

SCOTT COUNTY, IOWA

Annual Financial Report, Auditors'
Opinion, and Auditors' Reports in
Accordance with the Single Audit
Act of 1984 for the Year Ended
June 30, 1985

SCOTT COUNTY, IOWA

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SCOTT COUNTY, IOWA

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Margaret Tinsman	Board of Supervisors	1986
Edwin Winborn	Board of Supervisors	1986
Thomas Hart	Board of Supervisors	1986
Bill Fennelly	Board of Supervisors	1988
Robert E. Petersen	Board of Supervisors	1988
Karen L. Fitzsimmons	County Auditor	1988
David H. Dahlin	County Clerk of District Court	1988
William P. Cusack, Jr.	County Treasurer	1986
Richard F. Hagen	County Recorder	1986
Forrest F. Ashcraft	County Sheriff	1988
William E. Davis	County Attorney	1986
Dale R. Denklau	County Assessor	1988
Nicholas R. Doenges	City Assessor	1988

Northwest Bank Building
101 West Second Street
Davenport, Iowa 52801
(319) 322-4415
Cable DEHANDS

AUDITORS' OPINION

Board of Supervisors
Scott County, Iowa:

We have examined the financial statements, listed in the table of contents of this report, of Scott County, Iowa, as of and for the year ended June 30, 1985. Our examination was made in accordance with generally accepted auditing standards and Chapter 11 of the Code of Iowa and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The County has not maintained a complete historical cost record of its general fixed assets and, accordingly, a statement of general fixed assets, required by generally accepted accounting principles, is not included. Also, as described in Note 1, the financial statements are prepared on the basis of cash receipts and disbursements; consequently, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. Also, as described in Note 1, combined financial statements as prescribed by standards established by the Governmental Accounting Standards Board have not been presented. Thus, in our opinion, the financial statements listed in the table of contents do not present fairly the financial position of Scott County at June 30, 1985, or the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

In our opinion, however, the aforementioned financial statements present fairly the assets and liabilities arising from cash transactions of Scott County as of June 30, 1985 and the results of its cash transactions for the year then ended on the basis of accounting described in the preceding paragraph applied in a manner consistent with that of the preceding year after giving retroactive effect to the change, with which we concur, in the consolidation of certain funds as described in Note 2 to the financial statements.

The examination referred to above was directed primarily toward formulating an opinion on the financial statements and account group of Scott County taken as a whole. The supplemental schedules are presented for supplemental analysis purposes and are not necessary for a fair presentation of the financial

position or the results of the cash transactions of Scott County. Such supplemental schedules have been subjected to the auditing procedures applied in the examination of the basic financial statements and, in our opinion, are stated fairly in all material respects only when considered in conjunction with the financial statements taken as a whole.

Delatte Hashim & Selz

November 27, 1985

COMBINED STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS -
COUNTY OFFICES, ALL FUND TYPES AND ACCOUNT GROUP
JUNE 30, 1985

ASSETS	NOTES	GOVERNMENTAL FUND TYPES				PROPRIETARY	FIDUCIARY
		GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	FUND TYPE INTERNAL SERVICE	FUND TYPE TRUST AND AGENCY
Cash on hand							
Cash in bank							\$ 105,310
Investments at cost							
Due from:							
Other offices							
County Treasurer -							
Allocation of cash and							
investment balance		\$4,290,220	\$1,734,748	\$691,855	\$531,911	\$149,332	2,474,676
County Treasurer - other		141,857					
Amount available in Debt							
Service Fund							
To be provided by future							
taxation and other sources							
TOTAL ASSETS		<u>\$4,432,077</u>	<u>\$1,734,748</u>	<u>\$691,855</u>	<u>\$531,911</u>	<u>\$149,332</u>	<u>\$2,579,986</u>
LIABILITIES AND FUND EQUITY							
LIABILITIES:							
Due to:							
State of Iowa							
Other governments							
County Treasurer							
County funds							
Trusts							
Amount available in Agency							
Funds for distribution							\$2,165,587
Bonds payable							
Total liabilities							<u>2,165,587</u>
FUND EQUITY:							
Fund balances - Unreserved		<u>\$4,432,077</u>	<u>\$1,734,748</u>	<u>\$691,855</u>	<u>\$531,911</u>	<u>\$149,332</u>	<u>414,399</u>
TOTAL LIABILITIES AND FUND EQUITY		<u>\$4,432,077</u>	<u>\$1,734,748</u>	<u>\$691,855</u>	<u>\$531,911</u>	<u>\$149,332</u>	<u>\$2,579,986</u>

See notes to financial statements.

(Continued)

COMBINED STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS -
 COUNTY OFFICES, ALL FUND TYPES AND ACCOUNT GROUP
 JUNE 30, 1985

ASSETS	NOTES	COUNTY OFFICES					COUNTY	ACCOUNT GROUP	TOTAL
		COUNTY AUDITOR	COUNTY TREASURER	COUNTY RECORDER	COUNTY SHERIFF	COUNTY CLERK OF DISTRICT COURT	GENERAL LONG- TERM DEBT	(MEMORANDUM ONLY)	
Cash on hand		\$ 295	\$ 87,962	\$ 13,385	\$ 600	\$ 350		\$ 102,592	
Cash in bank		18,310	3,784,780	89,092	40,837	1,238,216		5,276,545	
Investments at cost		40,500	6,000,000	52,500				6,093,000	
Due from:									
Other offices			141,857					141,857	
County Treasurer - Allocation of cash and investment balance								9,872,742	
County Treasurer - other								141,857	
Amount available in Debt Service Fund							\$ 691,855	691,855	
To be provided by future taxation and other sources							3,563,145	3,563,145	
TOTAL ASSETS		<u>\$59,105</u>	<u>\$10,014,599</u>	<u>\$154,977</u>	<u>\$41,437</u>	<u>\$1,238,566</u>	<u>\$4,255,000</u>	<u>\$25,883,593</u>	
LIABILITIES AND FUND EQUITY									
LIABILITIES:									
Due to:									
State of Iowa				\$ 60,478		\$ 101,269		\$ 161,747	
Other governments						17,435		17,435	
County Treasurer		18,605		94,499		28,753		141,857	
County funds			\$10,014,599					10,014,599	
Trusts		40,500			\$41,437	1,091,109		1,173,046	
Amount available in Agency Funds for distribution								2,165,587	
Bonds payable	4						\$4,255,000	4,255,000	
Total liabilities		<u>59,105</u>	<u>10,014,599</u>	<u>154,977</u>	<u>41,437</u>	<u>1,238,566</u>	<u>4,255,000</u>	<u>17,929,271</u>	
FUND EQUITY:									
Fund balances - Unreserved								7,954,322	
TOTAL LIABILITIES AND FUND EQUITY		<u>\$59,105</u>	<u>\$10,014,599</u>	<u>\$154,977</u>	<u>\$41,437</u>	<u>\$1,238,566</u>	<u>\$4,255,000</u>	<u>\$25,883,593</u>	

See notes to financial statements.

COMBINED STATEMENT OF CASH TRANSACTIONS - ALL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1985

	NOTES	GOVERNMENTAL FUND TYPES				PROPRIETARY	FIDUCIARY	TOTAL (MEMORANDUM ONLY)
		GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	FUND TYPE INTERNAL SERVICE	FUND TYPE TRUST AND AGENCY	
RECEIPTS:								
Property tax		\$14,239,062	\$1,103,225	\$491,636			\$75,020,765	\$ 90,854,688
Other county tax		85,860	11,507	1,635			259,556	358,558
Interest and penalty on delinquent tax		363,401						363,401
Intergovernmental		2,354,183	2,379,988	41,354	\$ 13,212		6,239,208	11,027,945
Licenses and permits		95,107						95,107
Charges for service		1,903,719				\$786,937		2,690,656
Use of money and property		1,518,591						1,518,591
Miscellaneous		302,191	24,779		4,590		16,175,327	16,506,887
Total receipts		<u>20,882,114</u>	<u>3,519,499</u>	<u>534,625</u>	<u>17,802</u>	<u>786,937</u>	<u>97,694,856</u>	<u>123,415,833</u>
DISBURSEMENTS:								
Operating:								
Public safety		3,892,649	103,117					3,995,766
Court services		2,265,825						2,265,825
Physical health and education		1,384,012	313,587					1,697,599
Mental health		4,770,431						4,770,431
Social services		985,607						985,607
County environment		936,598						936,598
Roads and transportation			1,979,529					1,979,529
State and local government services		1,008,982						1,008,982
Interprogram services		4,212,632						4,212,632
Non-program						846,030	1,204,585	2,050,615
Debt service				600,603				600,603
Capital projects		185,369	252,082		1,504,779			1,942,230
Agency remittances							96,593,743	96,593,743
Total disbursements		<u>19,642,105</u>	<u>2,648,315</u>	<u>600,603</u>	<u>1,504,779</u>	<u>846,030</u>	<u>97,798,328</u>	<u>123,040,160</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS		<u>1,220,009</u>	<u>871,184</u>	<u>(65,978)</u>	<u>(1,486,977)</u>	<u>(59,093)</u>	<u>(103,472)</u>	<u>375,673</u>
OTHER TRANSACTIONS:								
Operating transfers from other funds		205,740	1,920,351	140,770	1,220,028	51,456		3,538,345
Operating transfers (to) other funds		(998,541)	(2,539,804)					(3,538,345)
Total other transactions		<u>(792,801)</u>	<u>(619,453)</u>	<u>140,770</u>	<u>1,220,028</u>	<u>51,456</u>		
EXCESS OF RECEIPTS AND OTHER TRANSACTIONS OVER DISBURSEMENTS		<u>427,208</u>	<u>251,731</u>	<u>74,792</u>	<u>(266,949)</u>	<u>(7,637)</u>	<u>(103,472)</u>	<u>375,673</u>
ALLOCATION OF TREASURER'S CASH AND INVESTMENT								
BALANCE AT BEGINNING OF YEAR, AS RESTATED	2,8	<u>3,863,012</u>	<u>1,483,017</u>	<u>617,063</u>	<u>798,860</u>	<u>156,969</u>	<u>2,683,458</u>	<u>9,602,379</u>
CASH AND INVESTMENT BALANCE AT END OF YEAR:								
Allocation of Treasurer's cash and investment balance	8	4,290,220	1,734,748	691,855	531,911	149,332	2,474,676	9,872,742
Cash in bank							105,310	105,310
Total balance at end of year		<u>\$ 4,290,220</u>	<u>\$ 1,734,748</u>	<u>\$ 691,855</u>	<u>\$ 531,911</u>	<u>\$ 149,332</u>	<u>\$ 2,579,986</u>	<u>\$ 9,978,052</u>

See notes to financial statements.

COMPARISON OF DISBURSEMENTS TO BUDGET BY MAJOR EXPENDITURE CLASS - ALL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 1985

	<u>PUBLIC SAFETY</u>	<u>COURT SERVICES</u>	<u>PHYSICAL HEALTH AND EDUCATION</u>	<u>MENTAL HEALTH</u>	<u>SOCIAL SERVICES</u>	<u>COUNTY ENVIRONMENT</u>	<u>ROADS AND TRANSPOR- TATION</u>
General	\$3,892,649	\$2,265,825	\$1,384,012	\$4,770,431	\$ 985,607	\$ 936,598	
Special Revenue Funds	103,117		313,587				\$1,979,529
Debt Service							
Capital Projects							
Internal Service							
Trust and Agency:							
Expendable Trust Funds							
Agency Funds							
Total disbursements	<u>3,995,766</u>	<u>2,265,825</u>	<u>1,697,599</u>	<u>4,770,431</u>	<u>985,607</u>	<u>936,598</u>	<u>1,979,529</u>
BUDGET	<u>4,102,657</u>	<u>2,375,817</u>	<u>1,718,021</u>	<u>5,507,404</u>	<u>1,224,501</u>	<u>960,515</u>	<u>2,361,000</u>
DISBURSEMENTS OVER (UNDER) BUDGET	<u>\$ (106,891)</u>	<u>\$ (109,992)</u>	<u>\$ (20,422)</u>	<u>\$ (736,973)</u>	<u>\$ (238,894)</u>	<u>\$ (23,917)</u>	<u>\$ (381,471)</u>

See notes to financial statements.

(Continued)

COMPARISON OF DISBURSEMENTS TO BUDGET BY MAJOR EXPENDITURE CLASS --ALL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 1985

	STATE AND LOCAL GOVERNMENT SERVICES	INTER- PROGRAM SERVICES	NON-PROGRAM	DEBT SERVICE	CAPITAL PROJECTS	AGENCY REMITTANCES	TOTAL
General	\$1,008,982	\$4,212,532			\$ 185,369		\$ 19,642,105
Special Revenue Funds					252,082		2,648,315
Debt Service				\$600,603			600,603
Capital Projects					1,504,779		1,504,779
Internal Service			\$ 846,030				846,030
Trust and Agency: Expendable Trust Funds			1,204,585				1,204,585
Agency Funds						\$96,593,743	96,593,743
Total disbursements	<u>1,008,982</u>	<u>4,212,632</u>	<u>2,050,615</u>	<u>600,603</u>	<u>1,942,230</u>	<u>96,593,743</u>	<u>\$123,040,160</u>
BUDGET	<u>1,071,666</u>	<u>4,610,033</u>	<u>N/A</u>	<u>614,641</u>	<u>2,496,500</u>	<u>N/A</u>	
DISBURSEMENTS OVER (UNDER) BUDGET	<u>\$ (62,684)</u>	<u>\$ (397,401)</u>	<u>\$ N/A</u>	<u>\$(14,038)</u>	<u>\$(554,270)</u>	<u>\$ N/A</u>	

See notes to financial statements.

SCOTT COUNTY, IOWA

STATEMENT OF CASH TRANSACTIONS - COUNTY AUDITOR
FOR THE YEAR ENDED JUNE 30, 1985

RECEIPTS:

Office fees:

From County Recorder's office \$28,420
Other office fees 46

Miscellaneous:

Dog licenses 10,175
Trusts 3,392
From County Clerk of District Court's office 3,495
Other 26

Total receipts 45,554

DISBURSEMENTS:

Office fees to General Fund 47,974
Trusts paid out 1,772
Total disbursements 49,746

(DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS (4,192)

CASH AND INVESTMENT BALANCE AT BEGINNING OF YEAR 63,297

CASH AND INVESTMENT BALANCE AT END OF YEAR \$59,105

See notes to financial statements.

SCOTT COUNTY, IOWA

STATEMENT OF CASH TRANSACTIONS - COUNTY TREASURER
FOR THE YEAR ENDED JUNE 30, 1985

RECEIPTS:

Property tax:

Assessed to taxpayers	\$ 92,309,366
Less:	
Current year delinquent	(1,952,128)
Public bidder tax	(205,356)
Abated tax	(92,151)
Suspended tax	(4,740)
Abated state tax credits	(305,301)
Other	(7,523)
Collections on current levy	<u>89,742,167</u>
Prior year delinquent tax	1,153,804
Mobile home tax	281,059
Interest and penalties	<u>363,401</u>
Total tax collections	<u>91,540,431</u>
Tax credits received from state:	
Homestead	5,189,224
Agriculture land	492,058
Military and disabled veterans	175,215
Elderly	296,676
Personal property	762,242
Livestock	86,428
Machinery and computer replacement	565,472
Monies and credits	69,115
Mobile homes	4,558
Motor vehicle	13,455,642
Miscellaneous income	7,681,460
Special assessments	1,127,379
Other	<u>1,230,689</u>
Total receipts	<u>122,676,589</u>

DISBURSEMENTS:

Warrants and orders	108,597,865
Health insurance claims and fees	846,030
Motor vehicle	13,420,472
Outstanding warrants, June 30, 1985	461,231
Other	<u>6,817</u>
Total disbursements	<u>123,332,415</u>

(DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS (655,826)

CASH AND INVESTMENT BALANCE AT BEGINNING OF YEAR 10,528,568

CASH AND INVESTMENT BALANCE AT END OF YEAR \$ 9,872,742

SCOTT COUNTY, IOWA

STATEMENT OF CASH TRANSACTIONS - COUNTY RECORDER
FOR THE YEAR ENDED JUNE 30, 1985

RECEIPTS:

Office fees:

Deeds	\$ 29,886
Real estate mortgages	79,707
Uniform Commercial Code	12,031
Releases and assignments	32,722
County share of real estate revenue stamps	82,015
Snowmobile fees	1,256
Boat fees	9,253
Hunting and fishing fees	2,208
From County Clerk of District Court's office	3,017
Miscellaneous	62,689

Miscellaneous:

Hunting and fishing licenses	311,988
Boat registrations	100,466
Snowmobile registrations	15,286
State share of real estate revenue stamps	210,204
Transfer fees	28,090
Other	10,897

Total receipts

991,715

DISBURSEMENTS:

Transfer fees to County Auditor	28,420
Office fees to General Fund	252,445
To state:	
Licenses	278,855
Registrations	110,942
Real estate revenue stamps	220,254
Other	6,648

Total disbursements

897,564

EXCESS OF RECEIPTS OVER DISBURSEMENTS

94,151

CASH AND INVESTMENT BALANCE AT BEGINNING OF YEAR

60,826

CASH AND INVESTMENT BALANCE AT END OF YEAR

\$154,977

See notes to financial statements.

SCOTT COUNTY, IOWA

STATEMENT OF CASH TRANSACTIONS - COUNTY SHERIFF
FOR THE YEAR ENDED JUNE 30, 1985

RECEIPTS:

Office fees	\$ 59,371
Miscellaneous:	
County car mileage	23,527
Gun permits	688
Trusts	951,429
Total receipts	<u>1,035,015</u>

DISBURSEMENTS:

To General Fund:	
Office fees	64,161
Mileage	25,399
Gun permits	450
Gun permits to state	324
Trusts paid out	1,085,085
Total disbursements	<u>1,175,419</u>

(DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS (140,404)

CASH AND INVESTMENT BALANCE AT BEGINNING OF YEAR 181,841

CASH AND INVESTMENT BALANCE AT END OF YEAR \$ 41,437

See notes to financial statements.

SCOTT COUNTY, IOWA

STATEMENT OF CASH TRANSACTIONS - COUNTY CLERK OF DISTRICT COURT
FOR THE YEAR ENDED JUNE 30, 1985

RECEIPTS:

Office fees:

Parking tickets	\$ 24,455
Copies	449
Auditor's fees	3,439
Recorder's fees	3,098
Sheriff fees	3,184
Court-appointed attorney fees	9,380
Court reporters' fees	51,361
Interest on investments	11,686

Miscellaneous:

Alimony and child support	7,728,086
Jury and witness	126,574
State fines	664,051
City fines	283,972
Fees and costs	653,024
Surcharges	133,217
Trusts	2,390,965

Total receipts

12,086,941

DISBURSEMENTS:

To General Fund:

Court revenue distribution	291,989
Unclaimed fees	28,739
Office fees	24,799
Surcharges	8,880
Court-appointed attorney	5,824
Other	2,872

To Auditor's office

3,495

To Recorder's office

3,017

To state:

Filing fees	254,373
Fines and surcharges	785,632
Court revenue distribution	175,838
Other	10,453

Fines and surcharges to cities:

Bettendorf	46,866
Blue Grass	11,506
Buffalo	5,464
Davenport	172,925
Dixon	557
Eldridge	2,989
Long Grove	330
LeClaire	10,403
Princeton	2,076
Walcott	4,312

Alimony and child support

7,738,580

(Continued)

SCOTT COUNTY, IOWA

STATEMENT OF CASH TRANSACTIONS - COUNTY CLERK OF DISTRICT COURT
FOR THE YEAR ENDED JUNE 30, 1985 (CONTINUED)

Trusts	2,155,514
Jury and witness	107,094
Other	425
Total disbursements	<u>11,854,952</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS	231,989
CASH AND INVESTMENT BALANCE AT BEGINNING OF YEAR	<u>1,006,577</u>
CASH AND INVESTMENT BALANCE AT END OF YEAR	<u>\$ 1,238,566</u>

SCOTT COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1985

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The financial statements include all of the funds of the County. Accordingly, the criteria specified by the Governmental Accounting Standards Board have been applied in determining the scope of the reporting entity for financial reporting purposes. Specifically, those agencies, offices, organizations, commissions, and public authorities over which the County's elected officials exercise oversight responsibility are included in the financial statements. Manifestations of oversight responsibility over an entity include: 1) financial interdependency, 2) selection of governing authority, 3) designation of management, 4) ability to significantly influence operations, and 5) accountability for fiscal matters.

Basis of Presentation - Fund Accounting - The accounts of the County are organized on the basis of funds and an account group, 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, fund equity, receipts, and disbursements. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The various funds are grouped in the financial statements into county offices and six generic fund types. The following county offices, fund types, and account group are used by the County:

County Offices:

Done

Under Chapter 11, Section 11.6 of the Code of Iowa, "the report of the examination of a county...filed by the accountant...shall be in the form prescribed by the auditor of the state." This prescribed form requires the balances and cash activity for certain county offices to be separately presented in the financial statements. The County offices separately presented in the financial statements in accordance with the state auditor's prescribed report presentation are the Auditor, Treasurer, Recorder, Sheriff, and Clerk of the District Court. County offices are used to account for assets held by the County as an agent for other funds and other governmental units. These offices resemble fiduciary fund type agency funds in their purpose and activity.

The Combined Statement of Cash Transactions - All Fund Types does not include the receipts and disbursements of the County offices. Also, the County offices are not included in one of the generic fund types on the Combined Statement of Assets and Liabilities Arising from Cash Transactions. Accordingly, the financial statements do not include combined financial statements in accordance with standards established by the Governmental Accounting Standards Board and, therefore, do not present the assets and liabilities arising from cash transactions or results of operations in accordance with generally accepted accounting principles.

Governmental Fund Types:

General Fund - The General Fund is the general operating fund of the County. It is used to account for all cash transactions except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to disbursements for specified purposes.

Debt Service Funds - The Debt Service Funds are used to account for the accumulation of cash for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Proprietary Fund Type:

Internal Service Fund - The Employee Health Insurance Internal Service Fund is used to account for the financing of medical claims of all covered County employees and their covered dependents. Actuarially determined amounts are charged to other funds and covered employees to finance medical claims paid.

Fiduciary Fund Type:

Trust and Agency Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include Expendable Trust Funds and Agency Funds.

Account Group:

General Long-Term Debt Account Group - This group of accounts is established to account for all long-term debt of the County.

Basis of Accounting - Scott County maintains its financial records on the cash basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable, and accrued items. Consequently, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the financial statements do not present the financial position or results of operations of such funds in accordance with generally accepted accounting principles.

Investments - Investments are stated at cost which approximates market.

Budgets and Budgetary Accounting - On or before January 15, each County officer and department submits budget estimates to the Director, Budget and Information Processing. The estimates must show the proposed disbursements of the office or department for the next fiscal year, and includes an estimate of the receipts, except property taxes, expected to be collected for the County by the office during the next fiscal year.

The Director, Budget and Information Processing compiles the budget estimates received from the officers and departments and presents them to the Board by January 20. From these estimates, the Board prepares its proposed annual budget. The Board then sets a time and place for a public hearing on the budget before the final certification date. Notice of the hearing must be published not less than 10 or more than 20 days prior to the hearing in one or more of the local newspapers.

Formal budgetary integration and control is based upon 12 major classes of expenditures. These 12 classes are: public safety, court services, physical health and education, mental health, social services, county environment, roads and transportation, state and local government services, interprogram services, nonprogram current expenditures, debt service, and capital projects.

In addition, the Board must appropriate, by resolution, the amounts deemed necessary for each of the different County officers and departments during the ensuing fiscal year. It is unlawful for a County official to authorize an expenditure larger than the amount which has been appropriated by the Board. Increases or decreases in appropriations only require a Board resolution when none of the major classes of expenditures listed above is increased.

General Fixed Assets - Improvements, betterments, furniture, equipment, and other items which may be utilized for periods extending beyond one year are treated as disbursements at the time of acquisition in the governmental funds. An adequate record of general fixed assets has not been maintained in a general fixed assets account group and, therefore, a Statement of General Fixed Assets has not been presented as required by generally accepted accounting principles.

Accumulated Unpaid Vacation and Sick Pay - Generally, County employees accumulate sick leave days for subsequent use. Employees are paid for 50% of their sick leave days in excess of 720 hours up to a maximum of 1,680 hours upon retirement or death. This accumulation is not recognized as a disbursement by the County until it is paid and is generally not in excess of a normal year's accumulation.

County employees also accumulate vacation days for subsequent use. Employees separated from County employment are paid for unused vacation leave earned. This accumulation is not recognized as a disbursement by the County until it is paid and is not in excess of a normal year's accumulation. The approximate liability for unrecognized accrued vacation and sick leave benefits is \$625,000 at June 30, 1985.

Total Columns on Combined Statements - The total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation and interfund eliminations have not been considered in the aggregation of this data.

2. RETROACTIVE RESTATEMENT DUE TO CONSOLIDATION OF FUNDS

The County Finance Bill, which was effective July 1, 1984, removed the statutory requirements for many of the individual funds that had previously been required. The fund balances in the discontinued funds at June 30, 1984 were transferred to other funds at the discretion of the County Board of Supervisors in accordance with Chapter 24.21 of the Code of Iowa. The beginning fund balances of the remaining funds have been retroactively restated to reflect the residual equity transfers which were effective July 1, 1984 as shown on the following page with no change in the total fund balance.

<u>Fund</u>	<u>Fund Balance, as Previously Reported</u>	<u>Residual Equity Transfers in (out)</u>	<u>Fund Balance, as Restated</u>
General	\$1,237,247	\$2,625,765	\$3,863,012
Court expense	334,392	(334,392)	
Poor	(179,914)	179,914	
County mental health and institutions	890,558	(890,558)	
Veterans affairs	2,443	(2,443)	
Election expense	60,803	(60,803)	
Local board of health	(484,425)	484,425	
Conservation board	(35,919)	35,919	
Retirement - FICA and IPERS	872,823	(872,823)	
Fairgrounds aid	2,769	(2,769)	
Domestic animal	5,663	(5,663)	
Health center	507,012	(507,012)	
Unemployment compensation	94,648	(94,648)	
Detention home	107,620	(107,620)	
Tort liability	497,292	(497,292)	
Employee health insurance	106,969	50,000	156,969
Total	<u>\$4,019,981</u>	<u>\$ Nil</u>	<u>\$4,019,981</u>

3. PROPERTY TAXES

Property taxes collected in fiscal 1985 became a lien on property on July 1, 1983. The County's property tax rates were extended against the assessed valuation of the County as of January 1, 1983. Taxes were due and payable in two installments on September 30, 1984 and March 31, 1985 at the Scott County Treasurer's office.

4. BONDS PAYABLE

Interest rates and principal maturities by fiscal year for the County's June 30, 1985 bonded indebtedness are as follows:

Year Ending June 30,	Conservation Bonds		County Jail Bonds		Total
	Interest Rates	Amount	Interest Rates	Amount	
1986	6.000%	\$ 55,000	11.500%	\$ 110,000	\$ 165,000
1987	6.000	55,000	11.500	120,000	175,000
1988	6.000	55,000	11.500	135,000	190,000
1989	6.000	55,000	11.500	150,000	205,000
1990			10.200	170,000	170,000
1991			9.600	190,000	190,000
1992			9.800	215,000	215,000
1993			10.000	240,000	240,000
1994			10.250	270,000	270,000
1995			10.500	300,000	300,000
1996			11.000	335,000	335,000
1997			11.000	375,000	375,000
1998			11.000	420,000	420,000
1999			11.000	475,000	475,000
2000			11.000	530,000	530,000
Total		<u>\$220,000</u>		<u>\$4,035,000</u>	<u>\$4,255,000</u>

5. PRINCIPAL AND INTEREST MATURITIES OF BONDS PAYABLE

Principal and interest maturities of bonds payable summarized by fiscal year are as follows:

Year	Conservation Bonds	County Jail Bonds	Total
1986	\$ 68,200	\$ 543,900	\$ 612,100
1987	64,900	541,250	606,150
1988	61,600	542,450	604,050
1989	58,300	541,925	600,225
1990		544,675	544,675
1991		547,335	547,335
1992-2000		5,135,945	5,135,945
Total	<u>\$253,000</u>	<u>\$8,397,480</u>	<u>\$8,650,480</u>

6. CHANGES IN BONDS PAYABLE

Changes in bonds payable, by issue, for the year ended June 30, 1985 are summarized as follows:

	Balance at June 30, 1984	Issued	Retired	Balance at June 30, 1985
	Conservation Bonds	\$ 275,000		\$ (55,000)
County Jail Bonds	4,130,000		(95,000)	4,035,000
Total	<u>\$4,405,000</u>	<u> </u>	<u>\$(150,000)</u>	<u>\$4,255,000</u>

7. RETIREMENT PLAN

Scott County is a participating member of the Iowa Public Employees Retirement System (IPERS) which provides retirement benefits for substantially all County employees. IPERS benefits are payable in addition to social security benefits.

Contributions are 3.70% by the employee and 5.75% by the employer on the first \$21,000 of compensation in the calendar year, except for law enforcement employees, in which case the percentages are 6.32% and 9.78%, respectively.

The annual contribution rate for all participants, established by the State of Iowa, provides for funding of normal costs and for funding of prior service costs, including interest, as determined actuarially in level installments by July 1, 1998.

During the year ended June 30, 1985, charges to operations for all funds for combined IPERS and social security contributions were \$1,151,554.

The actuarial computed present value of accumulated vested and non-vested plan benefits has not been determined by the above plan's actuaries.

8. ALLOCATION OF TREASURER'S BALANCE

The County Treasurer's office handles all of the receipts and disbursements for the General Fund, all Special Revenue Funds, all Debt Service Funds, the Capital Projects Fund, the Internal Service Fund, and the majority of Trust and Agency Funds. These funds have no cash or investment balance, but reflect their allocation of the pooled Treasurer's cash and investment balance. Therefore, all receipts and disbursements of these funds are reflected in the Statement of Cash Transactions for the Treasurer's office as well as in the Combined Statement of Cash Transactions - All Fund Types.

9. DEFERRED COMPENSATION PLAN

The County offers its employees several deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all County employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plans, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights are (until made available to the employee or other beneficiary) solely the property and rights of the County (without being restricted to the provisions of benefits under the plans) subject only to the claims of the County's general creditors.

Participants' rights created under the plans are equivalent to those of general creditors of the County and only in an amount equal to the fair market value of the deferred account maintained with respect to each participant. In the past, the plans assets have been used for no purpose other than to pay benefits. In addition, the County believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future. It is the opinion of the County that it has no liability for losses under the plans, but does have the duty of care which would be required of an ordinary prudent investor.

Plan assets at December 31, 1984, the fiscal year-end of the plans, approximate \$280,000.

The County does not record the plan assets or the related liability to plan participants in the financial statements.

10. SELF-INSURANCE

The County is self-insured for the following types of risk exposures:

Health Benefits - The County has established an Employee Health Insurance Fund for self-insurance related to health benefits which is included in the Internal Service Fund type. Self-insurance is in effect up to an aggregate stop loss amount of approximately \$690,000 for 1985. Coverage from a private insurance company is maintained for losses in excess of the aggregate stop loss amount. All claims handling procedures are performed by an independent claims administrator.

Unemployment Compensation - The County is also self-insured for unemployment compensation claims. Unemployment compensation is charged quarterly to the applicable funds as the state assesses the County based upon actual claims paid.

11. SUBSEQUENT EVENT

On November 20, 1985, Scott County sold \$3,765,000 of General Obligation County Refunding Bonds of 1985 to refund the General Obligation County Jail Bonds of 1981. The net proceeds of this issuance were placed in an irrevocable trust account from which the Jail Bonds of 1981 principal and interest will be paid. The Refunding Bonds of 1985 are due on June 1 of each year from 1986 to 2000 in annual installments ranging from \$65,000 to \$475,000. Interest is payable at a rate ranging from 5.4% to 8.1%.

SCOTT COUNTY, IOWA

STATEMENT OF CASH TRANSACTIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 1985

RECEIPTS:

Property tax	<u>\$14,239,062</u>
Other county tax:	
Mobile home tax	47,604
Monies and credit	<u>38,256</u>
Total other county tax	<u>85,860</u>
Interest and penalty on delinquent tax	<u>363,401</u>
Intergovernmental:	
State property tax replacement credits	1,201,988
Child support recovery	264,488
Franchise tax	190,381
Homemaker health aid	189,314
Juvenile justice	47,147
Contributions and reimbursements from other governmental units	45,645
State shared revenue	7,237
Payments in lieu of taxes	1,842
Federal grants and entitlements	1,036
Other state grants and reimbursements	<u>405,105</u>
Total intergovernmental	<u>2,354,183</u>
Licenses and permits	<u>95,107</u>
Charges for services:	
Office fees and collections:	
County Auditor	47,974
County Recorder	252,445
County Sheriff	90,010
County Treasurer	54,759
County Clerk of District Court	334,364
Auto licenses, use tax, and postage	313,856
Recreational fees	170,795
Health fees	240,373
General governmental fees	<u>399,143</u>
Total charges for services	<u>1,903,719</u>
Use of money and property:	
Interest on investments	1,376,794
Land rent	<u>141,797</u>
Total use of money and property	<u>1,518,591</u>
Miscellaneous:	
Concessions	7,028
Special assessments	609
Unclaimed money and property from County Clerk of District Court	28,739
Other unclaimed money and property	2,311
Other	<u>263,504</u>
Total miscellaneous	<u>302,191</u>
Total receipts	<u>20,862,114</u>

(Continued)

SCOTT COUNTY, IOWA

STATEMENT OF CASH TRANSACTIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 1985 (CONTINUED)

DISBURSEMENTS:

Public safety:

Law enforcement program:

Uniformed patrol services	1,119,350
Investigations	217,091
Law enforcement communications	223,869
Adult correctional services	1,309,176
Administration	41,177

Legal services program:

Criminal prosecution	665,303
Child support recovery	145,243

Emergency services:

Ambulance services	144,620
Disaster services	26,820

Total public safety	<u>3,892,649</u>
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Court services:

Assistance to judges and magistrates program - bailiffs	106,224
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Court proceedings program:

Juries and witnesses	3,532
Legal defense for indigents	438,741
Detention services	186,887
Court costs	197,225
Service of civil papers	164,031

Records of court proceedings program - court records	673,960
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Juvenile justice administration program:

Juvenile probation and restitution	413,752
Court-appointed attorneys for juveniles	81,473

Total court services	<u>2,265,825</u>
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Physical health and education:

Physical health services program:

Personal and family health services	583,171
Communicable disease prevention and control services	183,130
Sanitation	346,744
Health administration	97,167

Educational services program - fairgrounds	173,800
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Total physical health and education	<u>1,384,012</u>
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Mental health:

Care of the mentally ill program:

Inpatient services	24,808
Residential services	1,278,882
Outpatient services	558,239
Evaluation and commitment services	225,782
Emergency services	24,224
Consultation and educational services	34,098
Community support services	114,867

(Continued)

SCOTT COUNTY, IOWA

STATEMENT OF CASH TRANSACTIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 1985 (CONTINUED)

Care of the developmentally disabled program:	
Treatment services	1,938,356
Special living arrangements	300,205
Education, social, and vocational services	91,680
Care of the chemically dependent program - residential services	179,290
Total mental health	<u>4,770,431</u>
Social services:	
Services to poor program:	
Administration	58,842
General welfare services	720,800
Services to military veterans program:	
Administration	7,662
General services to veterans	71,132
Services to other adults program - services to the elderly	127,171
Total social services	<u>985,607</u>
County environment:	
Environmental quality program - weed eradication	10,096
Conservation and recreation services program:	
Administration	62,665
Maintenance and operations	706,352
Animal control program:	
Animal shelter	19,500
Animal bounties and domestic animal losses	3,868
County development program:	
Land use and building controls	102,113
Economic development	32,004
Total county environment	<u>936,598</u>
State and local government services:	
Representation services program:	
Elections administration	63,519
Local elections	233,562
State administrative services:	
Motor vehicle registration and licensing	468,252
Recording of public documents	243,649
Total state and local government services	<u>1,008,982</u>
Interprogram services:	
Policy and administration program:	
General county management	238,190
Administrative management services	420,095
Treasury management services	250,085
Other policy and administration	171,375
Central services program:	
General services	1,331,026
Data processing services	1,373,903

(Continued)

SCOTT COUNTY, IOWA

STATEMENT OF CASH TRANSACTIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 1985 (CONTINUED)

Risk management services program:	
Tort liability	290,291
Safety of workplace	104,577
Fidelity of public officers	2,917
Unemployment compensation	30,173
Total interprogram services	<u>4,212,632</u>
Capital improvements	<u>185,369</u>
Total disbursements	<u>19,642,105</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS	<u>1,220,009</u>
OTHER TRANSACTIONS:	
Operating transfers from other funds:	
County Government Assistance Fund	58,706
Federal Revenue Sharing Fund	147,034
Total operating transfers from other funds	<u>205,740</u>
Operating transfers to other funds:	
Federal Revenue Sharing Fund	(66,702)
Secondary Roads Fund	(507,202)
Vehicle Replacement Fund	(232,411)
Conservation Construction Bonds Fund	(69,816)
Jail Construction Bonds Fund	(70,954)
Health Insurance Internal Service Fund	(51,456)
Total operating transfers to other funds	<u>(998,541)</u>
Total other transactions	<u>(792,801)</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS AND OTHER TRANSACTIONS	427,208
ALLOCATION OF TREASURER'S CASH AND INVESTMENT BALANCE AT BEGINNING OF YEAR, AS RESTATED	<u>3,863,012</u>
ALLOCATION OF TREASURER'S CASH AND INVESTMENT BALANCE AT END OF YEAR	<u>\$ 4,290,220</u>

COMBINING STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS - SPECIAL REVENUE FUNDS
 JUNE 30, 1985

	<u>TOTAL</u>	<u>COUNTY GOVERNMENTAL ASSISTANCE FUND</u>	<u>COUNTY LIBRARY FUND</u>	<u>DISASTER SERVICES FUND</u>	<u>FEDERAL REVENUE SHARING FUND</u>	<u>SECONDARY ROADS FUND</u>	<u>VEHICLE REPLACEMENT FUND</u>
ASSETS - Due from County Treasurer	<u>\$1,734,748</u>	<u>\$73,555</u>	<u>\$26,372</u>	<u>\$16,529</u>	<u>\$478,459</u>	<u>\$907,422</u>	<u>\$232,411</u>
FUND BALANCE	<u>\$1,734,748</u>	<u>\$73,555</u>	<u>\$26,372</u>	<u>\$16,529</u>	<u>\$478,459</u>	<u>\$907,422</u>	<u>\$232,411</u>

COMBINING STATEMENT OF CASH TRANSACTIONS - SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1985

	COUNTY GOVERNMENT ASSISTANCE FUND	COUNTY LIBRARY FUND	DISASTER SERVICES FUND	FEDERAL REVENUE SHARING FUND	RURAL SERVICES FUND	SECONDARY ROAD FUND	VEHICLE REPLACEMENT FUND	TOTAL
RECEIPTS:								
Property tax		\$118,984			\$ 984,241			\$1,103,225
Other county tax		549			10,958			11,507
Intergovernmental	\$110,589	20,800	\$ 93,936	\$ 865,421	118,837	\$1,170,405		2,379,988
Miscellaneous		10,000	14,674			105		24,779
Total receipts	<u>110,589</u>	<u>150,333</u>	<u>108,610</u>	<u>865,421</u>	<u>1,114,036</u>	<u>1,170,510</u>		<u>3,519,499</u>
DISBURSEMENTS:								
Operating:								
Public safety			103,117					103,117
Physical health and education		313,587						313,587
Roads and transportation						1,979,529		1,979,529
Capital projects						252,082		252,082
Total disbursements		<u>313,587</u>	<u>103,117</u>			<u>2,231,611</u>		<u>2,648,315</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS	<u>110,589</u>	<u>(163,254)</u>	<u>5,493</u>	<u>865,421</u>	<u>1,114,036</u>	<u>(1,061,101)</u>		<u>871,184</u>
OTHER TRANSACTIONS:								
Operating transfers from other funds		147,052		66,702		1,474,186	\$232,411	1,920,351
Operating transfers (to) other funds	(109,721)			(1,316,047)	(1,114,036)			(2,539,804)
Total other transactions	<u>(109,721)</u>	<u>147,052</u>		<u>(1,249,345)</u>	<u>(1,114,036)</u>	<u>1,474,186</u>	<u>232,411</u>	<u>(619,453)</u>
EXCESS (DEFICIENCY) OF RECEIPTS AND OTHER TRANSACTIONS OVER DISBURSEMENTS	868	(16,202)	5,493	(383,924)		413,085	232,411	251,731
ALLOCATION OF TREASURER'S CASH AND INVESTMENT BALANCE AT BEGINNING OF YEAR	<u>72,687</u>	<u>42,574</u>	<u>11,036</u>	<u>862,383</u>		<u>494,337</u>		<u>1,483,017</u>
ALLOCATION OF TREASURER'S CASH AND INVESTMENT BALANCE AT END OF YEAR	<u>\$ 73,555</u>	<u>\$ 26,372</u>	<u>\$ 16,529</u>	<u>\$ 478,459</u>	<u>\$ Nil</u>	<u>\$ 907,422</u>	<u>\$232,411</u>	<u>\$1,734,748</u>

SCOTT COUNTY, IOWA

STATEMENT OF CASH TRANSACTIONS - COUNTY GOVERNMENTAL ASSISTANCE FUND
FOR THE YEAR ENDED JUNE 30, 1985

RECEIPTS - Intergovernmental - state allotment	\$110,589
DISBURSEMENTS	<hr/>
EXCESS OF RECEIPTS OVER DISBURSEMENTS	<u>110,589</u>
OTHER TRANSACTIONS:	
Operating transfers to other funds:	
General Fund	(58,706)
Capital Projects Fund	(51,015)
Total operating transfers to other funds	<u>(109,721)</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS AND OTHER TRANSACTIONS	868
ALLOCATION OF TREASURER'S CASH AND INVESTMENT BALANCE AT BEGINNING OF YEAR	<u>72,687</u>
ALLOCATION OF TREASURER'S CASH AND INVESTMENT BALANCE AT END OF YEAR	<u>\$ 73,555</u>

SCOTT COUNTY, IOWA

STATEMENT OF CASH TRANSACTIONS - COUNTY LIBRARY FUND
FOR THE YEAR ENDED JUNE 30, 1985

RECEIPTS:

Property tax	<u>\$118,984</u>
Other county tax - mobile home tax	<u>549</u>
Intergovernmental:	
State tax credits	12,352
Other	<u>8,448</u>
Total intergovernmental	<u>20,800</u>
Miscellaneous	<u>10,000</u>
Total receipts	<u>150,333</u>

DISBURSEMENTS:

Physical health and education:	
Educational services program - libraries	<u>313,587</u>

(DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS (163,254)

OTHER TRANSACTIONS:

Operating transfer from other funds -	
Rural Services Fund	<u>147,052</u>

(DEFICIENCY) OF RECEIPTS AND OTHER TRANSACTIONS
OVER DISBURSEMENTS (16,202)

ALLOCATION OF TREASURER'S CASH AND INVESTMENT BALANCE AT BEGINNING OF YEAR	<u>42,574</u>
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ALLOCATION OF TREASURER'S CASH AND INVESTMENT BALANCE AT END OF YEAR	<u>\$ 26,372</u>
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SCOTT COUNTY, IOWA

STATEMENT OF CASH TRANSACTIONS - DISASTER SERVICES FUND
FOR THE YEAR ENDED JUNE 30, 1985

RECEIPTS:

Intergovernmental:

State reimbursements	\$ 32,863
Other governmental units	<u>61,073</u>
Total intergovernmental	93,936
Miscellaneous	<u>14,674</u>
Total receipts	<u>108,610</u>

DISBURSEMENTS:

Public safety - emergency services - disaster services	<u>103,117</u>
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EXCESS OF RECEIPTS OVER DISBURSEMENTS	5,493
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ALLOCATION OF TREASURER'S CASH AND INVESTMENT BALANCE AT BEGINNING OF YEAR	<u>11,036</u>
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ALLOCATION OF TREASURER'S CASH AND INVESTMENT BALANCE AT END OF YEAR	<u>\$ 16,529</u>
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SCOTT COUNTY, IOWA

STATEMENT OF CASH TRANSACTIONS - FEDERAL REVENUE SHARING FUND
FOR THE YEAR ENDED JUNE 30, 1985

RECEIPTS:

Intergovernmental - entitlement \$ 865,421

DISBURSEMENTS

EXCESS OF RECEIPTS OVER DISBURSEMENTS 865,421

OTHER TRANSACTIONS:

Operating transfer from other funds - General Fund 66,702

Operating transfer (to) other funds:

 General Fund (147,034)

 Capital Projects Fund (1,169,013)

Total operating transfers (to) other funds (1,316,047)

Total other transactions (1,249,345)

EXCESS (DEFICIENCY) OF RECEIPTS OVER
DISBURSEMENTS AND OTHER TRANSACTIONS (383,924)

ALLOCATION OF TREASURER'S CASH AND
INVESTMENT BALANCE AT BEGINNING OF YEAR 862,383

ALLOCATION OF TREASURER'S CASH AND
INVESTMENT BALANCE AT END OF YEAR \$ 478,459

SCOTT COUNTY, IOWA

STATEMENT OF CASH TRANSACTIONS - RURAL SERVICES FUND
FOR THE YEAR ENDED JUNE 30, 1985

RECEIPTS:

Property tax	\$ 984,241
Other county tax - mobile home tax	10,958
Intergovernmental - state tax credits	118,837
Total receipts	<u>1,114,036</u>

DISBURSEMENTS

EXCESS OF RECEIPTS OVER DISBURSEMENTS 1,114,036

OTHER TRANSACTIONS:

Operating transfers (to) other funds:	
County Library Fund	(147,052)
Secondary Roads Fund	(966,984)
Total operating transfers (to) other funds	<u>(1,114,036)</u>

EXCESS OF RECEIPTS OVER DISBURSEMENTS AND
OTHER TRANSACTIONS

ALLOCATION OF TREASURER'S CASH AND
INVESTMENT BALANCE AT BEGINNING OF YEAR

ALLOCATION OF TREASURER'S CASH AND
INVESTMENT BALANCE AT END OF YEAR \$ Nil

SCOTT COUNTY, IOWA

STATEMENT OF CASH TRANSACTIONS - SECONDARY ROADS FUND
FOR THE YEAR ENDED JUNE 30, 1985

RECEIPTS:

Intergovernmental:	
Road use tax allotment	\$1,011,726
Other	158,679
Total intergovernmental	<u>1,170,405</u>
Miscellaneous	105
Total receipts	<u>1,170,510</u>

DISBURSEMENTS:

Roads and transportation:	
Secondary roads administration and engineering program:	
Administration	313,508
Engineering	159,304
Roadway maintenance program:	
Bridges and culverts	9,582
Roads	793,472
Snow and ice control	126,266
Traffic controls	55,459
Road clearing	50,082
General roadway expenditures program:	
New equipment	72,653
Equipment operations	365,258
Tools, materials, and supplies	24,513
Real estate and buildings	9,432
Total roads and transportation	<u>1,979,529</u>
Capital projects - roadway construction	252,082
Total disbursements	<u>2,231,611</u>

(DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS (1,061,101)

OTHER TRANSACTIONS:

Operating transfers from other funds:	
General Fund	507,202
Rural Services Fund	966,984
Total operating transfers from other funds	<u>1,474,186</u>

EXCESS OF RECEIPTS AND OTHER TRANSACTIONS OVER DISBURSEMENTS 413,085

ALLOCATION OF TREASURER'S CASH AND INVESTMENT BALANCE AT BEGINNING OF YEAR 494,337

ALLOCATION OF TREASURER'S CASH AND INVESTMENT BALANCE AT END OF YEAR \$ 907,422

SCOTT COUNTY, IOWA

STATEMENT OF CASH TRANSACTIONS - VEHICLE REPLACEMENT FUND
FOR THE YEAR ENDED JUNE 30, 1985

OTHER TRANSACTIONS - Operating transfers from other funds - General Fund	<u>\$232,411</u>
EXCESS OF RECEIPTS AND OTHER TRANSACTIONS OVER DISBURSEMENTS	232,411
ALLOCATION OF TREASURER'S CASH AND INVESTMENT BALANCE AT BEGINNING OF YEAR	<hr/>
ALLOCATION OF TREASURER'S CASH AND INVESTMENT BALANCE AT END OF YEAR	<u>\$232,411</u>

SCOTT COUNTY, IOWA

COMBINING STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS - DEBT SERVICE FUNDS
JUNE 30, 1985

	<u>JAIL CONSTRUCTION BONDS FUND</u>
ASSETS - Due from County Treasurer	<u>\$691,855</u>
FUND BALANCE	<u>\$691,855</u>

SCOTT COUNTY, IOWA

COMBINING STATEMENT OF CASH TRANSACTIONS - DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 1985

	<u>TOTAL</u>	<u>CONSERVATION CONSTRUCTION BONDS FUND</u>	<u>JAIL CONSTRUCTION BONDS FUND</u>
RECEIPTS:			
Property tax	\$491,636		\$491,636
Other county tax	1,635		1,635
Intergovernmental	41,354		41,354
Total receipts	<u>534,625</u>		<u>534,625</u>
DISBURSEMENTS - Debt service	<u>600,603</u>	<u>\$69,816</u>	<u>530,787</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(65,978)	(69,816)	3,838
OTHER TRANSACTIONS:			
Operating transfers from other fund - General Fund	<u>140,770</u>	<u>69,816</u>	<u>70,954</u>
EXCESS OF RECEIPTS AND OTHER TRANSACTIONS OVER DISBURSEMENTS	74,792		74,792
ALLOCATION OF TREASURER'S CASH AND INVESTMENT BALANCE AT BEGINNING OF YEAR	<u>617,063</u>	<u> </u>	<u>617,063</u>
ALLOCATION OF TREASURER'S CASH AND INVESTMENT BALANCE AT END OF YEAR	<u>\$691,855</u>	<u>\$ Nil</u>	<u>\$691,855</u>

SCOTT COUNTY, IOWA

COMBINING STATEMENT OF ASSETS AND LIABILITIES ARISING
FROM CASH TRANSACTIONS - TRUST AND AGENCY FUNDS
JUNE 30, 1985

	<u>TOTAL</u>	<u>EXPENDABLE TRUST FUNDS</u>	<u>AGENCY FUNDS</u>
ASSETS:			
Cash in bank	\$ 105,310	\$ 99,818	\$ 5,492
Due from County Treasurer	<u>2,474,676</u>	<u>314,581</u>	<u>2,160,095</u>
TOTAL ASSETS	<u>\$2,579,986</u>	<u>\$414,399</u>	<u>\$2,165,587</u>
LIABILITIES AND FUND BALANCE			
Amount available for distribution	\$2,165,587		\$2,165,587
FUND BALANCE	<u>414,399</u>	<u>\$414,399</u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$2,579,986</u>	<u>\$414,399</u>	<u>\$2,165,587</u>

SCOTT COUNTY, IOWA

COMBINING STATEMENT OF CASH TRANSACTIONS - TRUST AND AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 1985

	<u>TOTAL</u>	<u>EXPENDABLE TRUST FUNDS</u>	<u>AGENCY FUNDS</u>
RECEIPTS:			
Property tax	\$75,020,765	\$ 528,671	\$74,492,094
Other county tax	259,556	1,797	257,759
Intergovernmental	6,239,208	44,708	6,194,500
Miscellaneous	16,175,327	693,619	15,481,708
Total receipts	<u>97,694,856</u>	<u>1,268,795</u>	<u>96,426,061</u>
DISBURSEMENTS:			
Non-program:			
Personal services	459,888	459,888	
Services and supplies	734,783	734,783	
Capital outlays	9,914	9,914	
Total non-program	<u>1,204,585</u>	<u>1,204,585</u>	
Agency remittances	96,593,743		96,593,743
Total disbursements	<u>97,798,328</u>	<u>1,204,585</u>	<u>96,593,743</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS	<u>(103,472)</u>	<u>64,210</u>	<u>(167,682)</u>
BALANCE AT BEGINNING OF YEAR - Allocation of Treasurer's cash and investment balance	<u>2,683,458</u>	<u>350,189</u>	<u>2,333,269</u>
BALANCE AT END OF YEAR:			
Allocation of Treasurer's cash and investment balance	2,474,676	314,581	2,160,095
Cash in bank	105,310	99,818	5,492
Total balance at end of year	<u>\$ 2,579,986</u>	<u>414,399</u>	<u>2,165,587</u>

SCOTT COUNTY, IOWA

COMBINING STATEMENT OF ASSETS AND LIABILITIES ARISING
FROM CASH TRANSACTIONS - EXPENDABLE TRUST FUNDS
JUNE 30, 1985

<u>FUND</u>	<u>CASH IN BANK</u>	<u>DUE FROM COUNTY TREASURER</u>	<u>TOTAL ASSETS</u>	<u>FUND BALANCE</u>
Bangs Eradication Fund		\$ 11,581	\$ 11,581	\$ 11,581
City Assessor Fund		111,834	111,834	111,834
City Assessor Special Fund		58,937	58,937	58,937
County Assessor Fund		125,148	125,148	125,148
Human Resources Community Placement Fund	\$34,154		34,154	34,154
Human Resources Placement Fund	49,747		49,747	49,747
Jail Commissary Fund	3,711		3,711	3,711
Jail Inmate Fund	620		620	620
Juvenile Court Services Restitution Fund	3,187		3,187	3,187
Pine Knoll General Trust Fund	7,506		7,506	7,506
Pine Knoll Residents Account Fund	893		893	893
Tuberculosis Eradication Fund		7,081	7,081	7,081
TOTAL	<u>\$99,818</u>	<u>\$314,581</u>	<u>\$414,399</u>	<u>\$414,399</u>

COMBINING STATEMENT OF CASH TRANSACTIONS - EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1985

	TOTAL	BANGS ERADICATION FUND	CITY ASSESSOR FUND	CITY ASSESSOR SPECIAL FUND	COUNTY ASSESSOR FUND	HUMAN RESOURCES COMMUNITY PLACEMENT FUND
RECEIPTS:						
Property tax	\$ 528,671	\$44,337	\$234,064	\$24,197	\$226,073	
Other county tax	1,797	146	551	57	1,043	
Intergovernmental	44,708	3,740	19,191	1,984	19,793	
Miscellaneous	693,619		983	43		\$317,624
Total receipts	<u>1,268,795</u>	<u>48,223</u>	<u>254,789</u>	<u>26,281</u>	<u>246,909</u>	<u>317,624</u>
DISBURSEMENTS - Non-program:						
Personal services	459,888		289,976		169,912	
Services and supplies	734,783	47,937	29,176	1,884	63,011	283,470
Capital outlays	9,914		8,768		1,146	
Total disbursements	<u>1,204,585</u>	<u>47,937</u>	<u>327,920</u>	<u>1,884</u>	<u>234,069</u>	<u>283,470</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS	<u>64,210</u>	<u>286</u>	<u>(73,131)</u>	<u>24,397</u>	<u>12,840</u>	<u>34,154</u>
BALANCE AT BEGINNING OF YEAR - Allocation of Treasurer's cash and investment balance	<u>350,189</u>	<u>11,295</u>	<u>184,965</u>	<u>34,540</u>	<u>112,308</u>	
BALANCE AT END OF YEAR: Allocation of Treasurer's cash and investment balance	314,581	11,581	111,834	58,937	125,148	
Cash in bank	99,818					34,154
Total balance at end of year	<u>\$ 414,399</u>	<u>\$11,581</u>	<u>\$111,834</u>	<u>\$58,937</u>	<u>\$125,148</u>	<u>\$ 34,154</u>

(Continued)

COMBINING STATEMENT OF CASH TRANSACTIONS - EXPENDABLE TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 1985 (CONTINUED)

	HUMAN RESOURCES PLACEMENT FUND	JAIL COMMISSARY FUND	JAIL INMATE FUND	JUVENILE COURT SERVICES RESTITUTION FUND	PINE KNOLL GENERAL TRUST FUND	PINE KNOLL RESIDENTS ACCOUNT FUND	TUBERCULOSIS ERADICATION FUND
RECEIPTS:							
Property tax							
Other county tax							
Intergovernmental							
Miscellaneous	\$250,420	\$31,669	\$34,597	\$12,248	\$22,665	\$23,370	
Total receipts	<u>250,420</u>	<u>31,669</u>	<u>34,597</u>	<u>12,248</u>	<u>22,665</u>	<u>23,370</u>	
DISBURSEMENTS - Non-program:							
Personal services							
Services and supplies	200,673	27,958	33,977	9,061	15,159	22,477	
Capital outlays							
Total disbursements	<u>200,673</u>	<u>27,958</u>	<u>33,977</u>	<u>9,061</u>	<u>15,159</u>	<u>22,477</u>	
EXCESS OF RECEIPTS OVER DISBURSEMENTS	<u>49,747</u>	<u>3,711</u>	<u>620</u>	<u>3,187</u>	<u>7,506</u>	<u>893</u>	
BALANCE AT BEGINNING OF YEAR - Allocation of Treasurer's cash and investment balance							<u>\$7,081</u>
BALANCE AT END OF YEAR:							
Allocation of Treasurer's cash and investment balance							7,081
Cash in bank	49,747	3,711	620	3,187	7,506	893	
Total balance at end of year	<u>\$ 49,747</u>	<u>\$ 3,711</u>	<u>\$ 620</u>	<u>\$ 3,187</u>	<u>\$ 7,506</u>	<u>\$ 893</u>	<u>\$7,081</u>

SCOTT COUNTY, IOWA

COMBINING STATEMENT OF ASSETS AND LIABILITIES ARISING
FROM CASH TRANSACTIONS - AGENCY FUNDS
JUNE 30, 1985

<u>FUND</u>	<u>CASH IN BANK</u>	<u>DUE FROM COUNTY TREASURER</u>	<u>TOTAL ASSETS</u>	<u>AMOUNT AVAILABLE FOR DISTRIBUTION</u>
Agricultural Extension Service Fund		\$ 1,136	\$ 1,136	\$ 1,136
City Special Assessment Funds		61,877	61,877	61,877
City Taxing District Funds		322,596	322,596	322,596
Community College Training District Fund		12,782	12,782	12,782
Condemnations Fund		212,606	212,606	212,606
County Conservation Board Escrow Fund	\$5,492		5,492	5,492
Fire Taxing District Funds		930	930	930
Motor Vehicle Tax Fund		572,284	572,284	572,284
Railroad Trust Fund		31,928	31,928	31,928
School Taxing District Funds		409,703	409,703	409,703
Tax Sale Redemption Fund		3,483	3,483	3,483
Township Taxing District Funds		699	699	699
Use Tax Fund		528,569	528,569	528,569
Other Agency Funds		1,502	1,502	1,502
TOTAL	<u>\$5,492</u>	<u>\$2,160,095</u>	<u>\$2,165,587</u>	<u>\$2,165,587</u>

COMBINING STATEMENT OF CASH TRANSACTIONS - AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 1985

	TOTAL	AGRICULTURAL EXTENSION SERVICE FUND	CITY SPECIAL ASSESSMENT FUNDS	CITY TAXING DISTRICT FUNDS	COMMUNITY COLLEGE TAXING DISTRICT FUND	CONDEMNATIONS FUND	COUNTY CONSERVATION BOARD ESCROW FUND	FIRE TAXING DISTRICT FUNDS
RECEIPTS:								
Property tax	\$74,492,094	\$118,296		\$30,259,781	\$1,330,052			\$ 89,493
Other county tax	257,759	393		84,685	4,436			818
Intergovernmental	5,194,500	9,982		2,451,012	112,254			10,683
Miscellaneous	15,481,708		\$1,127,263			\$ 82,500	\$170,922	
Total receipts	<u>96,426,061</u>	<u>128,671</u>	<u>1,127,263</u>	<u>32,795,478</u>	<u>1,446,752</u>	<u>82,500</u>	<u>170,922</u>	<u>100,994</u>
DISBURSEMENTS - Agency remittances	<u>96,593,743</u>	<u>128,987</u>	<u>1,110,909</u>	<u>32,854,916</u>	<u>1,450,955</u>	<u>35,000</u>	<u>165,430</u>	<u>101,138</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS	<u>(167,682)</u>	<u>(316)</u>	<u>16,354</u>	<u>(59,438)</u>	<u>(4,203)</u>	<u>47,500</u>	<u>5,492</u>	<u>(144)</u>
BALANCE AT BEGINNING OF YEAR - Allocation of Treasurer's cash and investment balance	<u>2,333,269</u>	<u>1,452</u>	<u>45,523</u>	<u>382,034</u>	<u>16,985</u>	<u>165,106</u>		<u>1,074</u>
BALANCE AT END OF YEAR: Allocation of Treasurer's cash and investment balance	<u>2,160,095</u>	<u>1,136</u>	<u>61,877</u>	<u>322,596</u>	<u>12,782</u>	<u>212,606</u>		<u>930</u>
Cash in bank	<u>5,492</u>						<u>5,492</u>	
Total balance at end of year	<u>\$ 2,165,587</u>	<u>\$ 1,136</u>	<u>\$ 61,877</u>	<u>\$ 322,596</u>	<u>\$ 12,782</u>	<u>\$212,606</u>	<u>\$ 5,492</u>	<u>\$ 930</u>

(Continued)

COMBINING STATEMENT OF CASH TRANSACTIONS - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 1985 (CONTINUED)

	MOTOR VEHICLE TAX FUND	RAILROAD TRUST FUND	SCHOOL FINES FUND	SCHOOL TAXING DISTRICT FUNDS	TAX SALE REDEMPTION FUND	TOWNSHIP TAXING DISTRICT FUNDS	USE TAX FUND	OTHER AGENCY FUNDS
RECEIPTS:								
Property tax		\$10,918		\$42,600,106		\$60,440		\$23,008
Other county tax				142,200		699		24,528
Intergovernmental				3,595,791		7,502		7,266
Miscellaneous	\$7,650,111		\$310,502	374,803	\$193,828		\$5,544,078	27,701
Total receipts	<u>7,650,111</u>	<u>10,918</u>	<u>310,502</u>	<u>46,712,900</u>	<u>193,828</u>	<u>68,641</u>	<u>5,544,078</u>	<u>82,503</u>
DISBURSEMENTS - Agency remittances	<u>7,603,428</u>		<u>374,797</u>	<u>46,866,081</u>	<u>192,368</u>	<u>69,256</u>	<u>5,553,405</u>	<u>87,073</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS	<u>46,683</u>	<u>10,918</u>	<u>(64,295)</u>	<u>(153,181)</u>	<u>1,460</u>	<u>(615)</u>	<u>(9,327)</u>	<u>(4,570)</u>
BALANCE AT BEGINNING OF YEAR - Allocation of Treasurer's cash and investment balance	<u>525,601</u>	<u>21,010</u>	<u>64,295</u>	<u>562,884</u>	<u>2,023</u>	<u>1,314</u>	<u>537,896</u>	<u>6,072</u>
BALANCE AT END OF YEAR: Allocation of Treasurer's cash and investment balance	572,284	31,928		409,703	3,483	699	528,569	1,502
Cash in bank								
Total balance at end of year	<u>\$ 572,284</u>	<u>\$31,928</u>	<u>\$ Nil</u>	<u>\$ 409,703</u>	<u>\$ 3,483</u>	<u>\$ 699</u>	<u>\$ 528,569</u>	<u>\$ 1,502</u>

SCOTT COUNTY, IOWA

STATEMENT OF CASH TRANSACTIONS - COUNTY EXTENSION OFFICE
FOR THE YEAR ENDED JUNE 30, 1985

RECEIPTS:

Property tax apportionment	\$128,987
Miscellaneous	259
Total receipts	<u>129,246</u>

DISBURSEMENTS:

Personal services	76,353
Services and supplies	48,469
Total disbursements	<u>124,822</u>

EXCESS OF RECEIPTS OVER DISBURSEMENTS 4,424

CASH BALANCE AT BEGINNING OF YEAR 15,274

CASH BALANCE AT END OF YEAR \$ 19,698

Note: Scott County does not exercise any oversight responsibility over the County Extension Office. Accordingly, the County Extension Office is excluded from the reporting entity and the financial statements. This supplemental schedule is only included due to the state auditor's prescribed report presentation. It is not part of any combining or combined statement.

ASSESSED VALUES, TAX LEVIES, TAX COLLECTIONS,
 AND CERTAIN INTERGOVERNMENTAL RECEIPTS
 FOR THE YEARS ENDED JUNE 30, 1985, 1984, 1983, AND 1982

	<u>JUNE 30, 1985</u>	<u>JUNE 30, 1984</u>	<u>JUNE 30, 1983</u>	<u>JUNE 30, 1982</u>
Scott County assessed valuation	\$3,246,263,114	\$3,139,661,318	\$2,971,928,592	\$2,700,702,745
Tax extension rates per \$1,000 assessed valuation:				
Incorporated areas	4.98252	4.98875	4.94444	4.84262
Unincorporated areas	7.74628	7.85806	8.03841	8.00343
Receipts:				
Taxes - Property taxes	15,833,923	15,511,689	14,393,456	12,794,232
Certain intergovernmental:				
Road use tax	1,011,726	948,980	844,735	783,317
Franchise tax	190,381	51,573	85,326	60,004
Social Services Administration	156,756	124,566	171,163	106,285
Child Support Recovery reimbursements	114,627	97,549	106,548	143,933
Child Support Recovery incentive	149,861	203,025	141,703	99,561
State property tax replacement credits	1,389,826	1,380,578	1,432,475	1,306,924
Federal Revenue Sharing	865,421	940,430	914,353	824,967
County Government Assistance	110,589	107,460	110,719	105,578
Disaster Services	32,863	29,938	28,611	27,099
Civil Defense	61,073	43,884	37,070	33,610
Court reporters	35,753	151,773	77,559	102,049

SCOTT COUNTY, IOWA

SCHEDULE OF SALARY AND TRAVEL EXPENSES OF TEN HIGHEST PAID EMPLOYEES
FOR THE YEAR ENDED JUNE 30, 1985

	<u>SALARY</u>	<u>TRAVEL EXPENSE</u>
F. Glen Erickson, County Administrator	\$55,487	\$1,594
Robert A. Dewys, County Engineer	48,617	755
William E. Davis, County Attorney	41,800	2,881
C. Ray Wierson, Director of Budget and Information Processing	40,711	2,671
Dennis E. Ellett, Supervisor of Information Processing	35,737	1,494
Realff H. Ottesen, County Attorney 1st Deputy	35,529	416
Nicholas R. Doenges, City Assessor	35,000	1,047
Lawrence E. Barker, Health Administrator	34,941	206
Forrest F. Ashcraft, County Sheriff	34,500	
Philip J. Rovang, Zoning and Building Director	33,380	531

SCHEDULE OF FEDERAL GRANT ACTIVITY
FOR THE YEAR ENDED JUNE 30, 1985

<u>GRANT</u>	<u>CATALOG NUMBER</u>	<u>GRANT NUMBER</u>	<u>GRANT TERM</u>	<u>BALANCE JUNE 30, 1984</u>	<u>FEDERAL REVENUE RECEIVED</u>	<u>DISBURSEMENTS</u>	<u>BALANCE JUNE 30, 1985</u>
<u>National Highway Traffic Safety Administration</u>							
Federal grants received through local agency:							
Alcohol Safety Action Program	20.600	85-02:1M	10/1/84-9/30/85	\$ (2,308)	\$ 18,115	\$ 28,961	\$(13,154)
Governor's Highway Safety Office	20.600	84-07, Task3A	9/28/84-12/28/84		13,212	15,637	(2,425)
Serious Traffic Offender Program	20.600	85-05:1I	10/1/84-9/30/85		14,250	21,375	(7,125)
Total National Highway Traffic Safety Administration				<u>\$ (2,308)</u>	<u>\$ 45,577</u>	<u>\$ 65,973</u>	<u>\$(22,704)</u>
<u>Department of Health and Human Services</u>							
Federal grant received through local agency:							
Hypertension Program	13.991	2205Q005	10/1/84-6/30/85	<u>\$ (2,175)</u>	<u>\$ 24,770</u>	<u>\$ 26,973</u>	<u>\$ (4,378)</u>
<u>Department of the Treasury</u>							
Direct:							
Federal Revenue Sharing	21.300	15th Entitlement	10/1/83-9/30/84	\$862,383	\$408,393	\$1,249,345	\$ 21,431
		16th Entitlement	10/1/84-9/30/85		457,028		457,028
Total Department of the Treasury				<u>\$862,383</u>	<u>\$865,421</u>	<u>\$1,249,345</u>	<u>\$478,459</u>

Northwest Bank Building
101 West Second Street
Davenport, Iowa 52801
(319) 322-4415
Cable DEHANDS

AUDITORS' COMPLIANCE REPORT

Board of Supervisors
Scott County, Iowa:

We have examined the financial statements of Scott County as of and for the year ended June 30, 1985, and have issued our report thereon dated November 27, 1985 (which is qualified as set forth therein because the financial statements are prepared on a basis of cash receipts and disbursements, do not include combined financial statements as prescribed by the Governmental Accounting Standards Board, and do not include financial statements of the General Fixed Asset Account Group). Our examination was made in accordance with generally accepted auditing standards; Chapter 11 of the Code of Iowa; the provisions of Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, promulgated by the U.S. Comptroller General, as they pertain to financial and compliance audits; the Single Audit Act of 1984 (pub. L. No. 98-502); and the provisions of the Office of Management and Budget's (OMB's) Compliance Supplement for Single Audits of State and Local Governments (the Compliance Supplement) and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. Certain grant programs operated by Scott County were not included in OMB's Compliance Supplement for Single Audits of State and Local Governments. For these programs, we reviewed the terms and conditions set forth in the contracts and agreements and determined the major compliance requirements to be tested.

In connection with the examination referred to above, a representative number of transactions from each major federal assistance programs were selected to determine if federal funds are being expended in accordance with the terms of applicable agreements and those provisions of federal law or regulations that could have a material effect on the financial statements or on each major federal assistance program tested. The results of our tests indicate that, for the items tested, Scott County complied with the material terms and conditions of the federal assistance agreements. Further, for the items not tested, based on our examination and the procedures referred to above, nothing came to our attention to indicate that Scott County had not complied with the significant compliance terms and conditions of the programs referred to above.

This report is intended solely for the use of Scott County, the cognizant agency, and other federal audit agencies granting funds to the County and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by Scott County, is a matter of public record.

Dolittle Hoshier & Sells

November 27, 1985

Northwest Bank Building
101 West Second Street
Davenport, Iowa 52801
(319) 322-4415
Cable DEHANDS

AUDITORS' REPORT ON THE EVALUATION
OF INTERNAL ACCOUNTING CONTROLS

Board of Supervisors
Scott County, Iowa:

We have examined the financial statements of Scott County as of and for the year ended June 30, 1985 and have issued our report thereon dated November 27, 1985 (which is qualified as set forth therein because the financial statements are prepared on a basis of cash receipts and disbursements, do not include combined financial statements as prescribed by the Governmental Accounting Standards Board, and do not include financial statements of the General Fixed Asset Account Group). As part of our examination, we made a study and evaluation of the system of internal accounting control of Scott County to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards, Chapter 11 of the Code of Iowa, the standards for financial and compliance audits contained in the U.S. General Accounting Office Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, and the Single Audit Act of 1984 (Pub. L. No. 98-502). For the purpose of this report, we have classified the significant internal accounting controls in the following categories:

- . Cash Receipts
- . Property Taxes
- . Purchases and Cash Disbursements
- . Payrolls
- . Budgets
- . Investments
- . Receivables
- . Payables
- . General Ledger
- . Federal Assistance
Program Compliance

Our study included significant aspects of all of the categories listed above. The purpose of our study and evaluation was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the County's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole or on any of the internal accounting control categories listed above.

The management of Scott County is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures.

The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, the County is managing its federal financial assistance programs in compliance with laws and regulations, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any system of internal accounting control, errors or irregularities may, nevertheless, occur and not be detected. Also, projections of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedure may deteriorate.

A material weakness, for our purpose, is a condition in which the specific control procedures, or the degree of compliance with them, do not, in our judgment, reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. These criteria may be broader than those that may be appropriate for evaluating weaknesses in accounting control for management or other purposes.

Our study and evaluation made for the limited purpose described in the third preceding paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of Scott County taken as a whole or on any of the internal accounting control categories previously listed. However, our study and evaluation disclosed the conditions set forth in pages 54-58 that we believe are material weaknesses.

These conditions were considered in determining the nature, timing, and extent of the audit tests to be applied in our examination of the 1985 financial statements, and this report does not affect our report, dated November 27, 1985, on our examination.

Our study and evaluation also disclosed the conditions set forth in pages 59-62 of this report that, although not considered by us to be material weaknesses, are weaknesses in internal accounting control for which corrective action might be taken.

This report is intended solely for the use of Scott County, the cognizant agency, and other federal audit agencies granting funds to the County and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by Scott County, is a matter of public record.

Deloitte Hasling & Sells

November 27, 1985

AUDITORS' COMMENTS AND RECOMMENDATIONS

The following are material weaknesses in the County's system of internal accounting control:

Observation:

The County's current record keeping system for cash receipts and disbursements has the following weaknesses:

- (1) The County offices are not maintained on the general ledger. Each office maintains its own cash accounts and activity summaries. The activity summary is not reconciled to the cash accounts for certain offices. Furthermore, the remittances from the offices to the Treasurer are not agreed or reconciled to the general ledger receipts.
- (2) Cash and investments are pooled for all County funds with the Treasurer's office. The total of each fund's share of cash and investment balances is not reconciled on a monthly basis to the Treasurer's office actual cash and investment balances.
- (3) The County attempts to maintain an overall cash balance on the general ledger by use of the Auditor's cash pool; however, no control is achieved since the balance is not reconciled to the actual cash on hand and on deposit.
- (4) Warrants issued based on the Treasurer's office records are not reconciled on a monthly basis to general ledger disbursements.

The above weaknesses allow the possibility for suppression and concealment of unauthorized disbursements or receipts with no procedures to detect it within a reasonable time period.

A considerable amount of audit time was required to assist the County in reconciling the cash activity for the year for several County offices.

Recommendation:

The following procedures should be implemented to strengthen controls for recording items in the general ledger and the County offices:

- (1) Each of the County offices should reconcile cash at the beginning of the month to cash at the end of the month based upon their activity summaries.
- (2) Appropriate sections of the general ledger should be distributed to each County office. The amounts identified in their activity summaries as remittances to the Treasurer's office should be agreed to the general ledger.

- (3) Procedures (1) and (2) above should be documented by the appropriate clerk and reviewed and initialled by the applicable supervisor.
- (4) The actual cash and investment balances of the Treasurer's office should be reconciled on a monthly basis to the total of each fund's share of cash and investment balances.
- (5) The activity in the Auditor's cash pool should be reviewed to determine the proper accounting of amounts recorded in the pool to enable the pool to be used for control purposes. The balance should then be reconciled on a monthly basis to the Treasurer's cash and investment balances. Also, there should be no disbursements through the Auditor's cash pool that are not reflected in one of the County's funds.
- (6) Warrants issued according to the Treasurer's office should be reconciled on a monthly basis to general ledger disbursements.
- (7) Consideration should be given to including the County offices in the general ledger.

County Response:

- (1), (2), and (3) A memorandum will be distributed to all County departments along with all audit observations. County departments will be encouraged to implement procedures to satisfy audit requirements. The Director of Budget and Information Processing, Accounting Supervisor, and the Financial Management Supervisor will offer their accounting assistance as needed. The Board of Supervisors authorized in December 1985 the purchase of relational database software to allow the County to develop and implement a comprehensive, County-Wide Automated Financial Management System. It is projected that this new system will be fully operational by July 1988. All internal control audit recommendations will attempt to be incorporated into this system.
- (4) Action has been taken to reconcile the cash and investment balances of the Treasurer's office to the fund balances of all funds controlled by the Treasurer's office. Effective November 1985, this reconciliation is being prepared on a monthly basis.
- (5) A balancing report will be designed for the cash pool fund and will be used to assure that all entries are properly posted to the cash pool fund.
- (6) Effective November 1985, warrants issued according to the Treasurer's office are being reconciled on a monthly basis to general ledger disbursements. In addition to this reconciliation, a printout of warrants clearing the bank per day is being generated.
- (7) All County offices will be included in the general ledger as a part of the County's new Automated Financial Management System.

Observation:

Generally, one individual is responsible for collecting, recording, and depositing cash receipts; reconciling cash receipts to daily or monthly receipt reports; and reconciling the bank statements for the following County offices and funds:

County offices:
Treasurer's office
Auditor's office
Recorder's office
Sheriff's office
Clerk's office

Expendable Trust Funds:
Human Resources Community Placement Fund
Human Resources Placement Fund
Jail Commissary Fund
Jail Inmate Fund
Juvenile Court Services Restitution Fund
Pine Knoll General Trust Fund
Pine Knoll Residents' Account Fund

Agency Funds:
County Conservation Board Escrow Fund

Recommendation:

Responsibilities for the above-mentioned functions should be segregated to improve controls over cash receipts. Specifically, individuals responsible for reconciling the bank statement and the daily or monthly receipts should not handle cash receipts before or after initial recording.

County Response:

All departments will be informed of the above-stated segregation of duties problems. During the development of the new Automated Financial Management System, internal control procedures will be discussed with accounting personnel in all County departments.

Observation:

The County provides computer time to various external organizations and entities. This time is billed to the users on a periodic basis. One individual bills all of the users, maintains the subsidiary ledger, receives payments, and corresponds with the customers.

Recommendation:

Responsibilities for the above-mentioned functions should be segregated in such a manner that no one individual has access to both assets and records. Specifically, the handling of cash receipts before and after initial recording should be performed by another individual with no incompatible duties relating to the EDP services supplied to customers.

County Response:

Currently, the secretary in Budget and Information Processing opens all incoming mail which includes checks received from outside users. These checks are restrictively endorsed and then given to the Financial Systems Coordinator who in turn records them in the subsidiary ledger and then transmits them to the County Treasurer for deposit. The secretary has been instructed to record all incoming revenue on a separate form and then attach a copy of the receipt to this form following the transmittal to the Treasurer for deposit. The form with the attached receipt will be given to the Director of Budget and Information Processing for acknowledgment and for periodical comparison to the subsidiary ledger.

Observation:

Several individuals have sole access to investments through their ability to move invested funds on behalf of the County. In addition, one of these individuals also handles the settlement statements, activity reports, and the subsidiary ledger.

Recommendation:

The responsibilities related to having access to investments and to maintaining the investment subsidiary ledger should be segregated. Specifically, an individual with no incompatible duties should maintain the subsidiary ledger. A monthly summary of investment activity should be provided to the Treasurer for his review.

County Response:

The Treasurer's office is currently preparing an Investment Policy and Procedure Manual which, in addition to establishing proper accounting procedures for investments, will establish a sound system of internal control. These policies, upon approval by the Board of Supervisors, will be in effect in early 1986. The Treasurer presently receives a daily and quarterly summary of investment activity from the Financial Management Supervisor.

Observation:

One individual in the Auditor's office has access to signed warrants, prepares journal entries, and tests the general ledger.

Recommendation:

An individual who prepares journal entries and tests the general ledger should not handle cash disbursements. The flow of documents relating to cash disbursements should be restructured to ensure that this individual does not handle signed warrants.

County Response:

The individual referred to above will not be allowed access to warrants (both signed and unsigned). Also, warrants will be kept in a locked, secured area.

Observation:

Several individuals in the Auditor's office handle signed payroll checks, have access to the signature plates and check signing machine, enter the payroll information required for payment, and maintain the payroll master files.

Recommendation:

An individual with no payroll related duties should operate the check signing equipment and distribute checks to department heads for distribution. In addition, a log of checks processed should be maintained and reconciled to the total payroll count. Also, periodically the County Administrator or Director, Budget and Information Processing should distribute checks on a surprise basis.

County Response:

An employee in the tax department of the Auditor's office will run the check signing equipment and keep custody of the signature plates. A list of payroll warrants issued is currently generated each payroll cycle. This list will be reconciled to the total payroll count. On occasion, the County Administrator or Director of Budget and Information Processing will take checks for a particular department, concentrating on departments with historically high turnover rates, and distribute them to employees.

The following are other weaknesses in internal accounting controls:

Observation:

The County, in various union and employee agreements, grants employees a certain amount of vacation time each year. The County does not, however, require that this time be taken. During our review of internal accounting controls, several instances were noted where employees, including those involved in significant accounting functions, had not taken a vacation for periods in excess of one year.

Recommendation:

The County should require that all individuals involved in significant accounting functions, including all employees who handle cash receipts or disbursements in the various County offices, take at least one week of continuous vacation during each year.

County Response:

The County is currently in the process of developing and implementing a comprehensive County-Wide Automated Financial System. The development of such a system will include in-depth reviews of current accounting functions and responsibilities in all County departments. All employees involved in the accounting functions will be strongly encouraged to take a week of continuous vacation each year.

Observation:

While performing our auditing procedures on cash balances, we noted that many of the bank reconciliations are not prepared properly. This resulted in considerable audit time reconciling these accounts. Also, it was noted that most of the reconciliations were not reviewed by anyone. Some of the errors noted in the bank reconciliations included treating monthly interest earned as a reconciling item rather than recording it as cash in the month earned, misfootings of the outstanding check lists, and improper cut-offs on deposits in transit and outstanding checks.

Recommendation:

An instructional session should be held with all of the individuals involved with reconciling bank statements. The County should also consider coordinating all bank reconciliations with one individual who does not have any incompatible duties. In addition, all reconciliations should be reviewed.

County Response:

Many of the current accounting and internal control problems will be recognized and corrected during the development of the new Automated Financial Management System. In the interim, steps will be taken to correct the above-stated problems where feasible. Members from the Finance Review Committee (Director of Budget and Information Processing, Accounting Supervisor, and Financial Management Supervisor) will be available if assistance is needed.

Observation:

The County does not require members of the Board of Supervisors, other elected officials, and key appointed officials to complete conflict of interest statements. The County, therefore, may not be aware of potential conflicts of interest with suppliers.

Recommendation:

Conflict of interest statements should be completed and signed by all of the above mentioned individuals. By maintaining and reviewing these statements, the County would have more information available to them to determine the adequacy of disclosure in the audit report as well as to review transactions to ascertain the appropriateness of any related party transactions.

County Response:

Iowa law prohibits conflicts of interest in public contracts (331.342 Iowa Code). However, current statues do not require the actual filing of conflict of interest statements. This comment will be referred to the County Personnel Department and the County Attorney's office for further review and consideration.

Observation:

On several occasions, adequate records documenting an audit trail for selected receipts or disbursements were not maintained. These included authenticated deposit tickets for a County office being destroyed, hunting and fishing licenses purchased from July 1, 1984 to December 31, 1984 being purged from the computer, and the detail of warrants cleared by day being purged each month. This situation resulted in considerable additional audit effort to test items involving these records.

Recommendation:

The County should make all applicable employees aware that an adequate documented audit trail must be maintained. In addition, the County should review its overall record retention policies to ensure that all required records are being maintained.

County Response:

Deposit Tickets - Purely unintentional. During the remodeling, they were inadvertently discarded.

Hunting and Fishing Licenses - Misunderstanding as to when purge should be done. Data could be carried forward until audit is complete and then purged. A printed copy of the data on the computer is run monthly and yearly.

Warrants Cleared by Day - The accounts payable clerks are keeping all printouts from A/P edits that pertain to cleared warrants. On the new financial database, we will be able to run a printout sorted by date cleared.

Observation:

One individual is responsible for preparing, signing, and distributing checks, and reconciling the bank statements for the following accounts: Human Resources Placement Account, Human Resources Community Placement Account, Inmate Account, Jail Commissary Account.

Recommendation:

An individual other than the individual who prepares checks for the above accounts should be authorized to sign the checks and review the supporting documentation. The authorized signer should not have access to blank checks.

County Response:

Supervisory personnel will be recommended to be the authorized signer for these accounts. The County's development of an Automated Financial System will help in monitoring compliance in this area.

Observation:

The County presently does not maintain a fixed asset group of accounts as required by generally accepted accounting principles.

Recommendation:

The County should establish a fixed asset group of accounts based on historical costs or estimates of historical costs by an outside appraisal firm with experience in this area. Some of the benefits which would be realized from the implementation of this recommendation are:

- . Fixed assets could be inventoried periodically and compared with detail records to ensure that they are controlled properly.
- . Responsibility for custody and effective utilization can be established.

- . Information for insurance needs would be readily available both to determine insurance requirements and to substantiate any losses.
- . Compliance with recent federal laws for the accounting for fixed assets purchased with federal resources would be assured.
- . Enable the County to submit its financial statements to the Governmental Finance Officers Association's Certificate of Excellence in Financial Reporting program. The certificate is an achievement for excellence in financial reporting and may result in more favorable interest rates when selling debt.

County Response:

A Fixed Asset Accounting System will be a component of the County's comprehensive, County-Wide Automated Financial System now under development.

Observation:

For the last several years, the Treasurer's cash and investment balance has not agreed to the amount reflected in the Auditor's office by approximately \$35,000. This difference has been reduced to approximately \$29,000 as of June 30, 1985. The County has expended considerable time and effort in investigating this difference.

Recommendation:

The County should consider the cost benefit of continued investigation of this difference. If it is determined that the cost exceeds the benefit, the amount should be written off.

County Response:

The County will continue to investigate this difference with a possible write-off occurring during fiscal year 1985-86.

AUDITORS' COMMENTS

The following comments about the County's operations for the year ended June 30, 1985 are based exclusively on knowledge obtained from procedures performed during our independent examination of the financial statements of Scott County for the year ended June 30, 1985. Since our examination was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily examined. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

- (1) Depository Resolution - A resolution naming official depositories is on file with the State Treasurer. The maximum deposit amounts stated in the resolution were not exceeded during the year ended June 30, 1985.
- (2) Certified Budget - Expenditures during the year ended June 30, 1985 did not exceed the amounts budgeted.
- (3) Entertainment Expense - We noted no expenditures for parties, banquets, or other entertainment for employees that we believe may constitute an unlawful expenditure from public funds as defined in an Attorney General's opinion dated April 25, 1979.
- (4) Travel Expense - No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- (5) Business Transactions - No business transactions between the County and County officials or employees were noted.
- (6) Fixed Assets Records - A detailed historical cost record of fixed assets is not maintained. To facilitate the proper insurance, maintenance, and safeguarding of these assets, such a record should be established and maintained. An inventory of all property and equipment should be taken at least once each year and checked against the applicable fixed assets records.
- (7) Bond Coverage - Surety bond coverage of County officials and employees is in accordance with statutory provisions. Also, the amount of all bonds should be periodically reviewed to insure that the coverage is adequate for current operations.
- (8) Board Minutes - No transactions were found that we believe should have been approved in the board minutes but were not.
- (9) Investments - The County has a systematic investment program. During the year ended June 30, 1985, the investments resulted in interest recorded of \$1,376,793.

(10) 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 the extension council. Thus, the activity of the County Extension Office is excluded from the combined financial statements. A schedule of cash transactions for the County Extension Service for the year ended June 30, 1985 is included in the supplemental schedules in accordance with the state auditors' prescribed report presentation.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Scott County during the course of our examination.

Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.