,913

See Notes to Basic Financial Statements.

Secondary Roads	Scott Emergency Communication Center	Public Safety Authority	Debt Service	Nonmajor Governmental Funds	Total
\$ -	\$ -	\$ -	\$ 3,142,930	\$ 2,602,067	\$ 46,920,952
-	-	-	-	-	4,268,291
-	-	-	103,874	595,460	2,151,644
-	-	-	-	-	930,986
3,391,288	144,304	-	1,404,129	112,667	15,163,356
27,589	-	-	-	31,042	5,710,597
-	-	48,066	-	275	143,039
7,570	-	-	-	-	781,072
-	-	-	-	-	80,591
24,075	8,319	-	-	16,359	1,102,063
3,450,522	152,623	48,066	4,650,933	3,357,870	77,252,591
-	6,128,191	-	-	-	26,708,744
-	-	-	-	-	5,381,859
-	-	-	-	-	7,030,247
-	-	-	-	551,588	4,388,314
4,528,796	-	-	-	-	4,528,796
-	-	-	-	-	2,202,471
-	-	-	-	-	9,598,011
1,064,897	-	-	-	2,652,217	4,017,248
-	476,240	1,300,000	1,685,000	-	3,461,240
-	443,893	1,171,149	565,803	-	2,180,845
5,593,693	7,048,324	2,471,149	2,250,803	3,203,805	69,497,775
(2,143,171)	(6,895,701)	(2,423,083)	2,400,130	154,065	7,754,816
2,971,719	7,291,323	2,135,000	-	5,543,879	17,961,921
-	-	-	(2,135,000)	(2,246,719)	(18,257,381)
-	-	-	-	80,883	80,883
2,971,719	7,291,323	2,135,000	(2,135,000)	3,378,043	(214,577)
828,548	395,622	(288,083)	265,130	3,532,108	7,540,239
2,320,739	2,689,733	17,897,379	1,644,097	5,690,737	44,909,350
\$ 3,149,287	\$ 3,085,355	\$ 17,609,296	\$ 1,909,227	\$ 9,222,845	\$ 52,449,589

County of Scott, Iowa

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014**

Net change in fund balances - governmental funds	\$	7,540,239
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>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:</p>		
Capital outlay capitalized		2,889,454
Depreciation		
Public safety and legal services	\$ (1,442,158)	
Public safety and legal services - SECC	(1,944,478)	
Physical health and social services	(27,719)	
Mental health	(48,034)	
County environment and education	(703,640)	
Roads and transportation	(3,234,825)	
Governmental services to residents	(11,489)	
Administration	<u>(545,821)</u>	(7,958,164)
Book value of capital assets retired, net of \$132,551 proceeds		(76,583)
Capital contribution		956,263
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		20,974
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities		282,860
<p>The issuance of long-term debt (e.g. bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following is a detail of the net effect of these differences in the treatment of long-term debt and related items:</p>		
Repayment of bond principal		3,461,240
Interest expense		10,172
Amortization of bond premium		96,721
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:</p>		
Change in claims payable		53,261
Change in compensated absences		64,773
Change in other post employment benefits obligation		27,738
Change in net position of governmental activities	\$	<u>7,368,948</u>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Net Position
 Proprietary Funds
 As of June 30, 2014

	Business-Type Activities Enterprise Fund - Golf Course	Governmental Activities Internal Service Funds
Assets		
Current assets:		
Cash and investments	\$ 256,233	\$ 2,967,542
Receivables, accounts	66,203	-
Prepays	-	94,600
Inventories	2,638	-
Total current assets	325,074	3,062,142
Noncurrent assets:		
Capital assets:		
Land	1,556,336	-
Buildings	577,483	-
Improvements other than buildings	244,081	-
Machinery and equipment	1,505,142	-
Less accumulated depreciation	(1,714,144)	-
Total capital assets	2,168,898	-
Total noncurrent assets	2,168,898	-
Total assets	\$ 2,493,972	\$ 3,062,142
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 35,060	\$ 10,015
Claims payable	-	436,345
Accrued liabilities	40,783	-
Unearned revenue	27,622	-
Compensated absences	18,730	-
Total current liabilities	122,195	446,360
Noncurrent liabilities		
Compensated absences	29,850	-
Total noncurrent liabilities	29,850	-
Total liabilities	152,045	446,360
Net Position:		
Investment in capital assets	2,168,898	-
Unrestricted	173,029	2,615,782
Total net position	2,341,927	2,615,782
Total liabilities and net position	\$ 2,493,972	\$ 3,062,142

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Funds
 For the Year Ended June 30, 2014

	Business-Type Activities <u>Enterprise Fund - Golf Course</u>	Governmental Activities <u>Internal Service Funds</u>
Operating revenues:		
Charges for services	\$ 785,195	\$ 5,852,577
Sales, net of cost of goods sold of \$76,609	115,880	-
Other	797	8,616
Total operating revenues	<u>901,872</u>	<u>5,861,193</u>
Operating expenses:		
Personnel	616,588	-
Depreciation	64,228	-
Claims and administrative charges	-	5,732,695
Other	332,994	-
Total operating expenses	<u>1,013,810</u>	<u>5,732,695</u>
Operating income (loss)	<u>(111,938)</u>	<u>128,498</u>
Nonoperating revenues:		
Investment earnings	-	4,362
Total nonoperating revenues	<u>-</u>	<u>4,362</u>
Income (loss) before transfers	(111,938)	132,860
Transfers in	<u>145,460</u>	<u>150,000</u>
Change in net position	33,522	282,860
Total net position, beginning of year	2,308,405	2,332,922
Total net position, end of year	<u>\$ 2,341,927</u>	<u>\$ 2,615,782</u>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended June 30, 2014

	Business-Type Activities Enterprise Fund - Golf Course	Governmental Activities Internal Service Funds
Cash flows from operating activities:		
Cash received from customers	\$ 893,983	\$ 5,852,577
Customer deposits paid	558	-
Refunds from outside sources	-	8,616
Cash payments to suppliers for goods and services	(327,624)	(5,871,130)
Cash payments to employees for services	(616,589)	-
Net cash from operating activities	<u>(49,672)</u>	<u>(9,937)</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets	(18,500)	-
Net cash from capital and related financing activities	<u>(18,500)</u>	<u>-</u>
Cash flows from noncapital financing activities		
Transfers	145,460	150,000
Net cash from noncapital financing activities	<u>145,460</u>	<u>150,000</u>
Cash flows from investing activities, interest received	-	4,362
Net increase in cash and cash equivalents	77,288	144,425
Cash and cash equivalents:		
Beginning	178,945	2,823,117
Ending	<u>\$ 256,233</u>	<u>\$ 2,967,542</u>
Reconciliation of operating income (loss) to net cash from operating activities:		
Operating income (loss)	\$ (111,938)	\$ 128,498
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Depreciation	64,228	-
Changes in assets and liabilities:		
Receivables	(7,890)	(94,600)
Inventories	7,260	-
Accounts payable	(2,732)	5,727
Claims payable	-	(49,562)
Accrued compensation	981	-
Compensated absences	(139)	-
Customer deposits	558	-
Net cash from operating activities	<u>\$ (49,672)</u>	<u>\$ (9,937)</u>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Assets and Liabilities

Agency Funds

As of June 30, 2014

Assets

Cash and investments	\$	9,976,919
Receivables:		
Property taxes		<u>240,470,934</u>
Total assets	\$	<u><u>250,447,853</u></u>

Liabilities

Accounts payable	\$	449,185
Due to other governmental agencies		249,521,522
Due to private individuals		<u>477,146</u>
Total liabilities	\$	<u><u>250,447,853</u></u>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Net Position
Discretely Presented Component Units
As of June 30, 2014

	Emergency Management		
	Agency	County Library	Total
Assets			
Current assets:			
Cash and investments	\$ 255,724	\$ 322,772	\$ 578,496
Due from other governmental agencies	2,594	-	2,594
Total current assets	258,318	322,772	581,090
Noncurrent assets:			
Other post employment benefits asset	-	3,691	3,691
Capital assets:			
Land	-	16,600	16,600
Buildings	-	1,131,866	1,131,866
Machinery and Equipment	623,066	205,995	829,061
Accumulated depreciation	(418,321)	(492,510)	(910,831)
Total capital assets, net	204,745	861,951	1,066,696
Total noncurrent assets	204,745	865,642	1,070,387
Total assets	\$ 463,063	\$ 1,188,414	\$ 1,651,477
Liabilities and Net Position			
Current liabilities:			
Accounts payable	\$ 177	\$ 22,123	\$ 22,300
Accrued liabilities	2,228	37,761	39,989
Compensated absences	5,323	22,180	27,503
Total current liabilities	7,728	82,064	89,792
Noncurrent liabilities:			
Compensated absences	13,004	40,121	53,125
Other post employment benefits obligation	3,424	-	3,424
Total noncurrent liabilities	16,428	40,121	56,549
Total liabilities	24,156	122,185	146,341
Net Position:			
Net investment in capital assets	204,745	861,951	1,066,696
Unrestricted	234,162	204,278	438,440
Total net position	438,907	1,066,229	1,505,136
Total liabilities and net position	\$ 463,063	\$ 1,188,414	\$ 1,651,477

See Notes to Basic Financial Statements.

County of Scott, Iowa

Combining Statement of Activities
Discretely Presented Component Units
For the Year Ended June 30, 2014

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Sales and Services	Operating Grants and Contributions	Emergency Management Agency	County Library	Total
Emergency Management Agency						
Public safety and legal services	\$ 182,023	\$ -	\$ 77,000	\$ (105,023)	\$ -	\$ (105,023)
County Library						
County environment and education	1,110,066	13,309	1,123,225	-	26,468	26,468
Total component units	\$ 1,292,089	\$ 13,309	\$ 1,200,225	(105,023)	26,468	(78,555)
General Revenues						
Miscellaneous				53,966	2,667	56,633
Total general revenues				53,966	2,667	56,633
Changes in net position				(51,057)	29,135	(21,922)
Net Position, beginning of year				489,964	1,037,094	1,527,058
Net Position, end of year				\$ 438,907	\$ 1,066,229	\$ 1,505,136

See Notes to Basic Financial Statements

County of Scott, Iowa

Notes To Basic Financial Statements As of and for the Year Ended June 30, 2014

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

Nature of operations:

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

Financial reporting entity:

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

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

County of Scott, Iowa

**Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2014**

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

Blended Component Units:

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

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

Discretely Presented Component Units:

Emergency Management Agency: The Scott County Emergency Management Commission provides direction for the delivery of the emergency management services of planning, administration, coordination, training and support for 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, including significant fiscal dependence from Scott County. The Code of Iowa provides for circumstances whereby the Commission can create a potential financial burden or benefit on the County. The agency does not issue separate financial statements.

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

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2014

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

Basis of presentation:

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

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

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

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

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

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

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

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2014

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

The County has the following fund types:

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

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

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

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

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

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

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

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2014

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

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

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

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

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

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

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

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

The following is the County's major Enterprise Fund:

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

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

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

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

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2014

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Measurement focus and basis of accounting:

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

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2014

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

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

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

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

Property taxes are recognized as a receivable at the time an enforceable legal claim is established. This is determined to occur when the budget is certified and approved by the state of Iowa. The current tax levy recognized in revenue was certified in May 2013, based on the 2012 assessed valuations. These taxes are due in two installments, on September 30 and March 31, with a 1.5 percent per month penalty for delinquent payment.

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

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

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

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2014

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

Significant accounting policies:

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

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

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

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

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

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

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

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

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

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

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2014

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

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

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

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

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

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

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

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

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

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

County of Scott, Iowa

**Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2014**

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

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

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

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

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

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

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

County of Scott, Iowa

Notes To Basic Financial Statements As of and for the Year Ended June 30, 2014

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

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

The County has adopted a fund balance policy for all governmental funds as follows: General Fund unassigned fund balance is to exceed 15% of annual operating expenses; Secondary Roads Fund restricted fund balances is to be between 5% and 10% of annual operating expenses; Mental Health / Developmental Disabilities Fund is restricted with no minimum balance; Debt Service Fund is to exceed a \$25,000 minimum balance and Rural Services Fund is to exceed \$25,000 minimum balance. As of June 30, 2014, the Secondary Roads Fund had fund balance restrictions of 56%. The Secondary Roads Fund exceeded the policy for a planned fiscal year 2015 building improvement plan. The General Fund, Mental Health / Developmental Disabilities Fund, Debt Service Fund, and Rural Services Fund are in compliance with the fund balance policy.

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

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

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

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

County of Scott, Iowa

**Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2014**

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

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

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

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

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

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

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

In addition, the County Board must appropriate, by resolution, the budgets for each of the different County offices and departments. Emphasis is placed on monitoring budgets at the departmental level by major class of expenditures, rather than by line item expenditure. County management can approve budget shifts within the major classes but not between major classes. During the year, there were two budget amendments adopted in March 2014 and May 2014.

Scott Emergency Communications Center did not budget for capital in fiscal year 2014. Additionally there were no amendments to the 2014 budget. The legal level of control is at the entity level. The Public Safety Authority did not adopt a budget in fiscal year 2014.

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2014

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

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

Note 2. Deposits and Investments

As of June 30, 2014, the County's cash and investments were as follows:

Cash on hand and deposits with financial institutions	\$ 41,558,253
Restricted cash and investments with financial institutions	17,816,913
Cash on hand and deposits with financial institutions, discretely presented component units	578,496
Cash on hand and deposits with financial institutions, agency funds	9,976,919
	<u>\$ 69,930,581</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, 2014, the County had the following investments subject to interest rate risk:

<u>Investments</u>	<u>Less than 1</u>	<u>1-5</u>	<u>Total</u>
US Treasury - Notes	\$ 17,603,161	\$ -	\$ 17,603,161

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, 2014, the County did not have any investments subject to credit risk.

Custodial credit risk: For deposits, this is the risk that in the event of bank failure, the County's deposits may not be returned to it. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Chapter 12C of the Code of Iowa requires all County funds be deposited into an approved depository and be either insured or collateralized. As of June 30, 2014, the County did not have any investments exposed to custodial credit risk. There were no deposits exposed to custodial credit risk.

County of Scott, Iowa

**Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2014**

Note 3. Interfund Transfers

The following is a schedule of interfund transfers:

	<u>Transfers In</u>	<u>Transfer Out</u>
Governmental activities:		
Major governmental funds:		
General	\$ 20,000	\$ 13,875,662
Scott emergency communication center	7,291,323	-
Public safety authority	2,135,000	-
Debt service	-	2,135,000
Secondary roads	2,971,719	-
Nonmajor governmental funds:		
Capital projects	5,543,879	-
Rural services	-	2,226,719
Recorders management fees	-	20,000
Internal service fund		
Health insurance	150,000	-
Total governmental activities	<u>18,111,921</u>	<u>18,257,381</u>
Business-type activities		
Nonmajor enterprise fund:		
Golf course	145,460	-
Total Transfers	<u>\$ 18,257,381</u>	<u>\$ 18,257,381</u>

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

Note 4. Note Receivable

The County issued a note to Greater Davenport Redevelopment Corporation (GDRC) for the purpose of funding operating expenses. During 2008, the County modified the agreement, which increased the principal amount to \$116,175 and decreased the interest rate to 0 percent. The note is due upon the sale or conveyance by GDRC of any lot or parcel at a rate of \$688.75 per acre sold. As of June 30, 2014, the outstanding balance was \$58,777 and there are approximately 85 acres to be sold.

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

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2014

Note 5. Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2014:

Governmental Activities	Balance June 30, 2013*	Additions	Deletions	Balance June 30, 2014
Capital assets not being depreciated				
Land	\$ 4,424,944	\$ -	\$ -	\$ 4,424,944
Construction in progress	<u>4,984,123</u>	<u>1,595,798</u>	<u>5,501,357</u>	<u>1,078,564</u>
Total Capital Assets Not Being Depreciated	<u>9,409,067</u>	<u>1,595,798</u>	<u>5,501,357</u>	<u>5,503,508</u>
Capital assets being depreciated and amortized				
Buildings	72,955,632	727,269	(18,988)	73,663,913
Improvements other than buildings	7,585,845	73,809	-	7,659,654
Infrastructure	88,915,629	2,700,186	-	91,615,815
Intangible - software	18,000	3,232,643	-	3,250,643
Machinery and equipment	<u>35,140,842</u>	<u>1,017,369</u>	<u>(553,156)</u>	<u>35,605,055</u>
Total Capital Assets Being Depreciated	<u>204,615,948</u>	<u>7,751,276</u>	<u>(572,144)</u>	<u>211,795,080</u>
Less: accumulated depreciation and amortization for				
Buildings	24,240,578	1,914,393	(9,332)	26,145,639
Improvements other than buildings	3,069,593	375,460	-	3,445,053
Infrastructure	56,336,143	2,725,951	-	59,062,094
Intangible - software	18,000	377,679	-	395,679
Machinery and equipment	<u>19,466,884</u>	<u>2,564,681</u>	<u>(486,229)</u>	<u>21,545,336</u>
Total Accumulated Depreciation and Amortization	<u>103,131,198</u>	<u>7,958,164</u>	<u>(495,561)</u>	<u>110,593,801</u>
Total Capital Assets Being Depreciated and Amortized	<u>101,484,750</u>	<u>(206,888)</u>	<u>(76,583)</u>	<u>101,201,279</u>
Governmental Activities				
Capital Assets, Net of Depreciation	<u>\$ 110,893,817</u>	<u>\$ 1,388,910</u>	<u>\$ 5,424,774</u>	<u>\$ 106,704,787</u>

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2014

Note 5. Capital Assets (Continued)

Business-Type Activities	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Capital assets not being depreciated				
Land	\$ 1,556,336	\$ -	\$ -	\$ 1,556,336
Total Capital Assets Not Being Depreciated	<u>1,556,336</u>	<u>-</u>	<u>-</u>	<u>1,556,336</u>
Capital assets being depreciated				
Buildings	577,483	-	-	577,483
Improvements other than buildings	244,081	-	-	244,081
Machinery and equipment	1,554,487	18,500	(67,845)	1,505,142
Total Capital Assets Being Depreciated	<u>2,376,051</u>	<u>18,500</u>	<u>(67,845)</u>	<u>2,326,706</u>
Less: accumulated depreciation for				
Buildings	270,322	10,302	-	280,624
Improvements other than buildings	199,674	4,441	-	204,115
Machinery and equipment	1,247,766	36,160	(54,521)	1,229,405
Total Accumulated Depreciation	<u>1,717,762</u>	<u>50,903</u>	<u>(54,521)</u>	<u>1,714,144</u>
Total Capital Assets Being Depreciated	<u>658,289</u>	<u>(32,403)</u>	<u>(13,324)</u>	<u>612,562</u>
Business-Type Activities				
Capital Assets, Net of Depreciation	<u>\$ 2,214,625</u>	<u>\$ (32,403)</u>	<u>\$ (13,324)</u>	<u>\$ 2,168,898</u>

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

Discretely Presented Component Units	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Capital assets not being depreciated				
Land	\$ 16,600	\$ -	\$ -	\$ 16,600
Total Capital Assets Not Being Depreciated	<u>16,600</u>	<u>-</u>	<u>-</u>	<u>16,600</u>
Capital assets being depreciated				
Buildings	1,131,866	-	-	1,131,866
Machinery and equipment	829,061	-	-	829,061
Total Capital Assets Being Depreciated	<u>1,960,927</u>	<u>-</u>	<u>-</u>	<u>1,960,927</u>
Less: accumulated depreciation for				
Buildings	277,654	30,211	-	307,865
Machinery and equipment	529,122	73,844	-	602,966
Total Accumulated Depreciation	<u>806,776</u>	<u>104,055</u>	<u>-</u>	<u>910,831</u>
Total Capital Assets Being Depreciated	<u>1,154,151</u>	<u>(104,055)</u>	<u>-</u>	<u>1,050,096</u>
Total Governmental Activities				
Capital Assets, Net of Depreciation	<u>\$ 1,170,751</u>	<u>\$ (104,055)</u>	<u>\$ -</u>	<u>\$ 1,066,696</u>

* Some beginning balances have been reclassified due to the County's implementation of ERP financial software asset conversion

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2014

Note 5. Capital Assets (Continued)

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

Governmental Activities:	
Public safety and legal services	\$ 1,442,158
Public safety and legal services - SECC	1,944,478
Physical health and social services	27,719
Mental health	48,034
County environment and education	703,640
Roads and transportation	3,234,825
Governmental services to residents	11,489
Administration	<u>545,821</u>
Total Governmental Activities Depreciation Expense	<u>\$ 7,958,164</u>
Business-Type activities, golf course	<u>\$ 50,903</u>
Discretely Presented Component Units:	
Emergency Management Agency	\$ 70,130
County Library	<u>33,925</u>
Total Discretely Presented Component Units Depreciation Expense	<u>\$ 104,055</u>

Note 6. Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2014:

	Balance June 30, 2013 *	Additions	Deletions	Balance June 30, 2014	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 12,455,000	\$ -	\$ 1,685,000	\$ 10,770,000	\$ 1,440,000
Revenue bonds	37,640,000	-	1,300,000	36,340,000	18,665,000
Deduct deferred amount for:					
Premium	<u>560,574</u>	<u>-</u>	<u>96,542</u>	<u>464,032</u>	<u>-</u>
Subtotal for bonds	<u>50,655,574</u>	<u>-</u>	<u>3,081,542</u>	<u>47,574,032</u>	<u>20,105,000</u>
Other Liabilities:					
Compensated absences	2,972,577	2,302,532	2,367,304	2,907,805	1,737,756
Note Payable	9,638,683	-	476,240	9,162,443	491,240
Other post employment benefits	401,039	116,390	144,128	373,301	-
Claims payable	<u>879,356</u>	<u>5,341,754</u>	<u>5,408,371</u>	<u>812,739</u>	<u>714,739</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 64,547,229</u>	<u>\$ 7,760,676</u>	<u>\$ 11,477,585</u>	<u>\$ 60,830,320</u>	<u>\$ 23,048,735</u>

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2014

Note 6. Long-Term Liabilities (Continued)

	Balance June 30, 2013	Additions	Retirements	Balance June 30, 2014	Due Within One Year
Business-Type Activities:					
Other Liabilities:					
Compensated absences	\$ 48,719	\$ 29,557	\$ 29,696	\$ 48,580	\$ 18,730
	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014	Due Within One Year
Discretely Presented Component					
Units Activities:					
Other Liabilities:					
Compensated absences	\$ 83,267	\$ 69,057	\$ 71,696	\$ 80,628	\$ 27,503
Other post employment benefits	(1,010)	743	-	(267)	-
Total Discretely Presented Component					
Units Long-Term Liabilities	<u>\$ 82,257</u>	<u>\$ 69,800</u>	<u>\$ 71,696</u>	<u>\$ 80,361</u>	<u>\$ 27,503</u>

* Some beginning balances have been restated due to the County's implementation of GASB #65. See Note 17 – Restatement for further details.

General Obligation Bonds

General obligation bonds outstanding as of June 30, 2014 consist of \$280,000 of solid waste refunding bonds with interest rates ranging from 3.6 percent to 3.8 percent, \$580,000 of general obligation geographic information systems bonds with interest at rates ranging from 4.0 percent to 4.1 percent, \$8,650,000 of general obligation emergency equipment bonds with interest at rates ranging from 1.5 percent to 5.8 percent, and \$1,260,000 of urban renewal refunding bonds with interest at rates ranging from 2.5 percent to 3.0%.

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 bonds are due in annual installments of \$280,000 to \$555,000 through 2015 at interest rates from 3.6 percent to 3.8 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 \$275,000 to \$295,000 through 2016 at interest rates from 4.0 percent to 4.1 percent.

On December 17, 2009, the County issued \$10,445,000 in General Obligation Emergency Equipment Bonds, Series 2009A. The bonds were issued to finance the acquisition of emergency equipment and related costs. The bonds are due in annual installments of \$460,000 to \$720,000 through 2029 at interest rates from 1.5 percent to 5.8 percent.

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

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2014

Note 6. Long-Term Liabilities (Continued)

General Obligation Bonds (Continued)

The debt service requirements on the general obligation bonds outstanding as of June 30, 2014 are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,440,000	\$ 506,965	\$ 1,946,965
2016	1,195,000	456,325	1,651,325
2017	925,000	412,430	1,337,430
2018	505,000	378,800	883,800
2019	515,000	356,580	871,580
2020-2024	2,835,000	1,390,020	4,225,020
2025-2029	<u>3,355,000</u>	<u>584,520</u>	<u>3,939,520</u>
Total	<u>\$ 10,770,000</u>	<u>\$ 4,085,640</u>	<u>\$ 14,855,640</u>

The computation of the County's legal margin as of June 30, 2014 is as follows:

2012 assessed valuation	\$ 12,343,186,444
Less military exemption	<u>(17,370,896)</u>
Total assessed value	<u>\$ 12,325,815,548</u>
Debt limit, 5% of assessed valuation (Iowa statutory limitation)	\$ 616,290,777
Total amount of debt applicable to debt margin	<u>(47,110,000)</u>
Legal debt margin	<u>\$ 569,180,777</u>

Revenue Bonds

Revenue bonds outstanding as of June 30, 2014 consist of \$18,665,000 of Jail Lease Revenue bonds with interest rates ranging from 3.75 percent to 4.375 percent and \$17,675,000 of Jail Lease Refunding bonds ranging from 1.60 percent to 2.00 percent.

On February 13, 2006, the Public Safety Authority, a blended 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.

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

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

County of Scott, Iowa

Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2014

Note 6. Long-Term Liabilities (Continued)

Revenue Bonds (Continued)

On December 27, 2012, the Public Safety Authority issued \$9,750,000 in Jail Facilities Revenue Refunding Bonds with an average interest rate of 1.797% to advance refund \$9,440,000 of 2006 Jail Facilities Revenue outstanding bonds with an average interest rate of 4.29%. The net proceeds of \$9,804,614 (after payment of \$119,175 in underwriting fees, insurance and other issuance costs and a reoffering premium of \$175,885) were used to purchase U.S. government securities. Those securities were deposited in an account to provide for future debt service payments on the new bonds until the crossover date. The bonds are not considered to be defeased and the liability for those bonds as well as the escrow account are recorded in the financial statements. This type of advance refunding is commonly called a crossover refunding. The cross refunding is scheduled for June 2015.

On January 9, 2013, the Public Safety Authority issued \$7,925,000 in Jail Facilities Revenue Refunding Bonds with an average interest rate of 2.00% to advance refund \$7,875,000 of 2006 Jail Facilities Revenue outstanding bonds with an average interest rate of 4.04%. The net proceeds of \$8,204,564 (after payment of \$99,563 in underwriting fees, insurance and other issuance costs and a reoffering premium of \$382,866) were used to purchase U.S. government securities. Those securities were deposited in an account to provide for future debt service payments on the new bonds until the crossover date. The bonds are not considered to be defeased and the liability for those bonds as well as the escrow account are recorded in the financial statements. This type of advance refunding is commonly called a crossover refunding. The cross refunding is scheduled for June 2015.

The debt service requirements on the revenue bonds outstanding as of June 30, 2014 are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 18,665,000	\$ 1,111,123	\$ 19,776,123
2016	1,615,000	335,618	1,950,618
2017	1,650,000	303,317	1,953,317
2018	1,665,000	270,318	1,935,318
2019	1,705,000	237,017	1,942,017
2020-2024	9,115,000	663,388	9,778,388
2025	1,925,000	33,687	1,958,687
Total	<u>\$ 36,340,000</u>	<u>\$ 2,954,468</u>	<u>\$ 39,294,468</u>

County of Scott, Iowa

**Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2014**

Note 6. Long-Term Liabilities (Continued)

Revenue Bonds (Continued)

The County has pledged as security for bonds issued by the Public Safety Authority, a blended component unit, a portion of the County's property taxes. The bonds issued by the Public Safety Authority in February 2006 in the amount of \$29,700,000 for the purpose of renovation and construction additions to existing jail facilities are payable through 2025. The bonds issued by the Public Safety Authority in December 2012 and January 2013 in the amount of \$9,750,000 and \$7,925,000, respectively, for the purposes of crossover refunding the 2006 bond issue. The County has committed to appropriate each year, from the property taxes, amount sufficient to cover the principal and interest requirements on the Public Safety Authority's debt. The Public Safety Authority has pledged as sole security for the bonds the appropriation from the County. Annual principal and interest payment on the bonds are expected to require 100% of lease payments received. Total principal and interest remaining on the debt is \$39,294,468 with annual requirements ranging from \$1,950,618 to \$2,461,122 after consideration of the crossover refunding in 2015. Property taxes, from which the appropriations will be made, have been equal to the principal and interest amount owed per year before consideration of restricted assets for the cross over refunding. For the current year, principal and interest paid by the Public Safety Authority and the total property taxes recognized by the County were \$2,135,000 each.

Notes Payable

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

During 2010, the SECC acquired equipment from the City of Davenport by issuing a note payable with no interest to the City in the amount of \$862,403 payable in equal annual installments from 2011 through 2020.

The debt service requirements on the notes payable outstanding as of June 30, 2014 are as follows:

Year Ending June 30	City of Davenport SECC Note			City of Davenport GO Note		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 86,240	\$ -	\$ 86,240	\$ 405,000	\$ 432,193	\$ 837,193
2016	86,240	-	86,240	420,000	418,827	838,827
2017	86,240	-	86,240	440,000	403,077	843,077
2018	86,240	-	86,240	460,000	385,257	845,257
2019	86,240	-	86,240	480,000	365,708	845,708
2020-2024	86,240	-	86,240	2,805,000	1,464,308	4,269,308
2025-2029	-	-	-	3,635,000	638,880	4,273,880
Total	<u>\$ 517,440</u>	<u>\$ -</u>	<u>\$ 517,440</u>	<u>\$ 8,645,000</u>	<u>\$ 4,108,250</u>	<u>\$ 12,753,250</u>

County of Scott, Iowa

**Notes To Basic Financial Statements
As of and for the Year Ended June 30, 2014**

Note 6. Long-Term Liabilities (Continued)

Other Long-Term Liabilities

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

Note 7. Retirement System

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 5.95 percent of their annual covered salary and the County is required to contribute 8.93 percent of annual covered payroll, except for sheriff deputies, in which case the percentages are 9.88 percent and 9.88 percent, respectively and conservation peace officers, in which case the percentages are 6.76 percent and 10.14 percent, respectively. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2014, 2013 and 2012 were \$2,605,252, \$2,516,323, and \$2,299,215 respectively, equal to the required contributions for each year.

County of Scott, Iowa

**Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2014**

Note 8. Other Postemployment Benefits

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

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

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2014, the County contributed \$144,128. Retiree and active members receiving benefits have required monthly contributions of:

	<u>Single</u>	<u>Family</u>
Health	\$ 474	\$ 1,293
Dental	30	89
Vision	6	15

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	\$ 123,690
Interest on net OPEB obligation	18,001
Adjustment to annual required contribution	<u>(24,558)</u>
Annual OPEB cost	117,133
Contributions and payments made	<u>(144,127)</u>
Change in net OPEB obligation	(26,994)
Net OPEB obligation - beginning of year	<u>400,028</u>
Net OPEB obligation - end of year	<u><u>\$ 373,034</u></u>

County of Scott, Iowa

Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2014

Note 8. Other Postemployment Benefits (Continued)

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

<u>Year Ending June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2012	\$ 161,349	65.1%	\$ 353,289
2013	117,899	60.4%	400,029
2014	117,133	123.0%	373,034

Funded status and funding progress: As of January 1, 2013, the most recent valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$1,076,019 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UML) of \$1,076,019. The covered payroll (annual payroll of active employees covered by the plan) was \$24,311,861 and the ratio of the UML to the covered payroll was 4.4 percent.

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

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

In the January 1, 2013 actuarial valuation, projected unit credit method was used. The actuarial assumptions included a 4.5 percent investment rate of return, salary increases of 4 percent, health care cost trend rates of: 6 percent for year 1, 5 percent for following years; mortality rates using the 2001 CSO Mortality Table, retiree participation rate of 70 percent, an initial spouse participation rate of 50 percent and turnover rates based on Scale T-6 of the Actuary's Pension Handbook. The UML is being amortized as a level dollar amount on an open basis. The amortization of UML is done over a period of 30 years.

County of Scott, Iowa

**Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2014**

Note 9. Risk Management and Insurance

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

Self-insurance is in effect up to a stop loss amount of approximately \$300,000 per claim for general and automobile liability, \$100,000 per claim for property and \$500,000 per claim for workers' compensation. Coverage from a private insurance company is maintained for losses in excess of the aggregate stop loss amount with \$10,000,000 maximum coverage on general and automobile liability, \$105,713,674 maximum coverage on property and \$2,000,000 maximum coverage on workers' compensation. Settled claims have not exceeded the commercial coverage in any of the past three years. All claims handling procedures are performed by the County.

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

Self-insurance is in effect up to a stop loss amount of approximately \$150,000 per claim for health care. Coverage from a private insurance company is maintained for losses in excess of the aggregate stop loss amount of 125% of total claims. Settled individual claims have exceeded the commercial coverage in fiscal year 2014.

As of June 30, 2014, the amount of liabilities recorded for estimated claim settlements for general, automobile, property and workers' compensation liability claims was \$376,394 of which \$45,714 was recorded in the General Fund. The County has assigned \$330,680 of General Fund balance for payment of future claims liability.

County of Scott, Iowa

Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2014

Note 9. Risk Management and Insurance (Continued)

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

	2014	2013
Claims payable, beginning of year	\$ 393,449	\$ 398,656
Claims expense and change in reserve	259,869	213,255
Claims payments	<u>(276,924)</u>	<u>(218,462)</u>
Claims payable, end of year	<u>\$ 376,394</u>	<u>\$ 393,449</u>

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

	2014	2013
Claims payable, beginning of year	\$ 485,907	\$ 490,837
Claims expense and change in reserve	5,081,885	4,605,993
Claims payments	<u>(5,131,447)</u>	<u>(4,610,923)</u>
Claims payable, end of year	<u>\$ 436,345</u>	<u>\$ 485,907</u>

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

Note 10. Conduit Debt Obligations

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

As of June 30, 2014, there were two series of revenue bonds outstanding. The aggregate principal balance of the revenue bonds outstanding is \$14,235,000.

County of Scott, Iowa

Notes To Basic Financial Statements

As of and For the Year Ended June 30, 2014

Note 11. Scott Area Solid Waste Management Commission Agreement

In June 1995, the County issued \$7,100,000 in General Obligation County Solid Waste Disposal Bonds for which the County pledged its full faith and credit and power to levy direct general ad valorem taxes without limit as to rate or amount. On March 1, 2007, Scott County issued \$3,685,000 in General Obligation County Solid Waste Disposal Refunding Bonds, Series 2007A to refund \$3,645,000 of outstanding Scott Area Solid Waste Management Commission Solid Waste Disposal Revenue Bond, Series 1995. The net proceeds were used to call the Series 1995 Bonds. The total amount of the bonds outstanding as of June 30, 2014 is \$280,000.

The County loaned the proceeds from the sale of the bonds to the Scott Area Solid Waste Management Commission ("the Commission") for the acquisition, construction and equipping of a material recovery system, recovery facility and a new landfill ("the Project") pursuant to the Financing Agreement by and between the County and the Commission. To obligate itself under the Financing Agreement, the Commission issued a \$7,100,000 Solid Waste Disposal Revenue Bond to the County pursuant to a resolution dated April 11, 1995. The repayment of the Revenue Bond corresponds to the payment of the Bonds by the County and \$280,000 remains outstanding as of June 30, 2014.

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.

County of Scott, Iowa

Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2014

Note 12. Fund Balances

Governmental fund balances reported on the fund financial statements at June 30, 2014 are:

	General	Mental Health/ Development Disability	Secondary Roads	Debt Service
Fund Balances:				
Nonspendable				
Notes receivable	\$ 58,777	\$ -	\$ -	\$ -
Prepays	131,406	-	-	-
Subtotal Nonspendable	<u>190,183</u>	<u>-</u>	<u>-</u>	<u>-</u>
Restricted				
Debt service	-	-	-	1,909,227
County conservation				
sewage treatment	207,617	-	-	-
Secondary roads	-	-	3,149,287	-
Mental health	-	1,966,913	-	-
Emergency services	-	-	-	-
Records management fee	-	-	-	-
Rural services	-	-	-	-
Other statutory programs	945,547	-	-	-
Subtotal Restricted	<u>1,153,164</u>	<u>1,966,913</u>	<u>3,149,287</u>	<u>1,909,227</u>
Assigned				
Capital projects	3,850,000	-	-	-
Claim liabilities	330,680	-	-	-
Health claim liability	150,000	-	-	-
Subtotal Assigned	<u>4,330,680</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned	9,832,639	-	-	-
Total Fund Balances	<u>\$ 15,506,666</u>	<u>\$ 1,966,913</u>	<u>\$ 3,149,287</u>	<u>\$ 1,909,227</u>

County of Scott, Iowa

Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2014

Note 12. Fund Balances (Continued)

	Scott Emergency Communication Center	Public Safety Authority	Nonmajor Governmental	Total
Fund Balances:				
Nonspendable				
Notes receivable	\$ -	\$ -	\$ -	\$ 58,777
Prepays	-	-	-	131,406
Subtotal Nonspendable	-	-	-	190,183
Restricted				
Debt Service	-	17,609,296	-	19,518,523
County conservation				
sewage treatment	-	-	-	207,617
Secondary Roads				3,149,287
Emergency Services	3,085,355	-	-	3,085,355
Mental health	-	-	-	1,966,913
Records management fee	-	-	53,327	53,327
Rural services	-	-	150,016	150,016
Other statutory programs	-	-	-	945,547
Subtotal Restricted	3,085,355	17,609,296	203,343	29,076,585
Assigned				
Capital projects	-	-	9,019,502	12,869,502
Claim liabilities	-	-	-	330,680
Health claim liability	-	-	-	150,000
Subtotal Assigned	-	-	9,019,502	13,350,182
Unassigned	-	-	-	9,832,639
Total Fund Balances	\$ 3,085,355	\$ 17,609,296	\$ 9,222,845	\$ 52,449,589

Note 13. Litigation

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

Note 14. Commitments and Contingency

The County has financial commitments relating to future purchases of \$513,634, of which \$232,741 is within the capital projects fund and \$280,893 is within the general fund.

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

County of Scott, Iowa

Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2014

Note 15. Governmental Accounting Standards Board (GASB) Statements

The County adopted the following statements as of July 1, 2013:

- GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, issued March 2012, is effective for the County beginning with its year ending June 30, 2014. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows or inflows of resources, certain items that were previously reported as assets and liabilities. This statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. See note 16 for restatement information of net position.
- GASB Statement No. 66, *Technical Corrections - 2012- an amendment of GASB statement No. 10 and No. 62.*, issued March 2012, is effective for the County beginning with its year ending June 30, 2014. This statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASDB and AICPA Pronouncements*.
- GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, issued in April 2013, will be effective for the County beginning with its year ending June 30, 2014. This statement will enhance comparability of financial statements among governments by requiring consistent reporting by those governments that extend nonexchange financial guarantees and by those governments that receive nonexchange financial guarantees.

Note 16. Restatement

The County implemented GASB Statement Number 65, *Items Previously Reported as Assets and Liabilities* as of July 1, 2013, which requires debt issuance costs to be expensed in the period incurred. These costs were previously required to be capitalized and amortized over the life of the related debt issue. The impact to net position is as follows :

	<u>Governmental Type Activities</u>
Net Position as of June 30, 2013:	\$ 94,857,579
Elimination of Capitalized Issuance Costs	<u>(645,171)</u>
Restated Net Position as of June 30, 2013	<u>\$ 94,212,408</u>

County of Scott, Iowa

**Notes To Basic Financial Statements
As of and For the Year Ended June 30, 2014**

Note 17. Governmental Accounting Standards Board (GASB) Statements (Continued)

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

- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, issued June 2012, will be effective for the County beginning with its year ending June 30, 2015. This statement will improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pension this is provided by other entities.
- GASB Statement No. 69, *Government Combinations and Disposal of Government Operations*, issued January 2013, will be effective for the County beginning with its year ending June 30, 2015. This statement established accounting and financial reporting standards related to government combinations and disposals of government operations.
- GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date –An Amendment of GASB Statement No. 68*, issued November 2013, will be effective for the County beginning with its year ending June 30, 2015. This statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Report for Pension*.

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

County of Scott, Iowa

Required Supplementary Information
 Other Postemployment Benefit Plan
 As of and For the Year Ended June 30, 2014

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Net Position (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]
1/1/2009	\$ -	\$ 1,770,912	\$ 1,770,912	0.00%	\$20,080,910	8.82%
1/1/2011	-	1,473,922	1,473,922	0.00%	23,130,003	6.37%
1/1/2013	-	1,076,019	1,076,019	0.00%	24,311,861	4.43%

The information presented in the required supplementary schedules was determined as part of the actuarial valuation date as of January 1, 2013. Additional information follows:

- a. The cost method used to determine the ARC is the Projected Unit Credit Actuarial Cost method.
- b. There are no plan assets.
- c. The actuarial assumptions included: 1) 4.5 percent investment rate of return, 2) salary increases of 4 percent, 3) health care cost trend rates of: 6 percent for year 1, 5 percent for 2 and beyond, 4) mortality rates using the 2001 CSO Mortality Table, 5) retiree participation rate of 70 percent, 6) an initial spouse participation rate of 50 percent and 7) turnover rates based on Scale T-6 of the Actuary's Pension Handbook.
- d. The amortization method is level dollar amount on an open basis.

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

County of Scott, Iowa

Required Supplementary Information
 Budgetary Comparison Schedule
 All Governmental Funds - Primary Government
 For the Year Ended June 30, 2014

	Budget		Actual - Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Property taxes	\$ 47,438,528	\$ 47,438,528	\$ 46,920,952	\$ (517,576)
Local option sales tax	4,098,552	4,069,728	4,268,291	198,563
Other taxes	2,213,411	2,123,411	2,151,644	28,233
Interest and penalties on taxes	780,000	758,000	930,986	172,986
Intergovernmental	12,980,069	14,148,579	15,019,052	870,473
Charges for services	5,261,265	5,553,513	5,710,597	157,084
Investment earnings	142,319	100,738	94,973	(5,765)
Licenses and permits	640,470	616,070	781,072	165,002
Rentals and fees	221,671	79,821	80,591	770
Other	506,082	556,948	1,093,744	536,796
Total revenues	74,282,367	75,445,336	77,051,902	1,606,566
Expenditures				
Current:				
Public safety and legal services	28,443,433	28,879,475	27,871,876	1,007,599
Physical health and social services	5,994,227	5,951,048	5,381,859	569,189
Mental health	8,511,429	7,690,510	7,030,247	660,263
County environment and education	4,691,580	4,861,464	4,388,314	473,150
Roads and transportation	6,133,500	5,757,426	4,528,796	1,228,630
Government services to residents	2,356,813	2,509,666	2,202,471	307,195
Nonprogram Current	-	150,000	150,000	-
Administration	10,718,698	10,506,000	9,598,011	907,989
Capital outlay	5,224,945	5,115,531	4,017,248	1,098,283
Debt service	4,377,852	4,409,166	4,385,803	23,363
Total expenditures	76,452,477	75,830,286	69,554,625	6,275,661
Excess (deficiency) of revenues over expenditures	(2,170,110)	(384,950)	7,497,277	7,882,227
Other financing sources (uses):				
Transfers in	10,771,749	13,921,749	12,626,921	(1,294,828)
Transfers out	(10,771,749)	(13,921,749)	(12,772,381)	1,149,368
Proceeds from sale of capital assets	180,000	71,000	80,883	9,883
Total other financing sources (uses)	180,000	71,000	(64,577)	(135,577)
Net change in fund balances	\$ (1,990,110)	\$ (313,950)	\$ 7,432,700	\$ 7,746,650

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

County of Scott, Iowa

Required Supplementary Information
 Budgetary Comparison Schedule
 Scott Emergency Communication Center
 For the Year Ended June 30, 2014

	Budget		Actual - GAAP Basis
	Original	Final	
Revenues:			
Intergovernmental	\$ 7,446,685	\$ 7,446,685	\$ 144,304
Other	-	-	8,319
Total revenues	7,446,685	7,446,685	152,623
Expenditures			
Current:			
Public safety and legal services	6,526,552	6,526,552	6,128,191
Debt service	920,133	920,133	920,133
Total expenditures	7,446,685	7,446,685	7,048,324
Excess (deficiency) of revenues over expenditures	-	-	(6,895,701)
Other financing sources (uses):			
Transfers in	-	-	7,291,323
Total other financing sources (uses)	-	-	7,291,323
Net change in fund balances	\$ -	\$ -	\$ 395,622

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

Reclassifications	Actual - Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
\$ 7,291,323	\$ 7,435,627	\$ (11,058)
-	8,319	8,319
<u>7,291,323</u>	<u>7,443,946</u>	<u>(2,739)</u>
-	6,128,191	398,361
-	920,133	-
<u>-</u>	<u>7,048,324</u>	<u>398,361</u>
 7,291,323	 395,622	 395,622
 <u>(7,291,323)</u>	 -	 -
 <u>(7,291,323)</u>	 -	 -
 <u>\$ -</u>	 <u>\$ 395,622</u>	 <u>\$ 395,622</u>

County of Scott, Iowa

Schedule of Comparison
 Budgetary Comparison Schedule
 All Governmental Funds to Primary Government Budgeted Funds
 For the Year Ended June 30, 2014

	Governmental Fund Types Actual	Scott Emergency Communications Center Component Unit	Public Safety Authority Component Unit	Reclassifications	Actual - Budgetary Basis
Revenues:					
Property taxes	\$ 46,920,952	\$ -	\$ -	\$ -	\$ 46,920,952
Local option sales tax	4,268,291	-	-	-	4,268,291
Other taxes	2,151,644	-	-	-	2,151,644
Interest and penalties on taxes	930,986	-	-	-	930,986
Intergovernmental	15,163,356	(144,304)	-	-	15,019,052
Charges for services	5,710,597	-	-	-	5,710,597
Investment earnings	143,039	-	(48,066)	-	94,973
Licenses and permits	781,072	-	-	-	781,072
Rentals and fees	80,591	-	-	-	80,591
Other	1,102,063	(8,319)	-	-	1,093,744
Total revenues	77,252,591	(152,623)	(48,066)	-	77,051,902
Expenditures					
Current:					
Public safety and legal services	26,708,744	(6,128,191)	-	7,291,323	27,871,876
Physical health and social services	5,381,859	-	-	-	5,381,859
Mental health	7,030,247	-	-	-	7,030,247
County environment and education	4,388,314	-	-	-	4,388,314
Roads and transportation	4,528,796	-	-	-	4,528,796
Government services to residents	2,202,471	-	-	-	2,202,471
Nonprogram current	-	-	-	150,000	150,000
Administration	9,598,011	-	-	-	9,598,011
Capital outlay	4,017,248	-	-	-	4,017,248
Debt service	5,642,085	(920,133)	(2,471,149)	2,135,000	4,385,803
Total expenditures	69,497,775	(7,048,324)	(2,471,149)	9,576,323	69,554,625
Excess (deficiency) of revenues over expenditures	7,754,816	6,895,701	2,423,083	(9,576,323)	7,497,277
Other financing sources (uses):					
Transfers in	17,961,921	(7,291,323)	(2,135,000)	4,091,323	12,626,921
Transfers out	(18,257,381)	-	-	5,485,000	(12,772,381)
Proceeds from sale of capital assets	80,883	-	-	-	80,883
Total other financing sources (uses)	(214,577)	(7,291,323)	(2,135,000)	9,576,323	(64,577)
Net change in fund balances	\$ 7,540,239	\$ (395,622)	\$ 288,083	\$ -	\$ 7,432,700

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

County of Scott, Iowa

**Note to Required Supplementary Information
As of and For the Year Ended June 30, 2014**

Note 1. Budgetary Comparison Schedule

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

Formal and legal budgetary control is based upon ten major classes of disbursements known as functions, not by fund or fund type. These ten functions are: public safety and legal services, physical health and social services, mental health, County environment and education, roads and transportation, government services to residents, nonprogram current, administration, capital outlay and debt service. Function expenditures required to be budgeted do not include expenses for the enterprise fund. The legal level of control is at the aggregated function level, not at the fund or fund type level. During the year, two budget amendments decreased budgeted expenditures by \$622,191. The budget amendment was adjusted estimates of current year activity.

The Public Safety Authority did not adopt a budget in fiscal year 2014.

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

See Independent Auditors' Report.

County of Scott, Iowa

Combining Balance Sheet
 Nonmajor Governmental Funds
 As of June 30, 2014

	Special Revenue			Total
	Rural Services Fund	Recorders Management Fees Fund	Capital Projects	
Assets				
Cash and investments	\$ 149,823	\$ 53,327	\$ 9,304,315	\$ 9,507,465
Receivables:				
Property taxes	2,813,175	-	-	2,813,175
Due from other governmental agencies	-	-	9,298	9,298
Total assets	\$ 2,962,998	\$ 53,327	\$ 9,313,613	\$ 12,329,938
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities				
Accounts Payable	\$ -	\$ -	\$ 294,111	\$ 294,111
Deferred Inflows of Resources				
Unavailable revenue	7,493	-	-	7,493
Unearned revenue	2,805,489	-	-	2,805,489
Total deferred inflows of resources	2,812,982	-	-	2,812,982
Fund balances				
Restricted	150,016	53,327	-	203,343
Assigned	-	-	9,019,502	9,019,502
Total fund balance	150,016	53,327	9,019,502	9,222,845
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,962,998	\$ 53,327	\$ 9,313,613	\$ 12,329,938

County of Scott, Iowa

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2014

	Special Revenue			
	Rural Services Fund	Recorders Management		Total
		Fees Fund	Capital Projects	
Revenues:				
Property taxes	\$ 2,602,067	\$ -	\$ -	\$ 2,602,067
Other taxes	68,446	-	527,014	595,460
Intergovernmental	103,642	-	9,025	112,667
Charges for services	-	31,042	-	31,042
Investment earnings	-	91	184	275
Other	-	-	16,359	16,359
Total revenues	2,774,155	31,133	552,582	3,357,870
Expenditures:				
Current:				
County environment and education	551,588	-	-	551,588
Capital outlay	-	-	2,652,217	2,652,217
Total Expenditures	551,588	-	2,652,217	3,203,805
Excess (deficiency) of revenue over expenditures	2,222,567	31,133	(2,099,635)	154,065
Other financing uses:				
Transfers In	-	-	5,543,879	5,543,879
Transfers Out	(2,226,719)	(20,000)	-	(2,246,719)
Proceeds from sale of capital assets	-	-	80,883	80,883
Total Other Financing Sources	(2,226,719)	(20,000)	5,624,762	3,378,043
Net change in fund balances	(4,152)	11,133	3,525,127	3,532,108
Fund balances, beginning of year	154,168	42,194	5,494,375	5,690,737
Fund balances, end of year	\$ 150,016	\$ 53,327	\$ 9,019,502	\$ 9,222,845

County of Scott, Iowa

Combining Statement of Net Position
Internal Service Funds
As of June 30, 2014

	Internal Service Funds		
	Dental Insurance Fund	Health Insurance Fund	Total
Assets			
Current assets:			
Cash and investments	\$ 212,267	\$ 2,755,275	\$ 2,967,542
Prepays	-	94,600	94,600
Total current assets	212,267	2,849,875	3,062,142
Total assets	\$ 212,267	\$ 2,849,875	\$ 3,062,142
Liabilities and Net Position			
Current liabilities:			
Accounts payable	\$ 4,685	\$ 5,330	\$ 10,015
Claims payable	14,306	422,039	436,345
Total liabilities	18,991	427,369	446,360
Net Position:			
Unrestricted	193,276	2,422,506	2,615,782
Total net position	193,276	2,422,506	2,615,782
Total liabilities and net position	\$ 212,267	\$ 2,849,875	\$ 3,062,142

County of Scott, Iowa

Combining Statement of Revenues, Expenses, and Changes in Net Position
 Internal Service Funds
 For the Year Ended June 30, 2014

	Internal Service Funds		
	Dental Insurance Fund	Health Insurance Fund	Total
Operating revenues:			
Charges for services	\$ 389,629	\$ 5,462,948	\$ 5,852,577
Other	-	8,616	8,616
Total operating revenues	389,629	5,471,564	5,861,193
Operating expenses:			
Administrative charges	27,914	622,896	650,810
Claims	297,525	4,784,360	5,081,885
Total operating expenses	325,439	5,407,256	5,732,695
Operating income	64,190	64,308	128,498
Nonoperating revenues:			
Investment earnings	274	4,088	4,362
Transfer In	-	150,000	150,000
Total nonoperating revenues	274	154,088	154,362
Change in Net Position	64,464	218,396	282,860
Total Net Position, beginning of year	128,812	2,204,110	2,332,922
Total Net Position, end of year	\$ 193,276	\$ 2,422,506	\$ 2,615,782

County of Scott, Iowa

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2014

	Internal Service Funds		
	Dental Insurance Fund	Health Insurance Fund	Total
Cash flows from operating activities:			
Cash received from customers	\$ 389,629	\$ 5,462,948	\$ 5,852,577
Refunds from outside sources	-	8,616	8,616
Cash payments to suppliers for goods and services	(324,503)	(5,546,627)	(5,871,130)
Net cash from operating activities	<u>65,126</u>	<u>(75,063)</u>	<u>(9,937)</u>
Cash flows from noncapital financing activities,			
Transfer from other funds	-	150,000	150,000
Cash flows from investing activities, interest received	274	4,088	4,362
Net increase in cash and cash equivalents	<u>65,400</u>	<u>79,025</u>	<u>144,425</u>
Cash and cash equivalents:			
Beginning	146,867	2,676,250	2,823,117
Ending	<u>\$ 212,267</u>	<u>\$ 2,755,275</u>	<u>\$ 2,967,542</u>
Reconciliation of operating income to net cash			
from operating activities:			
Operating income	\$ 64,190	\$ 64,308	\$ 128,498
Adjustments to reconcile operating income to net cash			
from operating activities:			
Changes in assets and liabilities:			
Prepays	-	(94,600)	(94,600)
Accounts payable	2,387	3,340	5,727
Claims payable	(1,451)	(48,111)	(49,562)
Net cash from operating activities	<u>\$ 65,126</u>	<u>\$ (75,063)</u>	<u>\$ (9,937)</u>

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities
 All Agency Funds
 For the Year Ended June 30, 2014

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Agricultural Extension Service Fund				
Assets				
Cash and investments	\$ 5,839	\$ 494,889	\$ 495,513	\$ 5,215
Receivables, property taxes	496,204	512,313	497,090	511,427
Total assets	\$ 502,043	\$ 1,007,202	\$ 992,603	\$ 516,642
Liabilities, due to other government funds	\$ 502,043	\$ 1,007,202	\$ 992,603	\$ 516,642
Bangs Eradication Fund				
Assets				
Cash and investments	\$ 262	\$ 24,900	\$ 13,132	\$ 12,030
Receivables, property taxes	24,200	24,275	24,200	24,275
Total assets	\$ 24,462	\$ 49,175	\$ 37,332	\$ 36,305
Liabilities, due to other government funds	\$ 24,462	\$ 49,175	\$ 37,332	\$ 36,305
City Taxing Districts Fund				
Assets				
Cash and investments	\$ 1,699,670	\$ 111,562,976	\$ 112,061,721	\$ 1,200,925
Receivables, property taxes	111,783,441	113,310,211	112,021,853	113,071,799
Total assets	\$ 113,483,111	\$ 224,873,187	\$ 224,083,574	\$ 114,272,724
Liabilities, due to other government funds	\$ 113,483,111	\$ 224,873,187	\$ 224,083,574	\$ 114,272,724
Community College Taxing District Fund				
Assets				
Cash and investments	\$ 84,818	\$ 7,019,708	\$ 7,030,844	\$ 73,682
Receivables, property taxes	7,039,353	7,203,415	7,052,138	7,190,630
Total assets	\$ 7,124,171	\$ 14,223,123	\$ 14,082,982	\$ 7,264,312
Liabilities, due to other government funds	\$ 7,124,171	\$ 14,223,123	\$ 14,082,982	\$ 7,264,312
Fire Taxing District Fund				
Assets				
Cash and investments	\$ 3,567	\$ 368,546	\$ 368,824	\$ 3,289
Receivables, property taxes	368,566	374,321	369,222	373,665
Total assets	\$ 372,133	\$ 742,867	\$ 738,046	\$ 376,954
Liabilities, due to other government funds	\$ 372,133	\$ 742,867	\$ 738,046	\$ 376,954

(continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities
 All Agency Funds (Continued)
 For the Year Ended June 30, 2014

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
School Taxing District Fund				
Assets				
Cash and investments	\$ 1,458,744	\$ 119,156,338	\$ 119,350,363	\$ 1,264,719
Receivables, property taxes	119,507,045	116,768,367	119,717,700	116,557,712
Total assets	\$ 120,965,789	\$ 235,924,705	\$ 239,068,063	\$ 117,822,431
Liabilities, due to other government funds	\$ 120,965,789	\$ 235,924,705	\$ 239,068,063	\$ 117,822,431
Township Taxing District Fund				
Assets				
Cash and investments	\$ 2,434	\$ 211,547	\$ 211,870	\$ 2,111
Receivables, property taxes	211,435	208,508	211,668	208,275
Total assets	\$ 213,869	\$ 420,055	\$ 423,538	\$ 210,386
Liabilities, due to other government funds	\$ 213,869	\$ 420,055	\$ 423,538	\$ 210,386
Other Holding Accounts Fund				
Assets				
Cash and investments	\$ 77,113	\$ 47,101,504	\$ 43,463,744	\$ 3,714,873
Receivables, property taxes	41,944	197,791	195,950	43,785
Total assets	\$ 119,057	\$ 47,299,295	\$ 43,659,694	\$ 3,758,658
Liabilities				
Accounts payable	\$ 56,417	\$ 75,883	\$ 48,114	\$ 84,186
Due to other governmental agencies	62,640	42,450,489	38,838,657	3,674,472
Total liabilities	\$ 119,057	\$ 42,526,372	\$ 38,886,771	\$ 3,758,658
City Special Assessments Fund				
Assets, cash and investments	\$ 454,646	\$ 3,218,283	\$ 3,101,846	\$ 571,083
Liabilities, due to other governmental agencies	\$ 454,646	\$ 3,218,283	\$ 3,101,846	\$ 571,083

(continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities
 All Agency Funds (Continued)
 For the Year Ended June 30, 2014

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
County Recorder Agency Fund				
Assets				
Cash and investments	\$ 86,827	\$ 1,731,499	\$ 1,730,100	\$ 88,226
Receivables, accounts	22,223	1,014,708	1,036,931	-
Total assets	\$ 109,050	\$ 2,746,207	\$ 2,767,031	\$ 88,226
Liabilities , due to other governmental agencies	\$ 109,050	\$ 1,709,275	\$ 1,730,099	\$ 88,226
County Sheriff Agency Fund				
Assets				
Cash and investments	\$ 243,840	\$ 6,716,856	\$ 6,764,980	\$ 195,716
Receivables, accounts	95	7,165	7,260	-
Total assets	\$ 243,935	\$ 6,724,021	\$ 6,772,240	\$ 195,716
Liabilities				
Accounts Payable	\$ 229,514	\$ 6,332,688	\$ 6,384,844	\$ 177,358
Due from other government agencies	14,421	397,303	393,366	18,358
Total Liabilities	\$ 243,935	\$ 6,729,991	\$ 6,778,210	\$ 195,716
Motor Vehicle Tax Fund				
Assets , cash and investments	\$ 2,769,904	\$ 13,742,500	\$ 16,485,640	\$ 26,764
Liabilities , due to other governmental agencies	\$ 2,769,904	\$ 13,742,500	\$ 16,485,640	\$ 26,764
Tax Sale Redemption Fund				
Assets , cash and investments	\$ 368,992	\$ 88,150	\$ 379,805	\$ 77,337
Liabilities , due to other governmental agencies	\$ 368,992	\$ 88,150	\$ 379,805	\$ 77,337
Use Tax Fund				
Assets , cash and investments	\$ 754,357	\$ 9,557,333	\$ 10,311,690	-
Liabilities , due to other governmental agencies	\$ 754,357	\$ 9,557,333	\$ 10,311,690	-

(continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities
 All Agency Funds (Continued)
 For the Year Ended June 30, 2014

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Community Services Fund				
Assets , cash and investments	\$ 371,729	\$ 24,447	\$ -	\$ 396,176
Liabilities , due to private individuals	\$ 371,729	\$ 24,447	\$ -	\$ 396,176
County Assessor Fund				
Assets				
Cash and investments	\$ 282,180	\$ 1,824,892	\$ 737,909	\$ 1,369,163
Receivables, property taxes	986,668	986,265	990,414	982,519
Total assets	\$ 1,268,848	\$ 2,811,157	\$ 1,728,323	\$ 2,351,682
Liabilities				
Accounts payable	\$ 13,444	\$ 236,291	\$ 241,329	\$ 8,406
Due to other governmental agencies	1,255,404	3,405,408	2,317,536	2,343,276
Total liabilities	\$ 1,268,848	\$ 3,641,699	\$ 2,558,865	\$ 2,351,682
County Assessor Special Fund				
Assets				
Cash and investments	\$ 838,121	\$ -	\$ 838,121	\$ -
Total assets	\$ 838,121	\$ -	\$ 838,121	\$ -
Liabilities				
Due to other governmental agencies	\$ 838,121	\$ -	\$ 838,121	\$ -
Total liabilities	\$ 838,121	\$ -	\$ 838,121	\$ -
City Assessor Fund				
Assets				
Cash and investments	\$ 435,337	\$ 1,596,459	\$ 1,174,141	\$ 857,655
Receivables, property taxes	1,512,390	1,507,535	1,513,078	1,506,847
Total assets	\$ 1,947,727	\$ 3,103,994	\$ 2,687,219	\$ 2,364,502
Liabilities				
Accounts payable	\$ 209,218	\$ 1,125,406	\$ 1,155,624	\$ 179,000
Due to other governmental agencies	1,738,509	1,978,588	1,531,595	2,185,502
Total liabilities	\$ 1,947,727	\$ 3,103,994	\$ 2,687,219	\$ 2,364,502
City Assessor Special Fund				
Assets				
Cash and investments	\$ 89,945	\$ -	\$ 89,945	\$ -
Total assets	\$ 89,945	\$ -	\$ 89,945	\$ -

(continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities
 All Agency Funds (Continued)
 For the Year Ended June 30, 2014

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Liabilities				
Due to other governmental agencies	\$ 89,945	\$ -	\$ 89,945	\$ -
Total liabilities	<u>\$ 89,945</u>	<u>\$ -</u>	<u>\$ 89,945</u>	<u>\$ -</u>
Jail Inmate Fund				
Assets, cash and investments	<u>\$ 47,971</u>	<u>\$ 32,999</u>	<u>\$ -</u>	<u>\$ 80,970</u>
Liabilities, due to private individuals	<u>\$ 47,971</u>	<u>\$ 32,999</u>	<u>\$ -</u>	<u>\$ 80,970</u>
Rivershare Fund				
Assets				
Cash and investments	\$ 35,802	\$ 283,832	\$ 282,649	\$ 36,985
Total assets	<u>\$ 35,802</u>	<u>\$ 283,832</u>	<u>\$ 282,649</u>	<u>\$ 36,985</u>
Liabilities				
Accounts payable	\$ 236	\$ 131,243	\$ 131,244	\$ 235
Due to other government agencies	35,566	1,184	-	36,750
Total liabilities	<u>\$ 35,802</u>	<u>\$ 132,427</u>	<u>\$ 131,244</u>	<u>\$ 36,985</u>
Total Combined Funds				
Assets				
Cash and investments	\$ 10,112,098	\$ 324,757,658	\$ 324,892,837	\$ 9,976,919
Receivables:				
Property taxes	241,971,246	241,093,001	242,593,313	240,470,934
Accounts	22,318	1,021,873	1,044,191	-
Total Assets	<u>\$ 252,105,662</u>	<u>\$ 566,872,532</u>	<u>\$ 568,530,341</u>	<u>\$ 250,447,853</u>
Liabilities				
Accounts payable	\$ 508,829	\$ 7,901,511	\$ 7,961,155	\$ 449,185
Due to other governmental agencies	251,177,133	553,788,827	555,444,438	249,521,522
Due to private individuals	419,700	57,446	-	477,146
Total Liabilities	<u>\$ 252,105,662</u>	<u>\$ 561,747,784</u>	<u>\$ 563,405,593</u>	<u>\$ 250,447,853</u>

County of Scott, Iowa

Combining Balance Sheet and Reconciliation to Statement of Net Position
 Discretely Presented Component Units
 As of June 30, 2014

	Emergency Management Agency	County Library	Total
Assets			
Cash and investments	\$ 255,724	\$ 322,772	\$ 578,496
Due from other governmental agencies	2,594	-	2,594
Total assets	\$ 258,318	\$ 322,772	\$ 581,090
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	\$ 177	\$ 22,123	\$ 22,300
Accrued liabilities	2,228	37,761	39,989
Total liabilities	2,405	59,884	62,289
Fund balances:			
Unassigned	255,913	262,888	518,801
Total fund balances	255,913	262,888	518,801
Total liabilities and fund balances	\$ 258,318	\$ 322,772	\$ 581,090
Reconciliation to statement of net position			
Total component unit fund balances	\$ 255,913	\$ 262,888	\$ 518,801
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:			
Capital assets:			
Land	-	16,600	16,600
Buildings	-	1,131,866	1,131,866
Machinery and equipment	623,066	205,995	829,061
Accumulated depreciation	(418,321)	(492,510)	(910,831)
Liabilities not due and payable in the current period are not reported in the funds:			
Compensated absences	(18,327)	(62,301)	(80,628)
Other post employment benefits obligation	(3,424)	3,691	267
Total net position	\$ 438,907	\$ 1,066,229	\$ 1,505,136

County of Scott, Iowa

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances and Reconciliation
to Statement of Activities - Discretely Presented Component Units
For the Year Ended June 30, 2014**

	Emergency Management		
	Agency	County Library	Total
Revenues:			
Intergovernmental			
Operating	\$ 77,000	\$ 1,123,225	\$ 1,200,225
Charges for services	-	13,309	13,309
Other	53,966	2,667	56,633
Total revenues	130,966	1,139,201	1,270,167
Expenditures:			
Current:			
Public safety and legal services	113,637	-	113,637
County environment and education	-	1,076,293	1,076,293
Total expenditures	113,637	1,076,293	1,189,930
Net change in fund balances	17,329	62,908	80,237
Fund balances, beginning of year	238,584	199,980	438,564
Fund balances, end of year	\$ 255,913	\$ 262,888	\$ 518,801

County of Scott, Iowa

Combining Statement of Revenues, Expenditures and Changes in Fund Balances and Reconciliation to Statement of Activities - Discretely Presented Component Units (Continued)
For the Year Ended June 30, 2014

	Emergency Management Agency	County Library	Total
Reconciliation to statement of activities,			
Net change in fund balances	\$ 17,329	\$ 62,908	\$ 80,237
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the detail of the amount by which capital outlays exceeded depreciation in the current year:</p>			
Depreciation	(70,130)	(33,925)	(104,055)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the component unit:</p>			
Change in compensated absences	1,973	666	2,639
Change in other post employment benefits obligation	(229)	(514)	(743)
Changes in Net Position of component units	\$ (51,057)	\$ 29,135	\$ (21,922)

STATISTICAL

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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
Financial Trends	83
These schedules contain trend information to help the reader understand how the County's financial performance and well being have changed over time.	
Revenue Capacity	95
These schedules contain information to help the reader assess the County's most significant local revenue sources, the property tax (or sales tax).	
Debt Capacity	103
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.	
Demographic and Economic Information	109
These schedule offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
Operating Information	111
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	

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

County of Scott, Iowa

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

	Fiscal Year		
	2005	2006	2007
Governmental activities:			
Invested in capital assets, net of related debt	\$ 58,403,448	\$ 62,017,939	\$ 65,298,164
Restricted for:			
Debt service	4,486,204	4,460,937	4,152,198
County conservation sewage treatment	170,507	182,850	196,692
Mental health	-	855,147	396,372
Other statutory programs	-	-	-
Rural services	-	-	-
Scott Emergency Communication Center	-	-	-
Secondary roads	-	1,459,411	936,185
Unrestricted	11,456,380	11,004,368	10,576,072
Total governmental activities net position	\$ 74,516,539	\$ 79,980,652	\$ 81,555,683
Business-Type activities			
Invested in capital assets, net of related debt	\$ 342,758	\$ 475,691	\$ 633,574
Restricted for lease purchase contract	326,105	326,596	326,831
Unrestricted	(2,051,330)	(2,341,036)	(2,832,971)
Total business-type activities net position	\$ (1,382,467)	\$ (1,538,749)	\$ (1,872,566)
Primary government:			
Invested in capital assets, net of related debt	\$ 58,746,206	\$ 62,493,630	\$ 65,931,738
Restricted for:			
Debt service	4,486,204	4,460,937	4,152,198
County conservation sewage treatment	170,507	182,850	196,692
Lease purchase contract	326,105	326,596	326,831
Mental health	-	855,147	396,372
Other statutory programs	-	-	-
Rural services	-	-	-
Scott Emergency Communication Center	-	-	-
Secondary roads	-	1,459,411	936,185
Unrestricted	9,405,050	8,663,332	7,743,101
Total primary government net position	\$ 73,134,072	\$ 78,441,903	\$ 79,683,117

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

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

Source: County records.

Fiscal Year							
2008	2009	2010	2011	2012	2013	2014	
\$ 70,527,812	\$ 70,017,361	\$ 73,643,761	\$ 64,874,432	\$ 74,766,566	\$ 71,325,134	\$ 69,647,344	
3,728,760	3,229,346	2,849,754	2,503,008	2,160,323	1,491,035	1,802,355	
206,674	222,551	209,483	210,592	212,459	212,430	207,617	
572,242	1,713,646	1,499,167	1,221,960	343,637	-	1,966,913	
-	-	663,173	783,546	786,943	968,492	998,873	
-	-	-	57,929	70,995	154,168	150,016	
-	-	-	-	2,762,297	2,689,733	3,049,339	
486,405	273,409	370,604	885,011	1,839,278	2,320,739	3,149,287	
6,065,147	6,205,472	6,934,776	10,009,511	14,045,782	15,050,677	20,609,612	
<u>\$ 81,587,040</u>	<u>\$ 81,661,785</u>	<u>\$ 86,170,718</u>	<u>\$ 80,545,989</u>	<u>\$ 96,988,280</u>	<u>\$ 94,212,408</u>	<u>\$ 101,581,356</u>	
\$ 807,121	\$ 1,011,730	\$ 1,201,240	\$ 1,640,815	\$ 2,226,682	\$ 2,214,625	\$ 2,168,898	
325,166	324,400	324,407	324,407	-	-	-	
(3,225,906)	(3,623,282)	(3,921,629)	(4,233,323)	(4,447,949)	93,780	173,029	
<u>\$ (2,093,619)</u>	<u>\$ (2,287,152)</u>	<u>\$ (2,395,982)</u>	<u>\$ (2,268,101)</u>	<u>\$ (2,221,267)</u>	<u>\$ 2,308,405</u>	<u>\$ 2,341,927</u>	
\$ 71,334,933	\$ 71,029,091	\$ 74,845,001	\$ 66,515,247	\$ 76,993,248	\$ 73,539,759	\$ 71,816,242	
3,728,760	3,229,346	2,849,754	2,503,008	2,160,323	1,491,035	1,802,355	
206,674	222,551	209,483	210,592	212,459	212,430	207,617	
325,166	324,400	324,407	324,407	-	-	-	
572,242	1,713,646	1,499,167	1,221,960	343,637	-	1,966,913	
-	-	663,173	783,546	786,943	968,492	998,873	
-	-	-	57,929	70,995	154,168	150,016	
-	-	-	-	2,762,297	2,689,733	3,049,339	
486,405	273,409	370,604	885,011	1,839,278	2,320,739	3,149,287	
2,839,241	2,582,190	3,013,147	5,776,188	9,597,833	15,144,457	20,782,641	
<u>\$ 79,493,421</u>	<u>\$ 79,374,633</u>	<u>\$ 83,774,736</u>	<u>\$ 78,277,888</u>	<u>\$ 94,767,013</u>	<u>\$ 96,520,813</u>	<u>\$ 103,923,283</u>	

County of Scott, Iowa

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

	Fiscal Year			
	2005	2006	2007	2008
Expenses:				
Governmental activities:				
Public safety and legal services	\$ 17,378,230	\$ 19,231,650	\$ 20,051,534	\$ 20,289,680
Public safety and legal services -SECC	-	-	-	-
Physical health and social services	5,433,189	5,543,800	5,682,835	5,956,132
Mental health	12,689,373	13,430,170	14,308,820	15,211,596
County environment and education	3,978,818	4,142,926	4,371,103	4,410,086
Roads and transportation	6,514,158	5,983,682	6,711,217	6,712,511
Governmental services to residents	1,853,466	1,945,223	2,074,972	2,151,064
Administration	9,848,118	9,376,193	9,943,559	10,980,111
Interest on long-term debt	434,854	662,882	1,606,659	1,471,972
Total governmental activities expenses	58,130,206	60,316,526	64,750,699	67,183,152
Business-Type activities, golf course	1,074,754	1,186,450	1,223,696	1,178,367
Total government expenses	\$ 59,204,960	\$ 61,502,976	\$ 65,974,395	\$ 68,361,519
Program revenues:				
Governmental activities				
Charges for services				
Public safety and legal services	\$ 878,359	\$ 1,101,152	\$ 1,053,355	\$ 939,874
Public safety and legal services - SECC	-	-	-	-
Physical health and social services	291,344	290,280	285,637	330,296
Mental health	40,441	57,465	41,070	42,261
County environment and education	880,593	943,194	889,915	920,315
Roads and transportation	9,241	27,646	9,943	11,268
Governmental services to residents	2,501,165	2,616,909	2,506,821	2,382,447
Administration	264,264	191,548	251,682	251,070
Operating grants and contributions	8,857,256	9,135,717	9,896,826	11,847,705
Capital grants and contributions	6,519,732	2,846,478	1,417,942	153,469
Total governmental activities program revenues	20,242,395	17,210,389	16,353,191	16,878,705
Business-Type activities, golf course	1,008,046	1,019,793	875,270	947,487
Total government program revenues	\$ 21,250,441	\$ 18,230,182	\$ 17,228,461	\$ 17,826,192
Net (expense)/revenue:				
Governmental activities	\$ (37,887,811)	\$ (43,106,137)	\$ (48,397,508)	\$ (50,304,447)
Business-Type activities	(66,708)	(166,657)	(348,426)	(230,880)
Total government net expense	\$ (37,954,519)	\$ (43,272,794)	\$ (48,745,934)	\$ (50,535,327)

(Continued)

Fiscal Year						
2009	2010	2011	2012	2013	2014	
\$ 20,925,221	\$ 27,972,373	\$ 36,474,619	\$ 20,806,047	\$ 21,551,072	\$ 21,994,460	
-	-	-	6,785,573	7,650,488	7,755,245	
6,180,832	6,238,358	5,695,818	5,439,626	5,293,759	5,387,800	
14,605,242	14,484,152	15,279,397	17,508,289	8,256,862	7,075,477	
4,882,023	4,044,619	4,893,713	5,045,765	5,063,295	5,374,619	
7,461,585	6,219,535	7,863,504	9,171,403	8,296,547	8,862,285	
2,821,526	2,167,664	2,117,384	2,262,947	2,236,126	2,204,779	
10,135,767	8,294,027	11,500,872	10,131,539	10,869,732	10,071,070	
1,393,678	1,457,291	1,674,554	2,090,153	2,281,028	2,074,927	
68,405,874	70,878,019	85,499,861	79,241,342	71,498,909	70,800,662	
1,144,254	1,021,548	949,850	1,168,516	976,713	1,013,810	
\$ 69,550,128	\$ 71,899,567	\$ 86,449,711	\$ 80,409,858	\$ 72,475,622	\$ 71,814,472	

\$ 1,182,577	\$ 992,171	\$ 1,457,575	\$ 1,622,292	\$ 1,413,724	\$ 1,633,110	
-	-	-	-	-	-	
358,704	355,941	376,158	399,182	392,116	398,670	
31,633	31,902	50,250	74,244	176,661	203,301	
891,352	988,522	1,017,239	1,145,202	1,131,480	1,466,769	
21,109	32,893	20,863	18,900	20,531	35,159	
2,307,783	2,343,094	2,469,734	2,588,909	2,893,332	2,576,380	
228,445	271,056	267,955	267,800	289,722	178,279	
12,233,452	11,912,913	12,882,216	12,358,943	7,988,482	10,336,825	
1,184,458	6,674,252	2,567,522	1,111,863	459,141	1,124,208	
18,439,513	23,602,744	21,109,512	19,587,335	14,765,189	17,952,701	
949,445	912,712	900,741	1,002,459	890,259	901,872	
\$ 19,388,958	\$ 24,515,456	\$ 22,010,253	\$ 20,589,794	\$ 15,655,448	\$ 18,854,573	

\$ (49,966,361)	\$ (47,275,275)	\$ (64,390,349)	\$ (59,654,007)	\$ (56,733,720)	\$ (52,847,961)	
(194,809)	(108,836)	(49,109)	(166,057)	(86,454)	(111,938)	
\$ (50,161,170)	\$ (47,384,111)	\$ (64,439,458)	\$ (59,820,064)	\$ (56,820,174)	\$ (52,959,899)	

County of Scott, Iowa

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

	Fiscal Year			
	2005	2006	2007	2008
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes	\$ 25,923,952	\$ 31,335,227	\$ 31,995,844	\$ 33,138,131
Local option sales tax	3,488,462	3,470,318	3,700,844	3,867,941
Gaming	904,897	887,690	789,210	815,524
Other taxes	59,143	63,287	61,766	65,253
Utility tax replacements	1,228,633	1,377,835	1,382,625	1,341,669
Penalties, interest and costs on taxes	837,554	791,859	782,123	731,456
State tax replacement credits	5,152,761	5,246,050	5,243,536	5,194,016
Payments in lieu of taxes	-	-	165	8,226
State shared revenues	2,909,524	2,970,800	2,906,371	2,866,918
Grants and contributions not restricted to specific purpose	258,703	241,277	188,557	-
Investment earnings	782,291	1,381,353	2,140,787	1,447,577
Miscellaneous	824,119	804,554	780,711	859,093
Total General Revenues	<u>42,370,039</u>	<u>48,570,250</u>	<u>49,972,539</u>	<u>50,335,804</u>
Transfers (out)	-	-	-	-
Total governmental activities	<u>42,370,039</u>	<u>48,570,250</u>	<u>49,972,539</u>	<u>50,335,804</u>
Business-Type activities:				
Investment earnings	3,822	10,375	14,609	9,827
Transfers	-	-	-	-
Total Business-Type Activities	<u>3,822</u>	<u>10,375</u>	<u>14,609</u>	<u>9,827</u>
Total government	<u>\$ 42,373,861</u>	<u>\$ 48,580,625</u>	<u>\$ 49,987,148</u>	<u>\$ 50,345,631</u>
Change in net position:				
Governmental activities	\$ 4,482,228	\$ 5,464,113	\$ 1,575,031	\$ 31,357
Business-Type activities	(62,886)	(156,282)	(333,817)	(221,053)
Total primary government	<u>\$ 4,419,342</u>	<u>\$ 5,307,831</u>	<u>\$ 1,241,214</u>	<u>\$ (189,696)</u>

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

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

Source: County records.

		Fiscal Year									
		2009	2010	2011	2012	2013	2014				
\$	34,113,141	\$	36,228,794	\$	43,052,682	\$	44,980,224	\$	46,156,117	\$	46,924,802
	3,602,230		3,637,825		3,863,574		4,052,754		4,049,552		4,285,414
	748,920		676,255		584,582		596,840		579,504		527,014
	66,852		63,470		68,512		68,374		70,286		66,301
	1,348,776		1,395,383		1,539,020		1,625,295		1,598,817		1,558,330
	847,456		790,006		791,685		789,143		816,474		930,986
	5,183,554		4,826,563		4,930,224		4,898,515		1,205,628		1,450,873
	9,046		6,828		6,782		6,682		6,521		7,306
	2,743,735		3,101,887		2,775,120		3,146,564		3,156,344		3,200,405
	-		-		-		-		-		-
	674,859		188,207		228,038		162,822		125,127		147,401
	702,537		868,990		1,102,391		1,380,103		1,274,786		1,263,537
	50,041,106		51,784,208		58,942,610		61,707,316		59,039,156		60,362,369
	-		-		(176,990)		(212,891)		(4,616,126)		(145,460)
	50,041,106		51,784,208		58,765,620		61,494,425		54,423,030		60,216,909
	1,276		6		-		-		-		-
	-		-		176,990		212,891		4,616,126		145,460
	1,276		6		176,990		212,891		4,616,126		145,460
\$	50,042,382	\$	51,784,214	\$	58,942,610	\$	61,707,316	\$	59,039,156	\$	60,362,369
\$	74,745	\$	4,508,933	\$	(5,624,729)	\$	1,840,418	\$	(2,310,690)	\$	7,368,948
	(193,533)		(108,830)		127,881		46,834		4,529,672		33,522
\$	(118,788)	\$	4,400,103	\$	(5,496,848)	\$	1,887,252	\$	2,218,982	\$	7,402,470

County of Scott, Iowa

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

	2005	2006	2007	2008
General Fund:				
Reserved:				
Notes receivable	\$ 100,000	\$ 100,000	\$ 100,000	\$ 116,175
Advances	1,673,314	1,863,314	2,262,314	2,702,314
County conservation sewage treatment	170,507	182,850	196,692	206,674
Other statutory programs	-	-	-	-
Unreserved, designated claim liabilities	886,689	886,689	1,004,488	718,847
Unreserved, undesignated	4,637,761	5,479,818	5,301,970	5,849,553
Nonspendable:				
Notes receivable	-	-	-	-
Advances	-	-	-	-
Prepays	-	-	-	-
Restricted:				
County conservation sewage treatment	-	-	-	-
Other statutory programs	-	-	-	-
Assigned:				
Capital projects	-	-	-	-
Health claim liabilities	-	-	-	-
Future budgetary reductions	-	-	-	-
Claim liabilities	-	-	-	-
Unassigned	-	-	-	-
Total general fund	\$ 7,468,271	\$ 8,512,671	\$ 8,865,464	\$ 9,593,563
All other governmental funds:				
Reserved for:				
Debt service	\$ 5,269,337	\$ 4,460,937	\$ 4,152,198	\$ 3,728,760
Unreserved, undesignated reported in:				
Special revenue funds:				
Mental health/development disabilities	1,251,251	855,147	396,372	572,242
Secondary Roads	1,552,667	1,459,411	936,185	486,405
Rural services	2,191,392	111,064	123,384	118,672
Recorders management fees	117,636	129,231	138,081	139,847
Capital projects funds, capital projects	3,426,597	4,223,180	6,945,117	5,541,207
Restricted:				
Debt service	-	-	-	-
Secondary Roads	-	-	-	-
Rural services	-	-	-	-
Mental health/development disabilities	-	-	-	-
Other statutory programs	-	-	-	-
Records management fee	-	-	-	-
Capital projects	-	-	-	-
Scott Emergency Communications Center	-	-	-	-
Assigned:				
Mental health/development disabilities	-	-	-	-
Other capital projects	-	-	-	-
Unassigned (Deficit)	-	-	-	-
Total all other governmental funds	\$ 13,808,880	\$ 11,238,970	\$ 12,691,337	\$ 10,587,133

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

Source: County records.

* In 2011, the County implemented GASB Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions* which changed the reporting of the components of fund balance. Retroactive application to years prior to 2011 was not required.

2009	2010	2011 *	2012 *	2013 *	2014
\$ 116,175	\$ 113,358	\$ -	\$ -	\$ -	-
3,207,314	3,397,314	-	-	-	-
222,551	213,843	-	-	-	-
-	663,173	-	-	-	-
589,331	522,407	-	-	-	-
5,956,480	7,613,701	-	-	-	-
-	-	113,358	81,428	58,777	58,777
-	-	3,720,324	4,041,594	-	-
-	-	109,106	109,906	131,406	131,406
-	-	210,592	212,459	212,430	207,617
-	-	783,546	786,943	926,297	945,547
-	-	-	1,500,000	3,150,000	3,850,000
-	-	-	340,000	150,000	150,000
-	-	-	560,257	-	-
-	-	694,052	398,656	383,941	330,680
-	-	9,247,282	9,477,799	10,041,990	9,832,639
<u>\$ 10,091,851</u>	<u>\$ 12,523,796</u>	<u>\$ 14,878,260</u>	<u>\$ 17,509,042</u>	<u>\$ 15,054,841</u>	<u>\$ 15,506,666</u>

\$ 3,229,346	\$ 2,908,690	\$ -	\$ -	\$ -	-
1,713,646	1,499,167	-	-	-	-
273,409	370,604	-	-	-	-
117,451	137,271	-	-	-	-
139,496	90,270	-	-	-	-
4,053,819	8,310,749	-	-	-	-
-	-	2,558,322	2,053,084	19,541,476	19,518,523
-	-	885,011	1,839,278	2,320,739	3,149,287
-	-	57,929	70,995	154,168	150,016
-	-	-	-	-	1,966,913
-	-	-	343,637	-	-
-	-	72,687	48,418	42,194	53,327
-	-	1,712,860	1,252,027	-	-
-	-	-	2,762,297	2,689,733	3,085,355
-	-	1,221,960	-	-	-
-	-	1,473,162	2,578,797	5,494,375	9,019,502
-	-	-	(75,318)	(388,176)	-
<u>\$ 9,527,167</u>	<u>\$ 13,316,751</u>	<u>\$ 7,981,931</u>	<u>\$ 10,873,215</u>	<u>\$ 29,854,509</u>	<u>\$ 36,942,923</u>

County of Scott, Iowa

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	2005	2006	2007	2008
Revenues:				
Property taxes	\$ 25,895,065	\$ 31,364,663	\$ 32,017,310	\$ 33,120,748
Local option sales tax	3,418,462	3,382,318	3,727,522	3,860,101
Other taxes	2,192,673	2,328,812	2,233,601	2,222,446
Interest and penalty on taxes	837,554	791,859	782,123	731,456
Intergovernmental	17,899,516	18,596,027	18,714,770	19,873,049
Charges for services	4,336,407	4,656,145	4,521,226	4,337,361
Investment earnings	738,160	1,381,353	2,008,067	1,447,577
Licenses and permits	529,000	572,049	517,197	540,170
Rentals and fees	124,758	141,568	144,693	157,323
Other	695,374	569,001	636,018	701,770
Total revenues	56,666,969	63,783,795	65,302,527	66,992,001
Expenditures:				
Public safety and legal services	16,507,338	18,225,493	19,330,101	19,214,446
Physical health and social services	5,398,110	5,489,011	5,638,002	5,915,796
Mental health	12,673,353	13,416,089	14,288,703	15,182,707
County environment and education	3,554,450	3,558,603	3,845,185	4,099,548
Roads and transportation	3,915,398	3,937,871	4,360,061	4,493,009
Governmental services to residents	1,765,623	1,866,796	1,933,065	2,012,787
Administration	6,815,170	7,306,402	7,555,798	8,238,360
Capital outlay	5,583,383	5,290,532	5,580,379	5,832,465
Debt service:				
Principal	610,000	2,570,000	1,880,000	1,925,000
Interest and fees	436,926	665,130	1,668,812	1,503,745
Total expenditures	57,259,751	62,325,927	66,080,106	68,417,863
Excess of revenues over (under) expenditures	(592,782)	1,457,868	(777,579)	(1,425,862)
Other financing sources (uses):				
Transfers in	5,835,149	6,665,376	5,107,655	8,516,222
Transfers out	(5,835,149)	(6,665,376)	(5,107,655)	(8,516,222)
Proceeds from sale of capital assets	-	-	33,394	49,757
Proceeds from issuance of long-term debt	-	-	6,185,000	-
Bond discount	-	-	-	-
Bond premium	-	-	9,345	-
Payment to refunded bond escrow agent	-	-	(3,645,000)	-
Total other financing sources (uses)	-	-	2,582,739	49,757
Net Change in fund balances	(592,782)	1,457,868	1,805,160	(1,376,105)
Fund balances, beginning of year	18,886,555	18,293,773	19,751,641	21,556,801
Fund balances, end of year	\$ 18,293,773	\$ 19,751,641	\$ 21,556,801	\$ 20,180,696
Debt service as a percentage of noncapital expenditures				
	1.83%	5.19%	5.84%	5.39%

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

Source: County records.

Fiscal Year					
2009	2010	2011	2012*	2013*	2014
\$ 34,082,776	\$ 36,232,900	\$ 43,098,556	\$ 44,978,360	\$ 46,158,852	\$ 46,920,952
3,691,392	3,637,825	3,863,574	4,052,754	4,098,552	4,268,291
2,164,548	2,135,108	2,192,115	2,290,508	2,248,606	2,151,644
847,456	790,006	791,685	789,143	816,474	930,986
20,369,088	19,848,192	20,595,340	20,410,705	12,290,563	15,163,356
4,516,303	4,490,155	4,993,149	5,463,130	5,562,494	5,710,597
674,859	186,708	221,853	155,838	120,569	143,039
505,300	525,427	666,627	653,399	772,296	781,072
165,676	186,492	188,240	222,959	176,562	80,591
536,861	642,792	598,716	937,286	1,011,563	1,102,063
67,554,259	68,675,605	77,209,855	79,954,082	73,256,531	77,252,591
19,768,037	19,942,386	26,494,923	25,163,609	26,258,655	26,708,744
6,075,938	6,595,222	6,511,764	5,395,364	5,256,671	5,381,859
14,560,838	14,492,698	15,221,435	17,466,386	8,216,389	7,030,247
4,378,787	4,197,866	4,338,106	4,450,578	4,510,564	4,388,314
4,680,676	4,604,129	4,540,049	5,111,168	4,969,030	4,528,796
2,134,299	2,052,707	2,022,332	2,210,614	2,178,373	2,202,471
8,711,784	8,342,657	9,094,998	9,203,859	9,121,578	9,598,011
4,369,892	9,072,467	7,748,371	2,916,473	4,464,108	4,017,248
2,065,000	2,140,000	2,680,000	3,145,000	3,331,240	3,461,240
1,398,136	1,562,013	1,675,660	2,050,550	2,307,946	2,180,845
68,143,387	73,002,145	80,327,638	77,113,601	70,614,554	69,497,775
(589,128)	(4,326,540)	(3,117,783)	2,840,481	2,641,977	7,754,816
8,616,899	8,007,463	8,433,584	11,825,251	16,347,711	17,961,921
(8,616,899)	(8,007,463)	(8,610,574)	(12,038,142)	(20,809,984)	(18,257,381)
27,450	39,705	157,209	339,441	113,638	80,883
-	13,200,000	-	-	17,675,000	-
-	(17,392)	-	-	-	-
-	70,756	-	-	558,751	-
-	(2,745,000)	-	-	-	-
27,450	10,548,069	(19,781)	126,550	13,885,116	(214,577)
(561,678)	6,221,529	(3,137,564)	2,967,031	16,527,093	7,540,239
20,180,696	19,619,018	25,840,547	25,415,226	28,382,257	44,909,350
\$ 19,619,018	\$ 25,840,547	\$ 22,702,983	\$ 28,382,257	\$ 44,909,350	\$ 52,449,589
5.39%	5.54%	5.71%	6.97%	8.47%	8.47%

County of Scott, Iowa

Program Revenues by Function/Program

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

Function / Program	Fiscal Year			
	2005	2006	2007	2008
Governmental activities:				
Public safety and legal services	\$ 2,076,189	\$ 2,396,794	\$ 2,624,858	\$ 2,087,424
Public safety and legal services - SECC	-	-	-	-
Physical health and social services	2,393,807	2,126,736	2,114,672	2,179,694
Mental health	5,435,434	5,507,832	6,324,361	7,891,347
County environment and education	1,143,866	1,197,394	1,074,486	1,306,680
Roads and transportation	5,980,515	1,943,220	979,629	54,786
Governmental services and residents	2,705,131	3,670,976	2,824,963	2,926,459
Administration	507,453	367,437	410,222	432,315
Interest on long-term debt	-	-	-	-
Total governmental activities	20,242,395	17,210,389	16,353,191	16,878,705
Business-Type activities, Glynn's Creek Golf Course	1,008,046	1,019,793	875,270	947,487
Total government	\$ 21,250,441	\$ 18,230,182	\$ 17,228,461	\$ 17,826,192

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

Source: County records.

Fiscal Year						
2009	2010	2011	2012	2013	2014	
\$ 3,080,316	\$ 2,285,735	\$ 2,603,842	\$ 2,790,937	\$ 2,659,176	\$ 2,690,456	
-	-	-	-	-	127	
2,222,418	2,984,594	2,449,219	1,835,979	1,675,662	1,650,038	
8,163,582	6,969,490	7,753,736	8,547,369	4,094,415	5,910,035	
1,301,062	1,415,324	1,094,796	1,223,753	1,177,856	1,530,559	
154,581	6,744,340	2,645,043	1,083,772	527,378	1,182,305	
3,063,718	2,704,150	2,656,916	2,859,866	3,076,697	2,957,422	
453,836	499,111	1,502,699	693,626	916,371	575,570	
-	-	403,261	552,033	637,634	1,456,189	
18,439,513	23,602,744	21,109,512	19,587,335	14,765,189	17,952,701	
949,445	912,712	900,741	1,002,459	890,259	901,872	
\$ 19,388,958	\$ 24,515,456	\$ 22,010,253	\$ 20,589,794	\$ 15,655,448	\$ 18,854,573	

County of Scott, Iowa

Revenues by Source, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

Fiscal Year	Property	Local Option Sales Tax	Other Tax	Interest & Penalties on Taxes	Intergovernmental
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
2009	34,082,776	3,691,392	2,164,548	847,456	20,369,088
2010	36,232,900	3,637,825	2,135,108	790,006	19,848,192
2011	43,098,556	3,863,574	2,192,115	791,685	20,595,340
2012	44,978,360	4,052,754	2,290,508	789,143	20,410,705
2013	46,158,852	4,098,552	2,248,606	816,474	12,290,563
2014	46,920,952	4,268,291	2,151,644	930,986	15,163,356
Change 2005-2014	81.20%	24.86%	-1.87%	11.16%	-15.29%

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

Source: County records.

Charges for Services	Investment Earnings	Licenses & Permits	Rentals & Fees	Other	Total
\$ 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
4,516,303	674,859	505,300	165,676	536,861	67,554,259
4,490,155	186,708	525,427	186,492	642,792	68,675,605
4,993,149	221,853	666,627	188,240	755,925	77,367,064
5,463,130	155,838	653,399	222,959	937,286	79,954,082
5,562,494	120,569	772,296	176,562	1,011,563	73,256,531
5,710,597	143,039	781,072	80,591	1,102,063	77,252,591
31.69%	-80.62%	47.65%	-35.40%	58.48%	36.33%

County of Scott, Iowa

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

Fiscal Year Ended	Real Property		Personal Property		Utilities	
	Taxable Value	Assessed Value	Taxable Value	Assessed Value	Taxable Value	Assessed Value
June 30						
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
2009	6,175,708,574	10,870,184,903	-	-	244,749,886	300,708,935
2010	6,239,157,174	10,946,041,950	-	-	407,227,695	491,195,351
2011	6,408,604,034	11,185,801,070	-	-	382,244,194	501,524,388
2012	6,673,545,437	11,407,016,930	-	-	402,661,960	519,674,870
2013	6,943,020,526	11,830,247,547	-	-	402,322,998	402,322,998
2014	7,139,915,401	11,936,989,741	-	-	406,196,703	406,196,703

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	Tax Increment Financing		
Taxable Value	Assessed Value	Assessed Value	District Values	County Urban Rate	
\$ 5,504,517,426	\$ 8,808,541,025	62.5%	\$ 213,970,420	\$	4.81
5,705,147,908	9,263,537,356	61.6%	235,146,048		4.75
5,878,691,852	9,591,895,642	61.3%	235,149,590		5.57
6,019,157,294	9,941,670,692	60.5%	301,116,369		5.51
6,420,458,460	11,170,893,838	57.5%	330,175,178		5.34
6,646,384,869	11,437,237,301	58.1%	369,081,487		5.48
6,790,848,228	11,687,325,458	58.1%	371,369,162		6.38
7,076,207,397	11,926,691,800	59.3%	360,551,426		6.38
7,345,343,524	12,232,570,545	60.0%	379,706,751		6.30
7,546,112,104	12,343,186,444	61.1%	395,699,656		6.24

County of Scott, Iowa

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

2005			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Mid American Energy	\$ 229,007,316	1	4.01%
SDG Macerich Properties	71,516,500	2	1.30%
Quanex Corporation	20,862,200	3	0.38%
Davenport 1031 LLC	18,517,300	4	0.34%
THF Davenport North Development	18,294,007	5	0.33%
National Amusement Inc	18,254,200	6	0.33%
Petersen Properties LLC	14,866,780	7	0.27%
Bradley Operation LTD Partners	14,724,800	8	0.27%
Genesis Medical Center	13,418,862	9	0.24%
Oscar Mayer Foods Corp	12,543,615	10	0.23%
Total	\$ 432,005,580		7.70%

2014			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
MidAmerican Energy	\$ 233,956,408	1	3.10%
Isle of Capri	80,752,204	2	1.07%
Iowa American Water Company	58,960,052	3	0.78%
Macerich North Park Mall LLC	55,488,075	4	0.74%
ALCOA	37,944,196	5	0.50%
Qwest Corp	26,520,800	6	0.35%
Deere & Company	26,300,475	7	0.35%
Northern Border Pipeline Company	22,877,800	8	0.30%
RS Davenport Retail LLC	22,162,550	9	0.29%
Lafarge Corporation	21,371,986	10	0.28%
Total	\$ 586,334,546		7.77%

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
2005	\$ 181,497,890	\$ 179,753,240	99.04%	\$ 1,664,237	\$ 181,417,477	99.96%
2006	194,032,266	193,001,228	99.47%	195,545	193,196,773	99.57%
2007	202,141,914	200,878,707	99.38%	(20,856)	200,857,851	99.36%
2008	210,294,826	209,445,543	99.60%	131,295	209,576,838	99.66%
2009	223,092,062	221,671,064	99.36%	205,504	221,876,568	99.46%
2010	234,648,806	233,278,412	99.42%	93,197	233,371,609	99.46%
2011	247,987,832	246,709,768	99.48%	357,380	247,067,148	99.63%
2012	258,210,732	256,655,331	99.40%	206,819	256,862,150	99.48%
2013	270,826,988	269,647,673	99.56%	26,946	269,674,619	99.57%
2014	274,898,466	273,903,646	99.64%	120,676	274,024,322	99.68%

Source: County records

County of Scott, Iowa

**Direct and Overlapping Property Tax Rates
Last Ten Years
(rate per \$1,000 of assessed value)
(Unaudited)**

	2005	2006	2007	2008
County direct rates:				
Scott County Urban Rate	\$ 4.75497	\$ 5.56513	\$ 5.51106	\$ 5.54040
Scott County Rural Rate	7.84647	8.60445	8.52602	8.62666
Total direct rates	12.60144	14.16958	14.03708	14.16706
City and town rates:				
Bettendorf	12.34932	12.34952	12.60000	12.95000
Blue Grass	11.51524	11.43975	11.58668	11.65760
Buffalo	8.09999	8.09998	8.10000	8.10000
Davenport	15.24000	15.24000	15.56702	15.57515
Dixon	8.10000	8.10000	8.10000	8.10000
Donahue	7.36868	5.42517	5.43321	5.43025
Durant	14.20315	15.56204	15.56204	15.56203
Eldridge	6.64795	6.64795	6.64800	6.64797
LeClaire	14.69639	14.69637	14.69636	14.69188
Long Grove	8.10000	8.10000	8.39529	8.10000
Maysville	5.16083	5.16097	5.16094	5.16095
McCausland	8.10000	8.10000	8.10000	8.10000
New Liberty	2.99975	2.90011	3.57028	3.34915
Panorama Park	6.25158	6.50590	6.76329	6.74595
Princeton	8.81288	9.02314	8.97804	8.93821
Riverdale	2.30949	2.93819	2.50485	2.50485
Walcott	9.75001	9.75001	9.75000	10.00000
School District Rates:				
Bennett Schools	12.85967	11.78130	11.62880	10.72766
Bettendorf Schools	15.46630	14.69042	15.00216	15.00025
Davenport Schools	17.09591	17.09734	17.10760	17.10610
Durant Schools	12.21711	12.62186	11.96178	12.37027
North Scott Schools	15.03382	15.12320	15.17814	15.11048
Pleasant Valley Schools	13.46470	13.66430	13.86154	13.99385
Area IX CC	0.59216	0.59269	0.61277	0.60785
Other:				
Scott County Assessor	0.27124	0.27404	0.29563	0.28899
Davenport City Assessor	0.27648	0.26045	0.29672	0.30964
Ag. Extension - BANGS	0.06939	0.06973	0.07034	0.07079

Source: County records - Auditor's Office.

Year Taxes are Payable					
2009	2010	2011	2012	2013	2014
\$ 5.33791	\$ 5.47607	\$ 6.37607	\$ 6.37759	\$ 6.30156	\$ 6.23534
8.35745	8.49561	9.39561	9.51525	9.43922	9.28021
13.69536	13.97168	15.77168	15.89284	15.74078	15.51555

12.85000	12.85000	12.60000	12.60000	12.55000	12.55000
11.07291	10.98600	11.18972	11.30132	11.57130	11.64547
8.09999	8.17628	8.17540	9.12078	9.12604	9.12332
15.57584	15.58000	15.53000	15.53000	16.78000	16.78000
8.10000	8.10000	8.10000	8.10000	8.10000	8.10000
5.96370	5.96079	7.21883	7.22080	7.22267	7.22420
15.56203	14.95411	15.70846	15.70847	17.07103	13.47399
6.64880	6.64916	6.74852	6.75418	6.75396	6.75436
14.69998	16.08173	16.00434	15.07379	14.69999	14.47264
9.76863	11.15854	11.03125	10.90085	10.74199	10.60442
5.16100	5.16094	5.16962	5.16951	5.16957	5.57674
8.10000	8.10000	9.25982	9.21668	9.22504	8.10000
2.93849	2.92797	3.96650	3.12506	7.88563	3.61168
5.64940	5.55117	5.56196	5.51713	5.47320	5.26743
8.94763	9.58243	9.58242	9.58242	10.26832	10.27159
2.70103	2.70103	3.37602	7.00244	10.55647	10.55525
10.00000	10.00000	9.99999	10.00000	9.99999	9.99999

11.01374	11.25066	11.23830	12.47240	12.05990	11.09204
14.84626	14.85367	15.00820	15.00244	15.00292	14.54629
17.08731	17.09334	17.11276	17.05061	17.04996	16.66333
12.60365	13.34659	11.84246	13.62815	12.39188	13.10599
14.76476	14.51584	14.75964	14.75525	14.50592	14.18910
13.98720	13.99319	14.74116	14.73829	14.64092	14.74093
0.60635	0.87714	0.92444	1.01724	0.91511	0.92043

0.28870	0.33733	0.28465	0.28110	0.28081	0.27996
0.27680	0.25789	0.23892	0.25171	0.31490	0.37452
0.06892	0.06845	0.06946	0.06891	0.00330	0.06890

County of Scott, Iowa

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

Fiscal Year	Governmental Activities			
	General Obligation Bonds	Revenue Bonds	Notes Payable	Capital Lease
2005	\$ 8,635	\$ -	\$ -	\$ -
2006	8,000	-	-	27,765
2007	9,655	-	-	26,770
2008	8,760	-	-	25,740
2009	7,765	-	-	24,670
2010	17,190	-	-	23,560
2011	15,660	-	-	22,410
2012	14,080	21,210	-	-
2013	12,482	38,163	9,638	-
2014	10,798	36,776	9,162	-

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

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

Source: County records.

N/A - Not Available

Business-Type Activities

Capital Lease	Purchase Contract	Total Government	Percentage of Personal Income*	Per Capita*
\$ 476	\$ 1,918	\$ 11,029	0.19%	\$ 69.56
370	1,725	37,860	0.62%	237.22
266	1,523	38,214	0.59%	238.72
156	1,304	35,960	0.52%	222.22
39	1,075	33,549	0.49%	205.09
-	855	41,605	0.57%	250.87
-	585	38,655	0.49%	231.94
-	-	35,290	0.43%	210.63
-	-	60,283	N/A	297.79
-	-	56,736	N/A	334.47

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County of Scott, Iowa

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

Fiscal Year	General Bonded Debt Outstanding		Percent of Debt to Assessed Value	Per Capita*
	General Obligation Bonds			
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
2009		7,765,000	0.07%	46.93
2010		17,190,000	0.15%	103.65
2011		15,660,000	0.13%	93.96
2012		14,080,000	0.12%	84.04
2013		12,491,845	0.10%	74.04
2014		10,797,620	0.09%	63.65

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

Source: County records.

County of Scott, Iowa

Direct and Overlapping Governmental Activities Debt
As of June 30, 2014
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct Debt:			
Scott County	\$ 56,736,475	100.00%	\$ <u>56,736,475</u>
Overlapping Debt:			
School Districts:			
Davenport Community	9,535,000	99.31%	9,469,209
Durant Community	2,431,354	25.82%	627,776
Pleasant Valley Community	2,000,000	100.00%	2,000,000
Eastern Iowa Community College	58,615,000	52.58%	<u>30,819,767</u>
Subtotal, School Districts			<u><u>42,916,751</u></u>
Cities:			
Bettendorf	107,920,000	100.00%	107,920,000
Blue Grass	2,314,509	97.65%	2,260,118
Buffalo	111,800	100.00%	111,800
Davenport	200,080,000	100.00%	200,080,000
Donahue	167,000	100.00%	167,000
Durant	1,165,000	3.72%	43,338
Eldridge	3,635,000	100.00%	3,635,000
LeClaire	23,205,299	100.00%	23,205,299
Long Grove	825,000	100.00%	825,000
McCausland	1,218,000	100.00%	1,218,000
New Liberty	274,960	100.00%	274,960
Princeton	955,000	100.00%	955,000
Riverdale	2,213,988	100.00%	2,213,988
Walcott	1,005,000	100.00%	<u>1,005,000</u>
Subtotal, Cities			<u><u>343,914,503</u></u>
			<u><u>386,831,254</u></u>
			<u><u>\$ 443,567,729</u></u>

Source: County records

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

County of Scott, Iowa

Legal Debt Margin Information
As of June 30, 2014
(Unaudited)

	2005	2006	2007	2008
Debt limit	\$ 428,112,694	\$ 451,734,795	\$ 479,594,782	\$ 497,083,535
Total net debt applicable to limit	8,635,000	35,765,000	36,425,000	34,500,000
Legal debt margin	\$ 419,477,694	\$ 415,969,795	\$ 443,169,782	\$ 462,583,535
Total net debt applicable to the limit as a percentage of debt limit	2.06%	8.60%	8.22%	7.46%

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

Source: County records.

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed value, net of military exemption	<u>\$ 12,325,815,548</u>
Debt limit (5% of assessed value)	<u>\$ 616,290,777</u>
Debt applicable to limit:	
General obligation bonds	10,770,000
Revenue Bonds	<u>36,340,000</u>
Total net applicable to limit	<u>47,110,000</u>
Legal debt margin	<u>\$ 569,180,777</u>

	2009	2010	2011	2012	2013	2014
\$	558,544,692	\$ 571,861,865	\$ 584,366,273	\$ 595,431,703	\$ 610,756,097	\$ 616,290,777
	32,435,000	40,750,000	38,070,000	35,290,000	50,095,000	47,110,000
\$	<u>526,109,692</u>	\$ <u>531,111,865</u>	\$ <u>546,296,273</u>	\$ <u>560,141,703</u>	\$ <u>560,661,097</u>	\$ <u>569,180,777</u>
	6.17%	7.67%	6.97%	6.30%	8.93%	8.28%

County of Scott, Iowa

Demographic and Economic Statistics
 Last Ten Calendar Years
 (Unaudited)

Year	Population ¹	Personal Income (000's) ²	Per Capita Personal Income ²	Farm Proprietors ³	School Enrollment ⁴	Unemployment Rate ⁵
2005	158,543	\$ 5,738,432	\$ 36,195	730	26,597	4.5
2006	159,597	6,112,472	38,299	730	26,735	3.8
2007	160,077	6,515,556	40,703	860	26,818	3.8
2008	161,824	6,938,518	42,877	850	27,316	4.1
2009	163,582	6,942,723	42,442	850	27,813	6.9
2010	165,759	7,332,919	44,233	850	28,016	7.1
2011	167,095	7,861,586	47,026	N/A	28,460	6.8
2012	167,924	8,137,008	48,205	759	28,538	6.3
2013	168,771	N/A	N/A	N/A	28,538	5.9
2014	169,630	N/A	N/A	N/A	28,626	6.0

Sources:

¹Woods & Poole Economics, Inc. 2014

Note: Woods & Poole data are projections

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

³USDA, National Agricultural Statistics Services (2005-09) and 2012 Census of Agriculture

⁴Iowa Department of Education

Total Enrollment includes Bettendorf CSD, Davenport CSD, North Scott CSD, and Pleasant Valley CSD

School enrollments are for the fall of year posted and spring of following year (i.e. 2011-12 would be listed under 2012)

⁵Iowa Workforce Development

2014 totals are the average from January - July 2014

Date accessed: 9/11/14

County of Scott, Iowa

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

Employer	2005		
	Employees	Rank	Percentage of Total County Employment
Genesis Medical Center	5,000	1	5.9%
ALCOA	2,250	2	2.7%
Kraft Foods North America	1,600	3	1.9%
MidAmerican Energy Company	1,060	4	1.3%
APAC Customer Services, Inc.	950	5	1.1%
Great Dane Trailers	650	6	0.8%
Sears Manufacturing	600	7	0.7%
UPS Distribution	590	8	0.7%
Von Maur	560	9	0.7%
Lee Enterprises News/Publishing	450	10	0.5%

Employer	2014		
	Employees	Rank	Percentage of Total County Employment
Genesis Medical Ctr	5,100	1	6.0%
HyVee	2,645	2	3.1%
Davenport CSD	2,200	3	2.6%
Alcoa Inc	2,000	4	2.4%
Oscar Mayer Foods Corp	1,600	5	1.9%
City of Davenport	1,295	6	1.5%
APAC Customer Service Inc	1,200	7	1.4%
Isle Casino Hotel Bettendorf	1,000	8	1.2%
Walmart	985	9	1.2%
John Deere Davenport Works	840	10	1.0%

Sources:

¹Iowa Workforce Development

²InfoGroup, Reference USA (2014); and Individual Employers (HyVee and Walmart totals are for all locations within the county)

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

County of Scott, Iowa

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

Function / Program	2005	2006	2007	2008
Public safety and legal services:				
Attorney	30.63	30.75	30.75	31.00
Health	4.90	7.30	8.30	8.30
Juvenile Court Services	14.20	14.20	14.20	14.20
Sheriff	159.65	166.10	164.10	166.10
Physical health and social services:				
Community Services	8.70	8.70	8.70	8.70
Health	32.25	31.85	29.85	30.85
Mental Health, Mental Retardation & Developmental Disabilities:				
Community Services	3.80	3.80	3.80	3.80
County Environment and Education				
Conservation	52.40	47.53	48.08	48.71
Golf Course	19.35	19.35	19.35	19.35
Planning & Development	4.08	4.08	4.08	4.08
Roads and Transportation				
Secondary Roads	35.15	35.15	35.15	35.15
Governmental services to residents:				
Auditor	6.00	6.00	6.00	6.00
Recorder	12.00	12.00	11.50	11.50
Treasurer	14.20	14.20	14.20	14.20
Administration:				
Administration	3.10	3.10	3.10	3.10
Auditor	9.40	9.40	9.90	9.90
Facility & Support Services	24.19	24.19	28.69	28.69
Human Resources	4.50	4.50	4.50	4.50
Information Technology	10.00	11.00	11.00	11.00
Non-Departmental	-	-	-	-
Supervisors, Board of	5.00	5.00	5.00	5.00
Treasurer	14.40	14.40	14.40	14.40
Total	467.90	472.60	474.65	478.53

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

Fiscal Year					
2009	2010	2011	2012	2013	2014
30.00	31.00	31.00	31.00	32.50	32.50
11.15	11.15	11.15	11.15	11.80	11.80
14.20	14.20	14.20	14.20	14.20	14.20
166.35	167.35	167.35	154.35	156.80	158.80
8.70	7.70	7.70	7.00	7.00	7.00
31.85	31.85	31.85	32.10	32.10	32.57
3.80	3.80	3.80	3.00	3.00	3.00
49.71	49.85	51.87	48.62	49.24	49.24
19.35	19.35	19.35	19.35	17.98	17.98
4.08	4.08	4.08	4.08	4.08	4.08
35.15	35.15	35.15	35.40	34.40	34.40
6.00	5.00	5.00	5.00	5.00	5.00
11.50	11.50	11.50	11.00	11.00	11.00
12.20	12.20	12.20	12.40	12.40	12.40
3.50	3.50	3.50	3.50	3.50	3.50
9.40	9.40	9.40	9.05	9.05	9.05
29.04	30.04	31.04	30.55	30.55	30.50
4.50	4.50	4.50	4.50	3.50	3.50
12.00	12.00	15.00	15.40	15.40	15.40
-	-	-	-	-	-
5.00	5.00	5.00	5.00	5.00	5.00
15.40	15.40	15.40	15.60	15.60	15.60
482.88	484.02	490.04	472.25	474.10	476.52

County of Scott, Iowa

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

Function / Program	2005	2006	2007	2008
Public Safety and Legal Services				
Attorney:				
# of felonies/aggravated field cases filed	4,832	5,077	4,845	4,814
# of new felony cases	N/A	N/A	N/A	N/A
Sheriff:				
# of civil papers received	15,620	14,764	14,479	14,879
# of jail bookings	9,876	10,859	11,658	9,747
Inmate instances of programming attendance	N/A	N/A	N/A	N/A
# of traffic citations written	3,114	3,502	2,068	2,233
# of traffic contacts	N/A	N/A	N/A	N/A
# of 9-1-1 calls	11,767	11,088	11,580	13,002
Physical Health and Social Services				
Community Services:				
# of applications for general assistance	6,575	6,446	6,524	7,544
# of applications approved for general assist	3,490	3,354	3,569	3,797
# of requests for veteran services	1,055	1,613	814	982
# of invol commit filed for substance abuse	241	289	340	260
Health Department:				
# of health related inmate contacts within jail	4,509	3,795	3,979	5,434
# of comm disease requiring investigation	122	302	369	285
# of environmental health inspections conducted	3,955	3,987	4,363	4,464
# of public health nuisance complaints received	N/A	N/A	N/A	N/A
Mental Health, HR & DD				
Community Services:				
# of invol commit filed for mental health	322	304	338	335
# of persons with MH/CMI served	4,115	4,015	4,136	4,078
# of juvenile MH commitments	N/A	N/A	N/A	N/A
# of persons with MR/DD served	518	560	572	570
# of adult MH commitments	N/A	N/A	N/A	N/A
# of protective payee cases	434	398	401	390
County Environment and Education				
Conservation:				
# of camp sites available	788	788	788	788
# of acres managed	N/A	N/A	N/A	N/A
# of rounds of golf course	30,803	30,898	27,196	27,765
Planning & Development:				
# of building permits issued	613	691	622	603

(Continued)

Source: County records - Year-end Indicator Report

Fiscal Year					
2009	2010	2011	2012	2013	2014
4,752	4,782	4,664	4,256	4,140	4,317
N/A	1,005	998	1,040	1,044	1,164
14,002	13,491	11,284	10,674	11,755	12,591
9,011	8,245	8,283	N/A	N/A	N/A
N/A	N/A	N/A	22,231	26,686	29,188
2,802	2,678	4,028	N/A	N/A	N/A
N/A	N/A	N/A	2,195	2,481	2,965
12,442	10,672	N/A	N/A	N/A	N/A
8,105	8,907	7,294	1,428	1,076	1,155
3,829	4,660	4,065	756	479	606
880	1,204	1,134	1,160	1,164	1,399
210	214	246	N/A	N/A	210
10,617	10,817	12,618	13,888	12,466	16,426
360	338	442	276	317	300
4,198	4,389	4,141	4,773	4,409	4,277
N/A	N/A	N/A	167	174	240
361	312	450	405	340	434
1,537	1,505	1,516	N/A	N/A	N/A
N/A	N/A	N/A	91	88	104
384	380	409	N/A	N/A	N/A
N/A	N/A	N/A	246	340	311
367	339	384	313	304	358
788	788	788	N/A	N/A	N/A
N/A	N/A	N/A	2,496	2,496	2,496
28,549	29,258	28,553	30,476	26,175	26,840
643	583	728	735	933	865

County of Scott, Iowa

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

Function / Program	2005	2006	2007	2008
Roads and Transportation:				
Secondary Roads:				
# of miles of road paved	176	176	176	176
# of bridges/culverts repaired/replaced	102	104	140	213
# of bridges/culverts maintained	N/A	N/A	N/A	N/A
Governmental Services to Residents				
Auditor:				
# of elections	6	26	11	27
# of registered voters	111,806	114,507	115,457	116,570
Recorder:				
# of real estate transactions recorded	49,447	48,297	43,976	40,493
# of vital statistics registered/issued	20,315	20,207	21,830	20,726
# of passport applications accepted	531	788	1,564	1,430
# of conservation privileges issued	1,235	808	797	N/A
# of conservation licenses - ATV/Snow boat reg, titles and liens and privileges issued	13,642	6,098	13,498	6,505
Treasurer:				
# of title and security interest trans processed	75,405	76,517	64,468	60,342
Administration				
Auditor:				
# of real estate transactions processed	8,829	8,859	8,414	7,728
# invoices processed	N/A	N/A	N/A	N/A
Facility & Support Service:				
# of service calls	5,810	4,608	4,586	4,408
# hours spent in safety training				
# of purchase requisitions received	733	849	864	1,113
# of pieces of outgoing mail	550,631	524,752	547,591	491,571
# of square feet of hard surface floors maintained	N/A	N/A	N/A	N/A
# of files imaged	273,526	327,979	887,629	746,690
# of hours spend on imaging	N/A	N/A	N/A	N/A
Information Technology:				
# of network users	652	686	805	851
# of network connections supported	N/A	N/A	N/A	N/A
# of 3rd party applications maintained	47	52	54	54
# of users supported	N/A	N/A	N/A	N/A
Treasurer:				
# of prop tax/spec assessment statutes issued	184,685	180,196	186,423	176,450
# of tax certifications issued	3,284	1,834	1,974	2,116

Fiscal Year					
2009	2010	2011	2012	2013	2014
183	183	183	219	221	222
79	94	89	89	120	N/A
N/A	N/A	N/A	N/A	N/A	2,123
5	26	3	4	3	4
118,641	120,962	123,115	124,263	124,356	126,182
40,010	37,856	38,493	31,385	34,697	26,954
20,196	20,450	20,776	20,313	22,863	21,509
1,134	1,280	1,151	1,142	1,177	1,300
N/A	N/A	N/A	N/A	N/A	N/A
4,291	14,612	5,852	6,611	12,494	8,221
66,597	67,777	71,883	69,904	69,097	65,465
6,689	7,303	6,663	N/A	N/A	N/A
N/A	N/A	N/A	25,035	22,453	20,148
4,579	3,045	2,197	N/A	N/A	N/A
			83	24	24
1,011	N/A	N/A	N/A	N/A	N/A
534,148	479,814	446,405	N/A	N/A	N/A
N/A	N/A	N/A	728,940	559,100	107,473
899,403	792,379	698,680	N/A	N/A	N/A
N/A	N/A	N/A	2,744	2,489	2,830
899	929	1,094	724	915	1,069
N/A	N/A	N/A	2,680	2,776	2,776
55	61	67	95	99	100
N/A	N/A	N/A	724	915	1,069
181,657	191,493	198,053	195,415	197,579	195,586
2,592	2,151	1,691	2,144	1,728	1,659

County of Scott, Iowa

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

<u>Function / Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Public safety and legal services:			
Sheriff:			
# of patrol cars	62	54	54
Physical health and social services:			
Health Department			
# of vehicles	18	13	13
County environment and education:			
Conservation			
# of acres managed	2,795	2,795	2,795
Planning and Development			
# of vehicles	2	2	2
Roads and transportation:			
Secondary Roads			
# of vehicles	61	61	61
# of buildings	10	10	10
Administration:			
Facility and Support Services			
# of vehicles	4	6	6
# of buildings maintained	12	12	12
Non-Departmental (Risk Management)			
# of vehicles	1	6	6

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

Fiscal Year						
2008	2009	2010	2011	2012	2013	2014
55	42	45	46	44	53	48
13	13	13	13	13	13	13
2,795	2,795	2,795	2,795	2,795	2,795	2,795
2	2	2	2	2	2	2
61	61	61	61	60	60	60
10	10	10	10	10	10	10
5	5	5	6	6	7	7
12	12	12	11	11	11	11
1	1	1	1	1	1	1

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COMPLIANCE

County of Scott, Iowa

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Identifying Number	Federal Expenditures (Restated)
U.S. Department of Agriculture			
Child Nutrition Cluster			
<i>(Passed through the Iowa Department of Human Services)</i>			
National School Lunch Program	10.555	N/A	\$ 17,218
<i>(Passed through Iowa Department of Education, Bureau/Division of Nutrition & Health)</i>			
Summer Food Service Program for Children	10.559	54513	400
Summer Food Service Program for Children	10.559	54514	750
Total Child Nutrition Cluster			<u>18,368</u>
<i>(Passed through Iowa Department of Human Services)</i>			
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	N/A	<u>73,823</u>
Total U.S. Department of Agriculture			<u>92,191</u>
U.S. Department of Housing and Urban Development			
<i>(Passed through the City of Davenport)</i>			
Lead-Based Paint Hazard Control in Privately-Owned Housing HUD Lead Hazard Control Grant	14.900	IALHB0497-11	14,540
U.S. Department of Justice			
<i>(Passed through the US Department of Justice)</i>			
Bulletproof Vest Program	16.607	OMB#1121-0235	729
JAG Program Cluster			
<i>(Direct Program)</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DJ-BX-0797	44,633
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2011-DJ-BX-2273	129,573
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2012-DJ-BX-0475	5,333
			<u>179,539</u>
<i>(Passed through the Governor's Office of Drug Control Policy)</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	11-JAG-59677	<u>64,975</u>
Total JAG Program Cluster			<u>244,514</u>
<i>(Passed through State of Iowa Department of Justice, Crime Victim Assistance Division)</i>			
ARRA-Violence Against Women Formula Grants Stop Violence Against Women	16.588	VW-14-23-CJ	<u>52,528</u>
Total U.S. Department of Justice			<u>297,771</u>

(Continued)

County of Scott, Iowa

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Identifying Number	Federal Expenditures (Restated)
U.S. Department of Transportation			
National Highway Traffic Safety Administration <i>(Passed through Iowa Department of Public Safety-Governor's Traffic Safety Division)</i>			
State and Community Highway Safety	20.600	PAP 13-04, Task 21	33,466
			<u>33,466</u>
U.S. Department of Health and Human Services <i>(Passed through the Iowa Department of Health)</i>			
Immunization Cooperative Agreements			
Immunization Action Grant	93.268	5883I468	20,431
Immunization Action Grant	93.268	5884I468	19,745
Immunization Billing Implementation	93.539	5884I4140	2,283
			<u>42,459</u>
Integrated HIV&Viral Help CTR	93.940	5883AP29	18,122
Integrated HIV&Viral Help CTR	93.940	5884AP29	7,128
			<u>25,250</u>
Maternal and Child Health Services Block Grant to the States			
Maternal and Child Health/Dental/ABCD &Hawk	93.994	5884MH21	37,506
Maternal and Child Health/Dental/ABCD &Hawk	93.994	5884MH21	243
Dental Health Grant	93.994	5883MH21	4,920
Dental Health Grant	93.994	5884MH21	174
			<u>42,843</u>
Public Health Emergency Preparedness	93.069	5883BT82	18,812
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative	93.074	5884BT53	131,562
PPHF-2012: Community Transformation Grants and National Dissemination and Support for Community Transformation	93.531	5883HP20	25,845
PPHF-2012: Community Transformation Grants and National Dissemination and Support for Community Transformation	93.531	5884HP20	37,242
Total PPHF-2012: Community Transformation Grants and National Dissemination and Support for Community Transformation			<u>63,087</u>
Centers for Disease Control and Prevention Investigations and Technical Assistance / Care for Yourself	93.283	5884NB21	32,630
The Affordable Care Act: Centers for Disease Control and Prevention Investigations and Technical Assistance and Technical Assistance Mosquito Surveillance Project	93.283	MOU-2013-ELC09	980
Project Grants and Cooperative Agreements for Tuberculosis Control Programs TB Directly Observed Therapy	93.116	MOU-2014-TB12	3,150
Total passed through Iowa Department of Health			<u>360,773</u>

(Continued)

County of Scott, Iowa

Schedule of Expenditures of Federal Awards (Concluded)
For the Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Identifying Number	Federal Expenditures (Restated)
U.S. Department of Health and Human Services (continued)			
<i>(Passed through Scott County Kids)</i>			
Child Care and Development Block Grant	93.575	N/A	\$ 41,255
<i>(Passed through Iowa Department of Human Services)</i>			
Refugee and Entrant Assistance	93.566	N/A	167
ARRA - Foster Care Title IV-E	93.658	N/A	28,327
ARRA - Adoption Assistance	93.659	N/A	9,585
Medical Assistance (Title XIX)	93.778	N/A	123,224
Refugee and Entrant Assistance / Child Care Development Fund	93.596	N/A	21,521
Children's Health Insurance Program - Expansion Title XXI	93.767	N/A	312
Social Service Block Grant	93.667	N/A	834,279
Social Service Block Grant - Indirect	93.667	N/A	23,011
			<u>857,290</u>
Total passed through Iowa Department of Human Services			<u>1,040,426</u>
Total U.S. Dept of Health and Human Services			<u>1,442,454</u>
U.S. Department of Homeland Security			
Homeland Security Cluster			
<i>(Passed through Iowa Homeland Security & Emergency Mgt Division)</i>			
Homeland Security Grant Programs			
FY 2011 State Homeland Security Program	97.067	EMW-2011-SS-0071-S01-24	63,444
FY 2012 State Homeland Security Program	97.067	EMW-2012-SS-00028-06	95,987
FY 2010 State Homeland Security Program	97.067	2010-SS-TO-0031-17	6,836
State Homeland Security Program	97.067	EMW-2011-SS-00071-S01-25	42,169
Total US Department of Homeland Security			<u>208,436</u>
Total expenditures of federal awards			<u>\$ 2,088,858</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 is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States and Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in the schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Note 2. Significant Accounting Policies

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

Note 3. Pass-Through Funding

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

Program Title	Federal CFDA Number	Amount Provided to Subrecipient
Edward Byrne Memorial Justice Assistance Grant Program	16.738	\$ 84,072
TB Directly Observed Therapy	93.116	3,150
I-4 Project	93.268	14,089
Integrated HIV & Viral Help CTR	93.940	5,749
Care for Yourself	93.283	30,215
Maternal and Child Health Grant	93.994	28
Local Bioterrorism Grant	93.074	44,333
Homeland Security Program	97.067	67,493
		<u>\$ 249,129</u>

Note 4. Report Reissuance

Subsequent to the issuance of the June 30, 2014 Schedule of Expenditure of Federal Awards, the County identified an omission in reporting federal expenditures of the Social Service Block Grant Program CFDA #93.667. The difference between this report and the report previously issued include the correction of reporting additional federal expenditures of \$834,279. The correction of this omission changed the reported total federal expenditures from \$1,254,579 to \$2,088,858.

County of Scott, Iowa

**Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2014**

Finding	Status
There were no findings relative to federal awards reported in the County of Scott's single audit report for the year ended June 30, 2013.	

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

Independent Auditors' Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Scott, Iowa as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County of Scott's basic financial statements, and have issued our report thereon dated December 3, 2014.

Internal Control Over Financial Reporting

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

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

To the Board of Supervisors
County of Scott, Iowa

Internal Control Over Financial Reporting (continued)

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency. This significant deficiency is item 2014-001.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the County of Scott's operations for the year ended June 30, 2014, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County of Scott. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

County of Scott's Response to Findings

The County of Scott's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County of Scott's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Baker Tilly Vinchow Krause, LLP

Milwaukee, Wisconsin
December 3, 2014 except for finding 2014-001
as to which the date is August 18, 2015



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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

We have audited the County of Scott, Iowa's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County of Scott's major federal programs for the year ended June 30, 2014. The County of Scott's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County of Scott complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

To the Board of Supervisors
County of Scott, Iowa

Other Matter

As discussed in Note 4 of the notes to schedule of expenditures of federal awards, this report is replacing a previously issued report dated December 3, 2014. The reissuance is the result of the County of Scott's subsequent identification of a federal award for the Social Service Block Grant program, CFDA No. 93.667, passed through the Iowa Department of Human Services. The differences between this report and the report previously issued include additional federal awards reported on the schedule of expenditures of federal awards and the identification of the Social Service Block Grant program in the summary of findings and questioned costs as a major program. Our opinion on each major federal program is not modified with respect to this matter.

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

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

Baker Tilly Vinshaw Krause, LLP

Milwaukee, Wisconsin
December 3, 2014 except for our opinion
on the major program Social Service Block Grant
as to which the date is August 18, 2015

County of Scott, Iowa

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

Section I: Summary of Auditors' Results

Financial Statements

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

Federal Awards

Internal control over major programs		
Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported

Type of auditor's report issued on compliance for major programs	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	<u> </u> yes	<u> X </u> no
Auditee qualified as low-risk auditee?	<u> X </u> yes	<u> </u> no

Identification of major federal programs

<u>CFDA NUMBER(S)</u>	<u>Name of Federal Program or Cluster</u>
16.738	Justice Assistance Grant (JAG) Program Cluster
93.074	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements
93.667	Social Service Block Grant

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

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

Finding No. 2014-001 Schedule of Expenditures of Federal Awards

Criteria	OMB Circular A-133 §____.310(b) requires that the auditee prepare a schedule of expenditures of federal awards for the period covered by the auditee's financial statements.
Condition	In years prior to 2013, the Iowa State Legislature appropriated Social Service Block Grant funds to counties annually. In 2013, the Iowa State Legislature retained these federal funds and replaced them with state funds. In 2014, the Iowa State Legislature again appropriated Social Service Block Grant funds to the counties; however this switch was not formally communicated to the counties. The County omitted this federal program from its original schedule of expenditures of federal awards because it believed that the funds received were state funds.
Context	The Social Services Block Grant award was \$834,279.
Effect	The total federal expenditures originally reported was understated by \$834,279.
Cause	Communication from the awarding pass-through entity did not contain information identifying this award as federal dollars for the current year.
Recommendation	We recommend the County review its procedures and controls to ensure the completeness of the schedule of expenditures of federal awards.
Management's Response and Corrective Action Plan	The County recognizes the importance of verifying all awards as to federal award status. In the upcoming year, a new grant management policy will be adopted by the County. This policy will emphasize communication with funding agencies and will increase verification, with written documentation, as to federal award status. The final SEFA will be submitted to all department grant managers for review of completeness.

Section III: Federal Awards Findings and Questioned Costs

There were no findings or questioned costs in 2014.

(Continued)

County of Scott, Iowa

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2014**

Section IV: Other Findings Related to Required Statutory Reporting

2014-IV-A Certified Budget

Disbursements during the year ended June 30, 2014 did not exceed the amounts budgeted.

2014-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.

2014-IV-C Travel Expense

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

2014-IV-D Business Transactions

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

2014-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.

2014-IV-F Board Minutes

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

2014-IV-G Deposits and Investments

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

2014-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).

2014-IV-I Capital Lease Purchase Agreements

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

2014-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, 2014 for the County Extension Office did not exceed the amount budgeted.

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