COUNTY OF SCOTT, IOWA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 1998

Prepared by:
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Office of County Auditor

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Office of County Treasurer

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Office of Budget and Information Processing

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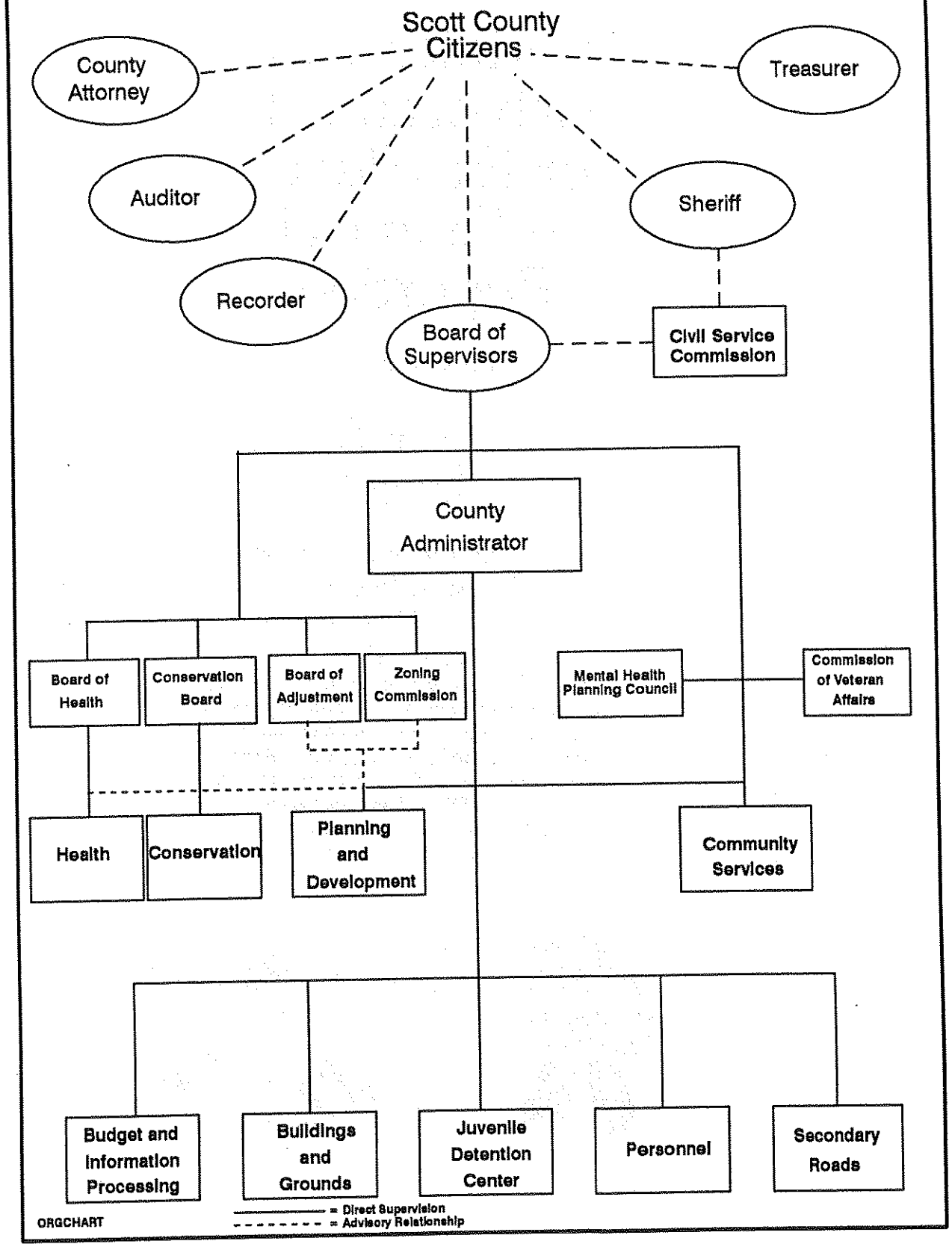
Scott County

COUNTY OF SCOTT, IOWA

COUNTY OFFICIALS

Official Title	Official	Term Expiration Date Of Elected Officials
Elected Officials		
Supervisor, Chairman	Edwin G. Winborn	1998
Supervisor	Tom Otting	2000
Supervisor	Jim Hancock	2000
Supervisor	Otto Ewoldt	1998
Supervisor	Forrest Kilmer	1998
Attorney	William E. Davis	1998
Auditor	Karen L. Fitzsimmons	2000
Recorder	Richard F. Hagen	1998
Sheriff	Mike Bladel	2000
Treasurer	Bill Fennelly	1998
Administration		
County Administrator	F. Glen Erickson	
Department Heads		
Budget and Information Processing	C. Ray Wierson	
Buildings and Grounds	Dave Donovan	
Community Services	Mary Dubert	
Conservation	Roger Kean	
County Engineer	Larry R. Mattusch	
Health	Lawrence Barker	
Asst. Co. Admin/Personnel	Lisa Charnitz	
Planning and Development	Timothy Huey	
Juvenile Detention Center	Scott Monson	
Other Officials		
Davenport City Assessor	Nicholas Doenges	
County Assessor	Dale Denklau	
County Library Director	Ann Conner	
Emergency Management Agency Director	Ross Bergen	

SCOTT COUNTY GOVERNMENT ORGANIZATIONAL CHART



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County of Scott, Iowa

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1997

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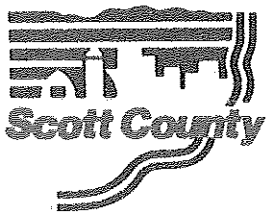
President

Executive Director

OFFICE OF THE COUNTY ADMINISTRATOR
416 West Fourth Street
Davenport, Iowa 52801-1187
Office: (319) 326-8702 Fax: (319) 328-3285



December 15, 1998

Members of the Board of Supervisors
and Citizens
Scott County, Iowa:

The Comprehensive Annual Financial Report of the County of Scott, Iowa for the fiscal year ended June 30, 1998 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

This report is presented in four (4) sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the County's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the auditors' report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and U.S. Office of Management and Budget Circular A-133 Compliance Supplement. Information related to this single audit, including the schedule of expenditures of federal awards, schedule of findings and questioned costs, and auditors' reports on compliance and on internal control over financial reporting, and on compliance with requirements applicable to each major program and internal control over compliance, are included in the single audit section of this report.

This report includes all funds and account groups of the County. Scott County is a municipal corporation governed by an elected five member board. The County provides a full range of services. These services include law enforcement, health and social services, parks and cultural activities, planning and zoning, construction and maintenance of secondary roads, education and general administrative services. As required by generally accepted accounting principles, these financial statements present Scott County (the primary government) and its component units. The County's discreetly presented component units are as follows: Emergency Management Agency, which provides direction for the delivery of the emergency management services and planning, administration, coordination, training and support for local governments and their departments; County Library, which provides library services to all cities within Scott County with the exception of the City of Bettendorf and the City of Davenport; County Assessor, which is responsible for the operations of the Scott County

Assessor's office including the assessment of all properties within Scott County with the exception of the City of Davenport; City Assessor, which is responsible for the operations of the City Assessor's office, including assessment of all properties within the City of Davenport; City Assessor Special, which is responsible to the City Conference Board to perform inhouse revaluations for various classes of property. These component units are discreetly presented in a separate column in the County's Financial Statements to emphasis that they are legally separate from the County, but are financially accountable to the County, or whose relationship to the County are such that exclusion would cause the County's Financial Statements to be misleading or incomplete. The County Board is a voting member of each of the governing bodies of all these component units except for the Scott County Library for which the County Board appoints all the Library Trustees. The component units are discussed further in Note 1.

ECONOMIC CONDITION AND OUTLOOK

Location and Population: Scott County is part of a three county, bi-state, metropolitan area referred to as the Quad-Cities. The counties of Scott (Iowa), Rock Island and Henry (Illinois), contain the Davenport-Rock Island-Moline Metropolitan Statistical Area, with a 1997 U.S. Census Bureau estimated population of 357,163 which is a 1.8% increase over the 1990 census count of 350,861, The U.S. Census Bureau's estimated 1997 population of Scott County was 157,433 which is a 4.1% increase over the 1990 census count of 150,979. However, that estimated figure is still 1.6% less than the 1980 census count for Scott County which was 160,022 and 10.3% greater than the 1970 census count of 142,687.

The Quad-Cities is more than the five major cities of Davenport, Bettendorf, Rock Island, Moline and East Moline. It is made up of fourteen contiguous communities on both sides of the Mississippi River that are generally bounded by the quadrangle formed by Interstates 80 and 280.

Employment Data: The Quad-Cities have been historically known as an industrial, retail/service and transportation center. In the last eighteen years the economy has shifted, showing a decline in the number of manufacturing sector jobs. In 1980, 26% of the area jobs were in manufacturing and 60% in the service sector. In 1997 that had changed to 15% manufacturing and 71% service sector. The portion of government sector jobs has remained stable at 14% during those years.

The shift in the Quad-Cities area economy towards creation of service sector jobs in the professional, non-professional, retail and wholesale sectors of the economy has been significant. In the last eighteen years there has been a 17% increase in service sector jobs; which offsets the loss of over 20,000 manufacturing sector jobs, a 33% decrease over that same time period. Construction and mining sector jobs have also seen a 16% increase; as well as manufacturing of nondurable goods, which registered a 22% increase between 1980 and 1997.

During the years 1980-1997, the unemployment figures for the Quad-Cities MSA hit a high of 14.8% in 1983, with Scott County's unemployment rate at 10.8% that same year, following a Scott County high the year before of 11.2%. The rebound in creation of jobs in the service sectors, construction, mining and the manufacturing of non-durable goods has given the Quad-Cities MSA and Scott County a eighteen year low unemployment rate of 3.6% and 3.2%, respectively.

New Housing Starts: New residential construction is very strong in the Quad-Cities MSA. Fewer than 300 single family dwellings units per year were started in the years 1985-1987. Over 700 building permits per year for single family dwelling units have been issued from 1991-1997, with 1993 having a fifteen year high of over 900 single family units constructed in that year alone. Scott County has led the Quad-Cities in those years with an average of 463 new homes built per year between 1990 and 1997. 1993 was also the high for Scott County with 580 building permits issued for new homes.

Even with a strong housing market the Quad-Cities remains one of the most affordable housing markets in the country. The average sales price for homes in the Iowa Quad-Cities was $103,600 in 1997 and $80,600 on the Illinois side of the river. The median home values between 1980 and 1990 only increased 3% from $52,800 to $54,400.

Major Projects and Developments: There have been a number of significant projects and developments that have occurred in 1995-1998 that effected the economic outlook for Scott County and the Quad-Cites in general:

Education

* Scott County Community College completed an $8.9 million rehabilitation of the 10-story Kahl Building and the Capitol Theater in downtown Davenport to serve as a community education facility for students of all grade levels.

* North Scott School District has approved $8.9 million in infrastructure improvements and expansion to its elementary and junior & senior high schools.

* Pleasant Valley School District has recently completed construction of a new $1.7 million elementary school.

Retail/Service

* The Lady Luck Casino developed a 250 room convention center hotel with a $33 million dollar investment of public and private monies for the hotel, parking garage, overpass and marina.

* U.S. Postal Service's established a new remote encoding Center employing 140 full-time and 450 part-time employees in Davenport.

* The 53rd Street corridor has seen a variety of new retail/office development, including a new 164,000 square foot Super Target store at the southwest corner of 53rd Street and Elmore Avenue in Davenport.

* Quad City Bank completed construction of its $4.5 million bank headquarters building in Davenport.

* Scott County opened a $2 million recycling facility that is able to accept most kinds of recyclable materials.

Industrial & Business Parks

* The City of Davenport, Scott County, Mid-America Energy Company, and the Chamber of Commerce have combined to develop the first 220 acres of a large site heavy industrial park in northwest Davenport, with room for expansion to over 2000 acres.

* AAA Iowa announced plans for a nine acre office park in front of its existing Bettendorf headquarters. The project is to develop the area as an upscale office park campus with up to 75,000 square feet of office space proposed.

* The Iowa Research, Commerce & Technology Park, a 160 acre business park located in the northwest quadrant of the I-80/U.S. 61 interchange, is under development.

* The 2.4 million square foot former Caterpillar, Inc. plant that has been for sale since it closed in 1988 has been purchased and renamed the River City Industrial Center and has leased 70% of the space to various industrial users and businesses.

New Industrial Development

* Grafco Plastics Manufacturing has built a new $10 million manufacturing facility creating 50 new jobs in Bettendorf's industrial park.

* Olympic Steel also has developed a $22 million steel handling facility, also in Bettendorf, creating over 60 new jobs which is expected to grow to 200 jobs over the next five years.

* IPSCO Steel, a Canadian company, is completing development of a $375 million steel manufacturing facility just over the Scott County line in neighboring Muscatine County.

* Guardian Industries opened a $110 million glass manufacturing plant in nearby DeWitt, Iowa with a work force of 250 employees.

* Aluminum Company of America (ALCOA) is investing $50 million in improving the infrastructure of its plant located in Scott County. The plant manufactures large aircraft parts and a wide variety of other aluminum products.

* Genesis Systems Group, a manufacturer of robotic welding systems, is constructing a new manufacturing plant with plans to expand its work force from 100 employees to 150.

* Tri-City Fabricating & Welding is developing a new $5 million manufacturing plant which will expand its current work force from 186 to 250 employees.

* Oscar Mayer Foods, a division of Kraft Foods, is investing $2 million in capital equipment to upgrade and expand its Davenport plant in order to retain 1,760 existing jobs and create 50 new positions.

Total Market Valuation: The trends of market valuations is an important indicator of the economic health of any community or area. From 1990 until 1997 the total market valuation for all taxable properties in Scott County has grown from $3.55 billion to $4.45 billion, representing a 25% increase in a seven year period.

Transportation Network and Facilities: Scott County has seen two major highway projects in 1995/96. First, U.S. 61 has been expanded from two lanes to a divided four lane road from I-280 to Muscatine County. River Road/U.S. 67 is under reconstruction to upgrade it to a four-lane with a center turn lane from Bettendorf to LeClaire.

There are five major bridges crossing the Mississippi River in the Quad Cities. The three bridges near the city centers are reaching capacity for traffic and the Government Bridge, is approaching 100 years of age. Discussion and planning has begun for a new bridge crossing the Mississippi River. It can be expected to take 15-20 years or more before a project of this magnitude comes to fruition.

The regional airport for the Quad Cities is on the Illinois side of the river in Moline. A group of investors are currently planning to start a regional airline to connect Iowa cities with airports on both the west and east coasts. The new airline, Access Air, would have its hub in Des Moines but the Quad Cities would be a connecting stop. Keeping the Quad Cities existing air service and having an opportunity to expand air service is a critical part of the economic development efforts of the area.

Conclusion: Overall the economic indicators for the Quad Cities appear to be strong. As long as interest rates stay low, building and construction activity can be expected to remain high. With the new investment and the expansion of existing businesses the employment picture for the Quad Cities also remains bright. Economic development efforts for the Quad Cities continue to try to diversify the economy while taking advantage of its unique location and the tremendous asset of the Mississippi River.

MAJOR INITIATIVES

For the Year. During fiscal year 1997-98 Scott County completed the remodeling and renovation of several areas within the Courthouse complex and other County facilities including: seal coating of the Courthouse parking lot; recommissioning the HVAC System in the Courthouse; abating asbestos located in the boiler room of the Courthouse; remodeling the Clerk's office on the 2nd floor of the Courthouse; remodeling the vital records area in the Recorder's office; the addition of moveable walls in the Treasurer's office; the installation of the sewer grinder and renovation of the medical room at the Jail facility; holding cell construction at the Tremont minimum security facility; and the construction of a storage garage at the Pine Knoll Health Care Facility. The Board also acquired various pieces of property located directly north of the Courthouse for potential future County use and replaced the County Auditor's aging manual lever voting machines with electronic scanning voting units.

The Board of Supervisors continued with their multi-year River City Place Project funding toward the renovation of the Convention Center in downtown Davenport as well as funding toward the Kahl Education Center renovation project. The Board also authorized funding toward the Northwest Davenport Industrial Park and an economic development loan to the Eldridge Development Corporation.

During the year the Board of Supervisors and the Scott County Sheriff continued on their course of action to address long-term solutions to the Jail overcrowding problem. A consulting firm was selected to perform a comprehensive needs assessment study for the Scott County Jail and to project the future incarceration needs for Scott County government. Based on this information the Board of Supervisors and Sheriff selected an architecture firm and construction manager organization to begin to prepare preliminary design and construction cost amounts which were brought to the voters for their consideration at a November 1998 referendum. Although the referendum failed to achieve the 60% required super majority vote necessary, the message is now clear to the citizens that a suitable Jail building replacement is needed. Addressing the long-term solution to the Jail overcrowding problem continues to be the County's highest priority at this time.

During FY 1997-98 the Board of Supervisors continued its Financial Initiatives Program started in 1994. This program is now implemented every other odd calendar year and encourages County departments to hold staff meetings and brainstorming sessions to produce ideas to reduce on-going expenditures, increase revenues and improve productivity. Using team work and innovation County employees identified many initiatives in 1997 totalling $292,331 in cost reductions with revenue enhancements identified at a total of $156,636. Also improvements to the productivity capacity of the work force equal to 1.4 full-time positions with a value of $35,187 were identified due to changes in policies, procedures, scheduling and other work methods.

These fiscal strategies have played a major role in eliminating the County's previous budget deficits and declining general fund undesignated balance amounts which reached its lowest level in 1994. Over the past three years the substantial increase in the amount of the general fund undesignated balance is directly attributed to this successful program.

Finally, Scott County remains only one of two Iowa counties to hold the Government Finance Officers Association of the United States and Canada (GFOA) Distinguished Budget Presentation Award for its annual budget document. The County received its eighth consecutive award for its budget document for the fiscal year beginning July 1, 1997 and has submitted its budget document for the fiscal year beginning July 1, 1998 to GFOA for its review. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications medium.

For The Future. The Scott County Board of Supervisors and its management team of elected officials and appointed department heads hold planning sessions every two years for the purpose of setting target issues and developing action plans to successfully complete goals as identified and prioritized. These "leadership workshops" help in continuing to build the policy team of the Board of Supervisors, determining the future goals and direction for the County, refining the governance processes of the policy team, and on refining the tone for management and service delivery. The latest target issue setting workshop was held in January 1997. The current 1997 and 1998 Policy Agenda Priorities and Action Plans are listed below:

POLICY AGENDA PRIORITIES FOR 1997 AND 1998

Top Priority

- Jail: Future Direction
  Action Plan:
  1. *Approve Phase I Jail Study recommendations.*
  2. *Implement Phase I Jail Study recommendations.*
  3. *Complete Phase II Jail Study.*
  4. *Decision on Phase II Jail Study by Board.*
  5. *Develop Jail direction plan.*
  6. *Implement Jail direction plan.*

- County Facilities and Space Direction
  Action Plan:
  1. *Further develop space utilization options.*
  2. *Integrate Jail and Communications studies with space utilization plan.*
  3. *Decision by Board on County facilities and space direction.*
  4. *Implement space utilization plan.*

- Comprehensive County Wide E.M.S.
  Action Plan:
  1. *Participate in and provide leadership in support of comprehensive E.M.S. System.*
- Golf Course
  Action Plan:
  1. *Develop short range financial improvement program for golf course.*
  2. *Implement short range financial improvement program for golf course.*
  3. *Evaluate short range financial improvement program for golf course.*
  4. *Determine future direction of golf course.*

- Radio/Communications Systems
  Action Plan:
  1. *Participate in and provide leadership in support of County-wide communications system.*

- TIF Issues With Davenport
  Action Plan: *1. Develop position on residential TIF's.*
  2. Communicate County's position to the community on residential TIF's.
  3. Participate in consultation process for residential TIF's.

- Welfare Reform: Impact and Direction
  Action Plan: *1. Continue to monitor impact of welfare reform implementation.*
  2. Review and revise County welfare reform when appropriate.
  3. Participate in community efforts related to welfare reform.
  4. Monitor impact of State's mental health managed care program.

<u>High Priority</u>

- Mental Health: Direction and Strategy
  Action Plan: *1. Develop plan for computer enhancements to MH/DD system.*
  2. Lobby State relative to County's MH/DD financial interests.
  3. Begin development of MH/DD systems report card.
  4. Update 5-Year MH/DD plan.

- Lobbying for Scott County's Interest With State: Understanding and Actions
  Action Plan: *1. Participate in comprehensive tax reform effort.*
  2. Evaluate and optimize effectiveness of lobbying efforts with State.
  3. Continue monitoring and lobbying efforts with State.

- Bridge: Direction
  Action Plan: *1. Provide leadership to insure timely and comprehensive solution to bridge issue.*
  2. Review and evaluate bridge consultant studies for accuracy and completeness.
  3. Evaluate bridge proposals for impact on County and State.

- Economic Development Policy and Plan
  Action Plan: *1. Review and evaluate County's current role in economic development.*
  2. Determine future direction of County's role in economic development.

- Public Information and Communications Strategy
  Action Plan: *1. Review and evaluate County's current public information and communication strategy.*
  2. Determine future direction of County's public information and communication strategy.

- County Buildings/Workplace Violence: Reduction/Prevention Strategy
  Action Plan: *1. Adopt policy on workplace violence.*
  2. Implement employee education program on workplace violence.
  3. Complete security audits for all County facilities to reduce and prevent workplace violence.
  4. Continue to monitor and implement improvements to workplace violence strategy.

- Land Use/Development Policy: Review and Revision
  Action Plan: *1. Review land use policy.*
  2. Develop future land use map.
  3. Review and revise zoning ordinance and subdivision regulations.

At the present time work is beginning on the County's fiscal year 1999-2000 operating budget. During their initial budget discussions the Board of Supervisors identified five specific areas they wished to have reviewed during the 1999-2000 budget preparation process:

1. Out-of-County jail inmate housing costs.
2. Phase I jail recommendations - funding impact.
3. Golf Course financial projections.
4. Internet direction and Scott County presence.
5. Retention of high quality employees.

Preliminary assessed valuations from the City and County Assessors indicate that modest growth will be available in the property tax base for next fiscal year due to current state imposed rollback limitations on residential property taxable valuations. It is noted that the State of Iowa's enacted legislation which limited the growth in property tax dollars which could be levied in FY 94 through FY 98 sunseted in June 1998.

Three of the four County labor union contracts are up for renegotiation for fiscal year 1999-2000. Proposed wage increases, health care costs and economic impacts on other non-tax revenues will all add to the challenge of presenting a balanced budget for next fiscal year.

Department Focus. The Scott County Attorney's Office serves in the dual capacity of lawyer for the Board of Supervisors, all County Officers and agencies in civil matters; and in the capacity of Chief Prosecutor for the State of Iowa in Scott County. With a staff of 15 attorneys and 15 support personnel, the office processed over 4,100 indictable criminal cases in FY'98, and averages six contacts with county agencies per week.

During the 20 years that William E. (Bill) Davis has served as County Attorney of Scott County, both the Criminal Justice System and the County itself have undergone major changes that have impacted on the way in which the County Attorney's Office functions.

The Civil Division has the responsibility for representing the County and its employees in almost all litigation filed against the County as insurance costs caused the County to become largely self-insured. With the increase in administrative personnel in the County, the number of requests for County Attorney opinions, or contacts for advice, have multiplied greatly.

The Scott County Check Offender Program Services, COPS, was organized in 1997 to assist merchants with bad check losses. The primary goal of the program is to obtain full restitution for the victim without adding to the financial burden of the criminal justice system. The program operates in conjunction with Check Offender Services, Inc., as a unique cooperative effort between the private and public sectors. Merchants in the county benefit because they receive restitution without paying collection fees, while first time bad check writers are given the opportunity to avoid criminal prosecution by attending an intervention class, in addition to paying restitution. This program was accomplished without any cost to the taxpayers.

The office continues to seek and find alternative funding sources for Criminal Justice projects by securing and administering a number of grants. The office also administers the largest Asset Forfeiture program in the State of Iowa. These alternative revenue sources aid Scott County in maintaining its position as a leader in providing quality services to its citizens at a reasonable cost.

FINANCIAL INFORMATION

Management of the County is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgements by management.

Single Audit. As a recipient of federal and state financial assistance, the County is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the County.

As a part of the County single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal awards, as well as to determine that the County has complied with applicable laws and regulations. The results of the County's single audit for the fiscal year ended June 30, 1998 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgeting Controls. In addition, the County maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County Board of Supervisors. The State of Iowa requires the passage of an annual budget of total County operating expenditures by major program service areas. Activities of the general fund, special revenue funds, capital projects fund and debt service fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the total program service area level. The County also maintains budgetary control beyond the State required program service area level at the major object of expenditure basis within each County department.

General Government Functions. The following schedule presents a summary of general fund, special revenue funds and debt service fund revenues for the fiscal year ended June 30, 1998 and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue Source	Amount	Percent of Total	Increase (Decrease) From FY 1997	% Incr (Decrease) From FY 1997
Property Taxes/Interest & Penalties	$18,446,532	45.7%	$-168,452	-0.9%
Local Option Sales Tax	2,833,819	7.0%	-453,650	-18.8%
Other County Taxes	117,940	0.3%	-614,982	-83.9%
Intergovernmental	13,487,730	33.4%	610,647	4.7%
Licenses and Permits	324,532	0.8%	18,429	6.0%
Charges for Services	3,048,139	7.5%	413,236	15.7%
Interest and Rentals and Fees	1,728,960	4.3%	236,039	15.8%
Other	409,275	1.0%	-203,544	-33.2%
Total	$40,396,927	100.0%	$-162,277	-0.4%

The slight reduction in property taxes is due in part to the continued mental health property tax relief funding by the State in addition to the continuation of the Financial Initiatives Program by the Board of Supervisors which encourages departments to identify new ways of doing things and reducing ongoing expenditures or increasing non-tax revenues. The substantial decrease in the local option tax proceeds was a result of revenue timing differences in the State changing from a quarterly allotment basis to a monthly basis. The substantial reduction in other County taxes was a result of the move of gaming tax revenues from the County General Fund to the Capital Improvement Fund. The Board believes one time capital project expenditures are a more reasonable use of gaming tax revenues which could vary substantially from time to time.

Charges for services increased dramically due to an excellent economic climate and low interest rates which resulted in higher fees collected in the Recorder's office for filings. Also the vital statistics area was transferred from the Clerk of Courts State office to the County Recorder's office. Interest earnings increased due to higher fund balances and slightly higher investment rates achieved. Finally the other revenues category was lower due to proceeds received from the sales of fixed assets for the Secondary Roads Department in FY'97 and overtime reimbursement in the Sheriff's Department for road patrol for major manufacturer during the construction of a major road project in FY'97.

The following schedule presents a summary of general fund, special revenue funds and debt service fund expenditures for the fiscal year ended June 30, 1998 and the percentage of increases and decreases in relation to prior year amounts.

Function	Amount	Percent of Total	Increase (Decrease) From FY 1997	% Incr (Decrease) From FY 1997
Public Safety	$7,925,744	21.1%	$85,114	1.1%
Court Services	1,526,426	4.1%	184,676	13.8%
Physical Health and Education	3,139,497	8.4%	790,854	33.7%
Mental Health	9,424,014	25.1%	-405,767	-4.1%
Social Services	1,939,022	5.2%	777,797	67.0%
County Environment	2,249,955	6.0%	-1,806	-0.1%
Roads and Transportation	2,963,400	7.9%	-177,928	-5.7%
State and Local Government	1,453,858	3.9%	105,684	7.8%
Interprogram	5,028,129	13.4%	434,003	9.4%
Debt Service	1,039,825	2.8%	1,090	0.1%
Capital	865,215	2.3%	-358,627	-29.3%
Total	$37,555,085	100.0%	$1,435,090	4.0%

The most significant increase in expenditures in 1997-98 over the previous year was in the Social Services Area due to a service area reclassification by the State in FY'98. Substance abuse costs and general relief assistance to people with mental health problems was moved from the Mental Health Service Area to the Social Services Area. There was also an increase in the Emergency Shelter Grant program in the General Relief Area. This State reclassification also accounts for the reduction in mental health costs below FY'97 levels. The substantial increase in the area of physical health was due to an accounting adjustment of an agency pass through fund from the General Fund to the County's Trust and Agency Fund for an EPSDT Targeted Case

Management Agency Grant Program. Also the County funding allotment to the County Library component unit previously was shown as an operating transfer as opposed to a functional expenditure. Court Services increased by 13.8% due to an increase in the Juvenile Justice Program. These increased court appointed attorney costs for juveniles expenditures are reimbursed by the State. The Interprogram increase was due to the accounting change in moving a Medicaid Administrative reimbursement agency pass through grant program to the County Trust and Agency Fund. Finally the reduction in capital expenditures below 1997 levels was due to the installation of tile lines by the Secondary Roads Department in FY'97.

General Fund Balance. The undesignated fund balance of the general fund increased by 2.9% in 1998. The Board has $1,423,314 reserved for the loan advance to the enterprise fund. The remaining $6,971,767 provides the County with a fund balance that meets cash flow needs prior to the collection of property taxes and significantly reduces the likelihood of the County entering the short-term debt market to pay for current operating expenditures. The amount of undesignated fund balance of the general fund exceeds the minimum amount designated by the County's Financial Management policies. The excess amount will be considered for use by the Board for one time capital outlays such as moving the County's PC LAN computer system from the DOS environment to the windows based environment and for upgrading the County's aging analog radio system to an 800 MHz digital system.

Enterprise Operations. The County's enterprise fund includes the operations of Glynns Creek Golf Course located at Scott County Park. The Course finished its sixth fiscal year of operation on June 30, 1998 realizing a 66% increase in rounds played over the first fiscal year of operation and a 4% increase over the previous year. During the early years of operation the general fund loaned funds to the enterprise fund to be repaid from future Course revenues with interest. At June 30, 1998 the loan amount due to the general fund totalled $1,423,314. FY 1997-98 was the first year that an additional loan advance was not necessary.

Debt Administration. At June 30, 1998 the County had only two general obligation debt issues outstanding. The general obligation jail refunding bond issue totalled $880,000 and the Solid Waste Disposal bonds totalled $6,425,000. It is noted that the General Obligation County Solid Waste Disposal bonds are being paid by the Scott Area Solid Waste Management Commission under a financing agreement between the Commission and the County whereby the Commission is obligated to establish rates, charges and fees sufficient to pay the semi-annual debt service requirements of the bonds.

The County's bond rating from Moody's Investor Service on general obligation bond issues was revised in 1995 to an A1 rating from an AA rating due to State property tax limitations which were legislatively put in place by the State through fiscal year 1998 causing the County to use fund balances for various expenditures several years ago. The County notified State officials regarding this concern in addition to implementing a Financial Initiatives Program during the last three years to identify ideas and strategies to reduce expenditures and enhance revenues. *As a result of the very successful Financial Initiatives Program the County's undesignated general fund balance has increased 163% since 1994.*

Under State statutes the County's general obligation bond issuances are subject to a legal limitation based on 5% of its gross assessed valuation. As of June 30, 1998 the County's general obligation indebtedness of $7,305,000 was well below the legal limit of $284,753,091 and debt per capita equaled $46.40.

Cash Management. Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, obligations of the U.S. Treasury, and other obligations guaranteed by the United States or its agencies. The average yield on investments was 5.54%. The County earned interest revenue in governmental funds of $1,699,696 on all investments for the year ended June 30, 1998.

The County's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were insured by federal depository insurance or covered by the state's sinking fund. The majority of County investments during the year and at June 30, 1998, are classified in the category of lowest collateral risk as defined by the Governmental Accounting Standards Board.

Risk Management. The County's liability, property and workers compensation claims, insurance and administration program are accounted for in the Internal Service Fund. The program involves various risk control techniques, including educational programs for employees to prevent accidents, and provides funds to meet loss situations which do occur, using a blend of internal and external resources. Internal funding of losses is represented by a claims retention program in which an assumption of appropriate deductibles is made. During fiscal year 1998, the deductible for each liability and property claim was $250,000 and for each workers compensation claim was $300,000. External funding involves the purchase of insurance to finance those losses which the County cannot comfortably retain itself. Individual claims in excess of the deductible are insured up to $5,750,000 for liability, replacement costs up to $68,017,523 for property, and statutory amounts for workers compensation. The goals of the current risk management program are to lower long-term costs and to reduce dependance on the insurance market, which lessens the effect of annual rate increases and/or capacity crunches.

OTHER INFORMATION

Independent Audit. State statutes require an annual audit by the Auditor of State or by a certified public accountant. The County has complied with this requirement by contracting with McGladrey & Pullen, LLP to provide an independent audit. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act and related OMB Circular A-133. The auditors' report on the general purpose statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Scott, Iowa for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 1997. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The County of Scott, Iowa has received a Certificate of Achievement for the tenth consecutive year. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgements. The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated services of the Financial Management Supervisor in the Treasurer's Office, the Accounting Supervisor in the Auditor's Office, and the Director of Budget and Information Processing. We would like to express our appreciation to all members of our staff who assisted and contributed to its preparation. Appreciation is also expressed for the excellent assistance received from our independent accountants, McGladrey & Pullen, LLP. We would also like to thank the County Board of Supervisors for their interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,

Bill Fennelly
County Treasurer

Karen L. Fitzsimmons
County Auditor

F. Glen Erickson
County Administrator

Scott County

Financial Section

McGLADREY & PULLEN, LLP
Certified Public Accountants and Consultants

RSM
international

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
County of Scott, Iowa
Davenport, Iowa

We have audited the accompanying general purpose financial statements of the County of Scott, Iowa, as of and for the year ended June 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States; and Chapter 11 of the Code of Iowa. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 15, the County restated beginning fund balance to reflect a change in accounting principle adopted by the County.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the County of Scott, Iowa, as of June 30, 1998, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with "Government Auditing Standards" we have also issued a report dated October 2, 1998 on our consideration of the County of Scott, Iowa's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the County of Scott, Iowa, taken as a whole. The combining and individual fund financial statements, listed in the table of contents as supplementary information, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget Circular A-133, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the County of Scott, Iowa. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

McGladrey & Pullen, LLP

Davenport, Iowa
October 2, 1998

COUNTY OF SCOTT, IOWA

COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS
June 30, 1998

	Governmental Fund Types			
ASSETS AND OTHER DEBITS	General	Special Revenue	Debt Service	Capital Projects
Cash and investments	$ 7,836,400	$ 3,344,574	$ 6,462,290	$ 3,386,111
Cash and investments in escrow	-	-	-	-
Receivables:				
Property taxes	25,020	9,325	790	-
Accrued interest	355,724	-	-	-
Accounts	401,200	16,942	-	-
Due from other funds	376,202	-	-	-
Advance to other funds	1,423,314	-	-	-
Due from other governmental agencies	604,807	53,061	-	30,153
Inventories	-	-	-	-
Property and equipment:				
Land and improvements	-	-	-	-
Buildings and structures	-	-	-	-
Watering system and cart path	-	-	-	-
Furniture and fixtures	-	-	-	-
Equipment	-	-	-	-
Vehicles	-	-	-	-
Construction in progress	-	-	-	-
Accumulated depreciation	-	-	-	-
Amount available in debt service fund	-	-	-	-
Amount to be provided for the retirement of general long-term debt	-	-	-	-
Total assets and other debits	$ 11,022,667	$ 3,423,902	$ 6,463,080	$ 3,416,264

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Total (Memo-randum Only)		Total (Memo-randum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	Primary Government	Component Units	Reporting Entity
$ -	$ 2,003,730	$ 9,528,394	$ -	$ -	$ 32,561,499	$ 966,055	$ 33,527,554
328,571	-	-	-	-	328,571	-	328,571
-	-	211,600	-	-	246,735	2,811	249,546
-	-	-	-	-	355,724	-	355,724
4,003	-	3,123	-	-	425,268	3,852	429,120
-	422,903	4,037	-	-	803,142	-	803,142
-	-	-	-	-	1,423,314	-	1,423,314
-	-	-	-	-	688,021	10,084	698,105
5,129	-	-	-	-	5,129	-	5,129
1,556,336	-	-	3,381,372	-	4,937,708	16,600	4,954,308
447,136	-	-	22,109,949	-	22,557,085	165,400	22,722,485
628,370	-	-	-	-	628,370	-	628,370
2,635	-	-	885,995	-	888,630	143,987	1,032,617
704,253	-	-	9,651,695	-	10,355,948	1,200,787	11,556,735
13,666	-	-	3,067,136	-	3,080,802	212,854	3,293,656
-	-	-	13,013	-	13,013	-	13,013
(634,905)	-	-	-	-	(634,905)	-	(634,905)
-	-	-	-	6,462,322	6,462,322	-	6,462,322
-	-	-	-	901,521	901,521	-	901,521
$ 3,055,194	$ 2,426,633	$ 9,747,154	$ 39,109,160	$ 7,363,843	$ 86,027,897	$ 2,722,430	$ 88,750,327

(Continued)

COUNTY OF SCOTT, IOWA

COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS (Continued)
June 30, 1998

	Governmental Fund Types			
LIABILITIES, EQUITY AND OTHER CREDITS	General	Special Revenue	Debt Service	Capital Projects
Liabilities:				
Accounts payable	$ 691,211	$ 1,363,948	$ -	$ 110,104
Accrued liabilities	411,551	47,474	-	-
Interest payable	-	-	-	-
Due to other funds	426,941	-	-	-
Advance from other funds	-	-	-	-
Due to other governmental agencies	-	-	-	-
Deferred compensation	-	-	-	-
Deferred revenue	231,499	3,236	758	-
Compensated absences	866,384	90,326	-	-
General obligation bonds	-	-	-	-
Purchase contract	-	-	-	-
Total liabilities	2,627,586	1,504,984	758	110,104
Equity and Other Credits:				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained earnings (deficit)	-	-	-	-
Fund balances:				
Reserved for advance to other funds	1,423,314	-	-	-
Unreserved, undesignated	6,971,767	1,918,918	6,462,322	3,306,160
Total equity and other credits	8,395,081	1,918,918	6,462,322	3,306,160
Total liabilities and equity and other credits	$ 11,022,667	$ 3,423,902	$ 6,463,080	$ 3,416,264

See Notes to Financial Statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Total (Memorandum Only)		Total (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	Primary Government	Component Units	Reporting Entity
$ 21,033	$ 727,590	$ 214,517	$ -	$ -	$ 3,128,403	$ 54,972	$ 3,183,375
15,248	176,406	-	-	-	650,679	20,797	671,476
234,143	-	-	-	-	234,143	-	234,143
-	-	376,201	-	-	803,142	-	803,142
1,423,314	-	-	-	-	1,423,314	-	1,423,314
7,363	-	5,829,674	-	-	5,837,037	-	5,837,037
-	-	3,038,160	-	-	3,038,160	-	3,038,160
-	-	-	-	-	235,493	2,660	238,153
10,331	-	-	-	58,843	1,025,884	79,025	1,104,909
-	-	-	-	7,305,000	7,305,000	-	7,305,000
3,076,315	-	-	-	-	3,076,315	-	3,076,315
4,787,747	903,996	9,458,552	-	7,363,843	26,757,570	157,454	26,915,024
-	-	-	39,109,160	-	39,109,160	1,739,628	40,848,788
-	1,098,877	-	-	-	1,098,877	-	1,098,877
(1,732,553)	423,760	-	-	-	(1,308,793)	-	(1,308,793)
-	-	-	-	-	1,423,314	-	1,423,314
-	-	288,602	-	-	18,947,769	825,348	19,773,117
(1,732,553)	1,522,637	288,602	39,109,160	-	59,270,327	2,564,976	61,835,303
$ 3,055,194	$ 2,426,633	$ 9,747,154	$ 39,109,160	$ 7,363,843	$ 86,027,897	$ 2,722,430	$ 88,750,327

COUNTY OF SCOTT, IOWA

COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
Year Ended June 30, 1998

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenue:				
Property taxes	$ 13,068,283	$ 4,638,346	$ 419,302	$ -
Local option sales tax	2,833,819	-	-	-
Other taxes	96,312	20,570	1,058	718,293
Interest and penalties on taxes	320,601	-	-	-
Intergovernmental	4,322,156	8,772,298	393,276	69,012
Charges for services	2,957,076	91,063	-	-
Interest	1,595,805	2,727	-	101,164
Licenses and permits	324,532	-	-	-
Rentals and fees	130,428	-	-	-
Other	373,752	35,523	-	11,047
Total revenue	26,022,764	13,560,527	813,636	899,516
Expenditures:				
Current operating:				
Public safety	7,925,744	-	-	-
Court services	1,526,426	-	-	-
Physical health and education	2,851,831	287,666	-	-
Mental health	-	9,424,014	-	-
Social services	1,939,022	-	-	-
County environment	2,249,955	-	-	-
Roads and transportation	-	2,963,400	-	-
State and local government services	1,453,858	-	-	-
Interprogram services	5,028,129	-	-	-
Nonprogram services	-	-	-	-
Capital outlay	-	865,215	-	2,517,790
Debt service:				
Principal	-	-	620,000	-
Interest	-	-	419,825	-
Total expenditures	22,974,965	13,540,295	1,039,825	2,517,790
Excess (deficiency) of revenue over expenditures	3,047,799	20,232	(226,189)	(1,618,274)
Other financing sources (uses):				
Operating transfers in	3,161	1,970,037	-	3,947,295
Operating transfers out	(4,484,158)	(1,436,335)	-	-
Total other financing sources (uses)	(4,480,997)	533,702	-	3,947,295
Excess (deficiency) of revenue and financing sources over expenditures and other financing uses	(1,433,198)	553,934	(226,189)	2,329,021
Fund balances, beginning, as restated	9,828,279	1,364,984	6,688,511	977,139
Fund balances, ending	$ 8,395,081	$ 1,918,918	$ 6,462,322	$ 3,306,160

See Notes to Financial Statements.

Fiduciary Fund Type Expendable Trusts	Total (Memo-randum Only) Primary Government	Component Units	Total (Memo-randum Only) Reporting Entity
$ -	$ 18,125,931	$ 1,175,358	$ 19,301,289
-	2,833,819	-	2,833,819
-	836,233	2,922	839,155
-	320,601	-	320,601
-	13,556,742	762,612	14,319,354
-	3,048,139	12,555	3,060,694
-	1,699,696	-	1,699,696
-	324,532	-	324,532
-	130,428	-	130,428
3,098,754	3,519,076	54,565	3,573,641
3,098,754	44,395,197	2,008,012	46,403,209
-	7,925,744	113,352	8,039,096
-	1,526,426	-	1,526,426
-	3,139,497	613,605	3,753,102
-	9,424,014	-	9,424,014
-	1,939,022	-	1,939,022
-	2,249,955	-	2,249,955
-	2,963,400	-	2,963,400
-	1,453,858	1,312,541	2,766,399
-	5,028,129	-	5,028,129
3,061,147	3,061,147	-	3,061,147
-	3,383,005	-	3,383,005
-	620,000	11,633	631,633
-	419,825	-	419,825
3,061,147	43,134,022	2,051,131	45,185,153
37,607	1,261,175	(43,119)	1,218,056
-	5,920,493	-	5,920,493
-	(5,920,493)	-	(5,920,493)
-	-	-	-
37,607	1,261,175	(43,119)	1,218,056
250,995	19,109,908	868,467	19,978,375
$ 288,602	$ 20,371,083	$ 825,348	$ 21,196,431

COUNTY OF SCOTT, IOWA

COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
BUDGET AND ACTUAL - BUDGETARY BASIS - ALL GOVERNMENTAL FUND TYPES
Year Ended June 30, 1998

	General		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
Property taxes	$ 13,050,264	$ 13,069,060	$ 18,796
Local option sales tax	2,969,428	3,378,593	409,165
Other taxes	59,717	96,312	36,595
Interest and penalties on taxes	295,000	320,601	25,601
Intergovernmental	4,739,437	4,184,201	(555,236)
Charges for services	2,383,471	2,912,830	529,359
Interest	1,305,000	1,575,376	270,376
Licenses and permits	257,975	316,045	58,070
Rentals and fees	121,930	132,625	10,695
Other	265,085	370,024	104,939
Total revenue	25,447,307	26,355,667	908,360
Expenditures:			
Current operating:			
Public safety	8,563,813	8,202,371	361,442
Court services	1,586,064	1,520,258	65,806
Physical health and education	2,594,021	2,453,628	140,393
Mental health	-	-	-
Social services	2,071,415	1,835,126	236,289
County environment	2,533,643	2,193,075	340,568
Roads and transportation	-	-	-
State and local government services	1,453,373	1,451,527	1,846
Interprogram services	5,079,385	5,012,353	67,032
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	23,881,714	22,668,338	1,213,376
Excess (deficiency) of revenue over expenditures	1,565,593	3,687,329	2,121,736
Other financing sources (uses):			
Operating transfers in	30,000	3,161	(26,839)
Operating transfers out	(1,677,683)	(4,484,158)	(2,806,475)
Total other financing sources (uses)	(1,647,683)	(4,480,997)	(2,833,314)
Excess (deficiency) of revenue and other financing sources over expenditures and other financing uses	$ (82,090)	(793,668)	$ (711,578)
Fund balances (deficit), beginning		9,656,183	
Fund balances (deficit), ending		$ 8,862,515	

Special Revenue			Debt Service		
Budget	Actual	Variance Favorable (Unfavor-able)	Budget	Actual	Variance Favorable (Unfavor-able)
$ 4,594,448	$ 4,638,524	$ 44,076	$ 419,860	$ 419,325	$ (535)
-	-	-	-	-	-
31,207	20,570	(10,637)	1,136	1,058	(78)
-	-	-	-	-	-
8,831,837	8,989,695	157,858	619,515	628,276	8,761
131,696	117,051	(14,645)	-	-	-
-	2,727	2,727	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
60,500	35,524	(24,976)	-	-	-
13,649,688	13,804,091	154,403	1,040,511	1,048,659	8,148
-	-	-	-	-	-
-	-	-	-	-	-
287,666	287,666	-	-	-	-
10,185,968	9,076,425	1,109,543	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,076,200	2,986,923	89,277	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
880,000	863,244	16,756	-	-	-
-	-	-	620,000	620,000	-
-	-	-	419,825	419,825	-
14,429,834	13,214,258	1,215,576	1,039,825	1,039,825	-
(780,146)	589,833	1,369,979	686	8,834	8,148
-	1,970,037	1,970,037	-	-	-
(1,415,135)	(1,436,335)	(21,200)	-	-	-
(1,415,135)	533,702	1,948,837	-	-	-
$ (2,195,281)	1,123,535	$ 3,318,816	$ 686	8,834	$ 8,148
	2,132,789			(517,335)	
	$ 3,256,324			$ (508,501)	

(Continued)

COUNTY OF SCOTT, IOWA

COMBINED STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT) - BUDGET AND ACTUAL - BUDGETARY BASIS - ALL GOVERNMENTAL FUND TYPES (Continued)
Year Ended June 30, 1998

	Capital Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
Property taxes	$ -	$ -	$ -
Local option sales tax	-	-	-
Other taxes	600,000	718,293	118,293
Interest and penalties on taxes	-	-	-
Intergovernmental	13,200	58,310	45,110
Charges for services	-	-	-
Interest	-	101,164	101,164
Licenses and permits	-	-	-
Rentals and fees	-	-	-
Other	-	11,047	11,047
Total revenue	613,200	888,814	275,614
Expenditures:			
Current operating:			
Public safety	-	-	-
Court services	-	-	-
Physical health and education	-	-	-
Mental health	-	-	-
Social services	-	-	-
County environment	-	-	-
Roads and transportation	-	-	-
State and local government services	-	-	-
Interprogram services	-	-	-
Capital outlay	3,537,395	2,432,952	1,104,443
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	3,537,395	2,432,952	1,104,443
Excess (deficiency) of revenue over expenditures	(2,924,195)	(1,544,138)	1,380,057
Other financing sources (uses):			
Operating transfers in	1,170,360	3,947,295	2,776,935
Operating transfers out	-	-	-
Total other financing sources (uses)	1,170,360	3,947,295	2,776,935
Excess (deficiency) of revenue and other financing sources over expenditures and other financing uses	$ (1,753,835)	2,403,157	$ 4,156,992
Fund balances (deficit), beginning		996,714	
Fund balances (deficit), ending		$ 3,399,871	

See Notes to Financial Statements.

Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavor-able)
$ 18,064,572	$ 18,126,909	$ 62,337
2,969,428	3,378,593	409,165
692,060	836,233	144,173
295,000	320,601	25,601
14,203,989	13,860,482	(343,507)
2,515,167	3,029,881	514,714
1,305,000	1,679,267	374,267
257,975	316,045	58,070
121,930	132,625	10,695
325,585	416,595	91,010
40,750,706	42,097,231	1,346,525
8,563,813	8,202,371	361,442
1,586,064	1,520,258	65,806
2,881,687	2,741,294	140,393
10,185,968	9,076,425	1,109,543
2,071,415	1,835,126	236,289
2,533,643	2,193,075	340,568
3,076,200	2,986,923	89,277
1,453,373	1,451,527	1,846
5,079,385	5,012,353	67,032
4,417,395	3,296,196	1,121,199
620,000	620,000	-
419,825	419,825	-
42,888,768	39,355,373	3,533,395
(2,138,062)	2,741,858	4,879,920
1,200,360	5,920,493	4,720,133
(3,092,818)	(5,920,493)	(2,827,675)
(1,892,458)	-	1,892,458
$ (4,030,520)	2,741,858	$ 6,772,378
	12,268,351	
	$ 15,010,209	

COUNTY OF SCOTT, IOWA

COMBINED STATEMENT OF REVENUE, EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICIT)
ALL PROPRIETARY FUND TYPES
Year Ended June 30, 1998

	Enterprise	Internal Service	Totals (Memo-randum Only)
Operating revenue:			
Charges for services	$ 920,180	$ 860,957	$ 1,781,137
Sales, net of cost of goods sold of $81,491	39,665	-	39,665
Other	1,229	10,244	11,473
Total operating revenue	961,074	871,201	1,832,275
Operating expenses:			
Claims and administration	-	849,610	849,610
Personnel	363,956	-	363,956
Depreciation	141,291	-	141,291
Other	152,076	-	152,076
Total operating expenses	657,323	849,610	1,506,933
Operating income	303,751	21,591	325,342
Nonoperating income (expense):			
Interest income	16,931	76,789	93,720
Interest expense	(284,670)	-	(284,670)
	(267,739)	76,789	(190,950)
Net income	36,012	98,380	134,392
Retained earnings (deficit), beginning	(1,768,565)	325,380	(1,443,185)
Retained earnings (deficit), ending	$ (1,732,553)	$ 423,760	$ (1,308,793)

See Notes to Financial Statements.

COUNTY OF SCOTT, IOWA

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
Year Ended June 30, 1998

	Enterprise	Internal Service	Totals (Memo-randum Only)
Cash Flows from Operating Activities:			
Cash received from customers	$ 1,079,144	$ -	$ 1,079,144
Cash received from premiums allocated	-	730,655	730,655
Cash received from employee contributions	-	15,364	15,364
Cash received from employer contributions	-	114,495	114,495
Cash payments to acquire goods for resale	(70,815)	-	(70,815)
Cash payments for insurance premiums and services	-	(823,379)	(823,379)
Cash payments to suppliers for goods and services	(157,440)	-	(157,440)
Cash payments to employees for claims	-	(41,938)	(41,938)
Cash payments to employees for services	(365,189)	-	(365,189)
Other operating revenue	-	9,958	9,958
Net cash provided by operating activities	485,700	5,155	490,855
Cash Flows from Capital and Related Financing Activities:			
Payments of purchase contract	(97,326)	-	(97,326)
Interest paid on purchase contract	(344,192)	-	(344,192)
Acquisition and construction of capital assets	(60,965)	-	(60,965)
Net cash (used in) capital and related financing activities	(502,483)	-	(502,483)
Cash Flows from Investing Activities, interest received	16,931	76,789	93,720
Net increase in cash and cash equivalents	148	81,944	82,092
Cash and cash equivalents:			
Beginning	328,423	1,921,786	2,250,209
Ending	$ 328,571	$ 2,003,730	$ 2,332,301
Reconciliation of Operating Income to Net Cash Provided By Operating Activities:			
Operating income	$ 303,751	$ 21,591	$ 325,342
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	141,291	-	141,291
(Increase) in:			
Receivables and interfund receivables	36,579	(37,230)	(651)
Inventories	10,676	-	10,676
Increase (decrease) in:			
Accounts payable	(4,114)	(15,707)	(19,821)
Accrued liabilities	(2,483)	36,501	34,018
Net cash provided by operating activities	$ 485,700	$ 5,155	$ 490,855

See Notes to Financial Statements.

COUNTY OF SCOTT, IOWA

COMBINING BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNITS
Year Ended June 30, 1998

ASSETS AND OTHER DEBITS	Emergency Management Agency	County Library
Cash and investments	$ 130,283	$ 191,718
Receivables:		
Property taxes	-	396
Accounts	3,817	-
Due from other governmental agencies	9,931	153
Property and equipment:		
Land and improvements	-	16,600
Buildings and structure	-	165,400
Furniture and fixtures	2,949	86,233
Equipment	63,905	1,113,637
Vehicles	70,795	117,663
Total assets and other debits	$ 281,680	$ 1,691,800

LIABILITIES, EQUITY AND OTHER CREDITS		
Liabilities:		
Accounts payable	$ 3,784	$ 11,803
Accrued liabilities	2,045	10,402
Deferred revenue	-	333
Compensated absences	7,538	13,343
	13,367	35,881
Equity and Other Credits:		
Investments in general fixed assets	137,649	1,499,533
Fund balance	130,664	156,386
Total equity and other credits	268,313	1,655,919
Total liabilities, equity and other credits	$ 281,680	$ 1,691,800

See Notes to Financial Statements.

County Assessor	City Assessor	City Assessor Special	Total
$ 401,172	$ 169,481	$ 73,401	$ 966,055
470	1,360	585	2,811
-	35	-	3,852
-	-	-	10,084
-	-	-	16,600
-	-	-	165,400
21,956	32,849	-	143,987
2,531	20,714	-	1,200,787
-	24,396	-	212,854
$ 426,129	$ 248,835	$ 73,986	$ 2,722,430

$ 1,113	$ 33,992	$ 4,280	$ 54,972
8,350	-	-	20,797
444	1,304	579	2,660
20,050	38,094	-	79,025
29,957	73,390	4,859	157,454
24,487	77,959	-	1,739,628
371,685	97,486	69,127	825,348
396,172	175,445	69,127	2,564,976
$ 426,129	$ 248,835	$ 73,986	$ 2,722,430

COUNTY OF SCOTT, IOWA

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
DISCRETELY PRESENTED COMPONENT UNITS
Year Ended June 30, 1998

	Emergency Manage-ment Agency	County Library
Revenue:		
Property taxes	$ -	$ -
Other taxes	-	-
Intergovernmental	72,473	597,260
Charges for services	-	10,851
Other	54,231	-
Total revenue	126,704	608,111
Expenditures:		
Current operating:		
Public safety	113,352	-
Physical health and education	-	613,605
State and local governmental services	-	-
Debt service, principal	-	11,633
Total expenditures	113,352	625,238
Excess (deficiency) of revenue over expenditures	13,352	(17,127)
Fund balances, beginning	117,312	173,513
Fund balances, ending	$ 130,664	$ 156,386

See Notes to Financial Statements.

County Assessor	City Assessor	City Assessor Special	Total
$ 436,435	$ 516,699	$ 222,224	$ 1,175,358
1,373	1,083	466	2,922
35,283	44,667	12,929	762,612
1,704	-	-	12,555
334	-	-	54,565
475,129	562,449	235,619	2,008,012
-	-	-	113,352
-	-	-	613,605
477,053	620,296	215,192	1,312,541
-	-	-	11,633
477,053	620,296	215,192	2,051,131
(1,924)	(57,847)	20,427	(43,119)
373,609	155,333	48,700	868,467
$ 371,685	$ 97,486	$ 69,127	$ 825,348

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies

Nature of operations:

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

Reporting entity:

In evaluating how to define the County, for financial reporting purposes, management has considered all potential component units. Generally accepted accounting principles require that general purpose financial statements present the County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of their operational significance and financial relationships with the County.

Discretely presented component units:

The component units column in the combined financial statements include the financial data of the County's discretely presented component units. They are reported in a separate column to emphasize that they are legally separate from the County, but are financially accountable to the County, or whose relationship to the County is such that exclusion would cause the County's financial statements to be misleading or incomplete. The County Board is a voting member of each of the governing bodies of all these component units except for the Scott County Library for which the County Board appoints all the Library trustees. Each component unit has a June 30 year-end.

(a) **Emergency Management Agency:**

The Scott County Emergency Management Commission provides direction for the delivery of the emergency management services of planning, administration, coordination, training and support for local governments and their departments. The Commission coordinates its services in the event of a disaster. The Commission receives its funding from the federal government, public utility companies and voluntary allocations from the participating governments.

(b) **County Library:**

The Scott County Library Board of Trustees provides library services to all the cities within Scott County with the exception of the City of Bettendorf and the City of Davenport. In addition, the Library provides services to the unincorporated residents of Scott County and also to the citizens of the City of Durant through a contractual arrangement. The Trustees annually direct the Board of Supervisors to levy property taxes to the unincorporated area in addition to providing tax levying amounts to each of the participating cities.

(c) **County Assessor:**

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

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

(d) **City Assessor**

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

(e) **City Assessor Special**

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

Complete financial statements of the individual component units can be obtained from their respective administrative offices or from the office of Budget and Information Processing in the Courthouse at 416 W. 4th Street, Davenport, Iowa.

Summary of significant accounting policies:

(a) **Basis of Accounting, Measurement Focus and Basis of Presentation:**

The accounts of the County are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

The County has the following fund types and account groups:

Governmental Funds are used to account for the County's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers all revenues available if they are collected within 60 days after year-end. Revenue not considered available is recognized as deferred revenue. Expenditures are recognized when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due.

Property taxes are recognized as revenue as they become both measurable and available, provided they are due by June 30 and collected within 60 days after year-end. Licenses and permits, rentals and fees and other revenue are recognized as revenue when received in cash because they are generally not measurable until actually received. Charges for services and interest earnings on investments are recognized as they are earned.

Entitlements and shared revenues are recognized at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

Governmental funds include the following fund types:

The **General Fund** is the County's primary operating fund. It accounts for all financial resources of the County, except those required to be accounted for in another fund.

The **Special Revenue Funds** account for revenue sources that are legally restricted to expenditure for specific purposes.

The **Debt Service Fund** account for the servicing of general long-term debt not being financed by proprietary funds.

The **Capital Projects Fund** accounts for the acquisition of property and equipment or construction of major capital projects not being financed by proprietary funds.

Proprietary Funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. Proprietary funds include the following fund types:

Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the County has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The operations of the Glynns Creek Golf Course is the only activity accounted for as an enterprise fund.

Internal Service Funds account for operations that provide services to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis.

Fiduciary Funds account for assets held by the County in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the County under the terms of a formal trust agreement.

The **Expendable Trust Funds** are accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable trust funds account for assets where both the principal and interest may be spent.

The **Agency Funds** are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the County holds for others in an agency capacity.

Account Groups. The general fixed assets account group is used to account for fixed assets not accounted for in proprietary or trust funds. The general long-term debt account group is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

Discretely Presented Component Units are accounted for by the modified accrual basis of accounting.

(b) **Budget procedures:**

The County uses the following procedures when establishing budgetary data reflected in the financial statements:

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

- Public hearings are conducted to obtain taxpayer comments.

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

- Prior to March 15, the budget is legally adopted by resolution of the County Board. The ultimate level of control is the governmental fund type in total.
- The budget may be amended by majority approval of the County Board prior to May 31 after public notice has been published.
- The budget is adopted on a cash basis.
- Encumbrances are not recognized in the cash basis budget and appropriations lapse at year-end.

The budget is adopted for all governmental funds by fund and by 12 major classes of program 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 services, debt service and capital outlay.

In addition, the County Board must appropriate, by resolution, the budgets for each of the different County offices and departments. Emphasis is placed on monitoring budgets at the departmental level by major class of expenditures rather than by line item expenditure. County management can approve budget shifts within the major classes but not between major classes. During the year, one supplementary appropriation totaling $2,236,870 was made. This additional appropriation is reflected in the budget amounts.

(c) **Investments:**

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

(d) **Property taxes:**

Property taxes receivable represent the delinquent taxes from the tax levy. No property tax levy date is established by Iowa State statutes; however, the tax levy, which is due and collectible during the fiscal year ending June 30, 1998 was certified on March 15, 1997 based on the 1996 assessed valuations establishing a lien date of July 1, 1997. These taxes are to be recognized as a receivable on July 1 and are due in two installments, on September 30 and March 31, with a 1.5% per monthly penalty for delinquent payment. The portion of the taxes receivable which are not expected to be collected within sixty days following the year-end are not considered available and are shown as deferred revenue.

(e) **Inventories:**

Inventories are carried at cost, as determined using the first-in, first-out method.

(f) **General fixed assets:**

General fixed asset acquisitions are recorded as expenditures of the governmental funds and then capitalized at cost in the general fixed assets account group. Contributed fixed assets are recorded at their estimated fair value as of the date received.

Certain improvements such as roads, bridges, drainage systems and lighting systems are not capitalized. Such assets normally are immovable and of value only to the County. Therefore, the purpose of stewardship for capital expenditures is satisfied without recording these assets. Depreciation is not provided on general fixed assets.

(g) **Property and equipment - proprietary funds:**

Property and equipment of the enterprise fund is stated at cost or estimated historical cost.

Depreciation is provided using the straight-line method over the estimated useful lives ranging from 30 years for buildings and improvements, 10 years for equipment and 15 to 20 years for the pump stations and watering system.

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

(h) **Vacation and sick leave:**

County employees are granted vacation and sick leave in varying amounts based upon length of employment by the County. Vacation days accumulate up to two times the employee's yearly vacation rate and total accumulated vacation will be paid upon termination of employment. Sick leave accumulates without limit. Generally, sick leave will be paid at 50% of an employee's total accumulated sick leave in excess of 720 hours up to a maximum of 1,680 hours upon retirement or death.

For governmental funds the vested vacation and sick leave, which are expected to be paid from available resources, are recognized as a liability of the fund from which it is to be paid with all remaining amounts accounted for as a liability of the general long-term debt account group.

(i) **Pooled cash and investment account:**

Separate bank accounts and investments are not maintained for all County funds, as certain funds maintain their cash and investment balances in a pooled account. Accounting records are maintained to show the portion of the pooled account attributable to each participating fund.

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

(j) **Cash flows:**

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

(k) **Advance to other funds:**

The $1,423,314 advance to other funds by the General Fund is not considered available to pay current liabilities and therefore, the fund balance of the General Fund has been reserved by the amount equal to the advance.

(l) **Proprietary funds:**

The County is applying all applicable Government Accounting Standards Board (GASB) pronouncements, as well as following all Financial Accounting Board Statements and Interpretations, Accounting Principles Board Opinion and Accounting Research Bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

(m) **Total columns:**

Total columns on the general purpose financial 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 cash flows in conformity with generally accepted accounting principles. Such data is not comparable to a consolidation since interfund eliminations have not been made.

Note 2. Budgetary and Appropriation Data

Budgetary Accounting:

A reconciliation of the excess (deficiency) of revenue and other financing sources over expenditures and other financing uses, as presented in accordance with generally accepted accounting principles (GAAP) basis, with the similar amounts presented on the budgetary (non-GAAP) basis is as follows:

	Excess (Deficiency) of Revenue and Other Financing Sources Over Expenditures and Other Financing Uses			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund
GAAP basis	$ (1,433,198)	$ 553,934	$ (226,189)	$ 2,329,021
Increase (decrease):				
Due to revenue:				
Received in cash during year but receivables (GAAP) as of June 30, 1997	3,282,788	325,968	55	19,451
Accrued as receivables, net of related deferrals, as of June 30, 1998 but not recognized in budget	(2,954,768)	(76,092)	(32)	(30,153)
Cash received on revenue bond	-	-	235,000	-
Net increase in fair value of investments	(61,000)	-	-	-
Due to expenditures:				
Paid in cash during year but payables (GAAP) as of June 30, 1997	(2,023,577)	(1,182,023)	-	(25,266)
Accrued as expenditures as of June 30, 1998 but not recognized in budget	2,396,087	1,501,748	-	110,104
Budgetary basis	$ (793,668)	$ 1,123,535	$ 8,834	$ 2,403,157

	Fund Balance (Deficit) at End of Year			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund
GAAP basis	$ 8,395,081	$ 1,918,918	$ 6,462,322	$ 3,306,160
Increase (decrease) in current year accruals net of prior year accruals	467,434	1,337,406	(6,970,823)	93,711
Budgetary basis	$ 8,862,515	$ 3,256,324	$ (508,501)	$ 3,399,871

Retained Earnings (Deficit) of Individual Funds:

The following fund had a retained earnings (deficit) as of June 30, 1998:

Fund	(Deficit) Balance
Glynns Creek Golf Course Fund	$ 1,732,553

Note 3. Cash and Investments

The County maintains a cash and investment pool that is available for use by all funds and includes the discretely presented component units since the County acts as custodian of their funds. In addition, investments are separately held by several of the County's funds.

In accordance with state statutes, the County maintains deposits within approved limits at those depositories authorized by the Board of Supervisors. State statutes require that all of the County's deposits be protected by insurance, surety bond or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds at savings and loans and credit unions and 10% at other approved financial institutions. State statutes require that securities pledged as collateral be held in safekeeping by the State Treasurer or in a financial institution other than that furnishing the collateral.

As of June 30, 1998, the carrying amount of the County's deposits, which includes certificates of deposit and excludes $347,441 of cash on hand and undeposited receipts, totals $18,210,358 with bank balances of $16,019,346. The carrying amount and bank balances of the component units' deposits totaled $966,055. The entire bank balances of the County and the component units were covered by federal depository insurance or collateralized with securities held by the entity or its agent in the entity's name.

The County is authorized by statute to invest in U.S. government and agency obligations, perfected repurchase agreements, and commercial paper rated within the two highest prime classification by at least one of the standard rating services. The County's investments are categorized below to give an indication of the level of risk assumed by the County. Category 1 includes securities that are insured, registered or held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered securities held by the counterparty's trust department or its agent in the County's name. Category 3 includes uninsured and unregistered securities held by the counterparty or by its trust or safekeeping department or its agent, but not in the County's name.

	Carrying Amount			
	Category			Fair
	1	2	3	Value
U.S. government agency obligations	$ 4,869,111	$ -	$ -	$ 4,869,111
Scott Area Solid Waste Commission Revenue Bond	6,425,000	-	-	6,425,000
	$ 11,294,111	$ -	$ -	11,294,111
Investments not subject to risk categorization, mutual funds, annuities and ICMA Retirement Trust				3,038,160
				$ 14,332,271

The County's investments during the year did not vary significantly from those at year-end in amounts or level of risk.

During 1998, the County realized no net gain or loss from the sale of investments. The calculation of realized gains is independent of the calculation of the net increase in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year. The net increase in the fair value of investments during 1998 was $2,244,401. This amount takes into account changes in fair value (including purchases and sales) that occurred during the year. The unrealized loss on investments held at year-end was $13,000.

Note 4. Interfund Account Balances

Individual due from and due to other fund balances as of June 30, 1998 are as follows:

	Due From Other Funds	Due To Other Funds
General	$ 376,202	$ 426,941
Internal service, Self-Insurance	422,903	-
Trust and agency:		
County Auditor Cash Pool	4,037	-
County Auditor	-	3,172
County Recorder	-	288,841
County Sheriff	-	699
County Conservation Board Escrow	-	10,873
Motor Vehicle Tax	-	68,622
Use Tax	-	3,994
Total interfund accounts	$ 803,142	$ 803,142

Advances from and to other funds as of June 30, 1998 were as follows:

	Advances From Other Funds	Advances To Other Funds
General	$ -	$ 1,423,314
Enterprise, Glynns Creek Golf Course	1,423,314	-
	$ 1,423,314	$ 1,423,314

Note 5. Changes in General Fixed Assets

A summary of the changes in general fixed assets of the County is as follows:

	Balance June 30, 1997	Reclass-ifications	Additions	Deletion	Balance June 30, 1998
Land and improvements	$ 3,161,217	$ -	$ 233,355	$ 13,200	$ 3,381,372
Buildings and structures	21,715,792	157,754	239,335	2,932	22,109,949
Furniture and fixtures	847,929	-	46,979	8,913	885,995
Equipment	8,792,745	(52,981)	1,807,670	895,739	9,651,695
Vehicles	2,787,837	52,981	411,005	184,687	3,067,136
Construction in progress	157,755	(157,754)	13,012	-	13,013
	$ 37,463,275	$ -	$ 2,751,356	$ 1,105,471	$ 39,109,160

Note 5. Changes in General Fixed Assets (Continued)

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

	Balance June 30, 1997	Additions	Deletion	Balance June 30, 1998
Land and improvements	$ 16,600	$ -	$ -	$ 16,600
Buildings	165,400	-	-	165,400
Furniture and fixtures	143,860	1,474	1,347	143,987
Equipment	1,138,135	116,570	53,918	1,200,787
Vehicles	223,854	-	11,000	212,854
	$ 1,687,849	$ 118,044	$ 66,265	$ 1,739,628

Note 6. General Long-Term Debt

The following is a summary of changes in the County's general long-term debt for the year ended June 30, 1998:

	June 30, 1997	Additions	Retirements	June 30, 1998
General obligation bonds	$ 7,925,000	$ -	$ 620,000	$ 7,305,000
Compensated absences	88,533	-	29,690	58,843
	$ 8,013,533	$ -	$ 649,690	$ 7,363,843

General obligation bonds outstanding as of June 30, 1998 consist of the following:

$880,000 of County jail refunding bonds with interest at rates ranging from 5.1% to 5.25%.

$6,425,000 of solid waste disposal bonds with interest at rates ranging from 4.9% to 5.7%.

The debt service requirements on the bonds outstanding as of June 30, 1998 are as follows:

	Principal	Interest	Total
Year ending June 30:			
1999	$ 670,000	$ 388,675	$ 1,058,675
2000	720,000	354,375	1,074,375
2001	275,000	317,485	592,485
2002	290,000	304,010	594,010
2003	305,000	289,800	594,800
2004 and thereafter	5,045,000	1,929,280	6,974,280
Total	$ 7,305,000	$ 3,583,625	$ 10,888,625

Note 6. General Long-Term Debt (Continued)

The computation of the County's legal margin as of June 30, 1998 is as follows:

Assessed value	$ 5,695,061,827
Debt limit, 5% of assessed valuation (Iowa statutory limitation)	$ 284,753,091
Total amount of debt applicable to debt margin	7,305,000
Legal debt margin	$ 277,448,091

Note 7. Golf Course Acquired Under Purchase Contract

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

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

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

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

	Total Payment	Principal	Interest	Prepayment Price
Year ending June 30:				
1999	$ 320,100	$ 140,000	$ 180,100	$ 2,975,000
2000	318,520	145,000	173,520	2,830,000
2001	321,560	155,000	166,560	2,675,000
2002	318,965	160,000	158,965	2,515,000
2003	320,965	170,000	150,965	2,345,000
2004	322,210	180,000	142,210	2,165,000
2005	322,580	190,000	132,580	1,975,000
2006	321,180	200,000	121,180	1,775,000
2007	319,180	210,000	109,180	1,565,000
Thereafter	1,921,050	1,565,000	1,116,900	Various
Scheduled cash payments	4,806,310	3,115,000	2,452,160	
Unamortized discount	-	(38,685)	38,685	
	$ 4,806,310	$ 3,076,315	$ 2,490,845	

Note 8. Retirement System

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

Plan members are required to contribute 3.70% of their annual covered salary and the County is required to contribute 5.75% of annual covered payroll except for law enforcement employees, in which case the percentages are 5.91% and 8.87%, respectively. Contribution requirements are established by state statute. The County's contribution to IPERS for the years ended June 30, 1998, 1997 and 1996 were $785,467, $757,400 and $706,867, respectively, equal to the required contributions for each year.

Note 9. Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, 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 employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are until paid or 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 plan, subject only to the claims of the County's general creditors. Participants' rights under the plan are equal to those of general creditors of the County in an amount equal to the fair market value of the deferred compensation account for each participant. As of June 30, 1998, the County is currently in the process of investigating amending the plan to comply with IRC Section 457(g) which requires the plan to hold its assets in trust.

It is the opinion of the County that it has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The County believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

Total investments of the deferred compensation plan at market value amounted to $3,038,160 as of June 30, 1998.

Note 10. Risk Management and Insurance

The County is self-insured for general and automobile liability, property, pharmacy and worker's compensation. The County's general and automobile liability, property, pharmacy and worker's compensation premiums and claims are accounted for in the internal service funds. Charges are made to the operating funds based upon actual claims, historical claim experience, and estimated claims incurred and not yet reported for general and automobile liability, property, pharmacy, and worker's compensation. Unemployment claims are charged quarterly to the applicable funds based upon actual claims as assessed by the state.

Self-insurance is in effect up to a stop loss amount of approximately $250,000 per claim for general and automobile liability, $100,000 per claim for property and $300,000 per claim for worker's compensation. Coverage from a private insurance company is maintained for losses in excess of the aggregate stop loss amount with $5,750,000 maximum coverage on general and automobile liability, $68,017,523 maximum coverage on property and unlimited coverage on worker's compensation. All claims handling procedures are performed by independent claims administrators.

Note 10. Risk Management and Insurance (Continued)

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

The changes in the aggregate liabilities for claims for the years ended June 30, 1998 and 1997 are as follows:

	1998		1997	
	Health Insurance	Self-Insurance	Health Insurance	Self-Insurance
Claims payable, beginning of year	$ 9,297	$ 734,000	$ 239,006	$ 657,000
Claims expense	41,231	715,655	9,802	738,680
Claims payments	(41,938)	(730,655)	(239,511)	(661,680)
Claims payable, end of year	$ 8,590	$ 719,000	$ 9,297	$ 734,000

Note 11. Conduit Debt Obligations

In March 1996, the County issued two series of revenue bonds to provide financial assistance to Community Health Care, Inc., a not-for-profit corporation, for the construction of a health care facility deemed to be in the public interest. The bonds are collateralized by the property financed and are payable solely from the revenues of Community Health Care, Inc. Neither the County, the State nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying general purpose financial statements. As of June 30, 1998, the aggregate principal balance of the revenue bonds outstanding is $2,175,000.

In March 1997, the County issued Industrial Development Revenue Bonds to provide financial assistance to M.A. Ford Manufacturing Co., Inc. for construction and furnishing of an expansion to the existing manufacturing facility. The bonds are collateralized by the property financed and are payable solely from the revenues of M.A. Ford Manufacturing Co., Inc. Neither the County, the State nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying general purpose financial statements. As of June 30, 1998, the aggregate principal balance of revenue bonds outstanding is $2,800,000.

In November 1997, the County issued revenue bonds to provide assistance to the Quad City Sports Center Association Project for the expansion of the existing facility. The bonds are collateralized by the property financed and are payable solely from the revenues of the Quad City Sports Center Association. Nether the County, the State nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying general purpose financial statements. As of June 30, 1998, the aggregate principal balance of the revenue bonds outstanding is $2,000,000.

Note 12. Scott Area Solid Waste Management Commission Agreement

In June 1995, the County issued $7,100,000 in General Obligation County Solid Waste Disposal Bonds for which the County pledges its full faith and credit and power to levy direct general ad valorem taxes without limit as to rate or amount. The total amount of the bonds outstanding as of June 30, 1998 is $6,425,000.

The County loaned the proceeds from the sale of the Bonds to the Scott Area Solid Waste Management Commission ("the Commission") for the acquisition, construction and equipping of a material recovery system, recovery facility and a new landfill ("the Project") pursuant to the Financing Agreement by and between the County and the Commission. To obligate itself under the Financing Agreement, the Commission issued a $7,100,000 Solid Waste Disposal Revenue Bond to the County pursuant to a resolution dated April 11, 1995. The repayment of the Revenue Bond corresponds to the payment of the Bonds by the County and $6,425,000 remains outstanding as of June 30, 1998.

Note 12. Scott Area Solid Waste Management Commission Agreement (Continued)

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

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

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

Note 13. Litigation

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

Note 14. Commitments

The County has financial commitments relating to various road and bridge construction and maintenance projects that are estimated to be approximately $971,000.

Note 15. Restatement of Fund Balance

In March 1997, the Governmental Accounting Standards Board issued Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools". This statement requires the changes in the fair value of investments to be reported as investment revenue or loss in the operating statement. The County adopted the provisions of Statement No. 31 beginning with its year ended June 30, 1998. The effect of this statement was to decrease the general fund beginning balance by $74,000.

General Fund

The General Fund accounts for all revenue and expenditures which are not required to be accounted for in another fund.

COUNTY OF SCOTT, IOWA

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUDGETARY BASIS
GENERAL FUND
Year Ended June 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
Property taxes	$ 13,050,264	$ 13,069,060	$ 18,796
Local option sales tax	2,969,428	3,378,593	409,165
Other taxes	59,717	96,312	36,595
Interest and penalties on taxes	295,000	320,601	25,601
Intergovernmental:			
Replacement tax	1,120,263	1,239,573	119,310
Grants	3,220,038	2,427,313	(792,725)
Other	399,136	517,315	118,179
Charges for services	2,383,471	2,912,830	529,359
Interest	1,305,000	1,575,376	270,376
Licenses and permits	257,975	316,045	58,070
Rental and fees	121,930	132,625	10,695
Other	265,085	370,024	104,939
Total revenue	25,447,307	26,355,667	908,360
Expenditures, current operating:			
Public safety:			
Law enforcement program:			
Uniformed patrol services	1,474,423	1,478,207	(3,784)
Investigations	1,053,743	935,892	117,851
Law enforcement communications	698,131	673,348	24,783
Adult correctional services	3,344,211	3,206,055	138,156
Administration	241,913	192,891	49,022
Legal services program:			
Criminal prosecution	1,291,263	1,281,701	9,562
Child support recovery	208,458	195,987	12,471
Medical examinations	75,000	93,949	(18,949)
Emergency services:			
Ambulance services	127,794	77,794	50,000
Disaster services/flood	48,877	66,547	(17,670)
Total public safety	8,563,813	8,202,371	361,442
Court services:			
Assistance to judges and magistrates program, bailiffs	230,390	214,848	15,542
Court proceedings program:			
Court costs	50,099	22,130	27,969
Detention services	413,262	392,054	21,208
Service of civil papers	410,313	401,340	8,973
Juvenile justice administration program, court-appointed attorneys for juveniles	482,000	489,886	(7,886)
Total court services	1,586,064	1,520,258	65,806
Physical health and education:			
Physical health services program:			
Personal and family health services	662,246	713,803	(51,557)
Communicable disease prevention and control services	1,030,639	1,511,372	(480,733)
Sanitation	680,339	150,952	529,387
Health administration	190,797	47,501	143,296
Educational services program, fairgrounds	30,000	30,000	-
Total physical health and education	2,594,021	2,453,628	140,393

(Continued)

COUNTY OF SCOTT, IOWA

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL BUDGETARY BASIS (Continued)
GENERAL FUND
Year Ended June 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
Social services:			
Services to poor program:			
Administration	$ 70,534	$ 69,468	$ 1,066
General welfare services	1,687,073	1,484,961	202,112
Services to military veterans program:			
Administration	43,971	41,117	2,854
General services to veterans	99,169	72,581	26,588
Services to other adult programs, services to the elderly	170,668	166,999	3,669
Total social services	2,071,415	1,835,126	236,289
Expenditures, current operating:			
County environment:			
Environmental quality program:			
Natural resources conservation	25,000	16,171	8,829
Weed eradication	-	6,651	(6,651)
Solid waste disposal	47,324	-	47,324
Conservation and recreation services program:			
Administration	251,302	286,075	(34,773)
Maintenance and operations	1,413,510	1,358,044	55,466
Recreation and environmental education	102,190	99,939	2,251
Animal control program, animal shelter	24,080	24,080	-
County development program:			
Land use and building controls	185,906	169,229	16,677
Economic development	484,331	232,886	251,445
Total County environment	2,533,643	2,193,075	340,568
State and local government services:			
Representation services programs:			
Elections administration	112,441	112,554	(113)
Local elections	347,201	338,497	8,704
State administrative services program:			
Motor vehicle registration and licensing	532,570	532,777	(207)
Recording of public documents	461,161	467,699	(6,538)
Total state and local government services	1,453,373	1,451,527	1,846

(Continued)

COUNTY OF SCOTT, IOWA

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUDGETARY BASIS (Continued)
GENERAL FUND
Year Ended June 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
Interprogram services:			
Policy and administration program:			
General County management	$ 389,589	$ 756,243	$ (366,654)
Administrative management services	739,058	707,225	31,833
Treasury management services	647,169	568,480	78,689
Other policy and administration	368,772	163,314	205,458
Central services program:			
General services	1,520,654	1,455,423	65,231
Data processing services	724,876	631,013	93,863
Risk management services program:			
Tort liability	441,000	352,184	88,816
Safety of workplace	204,903	356,638	(151,735)
Fidelity of public officers	5,819	2,371	3,448
Unemployment compensation	37,545	19,462	18,083
Total interprogram services	5,079,385	5,012,353	67,032
Total expenditures	23,881,714	22,668,338	1,213,376
Excess of revenue over expenditures	1,565,593	3,687,329	2,121,736
Other financing sources (uses):			
Operating transfers in	30,000	3,161	(26,839)
Operating transfers out	(1,677,683)	(4,484,158)	(2,806,475)
	(1,647,683)	(4,480,997)	(2,833,314)
Excess (deficiency) of revenue and other financing sources over expenditures and other financing uses	$ (82,090)	(793,668)	$ (711,578)
Fund balance, beginning		9,656,183	
Fund balance, ending		$ 8,862,515	

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are restricted by ordinance to expenditures for specified purposes. The special revenue funds of the County and their purposes are as follows:

Mental Health/Developmental Disabilities Fund - To account for state revenue allocated to the County to be used to provide mental health and disability services.

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

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

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

COUNTY OF SCOTT, IOWA

COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
June 30, 1998

	Mental Health/ Developmental Disabilities Fund	Rural Services Fund
ASSETS		
Cash and investments	$ 2,392,665	$ 136,720
Receivables:		
Property taxes	5,981	3,344
Accounts	16,942	-
Due from other governmental agencies	53,061	-
Total assets	$ 2,468,649	$ 140,064
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	$ 1,259,577	$ -
Accrued liabilities	12,942	-
Deferred revenue	-	3,236
Compensated absences	-	-
Total liabilities	1,272,519	3,236
Fund Balances	1,196,130	136,828
Total liabilities and fund balances	$ 2,468,649	$ 140,064

Secondary Roads Fund	Recorders Management Fees Fund	Total
$ 754,083	$ 61,106	$ 3,344,574
-	-	9,325
-	-	16,942
-	-	53,061
$ 754,083	$ 61,106	$ 3,423,902

$ 104,371	$ -	$ 1,363,948
34,532	-	47,474
-	-	3,236
90,326	-	90,326
229,229	-	1,504,984
524,854	61,106	1,918,918
$ 754,083	$ 61,106	$ 3,423,902

COUNTY OF SCOTT, IOWA

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
Year Ended June 30, 1998

	Mental Health/ Developmental Disabilities Fund	Rural Services Fund
Revenue:		
Property taxes	$ 3,123,762	$ 1,514,584
Other taxes	8,062	12,508
Intergovernmental	7,057,432	195,817
Charges for services	50,017	-
Interest	-	-
Other	165	-
Total revenue	10,239,438	1,722,909
Expenditures:		
Current operating:		
Physical health and education	-	287,666
Mental health	9,424,014	-
Roads and transportation	-	-
Capital outlay	-	-
Total expenditures	9,424,014	287,666
Excess (deficiency) of revenue over expenditures	815,424	1,435,243
Other financing sources (uses):		
Operating transfers in	-	-
Operating transfers out	-	(1,415,135)
Total other financing sources (uses)	-	(1,415,135)
Excess (deficiency) of revenue and other financing sources over expenditures and other financing uses	815,424	20,108
Fund balances, beginning	380,706	116,720
Fund balances, ending	$ 1,196,130	$ 136,828

Secondary Roads Fund	Recorders Management Fees Fund	Total
$ -	$ -	$ 4,638,346
-	-	20,570
1,519,049	-	8,772,298
9,046	32,000	91,063
-	2,727	2,727
35,358	-	35,523
1,563,453	34,727	13,560,527
-	-	287,666
-	-	9,424,014
2,963,400	-	2,963,400
865,215	-	865,215
3,828,615	-	13,540,295
(2,265,162)	34,727	20,232
1,922,458	47,579	1,970,037
-	(21,200)	(1,436,335)
1,922,458	26,379	533,702
(342,704)	61,106	553,934
867,558	-	1,364,984
$ 524,854	$ 61,106	$ 1,918,918

COUNTY OF SCOTT, IOWA

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUDGETARY BASIS
MENTAL HEALTH/DEVELOPMENTAL DISABILITIES FUND
Year Ended June 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
Property taxes	$ 3,056,036	$ 3,123,946	$ 67,910
Other taxes	16,844	8,062	(8,782)
Intergovernmental	7,016,129	7,075,885	59,756
Charges for services	86,696	66,928	(19,768)
Other	10,000	165	(9,835)
Total revenue	10,185,705	10,274,986	89,281
Expenditures, mental health	10,185,968	9,076,425	1,109,543
Excess of revenue over expenditures	$ (263)	1,198,561	$ 1,198,824
Fund balance, beginning		1,194,104	
Fund balance, ending		$ 2,392,665	

COUNTY OF SCOTT, IOWA

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUDGETARY BASIS
RURAL SERVICES FUND
Year Ended June 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
Property taxes	$ 1,538,412	$ 1,514,578	$ (23,834)
Other taxes	14,363	12,508	(1,855)
Intergovernmental	144,839	195,817	50,978
Total revenue	1,697,614	1,722,903	25,289
Expenditures, current operating, physical health and education	287,666	287,666	-
Excess of revenue over expenditures	1,409,948	1,435,237	25,289
Other financing (uses), operating transfers out	(1,415,135)	(1,415,135)	-
Excess (deficiency) of revenue over other financing uses	$ (5,187)	20,102	$ 25,289
Fund balance, beginning		116,620	
Fund balance, ending		$ 136,722	

COUNTY OF SCOTT, IOWA

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUDGETARY BASIS
SECONDARY ROADS FUND
Year Ended June 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
Intergovernmental, primarily road use taxes	$ 1,670,869	$ 1,717,993	$ 47,124
Charges for services	10,500	9,046	(1,454)
Other	50,500	35,359	(15,141)
Total revenue	1,731,869	1,762,398	30,529
Expenditures:			
Current operating, roads and transportation	3,076,200	2,986,923	89,277
Capital outlay, buildings and equipment	880,000	863,244	16,756
Total expenditures	3,956,200	3,850,167	106,033
Excess (deficiency) of revenue over expenditures	(2,224,331)	(2,087,769)	136,562
Other financing sources, operating transfers in	-	1,922,458	(1,922,458)
Excess (deficiency) of revenue and other financing sources over expenditures	$ (2,224,331)	(165,311)	$ 2,059,020
Fund balance, beginning		822,065	
Fund balance, ending		$ 656,754	

COUNTY OF SCOTT, IOWA

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUDGETARY BASIS
RECORDERS MANAGEMENT FEES FUND
Year Ended June 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
Charges for services	$ 34,500	$ 41,077	$ 6,577
Interest revenue	-	2,727	2,727
Total revenue	34,500	43,804	9,304
Other financing sources uses:			
Operating transfers in	-	47,579	47,579
Operating transfers out	-	(21,200)	(21,200)
	-	26,379	26,379
Excess of revenue over other financing uses	$ 34,500	70,183	$ 35,683
Fund balance, beginning		-	
Fund balance, ending		$ 70,183	

Scott County

INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit on a cost-reimbursement basis. The funds included in this category and their purposes are as follows:

Health Insurance Fund - To account for the County's self-insurance for health insurance benefits provided by governmental funds to employees. Costs are billed to governmental funds based upon historical claims experience.

Self-Insurance Fund - To account for the County's self-insurance for general and automobile liability, property, and worker's compensation. Costs are billed to governmental funds based upon actual claims and estimated incurred and not yet reported claims.

COUNTY OF SCOTT, IOWA

COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
June 30, 1998

	Health Insurance Fund	Self-Insurance Fund	Total
ASSETS			
Cash and investments	$ 535,875	$ 1,467,855	$ 2,003,730
Due from other funds	-	422,903	422,903
Total assets	$ 535,875	$ 1,890,758	$ 2,426,633
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	$ 8,590	$ 719,000	$ 727,590
Accrued liabilities	176,406	-	176,406
Total liabilities	184,996	719,000	903,996
Fund Equity:			
Contributed capital	261,164	837,713	1,098,877
Retained earnings	89,715	334,045	423,760
Total fund equity	350,879	1,171,758	1,522,637
Total liabilities and fund equity	$ 535,875	$ 1,890,758	$ 2,426,633

COUNTY OF SCOTT, IOWA

COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN RETAINED EARNINGS
INTERNAL SERVICE FUNDS
Year Ended June 30, 1998

	Health Insurance Fund	Self-Insurance Fund	Total
Operating revenue:			
Charges for services	$ 93,358	$ 767,599	$ 860,957
Other	-	10,244	10,244
Total operating revenue	93,358	777,843	871,201
Operating expenses, claims and administration	133,955	715,655	849,610
Operating income (loss)	(40,597)	62,188	21,591
Nonoperating income, interest	-	76,789	76,789
Net income (loss)	(40,597)	138,977	98,380
Retained earnings, beginning	130,312	195,068	325,380
Retained earnings, ending	$ 89,715	$ 334,045	$ 423,760

COUNTY OF SCOTT, IOWA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 1998

	Health Insurance Fund	Self-Insurance Fund	Total
Cash Flows from Operating Activities:			
Cash received from premiums allocated	$ -	$ 730,655	$ 730,655
Cash received from employee contributions	15,364	-	15,364
Cash received from employer contributions	114,495	-	114,495
Cash payments for insurance premiums and services	(92,724)	(730,655)	(823,379)
Cash payments to employees for claims	(41,938)	-	(41,938)
Other operating revenue	-	9,958	9,958
Net cash provided by (used in) operating activities	(4,803)	9,958	5,155
Cash Flows from Investing Activities, interest received	-	76,789	76,789
Net increase (decrease) in cash	(4,803)	86,747	81,944
Cash:			
Beginning	540,678	1,381,108	1,921,786
Ending	$ 535,875	$ 1,467,855	$ 2,003,730
Reconciliation of Operating Income to Net Cash Provided By (Used In) Operating Activities:			
Operating income (loss)	$ (40,597)	$ 62,188	$ 21,591
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
(Increase) in receivables and interfund receivables	-	(37,230)	(37,230)
(Decrease) in accounts payable	(707)	(15,000)	(15,707)
Increase in accrued liabilities	36,501	-	36,501
Net cash provided by (used in) operating activities	$ (4,803)	$ 9,958	$ 5,155

TRUST AND AGENCY FUNDS

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 governments and/or other funds. The funds included in this category and their purposes are as follows:

Expendable Trust Funds:

Community Services Fund - To account for the funds of individuals incapable of managing their own affairs as designated by the courts.

Jail General Trust Fund - To account for the funds from the sale of commissary items to inmates restricted to be used to improve jail facilities.

Agency Funds:

Taxing Districts - The County collects property and related state replacement taxes for other local governments. Collected taxes are apportioned and remitted to the appropriate local governments. Funds included in this category are as follows:

Agricultural Extension Service Fund
Bangs Eradication Fund
City Taxing Districts Fund
Community College Taxing District Fund
Fire Taxing District Fund
School Taxing District Fund
Township Taxing District Fund
Other Taxing Districts Fund

City Special Assessments Fund - To account for receipts on special assessments of cities within the County and the related apportionment to such cities.

County Auditor's Cash Pool Fund - To account for payroll withholdings from County employees' wages prior to deposit with other governments.

County Offices - To account for funds received by various County offices which have not been remitted to the County treasurer, who acts as trustee for all pooled cash and investments of the County, or to other individuals and private entities or other governments. Funds included in this category are as follows:

County Auditor Agency Fund
County Recorder Agency Fund
County Sheriff Agency Fund

County Conservation Board Escrow Fund - To account for funds deposited with the County and disbursed for conservation purposes.

County Employees' Deferred Compensation Fund - To account for the deferred compensation plan for County employees.

Motor Vehicle Tax Fund - To account for motor vehicle taxes collected for the State of Iowa.

(Continued)

TRUST AND AGENCY FUNDS

Original Bond Issue Escrow Fund - To account for funds received from the trustee of refundable debt of the County and the related payment of principal and interest. The County acts as the paying agent for such bonds.

Tax Sale Redemption Fund - To account for interest and penalties received from taxpayers for delinquent property taxes sold to individuals and private entities.

Use Tax Fund - To account for sales use tax collected for the State of Iowa.

Local Housing Assistance Fund - To account for grant monies administered on behalf of the Quad Cities Housing Cluster members that have submitted proposals for thirteen approved projects. The projects will provide new or rehabbed housing for low and moderate income individuals in Scott County, Iowa.

Early and Periodic Screeing, Diagnosis and Treatment Targeted Case Management Fund - To account for funds received for early and periodic screening and diagnostic testing for eligible children.

Medicaid Administrative Claiming Fund - To account for the administrative cost of providing services to a medicaid eligible child.

COUNTY OF SCOTT, IOWA

COMBINING BALANCE SHEET
EXPENDABLE TRUST AND AGENCY FUNDS
June 30, 1998

	Expendable Trust Funds	Agency Funds	Total
ASSETS			
Cash and investments	$ 288,602	$ 9,239,792	$ 9,528,394
Receivables:			
Property taxes	-	211,600	211,600
Accounts	-	3,123	3,123
Due from other funds	-	4,037	4,037
Total assets	$ 288,602	$ 9,458,552	$ 9,747,154
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ -	$ 214,517	$ 214,517
Due to other funds	-	376,201	376,201
Due to other governmental agencies	-	5,829,674	5,829,674
Deferred compensation	-	3,038,160	3,038,160
Total liabilities	-	9,458,552	9,458,552
Fund Balances	288,602	-	288,602
Total liabilities and fund balances	$ 288,602	$ 9,458,552	$ 9,747,154

COUNTY OF SCOTT, IOWA

COMBINING BALANCE SHEET
EXPENDABLE TRUST FUNDS
June 30, 1998

	Community Services Fund	Jail General Trust Fund	Total
ASSETS			
Cash and investments	$ 244,681	$ 43,921	$ 288,602
LIABILITIES AND FUND BALANCES			
Fund Balances	$ 244,681	$ 43,921	$ 288,602

COUNTY OF SCOTT, IOWA

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
EXPENDABLE TRUST FUNDS
Year Ended June 30, 1998

	Community Services Fund	Jail General Trust Fund	Total
Revenue, other	$ 2,700,059	$ 398,695	$ 3,098,754
Expenditures, nonprogram services and supplies	2,672,728	388,419	3,061,147
Excess of revenue over expenditures	27,331	10,276	37,607
Fund balances, beginning	217,350	33,645	250,995
Fund balances, ending	$ 244,681	$ 43,921	$ 288,602

COUNTY OF SCOTT, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
Year Ended June 30, 1998

	Balance June 30, 1997	Additions	Deletions	Balance June 30, 1998
Agricultural Extension Service Fund				
ASSETS				
Cash and investments	$ 1,397	$ 151,121	$ 150,955	$ 1,563
Receivables, property taxes	457	271	457	271
Total assets	$ 1,854	$ 151,392	$ 151,412	$ 1,834
LIABILITIES, due to other governmental agencies	$ 1,854	$ 151,392	$ 151,412	$ 1,834
Bangs Eradication Fund				
ASSETS				
Cash and investments	$ 192	$ 21,115	$ 21,089	$ 218
Receivables, property taxes	63	38	63	38
Total assets	$ 255	$ 21,153	$ 21,152	$ 256
LIABILITIES, due to other governmental agencies	$ 255	$ 21,153	$ 21,152	$ 256
City Taxing Districts Fund				
ASSETS				
Cash and investments	$ 378,482	$ 48,232,830	$ 48,142,054	$ 469,258
Receivables, property taxes	166,569	90,694	166,569	90,694
Total assets	$ 545,051	$ 48,323,524	$ 48,308,623	$ 559,952
LIABILITIES, due to other governmental agencies	$ 545,051	$ 48,404,788	$ 48,389,887	$ 559,952
Community College Taxing District Fund				
ASSETS				
Cash and investments	$ 19,752	$ 2,743,948	$ 2,738,063	$ 25,637
Receivables, property taxes	7,824	4,448	7,824	4,448
Total assets	$ 27,576	$ 2,748,396	$ 2,745,887	$ 30,085
LIABILITIES, due to other governmental agencies	$ 27,576	$ 2,762,037	$ 2,759,528	$ 30,085

(Continued)

COUNTY OF SCOTT, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
ALL AGENCY FUNDS
Year Ended June 30, 1998

	Balance June 30, 1997	Additions	Deletions	**Balance June 30, 1998**
Fire Taxing District Fund				
ASSETS				
Cash and investments	$ 3,232	$ 177,087	$ 176,993	**$ 3,326**
Receivables, property taxes	380	430	380	**430**
Total assets	$ 3,612	$ 177,517	$ 177,373	**$ 3,756**
LIABILITIES, due to other governmental agencies	$ 3,612	$ 177,519	$ 177,375	**$ 3,756**
School Taxing District Fund				
ASSETS				
Cash and investments	$ 583,299	$ 63,514,199	$ 63,436,603	**$ 660,895**
Receivables, property taxes	192,621	115,565	192,621	**115,565**
Total assets	$ 775,920	$ 63,629,764	$ 63,629,224	**$ 776,460**
LIABILITIES, due to other governmental agencies	$ 775,920	$ 63,956,567	$ 63,956,027	**$ 776,460**
Township Taxing District Fund				
ASSETS				
Cash and investments	$ 1,865	$ 104,214	$ 104,127	**$ 1,952**
Receivables, property taxes	120	154	120	**154**
Total assets	$ 1,985	$ 104,368	$ 104,247	**$ 2,106**
LIABILITIES, due to other governmental agencies	$ 1,985	$ 104,368	$ 104,247	**$ 2,106**
Other Taxing Districts Fund				
ASSETS				
Cash and investments	$ 29,274	$ 18,895,365	$ 18,912,163	**$ 12,476**
LIABILITIES, due to other governmental agencies	$ 29,274	$ 12,476	$ 29,274	**$ 12,476**

(Continued)

COUNTY OF SCOTT, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
ALL AGENCY FUNDS
Year Ended June 30, 1998

City Special Assessments Fund	Balance June 30, 1997	Additions	Deletions	Balance June 30, 1998
ASSETS, cash and investments	$ 234,947	$ 1,291,264	$ 1,170,317	$ **355,894**
LIABILITIES, due to other governmental agencies	$ 234,947	$ 1,291,584	$ 1,170,637	$ **355,894**
County Auditor's Cash Pool Fund				
ASSETS				
Cash and investments	$ 137,249	$ 6,888,464	$ 6,899,941	$ **125,772**
Due from other funds	3,977	4,037	3,977	**4,037**
	$ 141,226	$ 6,892,501	$ 6,903,918	$ **129,809**
LIABILITIES, due to other governmental agencies	$ 141,226	$ 129,809	$ 141,226	$ **129,809**
County Auditor Agency Fund				
ASSETS, cash and investments	$ 83,052	$ 5,438	$ 1,291	$ **87,199**
LIABILITIES				
Accounts payable	$ 79,880	$ 84,027	$ 79,880	$ **84,027**
Due to other funds	3,172	3,172	3,172	**3,172**
Total liabilities	$ 83,052	$ 87,199	$ 83,052	$ **87,199**
County Recorder Agency Fund				
ASSETS				
Cash and investments	$ 312,826	$ 2,315,064	$ 2,206,037	$ **421,853**
Accounts receivable	2,137	3,123	2,137	**3,123**
Total assets	$ 314,963	$ 2,318,187	$ 2,208,174	$ **424,976**
LIABILITIES				
Due to other funds	$ 208,413	$ 288,841	$ 208,413	$ **288,841**
Due to other governmental agencies	106,550	136,135	106,550	**136,135**
Total liabilities	$ 314,963	$ 424,976	$ 314,963	$ **424,976**

(Continued)

COUNTY OF SCOTT, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
ALL AGENCY FUNDS
Year Ended June 30, 1998

County Sheriff Agency Fund	Balance June 30, 1997	Additions	Deletions	Balance June 30, 1998
ASSETS, cash and investments	$ 70,136	$ 3,285,276	$ 3,310,407	**$ 45,005**
LIABILITIES				
Due to other funds	$ 8,630	$ 699	$ 8,630	**$ 699**
Due to other governmental agencies	61,506	44,306	61,506	**44,306**
Total liabilities	$ 70,136	$ 45,005	$ 70,136	**$ 45,005**
County Conservation Board Escrow Fund				
ASSETS, cash and investments	$ 187,186	$ 1,760,182	$ 1,836,408	**$ 110,960**
LIABILITIES				
Accounts payable	$ 90,117	$ 100,087	$ 90,117	**$ 100,087**
Due to other funds	97,069	10,873	97,069	**10,873**
Total liabilities	$ 187,186	$ 110,960	$ 187,186	**$ 110,960**
County Employees' Deferred Compensation Fund				
ASSETS, cash and investments	$ 2,320,943	$ 782,896	$ 65,679	**$ 3,038,160**
LIABILITIES, deferred compensation	$ 2,320,943	$ 782,896	$ 65,679	**$ 3,038,160**
Early and Periodic Screening, Diagnosis and Treatment Targeted Care Management Fund				
ASSETS, cash and investments	$ -	$ 102,686	$ -	**$ 102,686**
LIABILITIES				
Accounts payable	$ -	$ 28,603	$ -	**$ 28,603**
Due to other governmental agencies	-	74,083	-	**74,083**
	$ -	$ 102,686	$ -	**$ 102,686**
Local Housing Assistance Fund				
ASSETS, cash and investments	$ -	$ 500,000	$ 53,580	**$ 446,420**
LIABILITIES, due to other governmental agencies	$ -	$ 500,000	$ 53,580	**$ 446,420**

(Continued)

COUNTY OF SCOTT, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
ALL AGENCY FUNDS
Year Ended June 30, 1998

Medicaid Administrative Claiming Fund	Balance June 30, 1997	Additions	Deletions	Balance June 30, 1998
ASSETS, cash and investments	$ -	$ 383,417	$ -	$ 383,417
LIABILITIES, due to other governmental agencies	$ -	$ 383,417	$ -	$ 383,417
Motor Vehicle Tax Fund				
ASSETS, cash and investments	$ 1,175,096	$ 13,869,057	$ 13,756,055	$ 1,288,098
LIABILITIES				
Due to other funds	$ 64,100	$ 68,622	$ 64,100	$ 68,622
Due to other governmental agencies	1,110,996	13,864,535	13,756,055	1,219,476
Total liabilities	$ 1,175,096	$ 13,933,157	$ 13,820,155	$ 1,288,098
Original Bond Issue Escrow Fund				
ASSETS, cash and investments	$ 1,800	$ -	$ -	$ 1,800
LIABILITIES, accounts payable	$ 1,800	$ -	$ -	$ 1,800
Tax Sale Redemption Fund				
ASSETS, cash and investments	$ 43,808	$ 133,280	$ 58,849	$ 118,239
LIABILITIES, due to other governmental agencies	$ 43,808	$ 133,280	$ 58,849	$ 118,239
Use Tax Fund				
ASSETS, cash and investments	$ 1,186,342	$ 13,374,444	$ 13,021,822	$ 1,538,964
LIABILITIES				
Due to other funds	$ 3,569	$ 3,994	$ 3,569	$ 3,994
Due to other governmental agencies	1,182,773	13,374,019	13,021,822	1,534,970
Total liabilities	$ 1,186,342	$ 13,378,013	$ 13,025,391	$ 1,538,964

(Continued)

COUNTY OF SCOTT, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
ALL AGENCY FUNDS
Year Ended June 30, 1998

Total Combined Funds	Balance June 30, 1997	Additions	Deletions	**Balance June 30, 1998**
ASSETS				
Cash and investments	$ 6,770,878	$ 178,531,347	$ 176,062,433	**$ 9,239,792**
Receivables:				
Property taxes	368,034	211,600	368,034	**211,600**
Accounts	2,137	3,123	2,137	**3,123**
Due from other funds	3,977	4,037	3,977	**4,037**
Total assets	$ 7,145,026	$ 178,750,107	$ 176,436,581	**$ 9,458,552**
LIABILITIES				
Accounts payable	$ 171,797	$ 212,717	$ 169,997	**$ 214,517**
Due to other funds	384,953	376,201	384,953	**376,201**
Due to other governmental agencies	4,267,333	145,521,468	143,959,127	**5,829,674**
Deferred compensation	2,320,943	782,896	65,679	**3,038,160**
Total liabilities	$ 7,145,026	$ 146,893,282	$ 144,579,756	**$ 9,458,552**

General Fixed Assets Account Group

The **General Fixed Assets Account Group** is used to account for all County general fixed assets. The County excludes from its general fixed assets infrastructures such as bridges and roads.

COUNTY OF SCOTT, IOWA

SCHEDULE OF GENERAL FIXED ASSETS BY FUNDING SOURCE
Year Ended June 30, 1998

	Balance June 30, 1997	Reclass-ifications	Additions	Deletions	**Balance June 30, 1998**
ASSETS					
Land and improvements	$ 3,161,217	$ -	$ 233,355	$ 13,200	**$ 3,381,372**
Buildings and structures	21,715,792	157,754	239,335	2,932	**22,109,949**
Furniture and fixtures	847,929	-	46,979	8,913	**885,995**
Equipment	8,792,745	(52,981)	1,807,670	895,739	**9,651,695**
Vehicles	2,787,837	52,981	411,005	184,687	**3,067,136**
Construction in progress	157,755	(157,754)	13,012	-	**13,013**
	$ 37,463,275	$ -	$ 2,751,356	$ 1,105,471	**$ 39,109,160**
FUNDING SOURCE					
General fund	$ 19,892,274	$ -	$ 2,041,188	$ 761,942	**$ 21,171,520**
Special revenue funds (excluding revenue sharing)	4,753,689	-	646,248	343,529	**5,056,408**
Capital project fund:					
General obligation bonds proceeds	5,600,000	-	-	-	**5,600,000**
Federal grants	7,217,312	-	63,920	-	**7,281,232**
	$ 37,463,275	$ -	$ 2,751,356	$ 1,105,471	**$ 39,109,160**

COUNTY OF SCOTT, IOWA

SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
June 30, 1998

	Land and Improvements	Buildings and Structures	Furniture and Fixtures
Public safety:			
Law enforcement	$ 12,373	$ 298,560	$ 113,671
Legal services	-	2,699	65,461
Total public safety	12,373	301,259	179,132
Court services:			
Court proceedings	1,375	33,137	169,308
Juvenile justice administration	-	-	11,823
Total court services	1,375	33,137	181,131
Physical health services	-	-	31,274
Mental health:			
Persons with mental illness	-	-	642
Persons with chronic mental illness	-	-	32,354
Persons with mental retardation	-	-	3,048
Persons with developmental disabilities	-	-	21
Persons with chemical dependencies	-	-	106
Total mental health	-	-	36,171
Social services:			
Services to poor	-	-	42,503
Services to military veterans	-	-	2,108
Total social services	-	-	44,611
County environment:			
Environmental quality	-	-	172
Conservation and recreation services	1,235,194	2,629,565	123,634
Animal control	-	-	114
County development	-	-	5,445
Total county environment	1,235,194	2,629,565	129,365
Roads and transportation:			
Secondary roads administration and engineering	4,800	98,096	1,122
Roadway maintenance	9,600	196,193	2,243
General roadway expenditures	81,600	1,667,642	19,067
Total roads and transportation	$ 96,000	$ 1,961,931	$ 22,432

Equipment	Vehicles	Construction In-Process	Total
$ 1,082,252	$ 619,040	$ -	$ 2,125,896
73,754	-	-	141,914
1,156,006	619,040	-	2,267,810
576,046	68,781	-	848,647
12,738	-	-	24,561
588,784	68,781	-	873,208
95,015	226,836	-	353,125
4,322	50	-	5,014
156,022	31,692	-	220,068
25,188	308	-	28,544
29	-	-	50
148	-	-	254
185,709	32,050	-	253,930
56,486	-	-	98,989
2,962	-	-	5,070
59,448	-	-	104,059
20	650	-	842
1,240,533	652,517	1	5,881,444
13	434	-	561
637	20,610	-	26,692
1,241,203	674,211	1	5,909,539
155,971	65,745	124	325,858
311,942	131,490	247	651,715
2,548,088	1,117,675	2,103	5,436,175
$ 3,016,001	$ 1,314,910	$ 2,474	$ 6,413,748

(Continued)

COUNTY OF SCOTT, IOWA

SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY (Continued)
June 30, 1998

	Land and Improvements	Buildings and Structures	Furniture and Fixtures
State and local government services:			
Representation services	$ -	$ -	$ 61,252
State administrative services	-	14,662	73,386
Total state and local government services	-	14,662	134,638
Interprogram services:			
Policy and administration	-	9,773	56,999
Central services	2,036,430	17,159,622	70,242
Total interprogram services	2,036,430	17,169,395	127,241
Total general fixed assets	$ 3,381,372	$ 22,109,949	$ 885,995

Equipment	Vehicles	Construction In-Process	Total
$ 656,287	$ 8,411	$ -	$ 725,950
54,250	-	-	142,298
710,537	8,411	-	868,248
195,969	15,033	-	277,774
2,403,023	107,864	10,538	21,787,719
2,598,992	122,897	10,538	22,065,493
$ 9,651,695	$ 3,067,136	$ 13,013	$ 39,109,160

COUNTY OF SCOTT, IOWA

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
Year Ended June 30, 1998

	Balance June 30, 1997	Additions	Deletions	**Balance June 30, 1998**
Public safety:				
Law enforcement	$ 2,040,787	$ 90,387	$ 5,278	**$ 2,125,896**
Legal services	147,699	21,260	27,045	**141,914**
Total public safety	2,188,486	111,647	32,323	**2,267,810**
Court services:				
Court proceedings	836,961	11,901	215	**848,647**
Juvenile justice administration	24,002	559	-	**24,561**
Total court services	860,963	12,460	215	**873,208**
Physical health services	313,510	53,868	14,253	**353,125**
Mental health:				
Persons with mental illness	2,800	2,300	86	**5,014**
Persons with chronic mental illness	155,040	70,105	5,077	**220,068**
Persons with mental retardation	15,691	13,105	252	**28,544**
Persons with developmental disabilities	34	23	7	**50**
Persons with chemical dependencies	172	115	33	**254**
Total mental health	173,737	85,648	5,455	**253,930**
Social services:				
Services to poor	86,388	17,264	4,663	**98,989**
Services to military veterans	3,443	2,289	662	**5,070**
Total social services	89,831	19,553	5,325	**104,059**
County environment:				
Environmental quality	842	-	-	**842**
Conservation and recreation services	5,459,327	503,035	80,918	**5,881,444**
Animal control	561	-	-	**561**
County development	26,692	-	-	**26,692**
Total county environment	5,487,422	503,035	80,918	**5,909,539**
Roads and transportation:				
Secondary roads administration and engineering	310,738	32,297	17,177	**325,858**
Roadway maintenance	621,476	64,592	34,353	**651,715**
General roadway expenditures	5,179,137	549,037	291,999	**5,436,175**
Total roads and transportation	6,111,351	645,926	343,529	**6,413,748**
State and local government services:				
Representation services	392,276	333,674	-	**725,950**
State administrative services	137,231	5,916	849	**142,298**
Total state and local government services	529,507	339,590	849	**868,248**
Interprogram services:				
Policy and administration	175,551	102,789	566	**277,774**
Central services	21,532,917	876,840	622,038	**21,787,719**
Total interprogram services	21,708,468	979,629	622,604	**22,065,493**
Total general fixed assets	$ 37,463,275	$ 2,751,356	$ 1,105,471	**$ 39,109,160**

Statistical Section

Scott County

COUNTY OF SCOTT, IOWA

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN FISCAL YEARS

Fiscal Year	Public Safety	Court Services	Physical Health and Education	Mental Health	Social Services
1988-89	$ 4,594,716	$ 757,121	$ 1,930,226	$ 6,656,248	$ 758,624
1989-90	4,974,294	698,328	2,029,798	6,605,965	837,299
1990-91	5,589,528	784,423	2,143,191	7,218,993	906,497
1991-92	6,201,652	829,974	2,213,705	7,903,235	852,115
1992-93	6,408,603	881,507	2,473,165	9,597,336	982,490
1993-94	6,456,396	1,189,016	2,039,121	9,256,524	896,626
1994-95	9,442,709	1,339,435	2,186,509	10,099,959	1,047,396
1995-96	8,340,292	1,367,381	2,287,912	9,707,547	1,079,838
1996-97	7,840,630	1,341,750	2,348,643	9,829,781	1,161,225
1997-98	**7,925,744**	**1,526,426**	**3,139,497**	**10,072,368**	**1,290,668**

(1) Includes all governmental funds.

County Environment	Roads And Trans-portation	State And Local Government Services	Inter-program Services	Capital Outlay	Debt Services	Total
$ 1,140,713	$ 2,597,159	$ 1,640,202	$ 4,796,221	$ 1,591,473	$ 496,971	$ 26,959,674
1,230,761	2,640,384	1,770,082	3,787,506	2,429,839	456,471	27,460,727
1,497,513	2,781,354	1,818,496	3,641,730	1,688,903	452,596	28,523,224
1,665,984	2,417,860	1,934,887	4,215,310	3,288,497	501,554	32,024,773
1,925,512	2,875,998	2,038,421	4,176,940	1,744,020	441,296	33,545,288
2,049,726	2,776,994	1,184,405	4,541,523	2,159,733	445,975	32,996,039
1,947,864	2,457,303	1,199,785	4,574,457	2,396,637	418,502	37,110,556
2,003,329	2,566,390	1,241,581	4,714,536	2,448,271	1,014,870	36,771,947
2,251,761	3,141,328	1,348,174	4,594,126	2,745,124	1,038,735	37,641,277
2,248,617	**2,964,738**	**1,453,858**	**5,028,129**	**3,383,005**	**1,039,825**	**40,072,875**

COUNTY OF SCOTT, IOWA

GENERAL GOVERNMENTAL REVENUE BY SOURCE (1)
LAST TEN FISCAL YEARS

Fiscal Year	Taxes (2)	Intergovern-mental	Licenses And Permits	Charges For Services	Interest	Miscel-laneous	Total
1988-89	$ 17,739,794	$ 6,007,477	$ 192,567	$ 1,890,740	$ 1,442,365	$ 593,390	$ 27,866,333
1989-90	19,527,676	5,613,765	139,618	1,645,154	1,484,737	578,273	28,989,223
1990-91	19,571,733	6,447,801	175,920	1,831,672	1,476,001	947,406	30,450,533
1991-92	21,296,484	6,143,486	201,399	2,282,180	881,619	785,536	31,590,704
1992-93	21,544,137	7,415,815	185,978	2,286,098	477,088	1,017,815	32,926,931
1993-94	21,412,890	7,422,455	218,255	2,428,849	774,711	599,270	32,856,430
1994-95	22,928,492	10,721,388	227,727	2,279,868	1,200,929	783,276	38,141,680
1995-96	21,442,172	12,203,185	249,440	2,388,571	1,348,927	601,273	38,233,568
1996-97	22,635,375	12,912,534	306,103	2,634,903	1,367,732	752,424	40,609,071
1997-98	**21,763,513**	**13,908,755**	**324,532**	**3,048,139**	**1,699,696**	**551,808**	**41,296,443**

(1) Includes all governmental funds.

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

Scott County

COUNTY OF SCOTT, IOWA

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent Of Levy Collected
1988-89	$ 103,207,516	$ 100,799,125	97.67%
1989-90	101,222,824	98,306,858	97.12
1990-91	104,040,532	101,027,651	97.10
1991-92	108,414,694	106,915,018	98.62
1992-93	114,768,980	114,050,890	99.37
1993-94	119,358,290	118,632,767	99.39
1994-95	124,279,732	123,618,778	99.47
1995-96	127,689,138	127,056,457	99.50
1996-97	127,684,330	126,877,840	99.37
1997-98	**128,794,368**	**128,168,403**	**99.51**

(1) Total tax collections solely for Scott County were $16,843,141 for 1988-89; $16,441,760 for 1989-90; $16,672,310 for 1990-91; $17,204,133 for 1991-92; $17,642,076 for 1992-93; $18,254,428 for 1993-94; $19,644,987 for 1994-95; $18,192,620 for 1995-96; $18,341,573 for 1996-97 and $18,126,909 for 1997-98.

Delinquent Tax Collections	Total Tax Collections (1)	Total Collections As Percent Of Current Levy	Outstanding Delinquent Taxes	Delinquent As Percent Of Current Levy
$ 2,225,153	$ 103,024,278	99.82%	$ 2,929,646	2.84%
2,500,810	100,807,668	99.59	3,065,318	3.03
2,654,488	103,682,139	99.66	3,838,707	3.69
2,788,294	109,703,312	101.19	1,096,048	1.01
922,717	114,973,607	100.18	302,598	0.26
25,677	118,658,444	99.41	474,076	0.40
69,259	123,688,037	99.52	331,532	0.27
126,402	127,182,859	99.60	325,723	0.26
123,797	127,001,637	99.47	248,744	0.19
(86,183)	**128,082,220**	**99.45**	**176,244**	**0.14**

COUNTY OF SCOTT, IOWA

ASSESSED AND TAXABLE VALUES OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

	Real Property		Personal Property	
Fiscal Year	Taxable Value	Assessed Value (1)	Taxable Value	Assessed Value (1)
1988-89	$ 2,844,170,888	$ 3,304,899,820	$ 277,102,605	$ 277,102,605
1989-90	2,873,225,472	3,332,065,143	230,996,563	230,996,563
1990-91	2,907,022,392	3,387,929,609	222,604,849	222,604,849
1991-92	2,967,560,475	3,457,628,422	225,671,412	225,671,412
1992-93	3,040,151,368	3,748,334,422	237,164,071	237,164,071
1993-94	3,126,108,587	3,871,989,604	232,739,566	232,739,566
1994-95	3,309,530,239	4,295,968,674	252,058,644	252,058,644
1995-96	3,384,478,122	4,419,320,298	258,921,872	258,921,872
1996-97	3,502,340,089	4,982,800,925	270,794,085	270,794,085
1997-98	**3,593,077,609**	**5,094,524,701**	**267,715,978**	**267,715,978**

(1) Assessed value equals estimated actual value.

Utilities		Total		Ratio of Taxable to Assessed Value	Tax Increment Financing District Values
Taxable Value	Assessed Value (1)	Taxable Value	Assessed Value (1)		
$ 368,845,466	$ 368,845,466	$ 3,490,118,959	$ 3,950,847,891	88.3%	$ 21,038,947
368,091,506	368,091,506	3,472,313,541	3,931,153,212	88.3	18,909,239
354,469,819	354,469,819	3,484,097,060	3,965,004,277	87.9	25,873,703
348,137,661	348,137,661	3,541,369,548	4,031,437,495	87.8	33,955,001
356,868,014	356,868,014	3,634,183,453	4,342,366,507	83.7	55,784,867
374,417,177	374,417,177	3,733,265,330	4,479,146,347	83.3	81,562,040
332,671,409	332,671,409	3,894,260,292	4,880,698,727	79.8	62,253,911
360,586,917	372,882,986	4,003,986,911	5,051,125,156	79.3	81,615,161
343,109,441	343,726,116	4,116,243,615	5,597,321,126	73.5	117,883,768
332,821,148	**332,821,148**	**4,193,614,735**	**5,695,061,827**	**73.6**	**94,850,981**

COUNTY OF SCOTT, IOWA

PROPERTY TAX RATES PER $1,000 TAXABLE VALUATION - ALL DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN FISCAL YEARS

	Bettendorf			Davenport	
	Bettendorf	North Scott	Pleasant Valley	Bettendorf	Davenport
1997-98:					
City	**11.45630**	**11.45630**	**11.45630**	**13.96012**	**13.96012**
Area IX Community College	**0.58671**	**0.58671**	**0.58671**	**0.58671**	**0.58671**
School District	**15.46181**	**15.98307**	**14.05556**	**15.46181**	**15.19448**
State	**0.04077**	**0.04077**	**0.04077**	**0.04077**	**0.04077**
Assessor (1)	**0.23867**	**0.23867**	**0.23867**	**0.34669**	**0.34669**
County	**4.19239**	**4.19239**	**4.19239**	**4.19239**	**4.19239**
Total levy	**31.97665**	**32.49791**	**30.57040**	**34.58849**	**34.32116**
Ratio of Scott County to totals	0.13111	0.12900	0.13714	0.12121	0.12215
1996-97:					
City	11.45613	11.45613	11.45613	13.96012	13.96012
Area IX Community College	0.51543	0.51543	0.51543	0.51543	0.51543
School District	15.58368	15.77880	13.81073	15.58368	15.33816
State	0.04144	0.04144	0.04144	0.04144	0.04144
Assessor (1)	0.23869	0.23869	0.23869	0.34674	0.34674
County	4.32681	4.32681	4.32681	4.32681	4.32681
Total levy	32.16218	32.35730	30.38923	34.77422	34.52870
Ratio of Scott County to totals	0.13453	0.13372	0.14238	0.12443	0.12531
1995-96:					
City	11.45562	11.45562	11.45562	13.95250	13.95250
Area IX Community College	0.51856	0.51856	0.51856	0.51856	0.51856
School District	16.72025	17.00862	14.95000	16.72025	16.65193
State	0.04246	0.04246	0.04246	0.04246	0.04246
Assessor (1)	0.22992	0.22992	0.22992	0.28729	0.28729
County	4.42243	4.42243	4.42243	4.42243	4.42243
Total levy	33.38924	33.67761	31.61899	35.94349	35.87517
Ratio of Scott County to totals	0.13245	0.13132	0.13987	0.12304	0.12327
1994-95:					
City	11.45553	11.45553	11.45553	13.95990	13.95990
Area IX Community College	0.52125	0.52125	0.52125	0.52125	0.52125
School District	16.47664	16.07552	14.95000	16.47664	16.58807
State	0.04352	0.04352	0.04352	0.04352	0.04352
Assessor (1)	0.20392	0.20392	0.20392	0.28684	0.28684
County	4.96037	4.96037	4.96037	4.96037	4.96037
Total levy	33.66123	33.26011	32.13459	36.24852	36.35995
Ratio of Scott County to totals	0.14736	0.14914	0.15436	0.13684	0.13642

Cities						
					Walcott	
North Scott	Blue Grass	Buffalo	Eldridge	LeClaire	Davenport	Durant
13.96012	**11.60248**	**6.65000**	**8.05589**	**13.66101**	**6.70018**	**6.70018**
0.58671	**0.58671**	**0.58671**	**0.58671**	**0.58671**	**0.58671**	**0.58671**
15.98307	**15.19448**	**15.19448**	**15.98307**	**14.05556**	**15.19448**	**11.18477**
0.04077	**0.04077**	**0.04077**	**0.04077**	**0.04077**	**0.04077**	**0.04077**
0.34669	**0.23867**	**0.23867**	**0.23867**	**0.23867**	**0.23867**	**0.23867**
4.19239	**4.19239**	**4.19239**	**4.19239**	**4.19239**	**4.19239**	**4.19239**
35.10975	**31.85550**	**26.90302**	**29.09750**	**32.77511**	**26.95320**	**22.94349**
0.11941	**0.13161**	**0.15583**	**0.14408**	**0.12791**	**0.15554**	**0.18273**
13.96012	11.62014	6.64999	8.05711	14.18106	6.50002	6.50002
0.51543	0.51543	0.51543	0.51543	0.51543	0.51543	0.51543
15.77880	15.33816	15.33816	15.77880	13.81073	15.33816	11.31620
0.04144	0.04144	0.04144	0.04144	0.04144	0.04144	0.04144
0.34674	0.23869	0.23869	0.23869	0.23869	0.23869	0.23869
4.32681	4.32681	4.32681	4.32681	4.32681	4.32681	4.32681
34.96934	32.08067	27.11052	28.95828	33.11416	26.96055	22.93859
0.12373	0.13487	0.15960	0.14942	0.13066	0.16049	0.18863
13.95250	13.55156	6.65001	8.57041	14.51839	6.15001	6.15001
0.51856	0.51856	0.51856	0.51856	0.51856	0.51856	0.51856
17.00862	16.65193	16.65193	17.00862	14.95000	16.65193	12.22675
0.04246	0.04246	0.04246	0.04246	0.04246	0.04246	0.04246
0.28729	0.22992	0.22992	0.22992	0.22992	0.22992	0.22992
4.42243	4.42243	4.42243	4.42243	4.42243	4.42243	4.42243
36.23186	35.41686	28.51531	30.79240	34.68176	28.01531	23.59013
0.12206	0.12487	0.15509	0.14362	0.12751	0.15786	0.18747
13.95990	9.08312	6.16514	8.55954	14.82652	5.31160	5.31160
0.52125	0.52125	0.52125	0.52125	0.52125	0.52125	0.52125
16.07552	16.58807	16.58807	16.07552	14.95000	16.58807	12.51050
0.04352	0.04352	0.04352	0.04352	0.04352	0.04352	0.04352
0.28684	0.20392	0.20392	0.20392	0.20392	0.20392	0.20392
4.96037	4.96037	4.96037	4.96037	4.96037	4.96037	4.96037
35.84740	31.40025	28.48227	30.36412	35.50558	27.62873	23.55116
0.13837	0.15797	0.17416	0.16336	0.13971	0.17954	0.21062

(Continued)

COUNTY OF SCOTT, IOWA

PROPERTY TAX RATES PER $1,000 TAXABLE VALUATION -
ALL DIRECT AND OVERLAPPING GOVERNMENTS (Continued)
LAST TEN FISCAL YEARS

	Bettendorf			Davenport	
	Bettendorf	North Scott	Pleasant Valley	Bettendorf	Davenport
1993-94:					
City	11.45555	11.45555	11.45555	13.95995	13.95995
Area IX Community College	0.51631	0.51631	0.51631	0.51631	0.51631
School District	16.19786	16.08908	14.95000	16.19786	16.59791
State	0.04438	0.04438	0.04438	0.04438	0.04438
Assessor (1)	0.21396	0.21396	0.21396	0.26782	0.26782
County	4.81460	4.81460	4.81460	4.81460	4.81460
Total levy	33.24266	33.13388	31.99480	35.80092	36.20097
Ratio of Scott County to totals	0.14483	0.14531	0.15048	0.13448	0.13300
1992-93:					
City	11.45555	11.45555	11.45555	14.21993	14.21993
Area IX Community College	0.51768	0.51768	0.51768	0.51768	0.51768
School District	15.90966	15.80695	14.95469	15.90966	16.53378
State	0.04627	0.04627	0.04627	0.04627	0.04627
Assessor (1)	0.21443	0.21443	0.21443	0.27170	0.27170
County	4.74843	4.74843	4.74843	4.74843	4.74843
Total levy	32.89202	32.78931	31.93705	35.71367	36.33779
Ratio of Scott County to totals	0.14436	0.14482	0.14868	0.13296	0.13067
1991-92:					
City	11.45505	11.45505	11.45505	14.83000	14.83000
Area IX Community College	0.47884	0.47884	0.47884	0.47884	0.47884
School District	15.86821	14.58938	14.42935	15.86821	15.30436
State	0.04736	0.04736	0.04736	0.04736	0.04736
Assessor (1)	0.20119	0.20119	0.20119	0.27446	0.27446
County	4.69606	4.69606	4.69606	4.69606	4.69606
Total levy	32.74671	31.46788	31.30785	36.19493	35.63108
Ratio of Scott County to totals	0.14341	0.14923	0.15000	0.12974	0.13180
1990-91:					
City	11.45554	11.45554	11.45554	14.73922	14.73922
Area IX Community College	0.51707	0.51707	0.51707	0.51707	0.51707
School District	15.87174	14.26774	13.90669	15.87174	14.71529
State	0.04805	0.04805	0.04805	0.04805	0.04805
Assessor (1)	0.17454	0.17454	0.17454	0.23686	0.23686
County	4.53733	4.53733	4.53733	4.53733	4.53733
Total levy	32.60427	31.00027	30.63922	35.95027	34.79382
Ratio of Scott County to totals	0.13916	0.14636	0.14809	0.12621	0.13041

Cities						
					Walcott	
North Scott	Blue Grass	Buffalo	Eldridge	LeClaire	Davenport	Durant
13.95995	9.31285	6.49009	9.05540	15.04782	5.92726	5.92726
0.51631	0.51631	0.51631	0.51631	0.51631	0.51631	0.51631
16.08908	16.59791	16.59791	16.08908	14.95000	16.59791	12.30869
0.04438	0.04438	0.04438	0.04438	0.04438	0.04438	0.04438
0.26782	0.21396	0.21396	0.21396	0.21396	0.21396	0.21396
4.81460	4.81460	4.81460	4.81460	4.81460	4.81460	4.81460
35.69214	31.50001	28.67725	30.73373	35.58707	28.11442	23.82520
0.13489	0.15284	0.16789	0.15665	0.13529	0.17125	0.20208
14.21993	8.86195	6.23486	9.03815	15.07378	5.97999	5.97999
0.51768	0.51768	0.51768	0.51768	0.51768	0.51768	0.51768
15.80695	16.53378	16.53378	15.80695	14.95469	16.53378	12.16454
0.04627	0.04627	0.04627	0.04627	0.04627	0.04627	0.04627
0.27170	0.21443	0.21443	0.21443	0.21443	0.21443	0.21443
4.74843	4.74843	4.74843	4.74843	4.74843	4.74843	4.74843
35.61096	30.92254	28.29545	30.37191	35.55528	28.04058	23.67134
0.13334	0.15356	0.16782	0.15634	0.13355	0.16934	0.20060
14.83000	10.75525	6.18775	9.12502	5.97746	5.97746	5.97746
0.47884	0.47884	0.47884	0.47884	0.47884	0.47884	0.47884
14.58938	15.30436	15.30436	14.58938	15.30436	15.30436	12.02605
0.04736	0.04736	0.04736	0.04736	0.04736	0.04736	0.04736
0.27446	0.20119	0.20119	0.20119	0.20119	0.20119	0.20119
4.69606	4.69606	4.69606	4.69606	4.69606	4.69606	4.69606
34.91610	31.48306	26.91556	29.13785	26.70527	26.70527	23.42696
0.13450	0.14916	0.17447	0.16117	0.17585	0.17585	0.20046
14.73922	10.13833	6.18825	8.90597	12.07298	5.98000	5.98000
0.51707	0.51707	0.51707	0.51707	0.51707	0.51707	0.51707
14.26774	14.71529	14.71529	14.26774	13.90669	14.71529	11.64448
0.04805	0.04805	0.04805	0.04805	0.04805	0.04805	0.04805
0.23686	0.17454	0.17454	0.17454	0.17454	0.17454	0.17454
4.53733	4.53733	4.53733	4.53733	4.53733	4.53733	4.53733
34.34627	30.13061	26.18053	28.45070	31.25666	25.97228	22.90147
0.13211	0.15059	0.17331	0.15948	0.14516	0.17470	0.19812

(Continued)

COUNTY OF SCOTT, IOWA

PROPERTY TAX RATES PER $1,000 TAXABLE VALUATION -
ALL DIRECT AND OVERLAPPING GOVERNMENTS (Continued)
LAST TEN FISCAL YEARS

	Bettendorf				Davenport
	Bettendorf	North Scott	Pleasant Valley	Bettendorf	Davenport
1989-90:					
City	10.47504	10.47504	10.47504	14.42000	14.42000
Area IX Community College	0.49692	0.49692	0.49692	0.49692	0.49692
School District	15.87248	12.92379	13.82178	15.87248	14.74384
State	0.04819	0.04819	0.04819	0.04819	0.04819
Assessor (1)	0.20863	0.20863	0.20863	0.29198	0.29198
County	4.45656	4.45656	4.45656	4.45656	4.45656
Total levy	31.55782	28.60913	29.50712	35.58613	34.45749
Ratio of Scott County to totals	0.14122	0.15577	0.15103	0.12523	0.12934
1988-89:					
City	11.68252	11.68252	11.68252	15.43499	15.43499
Area IX Community College	0.46145	0.46145	0.46145	0.46145	0.46145
School District	15.95034	12.92535	13.15417	15.95034	14.22631
State	0.04600	0.04600	0.04600	0.04600	0.04600
Assessor (1)	0.21182	0.21182	0.21182	0.24710	0.24710
County	4.63883	4.63883	4.63883	4.63883	4.63883
Total levy	32.99096	29.96597	30.19479	36.77871	35.05468
Ratio of Scott County to totals	0.14061	0.15480	0.15363	0.12613	0.13233

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

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

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

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

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

Cities						
					Walcott	
North Scott	Blue Grass	Buffalo	Eldridge	LeClaire	Davenport	Durant
14.42000	10.63357	6.21095	9.11048	11.51142	6.97998	6.97998
0.49692	0.49692	0.49692	0.49692	0.49692	0.49692	0.49692
12.92379	14.74384	14.74384	12.92379	13.82178	14.74384	11.62050
0.04819	0.04819	0.04819	0.04819	0.04819	0.04819	0.04819
0.29198	0.20863	0.20863	0.20863	0.20863	0.20863	0.20863
4.45656	4.45656	4.45656	4.45656	4.45656	4.45656	4.45656
32.63744	30.58771	26.16509	27.24457	30.54350	26.93412	23.81078
0.13655	0.14570	0.17033	0.16358	0.14591	0.16546	0.18717
15.43499	10.17667	6.52425	9.10988	14.28340	7.91503	7.91503
0.46145	0.46145	0.46145	0.46145	0.46145	0.46145	0.46145
12.92353	14.22631	14.22631	12.92535	13.15417	14.22631	11.41627
0.04600	0.04600	0.04600	0.04600	0.04600	0.04600	0.04600
0.24710	0.21182	0.21182	0.21182	0.21182	0.21182	0.21182
4.63883	4.63883	4.63883	4.63883	4.63883	4.63883	4.63883
33.75190	29.76108	26.10866	27.39333	32.79567	27.49944	24.68940
0.13743	0.15587	0.17767	0.16934	0.14145	0.16869	0.18789

COUNTY OF SCOTT, IOWA

RATIO OF OUTSTANDING GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUES AND DEBT PER CAPITA LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonded Debt Outstanding (2)	Assessed Value	Percent of Debt to Assessed Value	Estimated Population	Debt Per Capita
1988-89	$ 3,275,000	$ 3,950,847,891	0.08%	155,400	$ 21.07
1989-90	3,100,000	3,931,153,212	0.08	150,134	20.65
1990-91	2,900,000	3,965,004,277	0.07	150,979 (1)	19.21
1991-92	2,735,000	4,031,437,495	0.07	150,979	18.11
1992-93	2,510,000	4,342,366,507	0.06	154,280	16.27
1993-94	2,260,000	4,479,146,346	0.05	155,210	14.56
1994-95	9,055,000	4,880,698,727	0.19	157,190	57.61
1995-96	8,515,000	5,051,125,156	0.17	157,783	53.98
1996-97	7,925,000	5,597,321,126	0.14	158,416	50.03
1997-98	**7,305,000**	**5,695,061,827**	**0.13**	**157,433**	**46.40**

(1) Actual 1990 U.S. Census Bureau figures. All other years are estimates of the Quad City Development Group.

(2) The fund balance of the debt service fund has been excluded due to the immateriality of such balances.

The computation of the County's legal margin as of June 30, 1998 is as follows:

Assessed value	$ 5,695,061,827
Debt limit, 5% of assessed valuation (Iowa statutory limitation)	$ 284,753,091
Total amount of debt applicable to debt margin	7,305,000
Legal debt margin	$ 277,448,091

COUNTY OF SCOTT, IOWA

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

	Amount Of Debt	Applicable to Scott County: Average Percent	Applicable to Scott County: Amount
Scott County	$ 7,305,000	100.0%	$ 7,305,000
School districts:			
Pleasant Valley Community	9,480,000	100.0	9,480,000
Wheatland Community	3,500,000	7.7	269,500
Eastern Iowa Community College	21,470,000	51.0	10,949,700
Bettendorf Community	9,500,000	100.0	9,500,000
North Scott Community	5,500,000	100.0	5,500,000
Cities:			
Bettendorf	39,095,000	100.0	39,095,000
Buffalo	640,000	100.0	640,000
Davenport	91,555,000	100.0	91,555,000
Durant	2,080,000	2.4	49,920
Eldridge	1,245,000	100.0	1,245,000
LeClaire	3,225,000	100.0	3,225,000
Princeton	280,000	100.0	280,000
Walcott	2,175,000	100.0	2,175,000
Total direct and overlapping debt			$ 181,269,120

COUNTY OF SCOTT, IOWA

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest	Total Debt Service Expenditures	Total Govern-mental Expenditures	Percent of General Debt Service Expenditures To Total Govern-mental Expenditures
1988-89	$ 224,148	$ 272,823	$ 496,971	$ 26,959,674	1.84%
1989-90	194,537	261,934	456,471	27,460,727	1.66
1990-91	204,962	247,634	452,596	28,523,224	1.59
1991-92	230,428	232,968	463,396	32,024,773	1.45
1992-93	230,937	210,359	441,296	33,545,288	1.32
1993-94	250,000	195,975	445,975	32,996,039	1.35
1994-95	305,000	113,502	418,502	37,110,556	1.13
1995-96	540,000	474,870	1,014,870	36,771,947	2.76
1996-97	590,000	448,735	1,038,735	37,641,277	2.76
1997-98	**620,000**	**419,825**	**1,039,825**	**40,072,875**	**2.59**

COUNTY OF SCOTT, IOWA

DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population	Per Capita Income	Median Age	Unemploy-ment Rate	School Enrollment	
1988-89	155,400	$ 12,354	31.2	6.4%	30,043	
1989-90	150,134	17,461	31.1	5.6	30,000	(1)
1990-91	150,979	16,930	32.4	6.0	30,000	(1)
1991-92	150,979	19,197	32.4	4.0	31,237	
1992-93	154,280	19,197	33.5	5.0	41,790	
1993-94	155,210	19,184	34.0	4.5	45,051	
1994-95	157,190	16,781	34.7	3.3	45,464	
1995-96	157,783	17,204	34.5	3.3	45,176	
1996-97	158,416	17,621	34.1	3.1	50,431	
1997-98	**157,433**	**22,931**	**32.4**	**2.8**	**49,375**	

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

(1) Estimated.

COUNTY OF SCOTT, IOWA

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS)
June 30, 1998

	New Construction				
Fiscal Year	Commercial	Residential	Industrial	Agricultural	Total
1988-89	$ 16,082	$ 23,319	$ 1,469	$ 426	$ 41,296
1989-90	16,532	24,884	2,147	1,024	44,587
1990-91	22,625	34,782	3,434	595	61,436
1991-92	25,637	44,700	10,032	1,491	81,860
1992-93	21,786	49,732	6,756	88	78,362
1993-94	21,517	71,697	2,233	305	95,752
1994-95	17,461	73,094	1,441	1,577	93,573
1995-96	23,761	75,083	5,115	1,585	105,544
1996-97	26,257	67,918	14,842	814	109,831
1997-98	**42,210**	**60,247**	**7,123**	**585**	**110,165**

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

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

Property Value (1)					Bank Deposits (2)
Commercial	Residential	Industrial	Agricultural	Total	
$ 718,339	$ 2,137,052	$ 222,920	$ 223,933	$ 3,302,244	$ 1,368,140
718,404	2,158,501	228,303	224,498	3,329,706	1,460,200
768,129	2,171,077	247,457	198,610	3,385,273	1,559,232
785,487	2,217,280	253,704	198,501	3,454,972	1,588,000
813,063	2,492,382	254,244	185,990	3,745,679	1,506,000
831,340	2,599,334	252,783	185,876	3,869,333	618,000
888,384	2,975,451	235,868	193,610	4,293,313	772,000
908,559	3,077,752	237,261	193,092	4,416,664	741,762
1,058,430	3,471,115	243,859	206,740	4,980,144	1,183,000
1,086,795	**3,552,365**	**248,706**	**206,659**	**5,094,525**	**1,179,667**

COUNTY OF SCOTT, IOWA

TEN PRINCIPAL TAXPAYERS
June 30, 1998

	Taxable Value	Percentage of Total Taxable Value
Mid-American Energy	$ 232,230,100	5.54%
Aluminum Company of America	192,154,039	4.58
Equitable Life Assurance Society	79,251,932	1.89
Davenport Water Co.	43,489,511	1.04
U.S. West Communications	28,866,057	0.69
Davenport Cement Company	28,522,951	0.68
Oscar Mayer Foods Corp.	26,127,905	0.62
Deere & Company	25,829,336	0.62
Quanex Corporation	24,916,092	0.59
Ralston Purina Company	24,272,101	0.58
Total	$ 705,660,024	16.83%

Source: County tax rolls.

COUNTY OF SCOTT, IOWA

SURETY BONDS OF PRINCIPAL OFFICIALS
June 30, 1998

	1997-98 Annual Salary	Bonded Amount
County Auditor	$ 52,000	$ 20,000
County Attorney	74,400	20,000
County Recorder	52,000	20,000
Sheriff	66,100	20,000
Treasurer	52,000	50,000
Board of Supervisors	27,400	20,000
Chairman, Board of Supervisors	29,900	20,000

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

COUNTY OF SCOTT, IOWA

SCHEDULE OF INSURANCE IN FORCE
June 30, 1998

Insurance Company	Type of Coverage	Insured	Amount of Coverage
PENCO/St. Paul	Excess Liability -S/R	General, auto and law	$750,000 in excess of $250,000 S/R
Genesis Reinsurance	Excess worker's compensation	Statutory worker's compensation	WC $10,000,000/employers liability $2,000,000 WC & combined = $10,000,000
Redland Insurance Co.	Flood	Buffalo Shores area	$145,200
St. Paul	Liability	Health Department	$5,000,000 each claim $5,000,000 annual aggregate
Travelers	Inland Marine/Property	Radio towers & transmitters/computer equipment	$554,898 $300,000 hardware $50,000 software
		Contents of Cody Homestead & Pioneer Village	$226,303
Old Republic Surety	Surety bond	All employees except elected officials and county assessor	$20,000
Hartford	Excess property	"All risk" building and contents	$60,946,475
Employers Mutual Co.	Property	Dwellings owned by conservation board	$598,000
Hartford Steam Boiler	Boiler and machinery	Comprehensive 7 locations	$10,000,000 per accident
Hartford	Property	Voting machines	$535,150
West Bend Mutual	General liability Commercial auto Property Worker's compensation	County library	$500,000 general liability $500,000 auto liability incl. phys. damage $1,468,907 property & IM Statutory worker's compensation & EL $100,000 per accident $100,000 per employee $500,000 total policy
Acceptance Insurance	Liquor liability	Glynns Creek Golf Course	$1,000,000 each occurrence
St. Paul	Professional liability	Dr. Scott Ludwig	$1,000,000 each claim $3,000,000 annual aggregate

Deductible	Policy Number	Expiration Date	Premium
$250,000 underlying limit	AA01120	07/01/98	$ 174,420
$300,000 underlying limit	GDX-7827F	07/01/98	39,750
$500	RI00411694	03/21/98	442
N/A	FM8000371	07/01/98	12,551
$250 or $1,000	QT660301X86OATIL97	07/01/98	11,353
$100	RCB 448966	01/01/99	1,693
$100,000	83XLSSD6282	07/01/98	26,268
$500	IX5-58-45-98	07/01/98	2,711
$1,500 direct/24 hrs. indirect	FPBMN2206942	12/04/98	6,232
$250/1,000 breakdown	83MSPH2631	07/01/99	4,438
N/A	CPJ012134610	07/01/98	923
$50 - $1,000	CPJ012134610	07/01/98	1,828
$100-250	CPJ012134610	07/01/98	1,521
N/A	WCJ010523011	07/01/98	1,527
N/A	LQIA148448	01/01/98	3,329
N/A	DM06627259	10/01/98	1,827

COUNTY OF SCOTT, IOWA

MISCELLANEOUS STATISTICS
June 30, 1998

Date of incorporation: December 21, 1837

Form of government: County Board/County Administrator

Area: 447 Square Miles Median age of population: 32.4

Miles of roads and streets:	
Interstate highways	43
State highways	78
County roads	556
City street	727
Total miles	1,404
Acres of industrial lands	973
Farming acres	228,936
Number of farms	1,419
County employees:	
Board members	5
Elected officials	5
Full and part-time	410
Schools within the County:	
Public schools:	
Elementary	39
Junior high	9
Senior high	6
Total students	27,893
Nonpublic schools:	
K-8	8
High school	2
Total students	3,433
Higher education:	
University	2
Colleges	1
Junior college	1
Vocational schools	4
Total students	18,049

Recreation:	
Parks:	
County parks	7
Number of acres	2,348
City parks	80
Number of acres	1,960
Golf courses:	
Private	2
Public	7
Municipal	3
Snowmobile trails, total miles	77
State wildlife preserve open to public hunting and fishing	2,785 acres
Number of lakes	5
Number of boat launches	4
Number of beaches	1
Number of swimming pools	1
Number of zoos	1
Number of baseball diamonds	2
Public safety:	
County sheriff department	1
City police department	8
Fire department:	
Full-time	2
Volunteer	11
Rescue squads	2
Elections:	
Last general election:	
Registered voters	99,052
Votes cast	65,666
Percent	66.2%
Last municipal election:	
Registered voters	83,265
Votes cast	22,935
Percent	27.5%
Building permits:	
Issued in the year ended June 30, 1998	716
Value of issued permits	$17,492,099

Single Audit Section

COUNTY OF SCOTT, IOWA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 1998

Federal Grantor Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Identifying Number	Federal Expenditures
U.S. Department of Agricultural Food and Nutrition Services (Passed through Iowa Department of Human Services):			
National School Lunch Program	10.555	82-8029	$ 8,539
Food Stamp Program	10.561	N/A	26,206
			34,745
U.S. Department of Housing and Urban Development (Passed through Iowa Department of Economic Development):			
Community Development Block Grant	14.228	95-QJ-09	62,619
Emergency Shelter Grants	14.231	97-ES-006	188,589
			251,208
U.S. Department of Justice:			
(Passed through the Governor's Alliance on Substance Abuse):			
Bureau of Justice Assistance Drug Control and System Improvement Grant	16.579	97-0231	142,376
Stop Violence Against Women	16.588	96V-0212	8,290
		97V-0215	22,510
			30,800
(Passed through the City of Davenport, Iowa) Local Law Enforcement Block Grant	16.710	96LBVX3596	30,413
		97LE-0150	9,999
			40,412
(Passed through Office of Community Oriented Policing Services) COPS FAST	16.726	95CFWX0165	9,664
			223,252
U.S. Department of Transportation, National Highway Traffic Safety Administration (Passed through Iowa Department of Public Safety-Governor's Traffic Safety Division),			
Police Traffic Services	20.600	PAP98-04, Task 16	4,315
Alcohol Incentive Grant	20.601	98-2M410, Task 24	4,400
		97-410, Task 39	4,807
			9,207
Iowa Enforcement Initiative	N/A	17PM WP560	1,229
			14,751
U.S. Environmental Protection Agency: (Passed through Iowa Department of Natural Resources)			
Air Pollution Control Program Support	66.101	N/A	546
Federal Emergency Management Agency (Passed through Iowa Disaster Services Division),			
State and Local Assistance Program	83.534	N/A	21,925

(Continued)

COUNTY OF SCOTT, IOWA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 1998

Federal Grantor Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Identifying Number	Federal Expenditures
U.S. Department of Education,			
(Passed through the Division of Educational Services),			
Supported Employment	84.126	98-CPSE-17	$ 50,065
		97-CPSE-21	4,242
			54,307
U.S. Department of Health and Human Services:			
(Passed through Iowa Department of Health):			
HIV Testing and Counseling Acquired Immune Deficiency Syndrome (AIDS)	93.118	5888AP14	7,000
		5887AP14	35,600
			42,600
Childhood Lead Poisoning Prevention	93.197	5888LP03	72,067
I-4 Project	93.268	5888I417	30,894
		5887I417	21,420
			52,314
Health Breast/Cervical Cancer Early Detection	93.919	5889NB16	1,667
		5888NB16	8,824
			10,491
Preventative Health and Health Services Block Grant	93.991	5888AS02	6,000
		5887AS02	2,000
			8,000
(Passed through Iowa Department of Human Services):			
Family Support	93.020	N/A	69,988
Child Support Enforcement	93.023	N/A	133,648
Refugee and Entrant Assistance	93.026	N/A	577
Temporary Assistance for Needy Families	93.558	N/A	66,857
Child Care Development Fund	93.596	N/A	3,025
Foster Care	93.658	N/A	17,328
Adoption	93.659	N/A	3,806
Social Services Block Grant	93.667	N/A	747,507
Medical Assistance	93.778	N/A	55,912
			1,098,648
			1,284,120
Total expenditures of federal awards			$ 1,884,854

See Notes to Schedule of Expenditures for Federal Awards.

COUNTY OF SCOTT, IOWA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 1998

Note 1. General

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of County of Scott, Iowa and its discretely presented component units and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States and Local Governments and Nonprofit Organizations". Therefore, some amounts presented in the schedule may differ from amounts presented in or used in the preparation of the general purpose financial statements.

Note 2. Significant Accounting Policies

Revenue from federal awards is recognized when the County has done everything necessary to establish its right to revenue. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

Note 3. Pass-Through Funding

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

Program Title	Federal CFDA Number	Amount Provided to Subrecipient
Community Development Block Grant	14.228	$ 62,619
Emergency Shelter Grants	14.231	188,589
Bureau of Justice Assistance Drug Control and System Improvement Grant	16.579	94,900

COUNTY OF SCOTT, IOWA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 1998

The prior year single audit disclosed no findings in the Schedule of Findings and Questioned Costs and no uncorrected or unresolved findings exist from the prior single audit.

McGLADREY&PULLEN, LLP
Certified Public Accountants and Consultants

RSM
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON THE INTERNAL CONTROL STRUCTURE OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statements of the County of Scott, Iowa as of and for the year ended June 30, 1998, and have issued our report thereon dated October 2, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States and Chapter 11 of the Code of Iowa.

Compliance

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

However, we noted certain immaterial instances of noncompliance, which we have reported to management of County of Scott, Iowa in a separate letter dated October 2, 1998.

Internal Control Structure Over Financial Reporting

In planning and performing our audit, we considered the County of Scott, Iowa's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect County of Scott, Iowa's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 98-II-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness.

However, we noted other matters involving the internal control over financial reporting, which we have reported to management of County of Scott, Iowa in a separate letter dated October 2, 1998.

This report is intended for the information of the Board of Supervisors, management and the Auditor, State of Iowa. However, this report is a matter of public record and its distribution is not limited.

McGladrey & Pullen, LLP

Davenport, Iowa
October 2, 1998

McGLADREY & PULLEN, LLP
Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND THE INTERNAL CONTROL STRUCTURE OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the County of Scott, Iowa with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to its major federal program for the year ended June 30, 1998. The County of Scott, Iowa's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the County of Scott, Iowa's management. Our responsibility is to express an opinion on the County of Scott, Iowa's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States Chapter 11 of the Code of Iowa; and OMB Circular A-133, Audits of States, Local Governments and Nonprofit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Scott, Iowa's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County of Scott, Iowa's compliance with those requirements.

In our opinion, the County of Scott, Iowa complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 1998.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board of Supervisors, management and the Auditor, State of Iowa. However, this report is a matter of public record and its distribution is not limited.

McGladrey & Pullen, LLP

Davenport, Iowa
October 2, 1998

COUNTY OF SCOTT, IOWA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 1998

I. SUMMARY OF THE INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
93.667	Social Services Block Grant

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

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

COUNTY OF SCOTT, IOWA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 1998

II. FINDINGS RELATED TO THE FINANCIAL STATEMENT AUDIT AS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

A. Reportable Conditions in Internal Control

98-II-1

Finding: The County was not able to identify the State and Local Assistance Program funds CFDA 83.534, Iowa Enforcement Initiative CFDA N/A, Police Traffic Services CFDA 20.600 and Alcohol Incentive Grants CFDA 20.601 as federally funded programs complete with CFDA number and title, award number and year and name of federal agency and/or pass-through entity.

Condition: The County does not have a system in place for identifying financial assistance to enable management to identify all federal financial assistance programs and complete the Schedule of Expenditures of Federal Awards.

Criteria: OMB A-133, subpart C, requires that local governments "identify, in its accounts, all federal awards received and expended and the federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the federal agency and the name of the pass-through entity." A-133 also states that it is the auditee's responsibility to "prepare appropriate financial statements, including the schedule of expenditures of federal awards". At a minimum, this schedule should "list individual federal programs by federal agency," "pass-through entity," "total federal awards expended for each individual federal program and the CFDA number or other identifying number when the CFDA information is not available".

Recommendation: We recommend the County supplement any centralized, computerized, grant identification system by requiring Department heads to submit a copy of grant agreements and other pertinent correspondence to the Budget and Information Processing Department throughout the fiscal year. The grant agreements should be filed by the individual in charge of the identification of federal programs.

County of Scott, Iowa's Corrective Action Plan:

The County's new general ledger system allows for an expanded account structure which now includes a grant code. County departments must now contact the Budget Information Processing Department for a grant code assignment including forwarding grant agreements and other pertinent correspondence on any federal grants.

B. Compliance Findings

None

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

A. Compliance

None

B. Internal Control

COUNTY OF SCOTT, IOWA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 1998

IV. OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING

98-IV-A Official Depositories: A resolution naming official depositories has been approved by the County. The maximum deposit amounts stated in the resolution were not exceeded during the year ended June 30, 1998.

98-IV-B Certified Budget: Expenditures for the year ended June 30, 1998 did not exceed the budgeted amounts.

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

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

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

98-IV-F Bond Coverage: Surety bond coverage of County officials and employees is in accordance with statutory provisions.

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

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

98-IV-I Resource Enhancement and Protection Certification: The County properly dedicated property tax revenue to conservation purposes as required by Chapter 4SSA.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with Subsections (b)(2) and (b)(3).

98-IV-J Solid Waste Fees Retainage: The County does not use or retain solid waste fees.

98-IV-K Economic Development: During the year ended June 30, 1998, expenditures incurred for economic development appear appropriate and adequately documented by the County for public purpose in accordance with Chapter 15A of the Code of Iowa.

98-IV-L Lease Purchase Agreements: During the year ended June 30, 1998, the County did not enter into a lease purchase agreement.

98-IV-M County Extension Office: The County extension office is operated under the Authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an extension council separate and distinct from County operations. Expenditures during the year ended June 30, 1998 for the County extension office did not exceed the amount budgeted.

COUNTY OF SCOTT, IOWA

CORRECTIVE ACTION PLAN
Year Ended June 30, 1998

Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
98-II-1	Federal funds were not identified complete with CFDA number and title, award number and year and name of federal agency.	See corrective action plan at 98-II-1	July 1998	Ray Wierson