

# COUNTY OF SCOTT, IOWA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

**Year Ended June 30, 2011**

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Prepared by

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Accounting and Tax Manager  
Office of County Auditor

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Financial Management Supervisor  
Office of County Treasurer

Sarah Kautz  
Budget Manager  
Office of County Administrator



# **INTRODUCTORY**



# County of Scott, Iowa

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### Introductory Section

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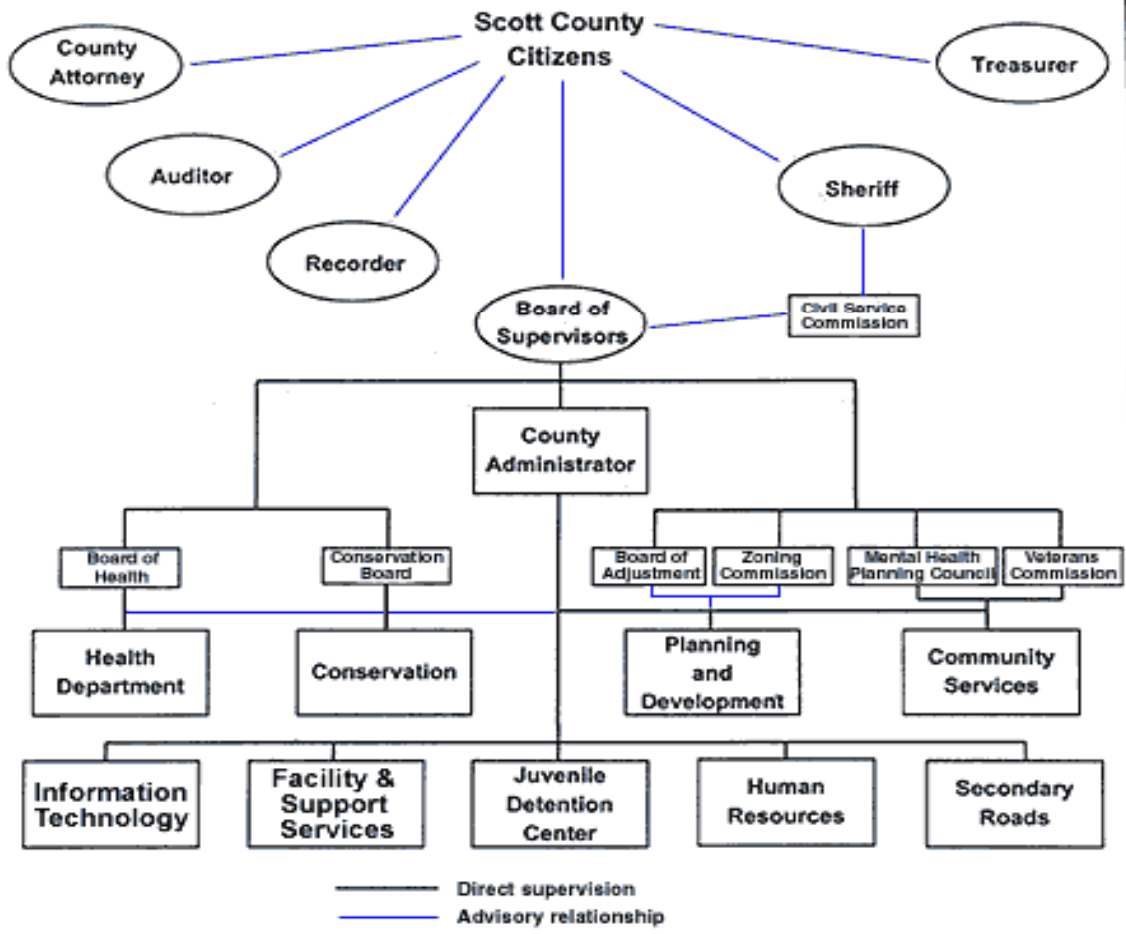
**County of Scott, Iowa**

**County Officials**

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Official Title	Official	Term Expiration Date of Elected Officials
<b>Elected Officials</b>		
Supervisor, Chairperson	Tom Sunderbruch	2013
Supervisor	James Hancock	2013
Supervisor	Larry Minard	2015
Supervisor	William P. Cusack	2015
Supervisor	Carol Earnhardt	2015
Attorney	Mike Walton	2015
Auditor	Roxanna Moritz	2013
Recorder	Rita Vargas	2015
Sheriff	Dennis Conard	2013
Treasurer	Bill Fennelly	2015
<b>Administration</b>		
County Administrator	Dee F. Bruemmer	
<b>Department Heads</b>		
Community Services	Lori Elam	
Conservation	Roger Kean	
Facility and Support Services	Dave Donovan	
Health	Ed Rivers	
Human Resources	Mary Thee	
Information Technology	Matt Hirst	
Juvenile Detention Center	Jeremy Kaiser	
Planning and Development	Tim Huey	
Secondary Roads	John Burgstrum	

# Scott County Government Organizational Chart





# Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Scott  
Iowa

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Davison*

President

*Jeffrey R. Enos*

Executive Director

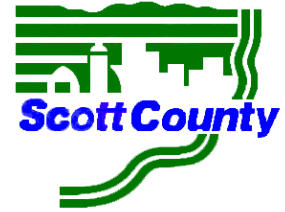


**OFFICE OF THE COUNTY ADMINISTRATOR**

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November 29, 2011

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

State law requires that every general-purpose local government publish within nine months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2011.

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

Baker Tilly Virchow Krause, LLP, Certified Public Accountants, have issued an unqualified (“clean”) opinion of Scott County’s financial statements for the year ended June 30, 2011. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

***Profile of Scott County Government***

Scott County, Iowa was incorporated on December 31, 1837. Antoine LeClaire, an early settler of the County, donated the square of land the Scott County Courthouse stands on today. If the County ever abandons the site, the property would revert to the heirs of Antoine LeClaire. The first courthouse was erected on this land during 1840-41 and served for 45 years. The following years to 1874 saw changes and additions to the structure of Scott County government. One of the major changes was in the structure of the governing board. From 1838 until 1850 county commissioners were elected on an annual basis. By 1861 the name Board of Supervisors had been mandated, with 14 supervisors from throughout the county representing the citizens. In 1870 the structure changed again, and only three board supervisors were elected countywide. In 1874, the membership of the board of supervisors increased to its present five officials, all elected at-large.

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

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

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

The County's discretely presented component units are as follows: Emergency Management Agency, which provides direction for the delivery of the emergency management services and planning, administration, coordination, training and support for local governments and their departments, Emergency Management Agency-Scott Emergency Communication Center (SECC), which provides county-wide consolidated emergency 911 dispatch services; County Library, which provides library services to all cities within Scott County with the exception of the City of Bettendorf, the City of Davenport, and the City of LeClaire; and the Scott County Public Safety Authority, which is the owner of the voter approved jail expansion project.

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

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

### ***Local Economy***

Scott County is part of a four county, bi-state, metropolitan area referred to as the Quad-Cities. The counties of Scott (Iowa), Rock Island, Henry and Mercer (Illinois), contain the Davenport-Rock Island-Moline Metropolitan Statistical Area (MSA), with a 2010 U.S. Census Bureau count of 379,690 which is a 1.0% increase over the 2000 census count of 376,019. The U. S. Census Bureau's 2010 population of Scott County was 165,224, which is a 4.1% increase over the 2000 census count of 158,689. That 2010 total is just a 3.25% increase over the 1980 census count for Scott County which was 160,022.

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

The Quad Cities and Scott County have not escaped the impacts of the current national recession. Some of the largest layoffs announced in 2008 and 2009 have been ALCOA 400 jobs, John Deere Davenport Works 305 jobs, Q-C Die Casting closing with the loss of 100 jobs, and Seaford Clothing shutdown with the loss of 330 jobs. Additionally as part of the Base Closure and Realignment Commission (BRAC) process the Rock Island Arsenal, the region's largest employer, will see a net loss of 1,100 civilian jobs by 2011. However in 2010 there have been indications of a turn around, in the second half of that year ALCOA recalled all its laid off workers and added 40 production jobs and in 2011 created 100 new production jobs. Just recently ALCOA announced a planned plant expansion with machinery and equipment that will total \$300 million in investment which will help retain 200 jobs and create an additional 150.

The annual average labor force in the Quad Cities MSA (four county) was 204,440 in 2010 which was a 7% increase from the 191,070 in 2000. The annual average labor force for Scott County was 89,950 in 2010, which was a 4.4% increase over the 2000 annual labor force of 86,140 and a 14.4% increase over the 1990 annual average labor force of 78,660 for the county. In 1980 the unemployment rate for the Quad Cities was 6.7%. In 1983 the unemployment rate for the Quad-Cities MSA hit a high of 14.8%. Scott County's unemployment rate that same year was 10.8%, following a Scott County high the year before in 1982 of 11.2%. In 1990 the unemployment rate for the QCA was 5.0% and Scott County was 4.2%. Those rates dipped to a low of 3.4 % and 2.7% in 1998 but for 2008 rose to 5.2% and 4.2%, respectively. In 2009 they rose to 7.0% for the MSA and 5.6% for Scott County and 2010 they were at 8.4% for the MSA and 6.9% for Scott County, which actually compares favorably with the estimated national figure of 9.6%.

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

New residential construction has slowed significantly in the Quad-Cities MSA and Scott County after very strong years from 1999-2005. The total housing starts for the Quad Cities MSA were 851 in 2006, 688 in 2007, dropping to 421 in 2008, 371 in 2009 and 422 in 2010. The total housing starts for Scott County for those same years were 538 in 2006, 407 in 2007, dropping to 274 in 2008, 231 in 2009 and 304 in 2010. The Scott County figures represented 65% of the total Quad Cities MSA housing starts in 2006, 61% in 2007, 69% in 2008, 66% in 2009 and 72% in 2010.

Even with a slowing housing market the Quad Cities remains one of the most affordable housing markets in the country. The average sales price for homes in the Iowa Quad Cities was \$165,700 in June, 2010. On the Illinois side of the river the average sales price was \$111,200 for that same timeframe. Previously the average sales price for homes in the Iowa Quad Cities was \$126,200 in June, 2000, \$127,300 in June, 2002, 137,600 in June, 2004, \$162,300 in June, 2007 and \$164,300 in June, 2008. On the Illinois side of the river the average sales price was \$90,400 in June, 2000, \$95,600 in June, 2002, \$101,400 in June, 2004, \$112,200 in June, 2007 and \$159,400 in June, 2008. The median home values between 1980 and 1990 in Scott County only increased 3% from \$52,800 to \$54,400. From 1990 to 2000 the median home values in Scott County jumped 70% to \$92,400. From 2000 to 2009 median home values in Scott County jumped another 40% to \$129,300.

With the drastic decline in the national economic indicators slowing, the European Union financial crisis continuing and consumer confidence appearing to remain low it is encouraging that the outlook for the Quad Cities still can be considered somewhat stable, if not improving. Housing prices have not seen a sharp decline in this area mainly because they had not seen significant increases in previous years. There have been some layoffs and production slow-downs at some of the areas largest employers, while others have seen modest increases or have been hiring to replace retiring workers. Although with BRAC the Arsenal will reduce positions over the next six years, current production capacity at the Rock Island Arsenal is increasing. The Local Arsenal Redevelopment Task Force is working to attract new private sector jobs to the Arsenal in the future.

In Davenport, the Quad Cities largest city, there are a number of expansions and new construction that indicate an improving local economy. Seaberg Industries, a 35 year old machining and fabricating company currently located in Rock Island is seeking to combine all their operations under one roof and purchase a 55,400 square foot building in Davenport that will add to their current manufacturing area by 20% and allow for growth and improved management of workflow. Seaberg currently employs 102 full time employees and will be creating an additional 12 positions over three years.

Founded in 1898, Alter Trading, a privately owned, fourth generation company, is one of the largest scrap processors in the United States. Alter Trading is planning a \$1.5 million building expansion at their location in Davenport. In addition they will be adding \$12.8 million worth of new equipment based around the installation of a new non-ferrous metal recovery and separation system.

Fidlar Technologies, a document recording and management company since its founding in 1854 is today a leader in software technology for many local and state governments and does business in 20 different states. Currently located in Rock Island, Fidlar has plans to construct an approximate 12,000 square foot signature facility in the Iowa Research, Commerce and Technology Park in Davenport. The construction of the building is part of a \$2.85 million dollar project that will result in the retention of 45 full time positions paying an average wage of \$68,000 and the creation of 4 full time positions paying an average starting wage of \$40,000.

Construction of the rail extension to the Eastern Iowa Industrial Center (EIIC) in Davenport has begun and will be completed by Summer 2012. This long sought after infrastructure improvement will be a key factor in making the EIIC more competitive in winning business attraction projects in the years to come. Also all funding has been secured for the \$8.25 million City of Davenport Public Transload Facility. The Transload will be located along the north of the Deere Distribution Center in the EIIC. The Transload is currently being engineered and designed while the land necessary is acquired. As will the EIIC rail extension, the Transload will be an important industrial amenity which will assist the City of Davenport, as well as the Quad Cities as a whole, in achieving success in our business attraction efforts.

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

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

Unassigned fund balance in the general fund (18.4% of total general fund expenditures) falls within the policy guidelines set by the Board for budgetary and planning purposes (i.e., minimum of 15 percent of total general fund expenditures). Fiscal year 2011 ended with an increase in the unassigned general fund balance of approximately \$1,629,221. During these challenging economic times, as the county faces cutbacks at the state level, retaining the current level of fund balance is important. The County is continuing to find ways to reduce its costs for providing services through LEAN and other efficiency initiatives. This is very important as the County weathers this recession. We are committed to remain a county with a superior level of service at one of the lowest tax rates in the State of Iowa.

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

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

### ***Major Initiatives***

This year, the County completed the Juvenile Court Services renovation which moved these services from a leased space back to our Courthouse. The County also purchased an adjacent residential property to continue to provide green space on the grounds of the campus. Also this year, the County purchased (with Scott Emergency Communication Center) a VOIP communication system, completely replacing all county phones. The Board's goal of purchasing an ERP software system continues with the hiring of consultants to facilitate the RFP process.

### ***Awards and Acknowledgements***

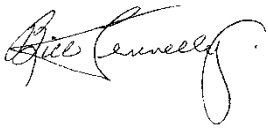
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Scott County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2010. This was the twenty-second consecutive year that Scott County has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both general accepted accounting principles and applicable legal requirements.

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

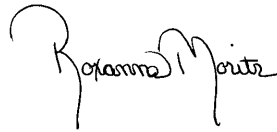
In addition, Scott County also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2010. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

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

Respectfully submitted,



Bill Fennelly  
County Treasurer



Roxanna Moritz  
County Auditor



Dee F. Bruemmer  
County Administrator



**FINANCIAL**





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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Scott, Iowa, as of and for the year ended June 30, 2011, which collectively comprise the County of Scott's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Scott's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Scott, Iowa, as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 17, the County of Scott, Iowa adopted the provisions of Governmental Accounting Standard Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective July 1, 2010.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2011 on our consideration of the County of Scott's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, the budgetary comparison information and the schedule of funding progress as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Scott's basic financial statements. The combining and individual fund financial statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, "*Audits of States, Local Governments, and Non-Profit Organizations*" and is also not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The "Introductory Section" and "Statistical Section" as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County of Scott, Iowa. The information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on such information.

*Baker Tilly Vinchow Krause, LLP*

Milwaukee, Wisconsin  
November 29, 2011

## County of Scott, Iowa

### Management's Discussion and Analysis (Unaudited) Year Ended June 30, 2011

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It is an honor to present to you the financial picture of the County of Scott, Iowa. We offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County of Scott, Iowa for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

#### Financial Highlights

The assets of the County of Scott exceeded its liabilities as of June 30, 2011 and 2010 by \$78,277,888 and \$83,774,736 (net assets), respectively. Of this amount, \$5,834,116 and \$3,013,147, respectively, may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net assets decreased by \$5,496,848 during the year ended June 30, 2011 and increased by \$4,400,103 during the year ended June 30, 2010.

As of June 30, 2011, the County of Scott's governmental funds reported combined ending fund balances of \$22,860,191, a decrease of \$2,980,356 in comparison with 2010. Approximately 40 percent of this total amount, \$9,247,282 is available for spending at the government's discretion (unassigned). As of June 30, 2010, the County of Scott's governmental funds reported combined ending fund balances of \$25,840,547, an increase of \$6,221,529 in comparison with 2009. Approximately 70 percent of this total amount, \$18,026,122, is available for spending at the government's discretion (unassigned fund balance).

As of June 30, 2011, unassigned fund balance for the General Fund was \$9,247,282 or 18.4 percent of total General Fund expenditures and \$7,618,061 or 17.8 percent for 2010.

The County of Scott, Iowa's total long-term debt, excluding compensated absences, other postemployment benefits and claims payable, decreased by \$2,950,000 during fiscal year June 30, 2011 and increased by \$8,025,576 during fiscal year June 30, 2010. The decrease in 2011 was attributable to scheduled payments on bonds and capital leases and the increase in 2010 was attributed to the issuance of \$10,445,000 of new bonds offset by scheduled payments on bonds.

#### Overview of the Financial Statements

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

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

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

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

## County of Scott, Iowa

### Management's Discussion and Analysis (Unaudited) Year Ended June 30, 2011

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

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

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

## County of Scott, Iowa

### Management's Discussion and Analysis (Unaudited) Year Ended June 30, 2011

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

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

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County of Scott, Iowa's own programs. The fiduciary funds of the County are considered agency funds. Total assets of the fiduciary funds were \$234,778,857 and \$226,183,991 for the years ended June 30, 2011 and 2010, respectively.

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

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

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County of Scott, Iowa's budgetary comparison and other postemployment benefit plan schedule of funding progress. This information can be found on pages 59 through 61 of this report.

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

## County of Scott, Iowa

### Management's Discussion and Analysis (Unaudited) Year Ended June 30, 2011

#### Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The County's total net assets have decreased from a year ago from \$83,774,736 to \$78,277,888.

Of the County of Scott's net assets, 85 percent reflects its investment in capital assets (e.g., land, buildings and improvements, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The County of Scott uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The County's net assets invested in capital assets, net of related debt, was \$66,515,247 for 2011 and \$74,845,001 for 2010. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1 - County of Scott's Net Assets

	Governmental Activities		Business-Type Activities		Total County	
	2011	2010	2011	2009	2011	2010
Current and other assets	\$ 80,408,152	\$ 81,404,184	\$ (3,277,337)	\$ (2,972,083)	\$ 77,130,815	\$ 78,432,101
Capital assets	97,191,690	102,788,724	2,225,815	2,056,240	99,417,505	104,844,964
<b>Total assets</b>	<b>177,599,842</b>	<b>184,192,908</b>	<b>(1,051,522)</b>	<b>(915,843)</b>	<b>176,548,320</b>	<b>183,277,065</b>
Noncurrent liabilities outstanding	37,159,020	39,833,705	328,247	611,802	37,487,267	40,445,507
Other liabilities	59,894,833	58,188,485	888,332	868,337	60,783,165	59,056,822
<b>Total liabilities</b>	<b>97,053,853</b>	<b>98,022,190</b>	<b>1,216,579</b>	<b>1,480,139</b>	<b>98,270,432</b>	<b>99,502,329</b>
Net assets (deficit):						
Invested in capital assets, net of related debt	64,874,432	73,643,761	1,640,815	1,201,240	66,515,247	74,845,001
Restricted	5,604,117	5,592,181	324,407	324,407	5,928,524	5,916,588
Unrestricted (deficit)	10,067,439	6,934,776	(4,233,323)	(3,921,629)	5,834,116	3,013,147
<b>Total net assets (deficit)</b>	<b>\$ 80,545,988</b>	<b>\$ 86,170,718</b>	<b>\$ (2,268,101)</b>	<b>\$ (2,395,982)</b>	<b>\$ 78,277,887</b>	<b>\$ 83,774,736</b>

Net assets are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted through enabling legislation for 2011 and 2010 consist of \$2,503,008 and \$2,849,754 for debt service, \$1,221,960 and \$1,499,167 for mental health and \$885,011 and \$370,604 for secondary roads, \$783,546 and \$663,173 for other statutory programs, respectively. An additional \$534,999 and \$533,890 is restricted by external third parties, respectively. The remaining balance of unrestricted net assets, \$5,834,116 for 2011 and \$3,013,147 for 2010, may be used to meet the government's ongoing obligations to citizens and creditors.

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

The County's total net assets decreased by \$5,496,848 during the current fiscal year as compared to an increase of \$4,400,103 in 2010. The governmental-type activities' net assets decreased by \$5,624,729 in 2011 and \$4,508,933 in 2010. The decrease in 2011 was due to a transfer of assets to Scott Emergency Communication Center. The total business-type activities' net assets increased by \$127,881 in 2011 and decreased by \$108,831 in 2010. The increase in 2011 was due to an increase in other operating revenues at the golf course as well as an increase in fixed assets for the golf course.

Table 2 highlights the County's revenues and expenses for the fiscal year ended June 30, 2011 and 2010. These two main components are subtracted to yield the change in net assets. This table utilizes the full accrual method of accounting.



County of Scott, Iowa

Management's Discussion and Analysis (Unaudited)  
Year Ended June 30, 2011

Revenue is further divided into two major components: program revenue and general revenue. Program revenue is defined as charges for services and sales and services, operating grants and contributions and capital grants and contributions. General revenue includes taxes, investment income and other unrestricted revenue sources.

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

	Governmental Activities		Business-Type Activities		Total County	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 5,659,774	\$ 5,015,579	\$ 1,077,731	\$ 912,712	\$ 6,737,505	\$ 5,928,291
Operating grants and contributions	12,882,216	11,912,913	-	-	12,882,216	11,912,913
Capital grants and contributions	2,567,522	6,674,252	-	-	2,567,522	6,674,252
General revenues:						
Taxes:						
Property taxes	43,052,682	36,228,794	-	-	43,052,682	36,228,794
Local option sales tax	3,863,574	3,637,825	-	-	3,863,574	3,637,825
Gaming	584,582	676,255	-	-	584,582	676,255
Other taxes	68,512	63,470	-	-	68,512	63,470
Utility tax replacements	1,539,020	1,395,383	-	-	1,539,020	1,395,383
Penalties, interest and costs on taxes	791,685	790,006	-	-	791,685	790,006
State tax replacement credits	4,930,224	4,826,563	-	-	4,930,224	4,826,563
State shared revenues	2,775,120	3,101,887	-	-	2,775,120	3,101,887
Payments in lieu of taxes	6,782	6,828	-	-	6,782	6,828
Investment earnings	228,038	188,207	-	6	228,038	188,213
Miscellaneous	1,102,391	868,990	-	-	1,102,391	868,990
<b>Total revenues</b>	<b>80,052,122</b>	<b>75,386,952</b>	<b>1,077,731</b>	<b>912,718</b>	<b>81,129,853</b>	<b>76,299,670</b>
Expenses:						
Public safety and legal services	36,474,619	27,972,373	-	-	36,474,619	27,972,373
Physical health and social services	5,695,818	6,238,358	-	-	5,695,818	6,238,358
Mental health	15,279,397	14,484,152	-	-	15,279,397	14,484,152
County environment and education	5,070,703	4,044,619	-	-	5,070,703	4,044,619
Roads and transportation	7,863,504	6,219,535	-	-	7,863,504	6,219,535
Government services to residents	2,117,384	2,167,664	-	-	2,117,384	2,167,664
Administration	11,500,872	8,294,027	-	-	11,500,872	8,294,027
Debt service, interest	1,674,554	1,457,291	-	-	1,674,554	1,457,291
Golf course	-	-	949,850	1,021,548	949,850	1,021,548
<b>Total expenses</b>	<b>85,676,851</b>	<b>70,878,019</b>	<b>949,850</b>	<b>1,021,548</b>	<b>86,626,701</b>	<b>71,899,567</b>
<b>Increase in net assets</b>	<b>(5,624,729)</b>	<b>4,508,933</b>	<b>127,881</b>	<b>(108,830)</b>	<b>(5,496,848)</b>	<b>4,400,103</b>
Net assets (deficit), beginning	86,170,718	81,661,785	(2,395,982)	(2,287,152)	83,774,736	79,374,633
Net assets (deficit), ending	<b>\$ 80,545,989</b>	<b>\$ 86,170,718</b>	<b>\$ (2,268,101)</b>	<b>\$ (2,395,982)</b>	<b>\$ 78,277,888</b>	<b>\$ 83,774,736</b>

County of Scott, Iowa

Management's Discussion and Analysis (Unaudited)  
Year Ended June 30, 2011

Table 3 below discloses cost of services for governmental activities. The total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Succinctly put, net costs are costs that must be covered by local taxes or other general revenue or transfers.

Table 3 - County of Scott's Governmental Activities

Programs	Total Cost of Services 2011	Total Cost of Services 2010	Net (Expense) of Services 2011	Net (Expense) of Services 2010
Public safety and legal services	\$ 36,474,619	\$ 27,972,373	\$ (33,870,777)	\$ (25,686,638)
Physical health and social services	5,695,818	6,238,358	(3,246,599)	(3,253,764)
Mental health	15,279,397	14,484,152	(7,525,661)	(7,514,662)
County environment and education	5,070,703	4,044,619	(3,975,907)	(2,629,295)
Roads and transportation	7,863,504	6,219,535	(5,218,461)	524,805
Government services to residents	2,117,384	2,167,664	539,532	536,486
Administration	11,500,872	8,294,027	(9,998,173)	(7,794,916)
Debt service, interest	1,674,554	1,457,291	(1,271,293)	(1,457,291)
<b>Total</b>	<b>\$ 85,676,851</b>	<b>\$ 70,878,019</b>	<b>\$ (64,567,339)</b>	<b>\$ (47,275,275)</b>

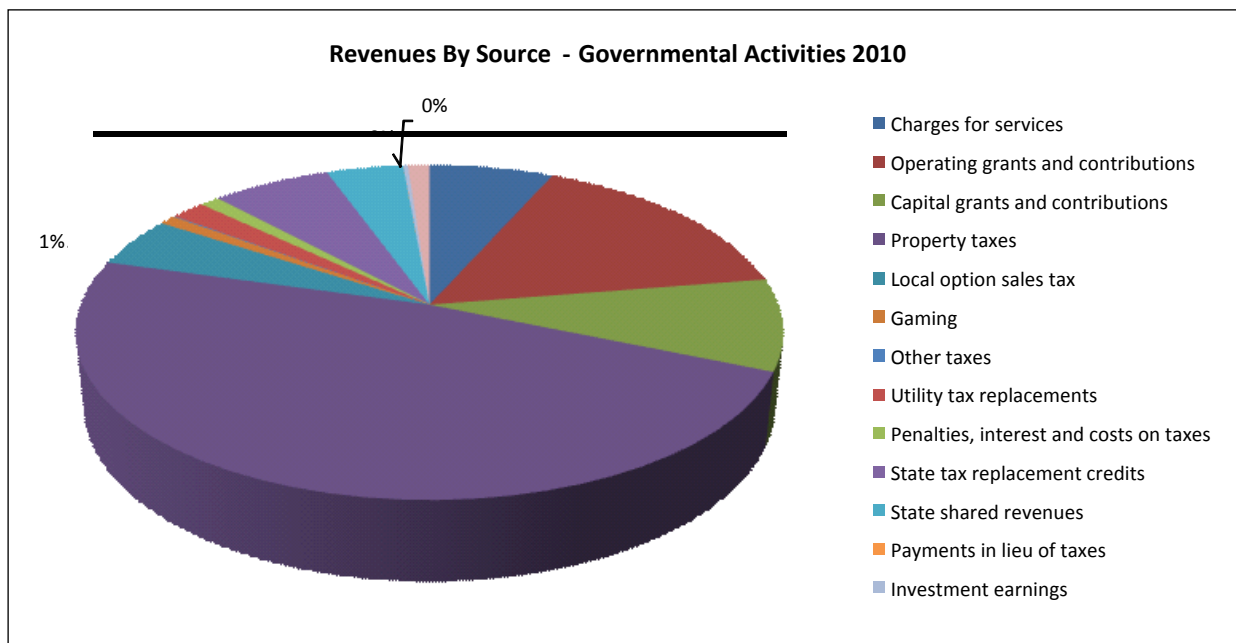
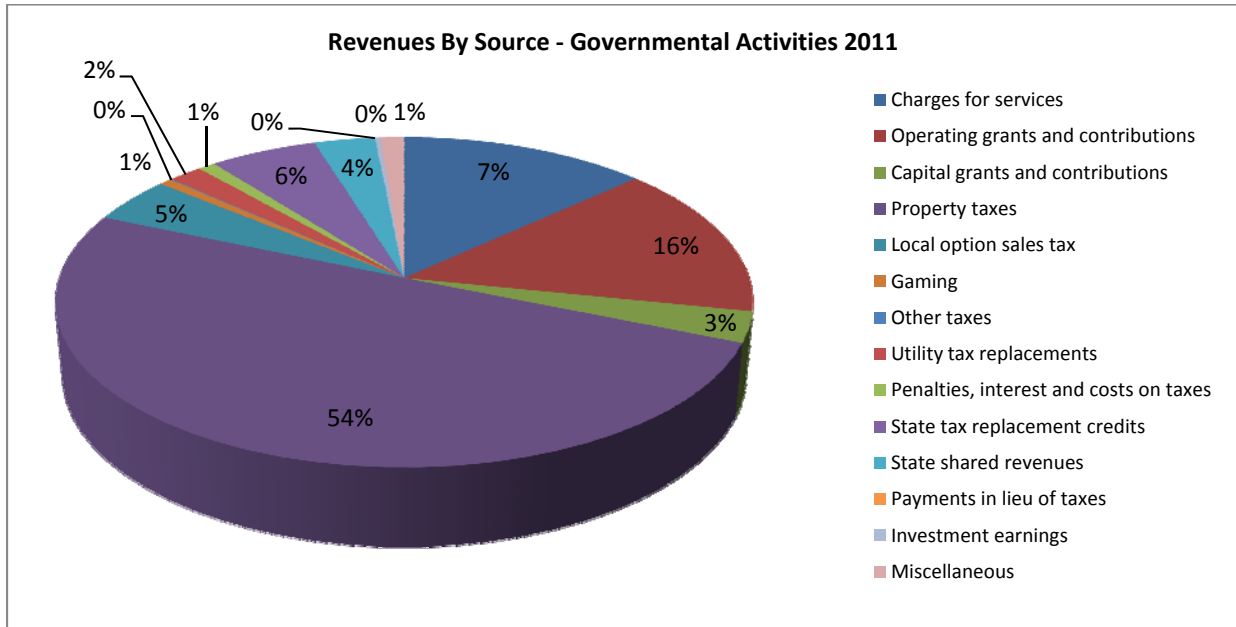
Net cost of services is 75 percent of total cost of services in 2011 and 67 percent in 2010. The County was able to maintain the net cost of services in the current year due to nontax revenues and fees being reviewed and adjusted on an ongoing basis.

County of Scott, Iowa

Management's Discussion and Analysis (Unaudited)  
Year Ended June 30, 2011

Governmental Activities

The graphs below show the percentage of the total governmental activities revenues allocated by each revenue type for 2011 and 2010.

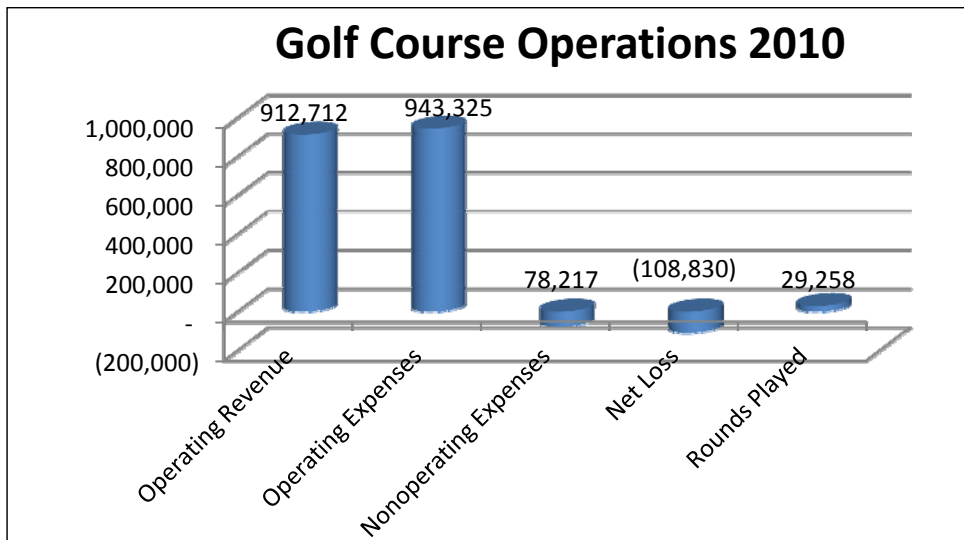
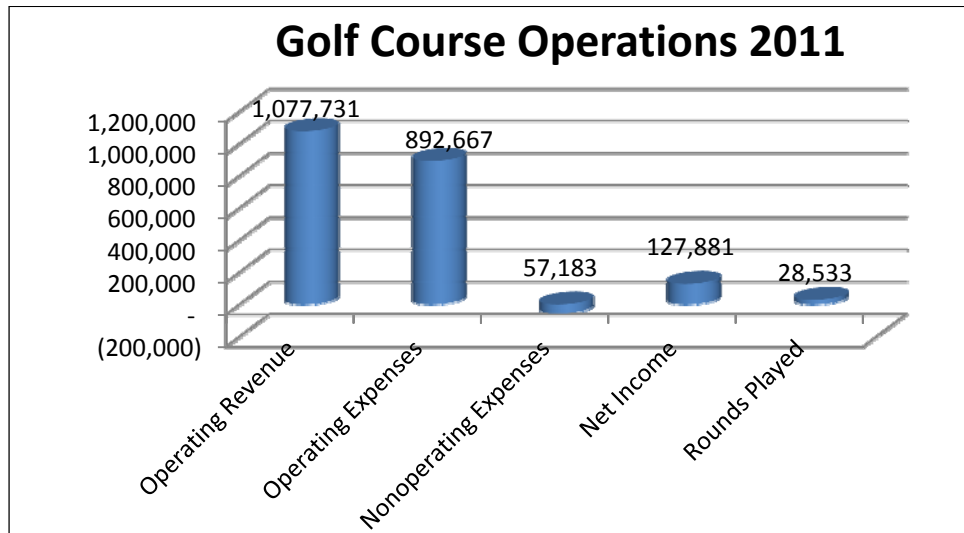


County of Scott, Iowa

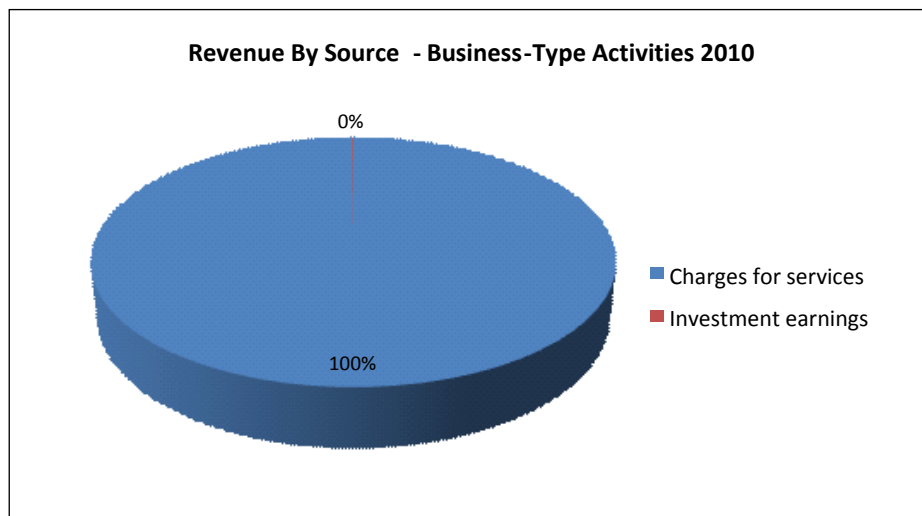
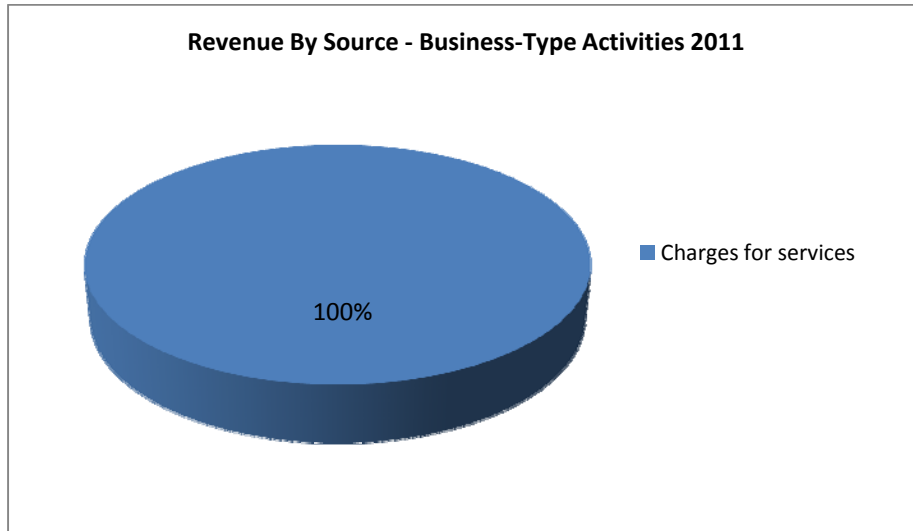
Management's Discussion and Analysis (Unaudited)  
Year Ended June 30, 2011

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Total business-type activities' revenue for the fiscal years ended June 30, 2011 and 2010 was \$1,077,731 and \$912,718, respectively. All of this revenue was generated for specific business-type activity expenses. The graphs below show a comparison between the business-type activity expenditures and program revenues and operations for Glynn's Creek Golf Course in 2011 and 2010.



The graphs below show the breakdown of revenues by source for the business-type activities in 2011 and 2010.



**Business-type activities:** Business-type activities decreased the County of Scott's net assets by \$108,830 in the government's net assets in fiscal year ended June 30, 2010 compared to an increase of \$127,881 in fiscal year ended June 30, 2011.

## County of Scott, Iowa

### Management's Discussion and Analysis (Unaudited) Year Ended June 30, 2011

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#### Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the County of Scott, Iowa's governmental funds reported combined ending fund balances of \$22,860,191, a decrease of \$2,980,356 in comparison with the prior year fund balance of \$25,840,547. Approximately 40 percent of the 2011 total amount, or \$9,247,282 constitutes unassigned fund balance. Approximately \$7,618,061, or 30 percent, for 2010 constitutes unassigned fund balance. Unassigned fund balance is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted, committed or assigned to indicate that it is not available for new spending.

The General Fund is the chief operating fund of the County. At the end of the fiscal year, the unassigned fund balance of the General Fund was \$9,247,282 for 2011. The amount unassigned was \$7,618,061 for 2010 while total fund balance reached \$14,878,260 for 2011 and \$12,523,796 for 2010. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to fund expenditures. Unassigned fund balance represents 18 percent of General Fund expenditures for 2011, while the unassigned fund balance represented 18 percent of total General Fund expenditures for 2010, while total fund balance also represents approximately 30 and 29 percent of that same amount for 2011 and 2010, respectively.

The fund balance of the County's General Fund increased by \$2,354,464 during the year ended June 30, 2011. The key factor in this increase was an increase in property tax revenues.

The fund balance of the County's General Fund increased by \$2,431,944 during the year ended June 30, 2010. The key factor in this increase was an increase in property tax revenues.

The Secondary Roads Fund increased \$514,407 in 2011 from \$370,604 in 2010. The increase in fund balance relates to higher than anticipated revenues during the year.

The Capital Projects Fund decreased \$5,124,727 in 2011 from \$8,310,749 in 2010. The decrease in fund balance relates to an increase in capital outlay in 2011.

The Debt Service Fund decreased \$350,368 in 2011 from \$2,908,690 in 2010. The decrease in fund balance relates to the normal principal and interest payments on debt outstanding.

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

## County of Scott, Iowa

### Management's Discussion and Analysis (Unaudited) Year Ended June 30, 2011

#### Budgetary Highlights

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

- The total original revenue budget of \$76,831,356 was increased to \$78,035,144 (an increase of \$1,203,767) mainly due to an expected increase in intergovernmental grant revenue. Actual revenues received were \$77,367,064.
- The total original expenditure budget of \$78,870,615 was increased to \$86,881,123 (an increase of \$8,010,508) mainly for capital projects financed by the remaining funds from a previous year bond issue. Specifically, the additional expenditures relate to emergency equipment. Actual expenditures were \$80,504,629.
- The total original budget for transfers in and out of \$8,128,064 was increased to \$8,796,064 (an increase of \$668,000).

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

#### Capital Asset and Debt Administration

Capital assets: The County's investment in capital assets for its governmental and business-type activities as of June 30, 2011 and 2010, amounts to \$99,417,505 and \$104,844,964 (net of accumulated depreciation), respectively. This investment in capital assets includes land, buildings and improvements, equipment, infrastructure and construction-in-progress. The total decrease in capital assets for 2011 was 5.2 percent (a 5.4 percent decrease for governmental activities and a 8.2 percent increase for business-type activities). The total decrease in capital assets for 2010 was 6 percent (a 6 percent increase for governmental activities and a 3 percent decrease for business-type activities).

Major capital asset events during the current fiscal year ended June 30, 2011 included emergency equipment for SECC, county-wide VOIP phones, the final portion of Scott County Park pool and aquatic center renovations, major improvements to the Scott County Park St. Anne's Church, the remodel of Juvenile Court Services – which brought this department back to the County campus from a leased facility, as well as technology additions to several courtrooms in the County Courthouse.

Table 4 - County of Scott's Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 4,394,059	\$ 4,365,740	\$ 1,556,336	\$ 1,556,336	\$ 5,950,395	\$ 5,922,076
Construction-in-progress	4,421,553	10,341,643	-	-	4,421,553	10,341,643
Buildings	66,695,806	66,669,947	506,490	506,490	67,202,296	67,176,437
Improvements other than buildings	4,946,414	4,819,798	663,428	663,428	5,609,842	5,483,226
Infrastructure	88,224,817	80,969,658	62,374	62,374	88,287,191	81,032,032
Machinery and equipment	16,095,856	16,503,803	1,223,711	1,008,800	17,319,567	17,512,603
Accumulated depreciation	(87,586,815)	(80,881,865)	(1,786,524)	(1,741,188)	(89,373,339)	(82,623,053)
<b>Total</b>	<b>\$ 97,191,690</b>	<b>\$ 102,788,724</b>	<b>\$ 2,225,815</b>	<b>\$ 2,056,240</b>	<b>\$ 99,417,505</b>	<b>\$ 104,844,964</b>

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

County of Scott, Iowa

Management's Discussion and Analysis (Unaudited)  
Year Ended June 30, 2011

Debt: As of June 30, 2011, the County of Scott, Iowa had general obligation bonds outstanding totaling \$15,660,000, a lease agreement for the jail facility for \$22,410,000 and a purchase contract (business-type activities) outstanding for \$585,000. In the current year, the County governmental activities issued \$0 of new bonds and paid \$2,680,000 in principal and \$1,675,660 in interest on outstanding debt. Business-type activities paid \$270,000 in principal and \$49,919 in interest on outstanding debt in the current year.

Debt: As of June 30, 2010, the County of Scott, Iowa had general obligation bonds outstanding totaling \$17,190,000, a lease agreement for the jail facility for \$23,560,000 and a purchase contract (business-type activities) outstanding for \$855,000. In the current year, the County governmental activities issued \$13,200,000 of new bonds and paid \$4,885,000 in principal and \$1,562,013 in interest on outstanding debt. Business-type activities paid \$289,424 in principal and \$73,597 in interest on outstanding debt in the current year.

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

	2011	2010	Maturity
<b>Governmental activities:</b>			
General obligation bonds	\$ 15,660,000	\$ 17,190,000	2029
Lease agreement	22,410,000	23,560,000	2025
Total governmental activities	<u>\$ 38,070,000</u>	<u>\$ 40,750,000</u>	
Business-type activities, purchase contract and capital lease	<u>\$ 585,000</u>	<u>\$ 855,000</u>	2013

Additional information about the County's long-term debt can be found in Note 8 to the financial statements.



## County of Scott, Iowa

### Management's Discussion and Analysis (Unaudited) Year Ended June 30, 2011

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#### Economic Factors and Next Year's Budgets and Rates

- Scott County's urban levy rate remained unchanged for FY12. The rural county levy rate increased by 1.3 percent for the budget year ending June 30, 2012 due to the legal requirement of Road Use Tax (RUT) local effort match. The tax base for the County of Scott increased 4.2 percent over the previous year.
- Health care costs and personnel costs, which make up a significant portion of the County's operating costs, continue to be reasonably controlled and negotiated. The County's move to self funded health insurance has resulted in 24 months of zero increase in County insurance premiums. The County's bargaining units that were up for negotiation were settled for under 2.5% for FY12 and will be renegotiated for FY13.
- The County's revenues are stable but flat and continue to remain at all-time low levels. Scott County has adjusted expenditures to meet flat revenue projections. This has been done through efficiencies such as LEAN programs, as well as the "Wall of Savings." The County may face funding challenges as the State Legislature has passed a Mental Health reform legislation that eliminates County funding for MHDD services in 2013, but continues the County requirement to provide these services. The Legislature is also working toward various property tax reform measures.

All of these factors were considered in preparing the County of Scott, Iowa's budget for the June 30, 2012 fiscal year.

#### Requests for Information

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

County of Scott, Iowa

Statement of Net Assets  
June 30, 2011

Assets	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>Current assets:</b>				
Cash and investments	\$ 23,278,663	\$ 20,185	\$ 23,298,848	\$ 3,784,678
Cash and investments in escrow	-	324,407	324,407	-
Restricted cash and investments	210,592	-	210,592	-
Receivables:				
Property taxes	47,955,375	-	47,955,375	-
Accrued interest	517,923	-	517,923	-
Accounts	473,186	73,950	547,136	14,195
Loans	515,000	-	515,000	-
Due from other governmental agencies	1,950,333	-	1,950,333	6,300
Capital lease receivable from primary government	-	-	-	1,200,000
Prepays	109,106	-	109,106	-
Inventories	-	11,127	11,127	-
<b>Total current assets</b>	<b>75,010,177</b>	<b>429,669</b>	<b>75,439,846</b>	<b>5,005,173</b>
<b>Noncurrent assets:</b>				
Receivables:				
Notes	113,358	-	113,358	-
Loans	1,370,000	-	1,370,000	-
Capital lease receivable from primary government	-	-	-	21,210,000
Internal balances	3,720,324	(3,720,324)	-	-
Unamortized bond issuance costs	194,293	13,317	207,610	126,179
Capital assets:				
Not depreciated:				
Land	4,394,059	1,556,336	5,950,395	16,600
Construction-in-progress	4,421,553	-	4,421,553	10,947,315
Depreciated:				
Buildings	66,695,806	506,490	67,202,296	1,297,266
Improvements other than buildings	4,946,414	663,428	5,609,842	-
Infrastructure	88,224,817	62,374	88,287,191	-
Machinery and equipment	16,095,856	1,223,711	17,319,567	12,766,476
Less accumulated depreciation	(87,586,815)	(1,786,524)	(89,373,339)	(1,059,931)
<b>Total capital assets</b>	<b>97,191,690</b>	<b>2,225,815</b>	<b>99,417,505</b>	<b>23,967,726</b>
<b>Total noncurrent assets</b>	<b>102,589,665</b>	<b>(1,481,192)</b>	<b>101,108,473</b>	<b>45,303,905</b>
<b>Total assets</b>	<b>\$ 177,599,842</b>	<b>\$ (1,051,522)</b>	<b>\$ 176,548,320</b>	<b>\$ 50,309,078</b>

See Notes to Basic Financial Statements

Liabilities and Net Assets	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>Liabilities:</b>				
Accounts payable	\$ 5,007,302	\$ 34,643	\$ 5,041,945	\$ 710,875
Current portion of claims payable	997,562	-	997,562	-
Accrued liabilities	1,309,034	29,244	1,338,278	180,920
Interest payable	55,314	499,898	555,212	115,566
Unearned revenue	48,406,949	22,669	48,429,618	-
Compensated absences	1,338,672	16,878	1,355,550	134,143
Current portion of general obligation bonds	1,580,000	-	1,580,000	-
Current portion of capital lease payable to component unit	1,200,000	-	1,200,000	-
Current portion of purchase contract	-	285,000	285,000	-
Current portion of notes payable	-	-	-	451,240
Current portion of revenue bonds	-	-	-	1,200,000
<b>Total current liabilities</b>	<b>59,894,833</b>	<b>888,332</b>	<b>60,783,165</b>	<b>2,792,744</b>
<b>Noncurrent liabilities:</b>				
Claims payable	83,287	-	83,287	-
Compensated absences	1,435,557	28,247	1,463,804	104,919
Other post employment benefits obligation	294,352	-	294,352	2,601
General obligation bonds payable, net bond premium	14,135,824	-	14,135,824	-
Capital lease payable to component unit	21,210,000	-	21,210,000	-
Purchase contract	-	300,000	300,000	-
Note payable, net discount	-	-	-	10,020,204
Revenue bonds payable, net bond discount	-	-	-	21,030,567
<b>Total noncurrent liabilities</b>	<b>37,159,020</b>	<b>328,247</b>	<b>37,487,267</b>	<b>31,158,291</b>
<b>Total liabilities</b>	<b>97,053,853</b>	<b>1,216,579</b>	<b>98,270,432</b>	<b>33,951,035</b>
<b>Net assets (deficit):</b>				
Invested in capital assets, net of related debt	64,874,432	1,640,815	66,515,247	14,961,873
Restricted for:				
Debt service	2,503,008	-	2,503,008	-
County conservation sewage treatment	210,592	-	210,592	-
Lease purchase contract	-	324,407	324,407	-
Other statutory programs	783,546	-	783,546	-
Mental health	1,221,960	-	1,221,960	-
Secondary roads	885,011	-	885,011	-
Capital project, jail expansion	-	-	-	185,539
Unrestricted (deficit)	10,067,439	(4,233,323)	5,834,116	1,210,631
<b>Total net assets (deficit)</b>	<b>80,545,989</b>	<b>(2,268,101)</b>	<b>78,277,888</b>	<b>16,358,043</b>
<b>Total liabilities and net assets (deficit)</b>	<b>\$ 177,599,842</b>	<b>\$ (1,051,522)</b>	<b>\$ 176,548,320</b>	<b>\$ 50,309,078</b>

County of Scott, Iowa

Statement of Activities  
Year Ended June 30, 2011

Functions / Programs	Program Revenues			
	Expenses	Charges for Sales and Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities:				
Public safety and legal services	\$ 36,474,619	\$ 1,457,575	\$ 1,146,267	\$ -
Physical health and social services	5,695,818	376,158	2,073,061	-
Mental health	15,279,397	50,250	7,703,486	-
County environment and education	5,070,703	1,017,239	77,557	-
Roads and transportation	7,863,504	20,863	56,658	2,567,522
Government services to residents	2,117,384	2,469,734	187,182	-
Administration	11,500,872	267,955	1,234,744	-
Interest on long-term debt	1,674,554	-	403,261	-
<b>Total governmental activities</b>	<b>85,676,851</b>	<b>5,659,774</b>	<b>12,882,216</b>	<b>2,567,522</b>
Business-Type activities, golf	949,850	1,077,731	-	-
<b>Total primary government</b>	<b>\$ 86,626,701</b>	<b>\$ 6,737,505</b>	<b>\$ 12,882,216</b>	<b>\$ 2,567,522</b>
<b>Component Units</b>				
Emergency Management Agency	\$ 175,236	\$ 55,666	\$ -	\$ -
County Library	1,071,665	1,038,191	-	-
Public Safety Authority	996,666	-	-	-
Scott Emergency Communication Center	6,294,313	-	7,092,023	12,157,681
<b>Total component units</b>	<b>\$ 8,537,880</b>	<b>\$ 1,093,857</b>	<b>\$ 7,092,023</b>	<b>\$ 12,157,681</b>
<b>General Revenues</b>				
Taxes:				
Property taxes				
Local option sales tax				
Gaming				
Other taxes				
Utility tax replacements				
Penalties, interest and costs on taxes				
State tax replacement credits, unrestricted				
State shared revenues, unrestricted				
Payments in lieu of taxes				
Investment earnings				
Miscellaneous				
<b>Total general revenues</b>				
Changes in net assets				
Net assets (deficit), beginning of year				
Net assets (deficit), end of year				

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
\$ (33,870,777)	\$ -	\$ (33,870,777)	\$ -
(3,246,599)	-	(3,246,599)	-
(7,525,661)	-	(7,525,661)	-
(3,975,907)	-	(3,975,907)	-
(5,218,461)	-	(5,218,461)	-
539,532	-	539,532	-
(9,998,173)	-	(9,998,173)	-
(1,271,293)	-	(1,271,293)	-
(64,567,339)	-	(64,567,339)	-
-	127,881	127,881	-
(64,567,339)	127,881	(64,439,458)	-
			(119,570)
			(33,474)
			(996,666)
			12,955,391
			11,805,681
43,052,682	-	43,052,682	-
3,863,574	-	3,863,574	-
584,582	-	584,582	-
68,512	-	68,512	-
1,539,020	-	1,539,020	-
791,685	-	791,685	-
4,930,224	-	4,930,224	-
2,775,120	-	2,775,120	-
6,782	-	6,782	-
228,038	-	228,038	987,854
1,102,391	-	1,102,391	81,481
58,942,610	-	58,942,610	1,069,335
(5,624,729)	127,881	(5,496,848)	12,875,016
86,170,718	(2,395,982)	83,774,736	3,483,027
\$ 80,545,989	\$ (2,268,101)	\$ 78,277,888	\$ 16,358,043

County of Scott, Iowa

Balance Sheet  
 Governmental Funds  
 June 30, 2011

	General	Mental Health/ Development Disabilities
<b>Assets</b>		
Cash and investments	\$ 12,094,536	\$ 3,266,601
Restricted cash	210,592	-
Receivables, net of allowance for uncollectibles:		
Property taxes, net of allowance for collection losses	40,721,469	3,262,766
Accrued interest	517,923	-
Accounts	448,999	13,929
Loans	-	-
Notes	113,358	-
Advance to other funds	3,720,324	-
Prepays	109,106	-
Due from other governmental agencies	1,605,170	121,162
<b>Total assets</b>	<b>\$ 59,541,477</b>	<b>\$ 6,664,458</b>
<b>Liabilities and Fund Balances</b>		
Liabilities:		
Accounts payable	\$ 1,448,847	\$ 2,156,023
Claims payable	50,771	-
Accrued liabilities	1,186,392	23,819
Deferred revenue	41,977,207	3,262,656
<b>Total liabilities</b>	<b>44,663,217</b>	<b>5,442,498</b>
Fund balances;		
Nonspendable		
Advances	3,720,324	-
Notes receivable	113,358	-
Prepays	109,106	-
Restricted		
Debt Service	-	-
County conservation sewage treatment	210,592	-
Capital projects	-	-
Other statutory programs	783,546	-
Committed		
Records management fee	-	-
Assigned		
Mental health/development disabilities	-	1,221,960
Secondary Roads	-	-
Other capital projects	-	-
Rural services	-	-
Claim liabilities	694,052	-
Unassigned	9,247,282	-
<b>Total fund balances</b>	<b>14,878,260</b>	<b>1,221,960</b>
<b>Total liabilities and fund balances</b>	<b>\$ 59,541,477</b>	<b>\$ 6,664,458</b>

See Notes to Basic Financial Statements

Secondary Roads	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
\$ 947,320	\$ 4,388,910	\$ 673,286	\$ 130,237	\$ 21,500,890
-	-	-	-	210,592
-	-	1,356,859	2,614,281	47,955,375
-	-	-	-	517,923
-	10,013	-	245	473,186
-	-	1,885,000	-	1,885,000
-	-	-	-	113,358
-	-	-	-	3,720,324
-	-	-	-	109,106
223,009	992	-	-	1,950,333
<u>\$ 1,170,329</u>	<u>\$ 4,399,914</u>	<u>\$ 3,915,145</u>	<u>\$ 2,744,763</u>	<u>\$ 78,436,086</u>
\$ 186,495	\$ 1,213,892	\$ -	\$ -	\$ 5,005,257
-	-	-	-	50,771
98,823	-	-	-	1,309,034
-	-	1,356,823	2,614,147	49,210,833
<u>285,318</u>	<u>1,213,892</u>	<u>1,356,823</u>	<u>2,614,147</u>	<u>55,575,895</u>
-	-	-	-	3,720,324
-	-	-	-	113,358
-	-	-	-	109,106
-	-	2,558,322	-	2,558,322
-	-	-	-	210,592
-	1,712,860	-	-	1,712,860
-	-	-	-	783,546
-	-	-	72,687	72,687
-	-	-	-	1,221,960
885,011	-	-	-	885,011
-	1,473,162	-	-	1,473,162
-	-	-	57,929	57,929
-	-	-	-	694,052
-	-	-	-	9,247,282
<u>885,011</u>	<u>3,186,022</u>	<u>2,558,322</u>	<u>130,616</u>	<u>22,860,191</u>
<u>\$ 1,170,329</u>	<u>\$ 4,399,914</u>	<u>\$ 3,915,145</u>	<u>\$ 2,744,763</u>	<u>\$ 78,436,086</u>





County of Scott, Iowa

**Reconciliation of Total Governmental Fund Balances  
to Net Assets of Governmental Activities  
June 30, 2011**

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Total governmental fund balances		\$	22,860,191
Amounts reported for governmental activities are not financial resources and, therefore, are not reported in the funds:			
Land	\$	4,394,059	
Construction-in-progress		4,421,553	
Buildings		66,695,806	
Improvements other than buildings		4,946,414	
Infrastructure		88,224,817	
Machinery and equipment		16,095,856	
Accumulated depreciation		<u>(87,586,815)</u>	97,191,690
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:			
Deferred revenues			803,884
Internal service funds are used by management to charge costs associated with self-insured health insurance. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. Internal service fund net assets are:			
			1,388,932
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:			
Claims payable		(643,282)	
Compensated absences		(2,774,229)	
Other post employment benefits obligation		(294,352)	
Accrued interest payable		(55,314)	
Capital lease payable to component unit		(22,410,000)	
Bond issuance costs		194,293	
Bond premium		(55,824)	
General obligation bonds payable		<u>(15,660,000)</u>	(41,698,708)
<b>Net assets of governmental activities</b>			<u>\$ 80,545,989</u>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 Year Ended June 30, 2011

	General	Mental Health/ Development Disabilities
Revenues:		
Property taxes	\$ 36,371,838	\$ 3,050,568
Local option sales tax	3,863,574	-
Other taxes	1,375,166	114,363
Interest and penalties on taxes	791,685	-
Intergovernmental	5,569,419	11,682,364
Charges for services	4,901,934	50,250
Investment earnings	203,117	-
Licenses and permits	652,664	-
Rentals and fees	188,240	-
Other	654,097	46,682
<b>Total revenues</b>	<u>54,571,733</u>	<u>14,944,228</u>
Expenditures:		
Current:		
Public safety and legal services	26,494,923	-
Physical health and social services	6,511,764	-
Mental health	-	15,221,435
County environment and education	3,989,186	-
Roads and transportation	-	-
Government services to residents	2,022,332	-
Administration	9,094,997	-
Capital outlay	-	-
Debt service		
Principal	1,150,000	-
Interest and fees	968,430	-
<b>Total Expenditures</b>	<u>50,231,633</u>	<u>15,221,435</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>4,340,100</u>	<u>(277,207)</u>
Other financing sources (uses):		
Transfers in	4,412,208	-
Transfers out	(6,397,844)	-
Proceeds from sale of capital assets	-	-
<b>Total other financing sources (uses)</b>	<u>(1,985,636)</u>	<u>-</u>
<b>Net change in fund balances</b>	2,354,464	(277,207)
Fund balances, beginning of year	12,523,796	1,499,167
Fund balances, end of year	<u>\$ 14,878,260</u>	<u>\$ 1,221,960</u>

See Notes to Basic Financial Statements.

Secondary Roads	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
\$ -	\$ -	\$ 1,402,731	\$ 2,273,419	\$ 43,098,556
-	-	-	-	3,863,574
-	584,582	49,729	68,275	2,192,115
-	-	-	-	791,685
2,822,547	10,230	434,402	76,377	20,595,340
6,900	-	-	34,064	4,993,149
-	18,355	-	382	221,853
13,963	-	-	-	666,627
-	-	-	-	188,240
37,545	17,602	-	-	755,925
2,880,955	630,769	1,886,862	2,452,517	77,367,064
-	-	-	-	26,494,923
-	-	-	-	6,511,764
-	-	-	-	15,221,435
-	-	-	525,910	4,515,096
4,540,044	-	-	-	4,540,044
-	-	-	-	2,022,332
-	-	-	-	9,094,997
516,532	7,231,845	-	-	7,748,377
-	-	1,530,000	-	2,680,000
-	-	707,230	-	1,675,660
5,056,576	7,231,845	2,237,230	525,910	80,504,629
(2,175,621)	(6,601,076)	(350,368)	1,926,607	(3,137,565)
2,627,019	1,394,357	-	-	8,433,584
-	(12,208)	-	(2,023,532)	(8,433,584)
63,009	94,200	-	-	157,209
2,690,028	1,476,349	-	(2,023,532)	157,209
514,407	(5,124,727)	(350,368)	(96,925)	(2,980,356)
370,604	8,310,749	2,908,690	227,541	25,840,547
\$ 885,011	\$ 3,186,022	\$ 2,558,322	\$ 130,616	\$ 22,860,191



County of Scott, Iowa

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities  
Year Ended June 30, 2011

Net change in fund balances - governmental funds \$ (2,980,356)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the detail of the amount by which capital outlays exceeded depreciation in the current year:

Capital outlay capitalized		3,997,575
Capital assets transferred to EMA (SECC)		(4,012,655)
Depreciation		
Public safety and legal services	\$ (1,270,787)	
Physical health and social services	(19,424)	
Mental health	(50,394)	
County environment and education	(658,089)	
Roads and transportation	(3,930,497)	
Governmental services to residents	(62,343)	
Administration	<u>(1,254,550)</u>	(7,246,084)

Net book value of capital assets retired (903,394)

Capital contribution 2,567,522

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (45,875)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities 917,970

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

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

Repayment of bond principal and capital lease	2,680,000
Interest expense	3,622
Amortization of bond premium and bond issuance costs	(33,006)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in claims payable	(129,255)
Change in compensated absences	(346,206)
Change in other post employment benefits obligation	(94,588)
<b>Change in net assets of governmental activities</b>	<u>\$ (5,624,729)</u>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Net Assets (Deficit)  
 Proprietary Funds  
 June 30, 2011

	Business-Type Activities Enterprise Fund - Golf Course	Governmental Activities Internal Service Funds
<b>Assets</b>		
Current assets:		
Cash and investments	\$ 20,185	\$ 1,777,773
Cash and investments in escrow	324,407	-
Receivables, accounts	73,950	-
Inventories	11,127	-
<b>Total current assets</b>	<u>429,669</u>	<u>1,777,773</u>
Noncurrent assets:		
Unamortized bond issuance costs	13,317	-
Capital assets:		
Land	1,556,336	-
Buildings	506,490	-
Improvements other than buildings	663,428	-
Infrastructure	62,374	-
Machinery and equipment	1,223,711	-
Less accumulated depreciation	(1,786,524)	-
<b>Total capital assets</b>	<u>2,225,815</u>	<u>-</u>
<b>Total noncurrent assets</b>	<u>2,239,132</u>	<u>-</u>
<b>Total assets</b>	<u>\$ 2,668,802</u>	<u>\$ 1,777,773</u>
<b>Liabilities and Net Assets (Deficit)</b>		
Current liabilities:		
Accounts payable	\$ 34,643	\$ 2,045
Claims payable	-	386,796
Accrued liabilities	29,244	-
Interest payable	499,898	-
Unearned revenue	22,669	-
Compensated absences	16,878	-
Current portion of purchase contract	285,000	-
<b>Current total liabilities</b>	<u>888,332</u>	<u>388,841</u>
Noncurrent liabilities		
Compensated absences	28,247	-
Advance from other funds	3,720,324	-
Purchase contract, noncurrent portion	300,000	-
<b>Total noncurrent liabilities</b>	<u>4,048,571</u>	<u>-</u>
<b>Total liabilities</b>	<u>4,936,903</u>	<u>388,841</u>
Net assets (deficit):		
Invested in capital assets, net of related debt	1,640,815	-
Restricted for lease purchase contract	324,407	-
Unrestricted (deficit)	(4,233,323)	1,388,932
<b>Total net assets (deficit)</b>	<u>(2,268,101)</u>	<u>1,388,932</u>
<b>Total liabilities and net assets (deficit)</b>	<u>\$ 2,668,802</u>	<u>\$ 1,777,773</u>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Revenues, Expenses and Changes in Net Assets (Deficit)  
 Proprietary Funds  
 Year Ended June 30, 2011

	Business-Type Activities <u>Enterprise Fund - Golf Course</u>	Governmental Activities <u>Internal Service Funds</u>
Operating revenues:		
Charges for services	\$ 767,537	\$ 5,633,169
Sales, net of cost of goods sold of \$64,895	132,504	-
Other	177,690	-
<b>Total operating revenues</b>	<u>1,077,731</u>	<u>5,633,169</u>
Operating expenses:		
Personnel	562,750	-
Depreciation	45,336	-
Claims and administrative charges	-	4,721,384
Other	284,581	-
<b>Total operating expenses</b>	<u>892,667</u>	<u>4,721,384</u>
<b>Operating income</b>	<u>185,064</u>	<u>911,785</u>
Nonoperating revenues (expenses):		
Investment earnings	-	6,185
Interest expense	(57,183)	-
<b>Total nonoperating revenues (expenses)</b>	<u>(57,183)</u>	<u>6,185</u>
<b>Change in net assets</b>	127,881	917,970
Total net assets (deficit), beginning of year	(2,395,982)	470,962
Total net assets (deficit), end of year	<u>\$ (2,268,101)</u>	<u>\$ 1,388,932</u>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Statement of Cash Flows  
 Proprietary Funds  
 Year Ended June 30, 2011

	Business-Type Activities Enterprise Fund - Golf Course	Governmental Activities Internal Service Funds
Cash flows from operating activities:		
Cash received from customers	\$ 1,120,786	\$ 5,633,169
Customer deposits paid	(900)	-
Cash payments to suppliers for goods and services	(312,841)	(4,649,584)
Cash payments to employees for services	(593,555)	-
<b>Net cash from operating activities</b>	<u>213,490</u>	<u>983,585</u>
Cash flows from capital and related financing activities:		
Payments of purchase contract	(270,000)	-
Purchase of capital assets	(214,911)	-
Interest paid on purchase contract and capital lease	(53,009)	-
<b>Net cash from capital and related financing activities</b>	<u>(537,920)</u>	<u>-</u>
Cash flows from noncapital financing activities, advance from other funds	<u>323,010</u>	<u>-</u>
Cash flows from investing activities, interest received	<u>-</u>	<u>6,185</u>
<b>Net increase in cash and cash equivalents</b>	(1,420)	989,770
Cash and cash equivalents:		
Beginning	346,012	788,003
Ending	<u>\$ 344,592</u>	<u>\$ 1,777,773</u>
Reconciliation of operating income to net cash from operating activities:		
Operating income	\$ 185,064	\$ 911,785
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation	45,336	-
Changes in assets and liabilities:		
Receivables	(21,840)	-
Inventories	(4,600)	-
Accounts payable	3,950	2,045
Claims payable	-	69,755
Accrued compensation	2,897	-
Compensated absences	3,583	-
Customer deposits	(900)	-
<b>Net cash from operating activities</b>	<u>\$ 213,490</u>	<u>\$ 983,585</u>
Noncash capital and related financing activities, amortization of bond issuance costs and discount on purchase contract	<u>\$ 7,264</u>	<u>\$ -</u>

See Notes to Basic Financial Statements.



County of Scott, Iowa

Statement of Assets and Liabilities

Agency Funds

June 30, 2011

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**Assets**

Cash and investments	\$	9,188,014
Receivables:		
Property taxes		225,579,079
Accounts		11,764
<b>Total assets</b>	<b>\$</b>	<b>234,778,857</b>

**Liabilities**

Accounts payable	\$	414,092
Due to other governmental agencies		233,954,171
Due to private individuals		410,593
<b>Total liabilities</b>	<b>\$</b>	<b>234,778,857</b>

See Notes to Basic Financial Statements.



County of Scott, Iowa

Statement of Net Assets  
Discretely Presented Component Units  
June 30, 2011

	Emergency Management Agency	County Library	Public Safety Authority	Scott Emergency Communication Center	Total
<b>Assets</b>					
Current assets:					
Cash and investments	\$ 192,266	\$ 195,102	\$ 134,876	\$ 3,262,434	\$ 3,784,678
Receivables:					
Accounts	12,684	1,511	-	-	14,195
Due from other governmental agencies	-	-	-	6,300	6,300
Capital lease receivable from primary government	-	-	1,200,000	-	1,200,000
<b>Total current assets</b>	<b>204,950</b>	<b>196,613</b>	<b>1,334,876</b>	<b>3,268,734</b>	<b>5,005,173</b>
Noncurrent assets:					
Capital lease receivable from primary government	-	-	21,210,000	-	21,210,000
Bond issuance costs	-	-	78,965	47,214	126,179
Capital assets:					
Land	-	16,600	-	-	16,600
Construction in progress	-	-	-	10,947,315	10,947,315
Buildings	-	1,297,266	-	-	1,297,266
Machinery and Equipment	623,067	180,005	-	11,963,404	12,766,476
Accumulated depreciation	(208,002)	(449,276)	-	(402,653)	(1,059,931)
<b>Total capital assets, net</b>	<b>415,065</b>	<b>1,044,595</b>	<b>-</b>	<b>22,508,066</b>	<b>23,967,726</b>
<b>Total noncurrent assets</b>	<b>415,065</b>	<b>1,044,595</b>	<b>21,288,965</b>	<b>22,555,280</b>	<b>45,303,905</b>
<b>Total assets</b>	<b>\$ 620,015</b>	<b>\$ 1,241,208</b>	<b>\$ 22,623,841</b>	<b>\$ 25,824,014</b>	<b>\$ 50,309,078</b>
<b>Liabilities and Net Assets</b>					
Current liabilities:					
Accounts payable	\$ 779	\$ 9,722	\$ 130,626	\$ 569,748	\$ 710,875
Accrued liabilities	3,426	29,293	-	148,201	180,920
Interest payable	-	-	77,109	38,457	115,566
Compensated absences	5,732	30,958	-	97,453	134,143
Current portion revenue bonds payable	-	-	1,200,000	-	1,200,000
Current portion notes payable	-	-	-	451,240	451,240
<b>Total current liabilities</b>	<b>9,937</b>	<b>69,973</b>	<b>1,407,735</b>	<b>1,305,099</b>	<b>2,792,744</b>
Noncurrent liabilities:					
Compensated absences	11,664	14,956	-	78,299	104,919
Other post employment benefits obligation	2,492	(3,969)	-	4,078	2,601
Revenue bonds payable, net bond discount	-	-	21,030,567	-	21,030,567
Notes payable, net discount	-	-	-	10,020,204	10,020,204
<b>Total noncurrent liabilities</b>	<b>14,156</b>	<b>10,987</b>	<b>21,030,567</b>	<b>10,102,581</b>	<b>31,158,291</b>
<b>Total liabilities</b>	<b>24,093</b>	<b>80,960</b>	<b>22,438,302</b>	<b>11,407,680</b>	<b>33,951,035</b>
<b>Net Assets:</b>					
Invested in capital assets, net of related debt	415,065	1,044,595	-	13,502,213	14,961,873
Restricted for capital projects	-	-	185,539	-	185,539
Unrestricted	180,857	115,653	-	914,121	1,210,631
<b>Total net assets</b>	<b>595,922</b>	<b>1,160,248</b>	<b>185,539</b>	<b>14,416,334</b>	<b>16,358,043</b>
<b>Total liabilities and net assets</b>	<b>\$ 620,015</b>	<b>\$ 1,241,208</b>	<b>\$ 22,623,841</b>	<b>\$ 25,824,014</b>	<b>\$ 50,309,078</b>

See Notes to Basic Financial Statements.

County of Scott, Iowa

Combining Statement of Activities  
Discretely Presented Component Units  
Year Ended June 30, 2011

	Expenses	Program Revenues		
		Charges for Sales and Services	Operating Grants and Contributions	Capital Grants and Contributions
Emergency Management Agency				
Public safety and legal services	\$ 175,236	\$ 55,666	\$ -	\$ -
County Library				
County environment and education	1,071,665	1,038,191	-	-
Public Safety Authority				
Public safety and legal services	996,666	-	-	-
Scott Emergency Communication Center				
Government services to residents	6,294,313	-	7,092,023	12,157,681
<b>Total component units</b>	<b>\$ 8,537,880</b>	<b>\$ 1,093,857</b>	<b>\$ 7,092,023</b>	<b>\$ 12,157,681</b>

**General Revenues**

Interest earnings

Miscellaneous

**Total general revenues**

Changes in net assets

Net assets, beginning of year

Net assets, end of year

See Notes to Basic Financial Statements

Net (Expense) Revenue and Changes in Net Assets

Emergency Management Agency	County Library	Public Safety Authority	Scott Emergency Communication Center	Total
\$ (119,570)	\$ -	\$ -	\$ -	\$ (119,570)
-	(33,474)	-	-	(33,474)
-	-	(996,666)	-	(996,666)
-	-	-	12,955,391	12,955,391
(119,570)	(33,474)	(996,666)	12,955,391	11,805,681
-	-	968,430	19,424	987,854
51,174	8,382	-	21,925	81,481
51,174	8,382	968,430	41,349	1,069,335
(68,396)	(25,092)	(28,236)	12,996,740	12,875,016
664,318	1,185,340	213,775	1,419,594	3,483,027
\$ 595,922	\$ 1,160,248	\$ 185,539	\$ 14,416,334	\$ 16,358,043

## County of Scott, Iowa

### Notes To Basic Financial Statements

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

##### **Nature of operations:**

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

##### **Financial reporting entity:**

In accordance with the Codification of Governmental Accounting and Financial Reporting Standards, the basic financial statements include all funds, organizations, agencies, boards, commissions and authorities for which the County is financially accountable. The County has also considered all other potential organizations for which the nature and significance of their relationships with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a majority of an organization's governing body, and (1) the ability of the County to impose its will on that organization or (2) the potential for that organization to provide specific benefits to or impose specific financial burdens on the County. Based on these criteria, the County is presented as a primary government and includes the following component units because of their operational significance and relationship with the County. The organizations provide specific benefits to the County. All of the component units have a June 30 year-end and are considered discretely presented component units. Discretely presented component units are as follows:

Emergency Management Agency: The Scott County Emergency Management Commission provides direction for the delivery of the emergency management services of planning, administration, coordination, training and support for local governments and their departments. The Commission coordinates its services in the event of a disaster. The Commission receives its funding from the federal government, public utility companies and voluntary allocations from the participating governments. The Code of Iowa provides for circumstances whereby the Commission can create a potential financial burden or benefit on the County.

County Library: The Scott County Library Board of Trustees provides library services to all the cities within Scott County with the exception of the City of Bettendorf, the City of LaClaire and the City of Davenport. In addition, the Library provides services to the unincorporated residents of Scott County and also to the citizens of the City of Durant through a contractual arrangement. The Trustees annually direct the Board of Supervisors to levy property taxes to the unincorporated area, in addition to providing tax levying amounts to each of the participating cities. The Board of Trustees is appointed by the Board of Supervisors and the Code of Iowa provides for circumstances whereby the Library can create a potential financial burden or benefit on the County.

## County of Scott, Iowa

### Notes To Basic Financial Statements

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

Public Safety Authority: The Public Safety Authority (PSA) is responsible for the jail expansion project through the issuance of revenue bonds. The jail expansion will provide holding cells and a centralized booking area to the County and the City of Davenport. The Authority entered into a lease with the County to provide the funding necessary for the bond repayment schedule. Although the PSA has a jointly appointed Board by the County and the City of Davenport, it is considered a component unit of the County because it would be misleading to exclude due to the PSA being fiscally dependent on the lease payments from the County, making the County financially accountable for the PSA.

Scott Emergency Communication Center: The Scott Emergency Communication Center (SECC) provides public safety dispatch and communication services for all participating public safety answering points to improve services to the citizens of the County. Although the SECC has a jointly appointed Board by the members, it is considered a component unit of the County due to the Code of Iowa providing for circumstances whereby the SECC can create a potential financial burden or benefit on the County.

None of the individual component units issue separate financial statements.

In addition, the GASB issued Statement No. 39, in May 2002, which sets forth additional criteria to determine whether certain organizations for which the County is not financially accountable should be reported as component units based on the nature and significance of their relationship with the County. These criteria include 1) the economic resources being received or held by the separate organization being entirely or almost entirely for the direct benefit of the County, its component units, or its constituents, 2) the County being entitled to, or having the ability to otherwise access, a majority of the economic resources received or held by the County and 3) the economic resources received or held by an individual organization that the County is entitled to, or has the ability to otherwise access, are significant to the County. Based on these additional criteria, there are no additional organizations which should be included in these basic financial statements.

#### **Basis of presentation:**

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

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

Notes To Basic Financial Statements

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

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

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

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

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

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

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

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

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

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



## County of Scott, Iowa

### Notes To Basic Financial Statements

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

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

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

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

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

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

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

The following is the County's major Enterprise Fund:

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

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

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

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

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

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

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

## County of Scott, Iowa

### Notes To Basic Financial Statements

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

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

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

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

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

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

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

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

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

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

**Measurement focus and basis of accounting:**

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

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

## County of Scott, Iowa

### Notes To Basic Financial Statements

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

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

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

Property taxes are recognized as a receivable at the time an enforceable legal claim is established. This is determined to occur when the budget is certified and approved by the state of Iowa. The current tax levy recognized in revenue was certified in May 2010, based on the 2009 assessed valuations. These taxes are due in two installments, on September 30 and March 31, with a 1.5 percent per month penalty for delinquent payment.

The business-type activities and enterprise funds follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board guidance issued after November 30, 1989.

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

#### **Significant accounting policies:**

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

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

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

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

County of Scott, Iowa

Notes To Basic Financial Statements

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

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

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

Capital assets: Capital assets, including land, construction-in-progress, buildings, improvements other than buildings, machinery and equipment, and infrastructure are reported in the applicable governmental or business type activities columns in the government-wide financial statements. Infrastructure also includes assets acquired prior to June 30, 1980. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an initial useful life of one year or greater. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

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

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

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

Buildings	50 years
Improvements other than buildings	20 years
Infrastructure	10 - 100 years
Machinery and equipment	5 - 20 years

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

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

## County of Scott, Iowa

### Notes To Basic Financial Statements

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

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

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

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

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

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

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

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

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

## County of Scott, Iowa

### Notes To Basic Financial Statements

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

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

- **Nonspendable** – Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- **Restricted** – Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- **Committed** – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (ordinance, resolution, motion) of the County. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the County that originally created the commitment.
- **Assigned** – Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) the County has adopted a financial policy authorizing the County Administrator to assign amounts for a specific purpose. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the reporting period.
- **Unassigned** – Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

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

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

## County of Scott, Iowa

### Notes To Basic Financial Statements

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

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

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

Budgetary information: Budgets are prepared using the same accounting basis and practices as are used to account for and prepare financial reports for the funds; thus, budgets presented in this report for comparison to actual amounts are presented in accordance with accounting principles generally accepted in the United States of America.

The County uses the following procedures when establishing their operational budget:

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

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

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

In addition, the County Board must appropriate, by resolution, the budgets for each of the different County offices and departments. Emphasis is placed on monitoring budgets at the departmental level by major class of expenditures, rather than by line item expenditure. County management can approve budget shifts within the major classes but not between major classes. During the year, there were two budget amendments adopted in March 2011 and May 2011.

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

## County of Scott, Iowa

### Notes To Basic Financial Statements

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#### Note 2. Deficit Net Assets

The Glynn's Creek Golf Course Enterprise Fund had a net asset deficit of \$2,268,101 as of June 30, 2011. The deficit is expected to be eliminated through future earnings of the golf course.

#### Note 3. Deposits and Investments

As of June 30, 2011, the County's cash and investments were as follows:

Cash on hand and deposits with financial institutions	\$ 23,509,440
Investments	324,407
Cash on hand and deposits with financial institutions, discretely presented component units	3,784,678
Cash on hand and deposits with financial institutions, agency funds	9,188,014
	<u>\$ 36,806,539</u>

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

As of June 30, 2011, the County did not have any investments subject to interest rate risk.

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

As of June 30, 2011, the County did not have any investments subject to credit risk.

Custodial credit risk: For deposits, this is the risk that in the event of bank failure, the County's deposits may not be returned to it. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Chapter 12C of the Code of Iowa requires all County funds be deposited into an approved depository and be either insured or collateralized. As of June 30, 2011, the County had \$324,507 investments exposed to custodial credit risk. There were no deposits exposed to custodial credit risk.



County of Scott, Iowa

Notes To Basic Financial Statements

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**Note 4. Interfund Account Balances**

Advances from and to other funds as of June 30, 2011 were as follows:

	Advances To Other Funds	Advances From Other Funds
General Fund	\$ 3,720,324	\$ -
Glynn's Creek Golf Course Enterprise Fund	-	3,720,324
	<u>\$ 3,720,324</u>	<u>\$ 3,720,324</u>

Advances include interfund loans for annual operating costs. Any excess funds generated by the golf course are used to repay this advance. Of the balance reported, \$3,720,324 is considered to be non-current.

**Note 5. Interfund Transfers**

The following is a schedule of interfund transfers:

	Transfers In	Transfers Out
Governmental activities:		
Major governmental funds:		
General	\$ 4,412,208	\$ 6,397,844
Secondary roads	2,627,019	-
Capital projects	1,394,357	12,208
Nonmajor governmental funds:		
Rural services	-	1,971,503
Recorders management fees	-	52,029
<b>Total governmental activities</b>	<u>\$ 8,433,584</u>	<u>\$ 8,433,584</u>

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

**Note 6. Note Receivable**

The County issued a note to Greater Davenport Redevelopment Corporation (GDRC) for the purpose of funding operating expenses. During 2008, the County modified the agreement, which increased the principal amount to \$116,175 and decreased the interest rate to 0 percent. The note is due upon the sale or conveyance by GDRC of any lot or parcel at a rate of \$688.75 per acre sold. As of June 30, 2011, the outstanding balance was \$113,358 and there are approximately 165 acres to be sold.

Scott County has entered into a subordination agreement with Wells Fargo in regards to the GDRC note. This subordination agreement states that if GDRC defaults on their loan of \$400,000 with Wells Fargo, the County will be unable to collect the \$113,358 note receivable; therefore, the note receivable has been presented as a noncurrent asset.

County of Scott, Iowa

Notes To Basic Financial Statements

Note 7. Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2011:

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 4,365,740	\$ 28,319	\$ -	\$ 4,394,059
Construction in progress	10,341,643	4,102,136	(10,022,226)	4,421,553
<b>Total Capital Assets Not Being Depreciated</b>	<u>14,707,383</u>	<u>4,130,455</u>	<u>(10,022,226)</u>	<u>8,815,612</u>
Capital assets being depreciated				
Buildings	66,669,947	60,859	(35,000)	66,695,806
Improvements other than buildings	4,819,798	126,616	-	4,946,414
Infrastructure	80,969,658	7,255,159	-	88,224,817
Machinery and equipment	16,503,803	1,001,581	(1,409,528)	16,095,856
<b>Total Capital Assets Being Depreciated</b>	<u>168,963,206</u>	<u>8,444,215</u>	<u>(1,444,528)</u>	<u>175,962,893</u>
Less: accumulated depreciation for				
Buildings	21,023,103	2,340,579	(9,858)	23,353,824
Improvements other than buildings	1,198,674	271,132	-	1,469,806
Infrastructure	48,021,578	3,453,585	-	51,475,163
Machinery and equipment	10,638,510	1,180,788	(531,276)	11,288,022
<b>Total Accumulated Depreciation</b>	<u>80,881,865</u>	<u>7,246,084</u>	<u>(541,134)</u>	<u>87,586,815</u>
<b>Total Capital Assets Being Depreciation</b>	<u>88,081,341</u>	<u>1,198,131</u>	<u>(903,394)</u>	<u>88,376,078</u>
<b>Total Governmental Activities         Capital Assets, Net of Depreciation</b>	<u>\$ 102,788,724</u>	<u>\$ 5,328,586</u>	<u>\$ (10,925,620)</u>	<u>\$ 97,191,690</u>
<b>Business-Type Activities</b>				
Capital assets not being depreciated				
Land	\$ 1,556,336	\$ -	\$ -	\$ 1,556,336
Capital assets being depreciated				
Buildings	506,490	-	-	506,490
Improvements other than buildings	663,428	-	-	663,428
Infrastructure	62,374	-	-	62,374
Machinery and equipment	1,008,800	214,911	-	1,223,711
<b>Total Capital Assets Being Depreciated</b>	<u>2,241,092</u>	<u>214,911</u>	<u>-</u>	<u>2,456,003</u>
Less: accumulated depreciation for				
Buildings	175,090	10,130	-	185,220
Improvements other than buildings	579,653	12,376	-	592,029
Infrastructure	62,374	-	-	62,374
Machinery and equipment	924,071	22,830	-	946,901
<b>Total Accumulated Depreciation</b>	<u>1,741,188</u>	<u>45,336</u>	<u>-</u>	<u>1,786,524</u>
<b>Total Capital Assets Being Depreciation</b>	<u>499,904</u>	<u>169,575</u>	<u>-</u>	<u>669,479</u>
<b>Business-Type Activities         Capital Assets, Net of Depreciation</b>	<u>\$ 2,056,240</u>	<u>\$ 169,575</u>	<u>\$ -</u>	<u>\$ 2,225,815</u>

County of Scott, Iowa

Notes To Basic Financial Statements

**Note 7. Capital Assets (Continued)**

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

<b>Discretely Presented Component Units</b>	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
Capital assets not being depreciated				
Land	\$ 16,600	\$ -	\$ -	\$ 16,600
Construction in progress	5,181,278	9,264,713	(3,498,676)	10,947,315
<b>Total Capital Assets Not Being Depreciated</b>	<u>5,197,878</u>	<u>9,264,713</u>	<u>(3,498,676)</u>	<u>10,963,915</u>
Capital assets being depreciated				
Buildings	1,297,266	-	-	1,297,266
Machinery and equipment	1,635,474	11,131,002	-	12,766,476
<b>Total Capital Assets Being Depreciated</b>	<u>2,932,740</u>	<u>11,131,002</u>	<u>-</u>	<u>14,063,742</u>
Less: accumulated depreciation for				
Buildings	246,821	33,518	-	280,339
Machinery and equipment	302,780	476,812	-	779,592
<b>Total Accumulated Depreciation</b>	<u>549,601</u>	<u>510,330</u>	<u>-</u>	<u>1,059,931</u>
<b>Total Capital Assets Being Depreciation</b>	<u>2,383,139</u>	<u>10,620,672</u>	<u>-</u>	<u>13,003,811</u>
<b>Total Governmental Activities</b>				
<b>Capital Assets, Net of Depreciation</b>	<u>\$ 7,581,017</u>	<u>\$19,885,385</u>	<u>\$ (3,498,676)</u>	<u>\$ 23,967,726</u>

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

Governmental Activities:	
Public safety and legal services	\$ 1,270,787
Physical health and social services	19,424
Mental health	50,394
County environment and education	658,089
Roads and transportation	3,930,497
Governmental services to residents	62,343
Administration	1,254,550
<b>Total Governmental Activities Depreciation Expense</b>	<u>\$ 7,246,084</u>
Business-Type activities, golf course	<u>\$ 45,336</u>

County of Scott, Iowa

Notes To Basic Financial Statements

**Note 8. Long-Term Debt**

The following is a summary of changes in long-term debt for the year ended June 30, 2011:

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011	Due Within One Year
<b>Governmental Activities:</b>					
General obligation bonds	\$ 17,190,000	\$ -	\$ 1,530,000	\$ 15,660,000	\$ 1,580,000
Compensated absences	2,438,080	1,647,308	1,311,159	2,774,229	1,338,672
Capital lease	23,560,000	-	1,150,000	22,410,000	1,200,000
Claims payable	839,438	5,016,681	4,775,270	1,080,849	997,562
Unamortized debt premium	65,720	-	9,896	55,824	-
	<u>\$ 44,093,238</u>	<u>\$ 6,663,989</u>	<u>\$ 8,776,325</u>	<u>\$ 41,980,902</u>	<u>\$ 5,116,234</u>
<b>Business-Type Activities:</b>					
	Balance June 30, 2010	Additions	Retirements	Balance June 30, 2010	Due Within One Year
Purchase contract	\$ 855,000	\$ -	\$ 270,000	\$ 585,000	\$ 285,000
Compensated absences	41,543	18,322	14,740	45,125	16,878
	<u>\$ 896,543</u>	<u>\$ 18,322</u>	<u>\$ 284,740</u>	<u>\$ 630,125</u>	<u>\$ 301,878</u>
<b>Discretely Presented Component</b>					
<b>Units Activities</b>					
Revenue bonds	\$ 23,560,000	\$ -	\$ 1,150,000	\$ 22,410,000	\$ 1,200,000
Notes payable	10,987,403	-	436,240	10,551,163	451,240
Compensated absences	64,672	213,098	38,709	239,061	134,143
Unamortized debt discount	(288,536)	-	(29,384)	(259,152)	-
	<u>\$ 34,323,539</u>	<u>\$ 213,098</u>	<u>\$ 1,595,565</u>	<u>\$ 32,941,072</u>	<u>\$ 1,785,383</u>

General obligation bonds outstanding as of June 30, 2011 consist of \$1,885,000 of solid waste refunding bonds with interest rates ranging from 3.6 percent to 3.8 percent, \$1,365,000 of general obligation geographic information systems bonds with interest at rates ranging from 4.0 percent to 4.1 percent, \$10,005,000 of general obligation emergency equipment bonds with interest at rates ranging from 1.5 percent to 5.8 percent, and \$2,405,000 of urban renewal refunding bonds with interest at rates ranging from 2.5 percent to 3.0%

On March 1, 2007, Scott County issued \$3,685,000 in General Obligation County Solid Waste Disposal Refunding Bonds, Series 2007A to refund \$3,645,000 of outstanding Scott Area Solid Waste Management Commission Solid Waste Disposal Revenue Bond, Series 1995. The bonds are due in annual installments of \$280,000 to \$555,000 through 2015 at interest rates from 3.6 percent to 3.8 percent.

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

County of Scott, Iowa

Notes To Basic Financial Statements

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

On December 17, 2009, the County issued \$10,445,000 in General Obligation Emergency Equipment Bonds, Series 2009A. The bonds were issued to finance the acquisition of emergency equipment and related costs. The bonds are due in annual installments of \$440,000 to \$720,000 through 2029 at interest rates from 1.5 percent to 5.8 percent.

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

The debt service requirements on the bonds outstanding as of June 30, 2011 are as follows:

<u>Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 2,243,765	\$ 1,580,000	\$ 663,765
2013	2,241,560	1,625,000	616,560
2014	2,250,348	1,685,000	565,348
2015	1,946,965	1,440,000	506,965
2016	1,651,325	1,195,000	456,325
2017-2021	4,812,620	3,025,000	1,787,620
2022-2026	4,117,700	3,025,000	1,092,700
2027-2029	2,327,030	2,085,000	242,030
<b>Total</b>	<b><u>\$ 21,591,313</u></b>	<b><u>\$ 15,660,000</u></b>	<b><u>\$ 5,931,313</u></b>

On February 13, 2006, the Public Safety Authority, a discretely presented component unit, issued \$29,700,000 Jail Facilities Revenue Bonds, Series 2006. The bonds were issued for the purpose of building a new jail facility. The bonds were issued with interest rates ranging from 3.75 percent to 4.375 percent.

The debt service requirements on the revenue bonds outstanding as of June 30, 2011 are as follows:

<u>Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 2,125,305	\$ 1,200,000	\$ 925,305
2013	2,122,305	1,245,000	877,305
2014	2,127,505	1,300,000	827,505
2015	2,125,505	1,350,000	775,505
2016	2,131,505	1,410,000	721,505
2017-2021	10,743,631	8,035,000	2,708,631
2022-2025	8,738,853	7,870,000	868,853
<b>Total</b>	<b><u>\$ 30,114,609</u></b>	<b><u>\$ 22,410,000</u></b>	<b><u>\$ 7,704,609</u></b>

## County of Scott, Iowa

### Notes To Basic Financial Statements

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

The County has pledged as security for bonds issued by the Public Safety Authority, a portion of the County's property taxes. The bonds issued by the Public Safety Authority in February 2006 in the amount of \$29,700,000 for the purpose of renovation and construction additions to existing jail facilities are payable through 2025. The County has committed to appropriate each year, from the property taxes, amount sufficient to cover the principal and interest requirements on the Public Safety Authority's debt. The Public Safety Authority has pledged as sole security for the bonds the appropriation from the County. Annual principal and interest payment on the bonds are expected to require 100% of lease payments received. Total principal and interest remaining on the debt is \$30,114,609 with annual requirements ranging from \$2,122,305 to \$2,197,094. Property taxes, from which the appropriations will be made, have been equal to the principal and interest amount owed per year. For the current year, principal and interest paid by the Public Safety Authority and the total property taxes recognized by the County were \$2,118,430 each.

On March 14, 2006, the County entered into a Capital Lease Agreement (the "Agreement") with the Public Safety Authority ("PSA"), to lease the above mentioned jail facility.

The Agreement commenced on March 23, 2006 and terminates on May 26, 2025 (the date at which all rental payments have been made). The rental payments as outlined in the agreement are set at a level to meet the revenue bond principal and interest payments of the PSA. The Agreement further requires the County to pay all trustee fees, maintenance costs, taxes and utility charges of the facility. The County plans to fund its payments with a property tax levy. As of June 30, 2011, the County recognized a liability of \$22,410,000.

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

<u>Year Ending June 30</u>	<u>Total Payment</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 2,125,305	\$ 1,200,000	\$ 925,305
2013	2,122,305	1,245,000	877,305
2014	2,127,505	1,300,000	827,505
2015	2,125,505	1,350,000	775,505
2016	2,131,505	1,410,000	721,505
2017	2,135,105	1,470,000	665,105
2018	2,141,305	1,535,000	606,305
2019	2,149,905	1,605,000	544,905
2020	2,155,705	1,675,000	480,705
2021	2,161,611	1,750,000	411,611
2022	2,173,111	1,835,000	338,111
2023	2,180,124	1,920,000	260,124
2024	2,188,524	2,010,000	178,524
2025	2,197,094	2,105,000	92,094
<b>Total</b>	<u>\$ 30,114,609</u>	<u>\$ 22,410,000</u>	<u>\$ 7,704,605</u>

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

**County of Scott, Iowa**

**Notes To Basic Financial Statements**

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

The computation of the County's legal margin as of June 30, 2011 is as follows:

2009 assessed valuation	\$ 11,705,684,280
Less military exemption	<u>(18,358,822)</u>
<b>Total assessed value</b>	<b><u>\$ 11,687,325,458</u></b>
Debt limit, 5% of assessed valuation (Iowa statutory limitation)	\$ 584,366,273
Total amount of debt applicable to debt margin	<u>(38,070,000)</u>
<b>Legal debt margin</b>	<b><u>\$ 546,296,273</u></b>

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

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

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

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

Year Ending June 30	Total	Principal	Interest	Prepayment Price
2012	\$ 321,270	\$ 285,000	\$ 36,270	\$ 300,000
2013	<u>318,600</u>	<u>300,000</u>	<u>18,600</u>	-
<b>Total</b>	<b><u>\$ 639,870</u></b>	<b><u>\$ 585,000</u></b>	<b><u>\$ 54,870</u></b>	

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

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

The debt service requirements on the notes payable outstanding as of June 30, 2011 are as follows:

**County of Scott, Iowa**

**Notes To Basic Financial Statements**

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

Year Ending June 30	City of Davenport SECC Note			City of Davenport GO Note		
	Total	Principal	Interest	Total	Principal	Interest
2012	\$ 86,240	\$ 86,240	\$ -	\$ 826,480	\$ 365,000	\$ 461,480
2013	86,240	86,240	-	828,268	375,000	453,268
2014	86,240	86,240	-	833,892	390,000	443,892
2015	86,240	86,240	-	837,192	405,000	432,192
2016	86,240	86,240	-	838,828	420,000	418,828
2017-2021	344,963	344,963	-	4,234,255	2,415,000	1,819,255
2022-2026	-	-	-	4,286,555	3,115,000	1,171,555
2027-2029	-	-	-	2,556,420	2,290,000	266,420
<b>Total</b>	<b>\$ 776,163</b>	<b>\$ 776,163</b>	<b>\$ -</b>	<b>\$ 15,241,890</b>	<b>\$ 9,775,000</b>	<b>\$ 5,466,890</b>

**Note 9. Retirement System**

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

Plan members are required to contribute 4.50 percent of their annual covered salary and the County is required to contribute 6.95 percent of annual covered payroll, except for sheriff deputies, in which case the percentages are 8.94 percent and 8.94 percent, respectively and conservation peace officers, in which case the percentages are 6.64 percent and 9.95 percent, respectively. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2011, 2010 and 2009 were \$1,985,400, \$1,696,095 and \$1,562,197, respectively, equal to the required contributions for each year.



**County of Scott, Iowa**

**Notes To Basic Financial Statements**

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**Note 10. Other Postemployment Benefits**

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

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

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2011, the County contributed \$63,158. Retiree and active members receiving benefits have required monthly contributions of:

	Single	Family
Health	\$ 457	\$ 1,254
Dental	28	85
Vision	6	13

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

Annual required contribution	\$ 166,216
Interest on net OPEB obligation	8,871
Adjustment to annual required contribution	(12,102)
Annual OPEB cost	<u>162,985</u>
Contributions and payments made	<u>(63,158)</u>
Increase in net OPEB obligation	99,827
Net OPEB obligation - beginning of year	<u>197,126</u>
Net OPEB obligation - end of year	<u><u>\$ 296,953</u></u>

County of Scott, Iowa

Notes To Basic Financial Statements

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

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

<u>Year Ending June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2009	\$ 181,191	44.5%	\$ 100,648
2010	181,561	44.4%	197,126
2011	162,985	38.8%	296,953

Funded status and funding progress: As of January 1, 2011, the most recent valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$1,473,922 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UML) of \$1,473,922. The covered payroll (annual payroll of active employees covered by the plan) was \$23,130,003 and the ratio of the UML to the covered payroll was 6.4 percent.

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

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

In the January 1, 2011 actuarial valuation, projected unit credit method was used. The actuarial assumptions included a 4.5 percent investment rate of return, salary increases of 3 percent, health care cost trend rates of: 8 percent for year 1, 7 percent for year 2, 6 percent for year 3 and 5 percent for year 4 and beyond; mortality rates using the 2001 CSO Mortality Table, retiree participation rate of 90 percent, an initial spouse participation rate of 50 percent and turnover rates based on Scale T-8 of the Actuary's Pension Handbook. The UML is being amortized as a level dollar amount on an open basis. The amortization of UML is done over a period of 30 years.

## County of Scott, Iowa

### Notes To Basic Financial Statements

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#### **Note 11. Deferred Compensation Plan**

The County (and its component units) offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County (and component unit) employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Effective January 1, 1997, the plan was amended to comply with IRC Section 457(b) which provides for the assets to be placed in trust for the exclusive benefit of participants and their beneficiaries. Under these new requirements, the County is no longer fiduciarily accountable for the amount deferred by employees and, therefore, the liability and corresponding investment are not reflected in the financial statements.

#### **Note 12. Risk Management and Insurance**

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

Self-insurance is in effect up to a stop loss amount of approximately \$300,000 per claim for general and automobile liability, \$100,000 per claim for property and \$400,000 per claim for workers' compensation. Coverage from a private insurance company is maintained for losses in excess of the aggregate stop loss amount with \$9,700,000 maximum coverage on general and automobile liability, \$96,196,270 maximum coverage on property and \$2,000,000 maximum coverage on workers' compensation. Settled claims have not exceeded the commercial coverage in any of the past three years. All claims handling procedures are performed by the County.

During fiscal year 2010, the County became self insured for health care of its employees. On July 1, 2010, the County became self-insured for the dental care of its employees. This activity is accounted for within the County's Internal Service Fund. Charges were made to the operating funds based upon estimated premium equivalency amounts.

Self-insurance is in effect up to a stop loss amount of approximately \$125,000 per claim for health care. Coverage from a private insurance company is maintained for losses in excess of the aggregate stop loss amount of 125% of total claims. Settled claims have exceeded the commercial coverage in fiscal year 2011.

As of June 30, 2011, the amount of liabilities recorded for estimated claim settlements for general, automobile, property and workers' compensation liability claims was \$694,052 of which \$50,770 was recorded in the General Fund and \$643,282 was recorded on the government wide statement of net assets. The County has assigned \$694,052 of General Fund balance for payment of future claims liability.

**County of Scott, Iowa**

**Notes To Basic Financial Statements**

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

The changes in the aggregate liabilities for general, automobile, property and workers' compensation liability claims for the years ended June 30, 2011 and 2010 are as follows:

	2011	2010
Claims payable, beginning of year	\$ 522,397	\$ 589,331
Claims expense and change in reserve	1,036,718	971,377
Claims payments	<u>(865,063)</u>	<u>(1,038,311)</u>
Claims payable, end of year	<u>\$ 694,052</u>	<u>\$ 522,397</u>

The changes in the aggregate liabilities for health care and dental claims for the year ended June 30, 2011 is as follows:

	2011	2010
Claims payable, beginning of year	\$ 317,041	\$ -
Claims expense and change in reserve	3,979,963	1,320,200
Claims payments	<u>(3,910,208)</u>	<u>(1,003,159)</u>
Claims payable, end of year	<u>\$ 386,796</u>	<u>\$ 317,041</u>

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

**Note 13. Conduit Debt Obligations**

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

As of June 30, 2011, there were two series of revenue bonds outstanding. The aggregate principal balance of the revenue bonds outstanding is \$14,350,000.

## County of Scott, Iowa

### Notes To Basic Financial Statements

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

In June 1995, the County issued \$7,100,000 in General Obligation County Solid Waste Disposal Bonds for which the County pledged its full faith and credit and power to levy direct general ad valorem taxes without limit as to rate or amount. On March 1, 2007, Scott County issued \$3,685,000 in General Obligation County Solid Waste Disposal Refunding Bonds, Series 2007A to refund \$3,645,000 of outstanding Scott Area Solid Waste Management Commission Solid Waste Disposal Revenue Bond, Series 1995. The net proceeds were used to call the Series 1995 Bonds. The total amount of the bonds outstanding as of June 30, 2011 is \$1,885,000.

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 \$1,885,000 remains outstanding as of June 30, 2011.

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

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

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

#### **Note 15. Litigation**

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

## County of Scott, Iowa

### Notes To Basic Financial Statements

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

The County has financial commitments relating to renovation projects that are estimated to be approximately \$4,965,000.

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

#### **Note 17. Governmental Accounting Standards Board (GASB) Statements**

The County adopted the following statement as of July 1, 2010:

- GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement is intended to improve the usefulness of information provided to financial report users about fund balances by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance information is among the most widely and frequently used information in state and local government financial reports. The GASB developed this standard to address the diversity of practice and the resulting lack of consistency that had evolved in fund balance reporting. To reduce confusion, the new standard establishes a hierarchy of fund balance classification based primarily on the extent to which a government is bound to observe spending constraints. See Note 1 for additional information regarding fund balance classifications.

## County of Scott, Iowa

### Notes To Basic Financial Statements

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#### Note 17. Governmental Accounting Standards Board (GASB) Statements (continued)

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

- GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*, issued November 2010, will be effective for the County beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting for a governmental financial reporting entity. It amends Statement No. 14, *The Financial Reporting Entity*, and Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. The Statement modifies certain requirements for inclusion of component units in the financial reporting entity and amends the criteria for reporting component units as if they were part of the primary government. The Statement also clarifies the reporting of equity interests in legally separate organizations.
- GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, issued December 2010, will be effective for the County beginning with its year ending June 30, 2013. This Statement is intended to incorporate into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in pronouncements issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements. This Statement also supersedes Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*.
- GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, issued in June 2011, will be effective for the County beginning with its year ending June 30, 2013. This statement establishes guidance for reporting deferred outflows of resources and deferred inflows of resources, and renames net assets to net position in a statement of financial position.
- GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions* – an amendment of GASB Statement No. 53, issued in June 2011, will be effective for the County beginning with its year ending June 30, 2012. The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty’s credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied.

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

County of Scott, Iowa

Required Supplementary Information  
Other Postemployment Benefit Plan

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Net Assets ( a )	Actuarial Accrued Liability (AAL) ( b )	Unfunded AAL ( b-a )	Funded Ratio ( a/b )	Covered Payroll ( c )	UAAL as a Percentage of Covered Payroll [ (b-a) / c ]
1/1/2009	\$ -	\$1,770,912	\$1,770,912	0.00%	\$20,080,910	8.82%
1/1/2011	-	1,473,922	1,473,922	0.00%	23,130,003	6.37%

The information presented in the required supplementary schedules was determined as part of the actuarial valuation date as of January 1, 2011. Additional information follows:

- a. The cost method used to determine the ARC is the Projected Unit Credit Actuarial Cost method.
- b. There are no plan assets.
- c. The actuarial assumptions included: 1) 4.5 percent investment rate of return, 2) salary increases of 3 percent, 3) health care cost trend rates of: 8 percent for year 1, 7 percent for year 2, 6 percent for year 3 and 5 percent for year 4 and beyond, 4) mortality rates using the 2001 CSO Mortality Table, 5) retiree participation rate of 90 percent, 6) an initial spouse participation rate of 50 percent and 7) turnover rates based on Scale T-8 of the Actuary's Pension Handbook.
- d. The amortization method is level dollar amount on an open basis.

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



County of Scott, Iowa

Required Supplementary Information  
 Budgetary Comparison Schedule  
 All Governmental Funds  
 Year Ended June 30, 2011

	Budget		Governmental Fund Types Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 43,365,936	\$ 43,371,665	\$ 43,098,556	\$ (273,109)
Local option sales tax	3,500,000	3,683,574	3,863,574	180,000
Other taxes	2,239,483	2,419,484	2,192,115	(227,369)
Interest and penalties on taxes	825,000	820,000	791,685	(28,315)
Intergovernmental	21,050,501	21,840,061	20,595,340	(1,244,721)
Charges for services	4,682,772	4,680,744	4,993,149	312,405
Investment earnings	152,500	150,750	221,853	71,103
Licenses and permits	507,870	534,870	666,627	131,757
Rentals and fees	208,171	204,671	188,240	(16,431)
Other	299,123	329,325	755,925	426,600
<b>Total revenues</b>	<b>76,831,356</b>	<b>78,035,144</b>	<b>77,367,064</b>	<b>(668,080)</b>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety and legal services	27,452,851	27,996,343	26,494,923	1,501,420
Physical health and social services	6,738,506	6,887,057	6,511,764	375,293
Mental health	15,514,595	15,435,417	15,221,435	213,982
County environment and education	4,850,337	4,850,592	4,515,096	335,496
Roads and transportation	4,721,000	5,074,000	4,540,044	533,956
Government services to residents	2,043,870	2,097,025	2,022,332	74,693
Administration	9,526,913	9,879,600	9,094,997	784,603
Capital outlay	3,833,658	10,305,429	7,748,377	2,557,052
Debt service	4,188,885	4,355,660	4,355,660	-
<b>Total expenditures</b>	<b>78,870,615</b>	<b>86,881,123</b>	<b>80,504,629</b>	<b>6,376,494</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(2,039,259)</b>	<b>(8,845,979)</b>	<b>(3,137,565)</b>	<b>5,708,414</b>
<b>Other financing sources (uses):</b>				
Transfers in	8,128,064	8,796,064	8,433,584	(362,480)
Transfers out	(8,128,064)	(8,796,064)	(8,433,584)	362,480
Proceeds from sale of capital assets	76,500	69,000	157,209	88,209
<b>Total other financing sources (uses)</b>	<b>76,500</b>	<b>69,000</b>	<b>157,209</b>	<b>88,209</b>
<b>Net change in fund balances</b>	<b>\$ (1,962,759)</b>	<b>\$ (8,776,979)</b>	<b>\$ (2,980,356)</b>	<b>\$ 5,796,623</b>

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

**County of Scott, Iowa**

**Note to Required Supplementary Information**

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**Note 1. Budgetary Comparison Schedule**

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

Formal and legal budgetary control is based upon nine major classes of disbursements known as functions, not by fund or fund type. These nine functions are: public safety and legal services, physical health and social services, mental health, County environment and education, roads and transportation, government services to residents, administration, capital outlay and debt service. Function expenditures required to be budgeted do not include expenses for the enterprise fund. The legal level of control is at the aggregated function level, not at the fund or fund type level. During the year, two budget amendments increased budgeted expenditures by \$8,678,508. The budget amendment was primarily due to the issuance of debt and the appropriation of those funds for the related capital projects financed by that debt.

See Independent Auditors' Report.



County of Scott, Iowa

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2011

	Special Revenue		Total
	Rural Services Fund	Recorders Management Fees Fund	
<b>Assets</b>			
Cash and investments	\$ 57,795	\$ 72,442	\$ 130,237
Receivables:			
Property taxes	2,614,281	-	2,614,281
Accounts	-	245	245
<b>Total assets</b>	<b>\$ 2,672,076</b>	<b>\$ 72,687</b>	<b>\$ 2,744,763</b>
<b>Liabilities and Fund Balances</b>			
Liabilities, deferred revenue	\$ 2,614,147	\$ -	\$ 2,614,147
Fund balances			
Committed	-	72,687	72,687
Assigned	57,929	-	57,929
<b>Total fund balance</b>	<b>57,929</b>	<b>72,687</b>	<b>130,616</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,672,076</b>	<b>\$ 72,687</b>	<b>\$ 2,744,763</b>

County of Scott, Iowa

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 Year Ended June 30, 2011

	Special Revenue		Total
	Rural Services Fund	Recorders Management Fees Fund	
Revenues:			
Property taxes	\$ 2,273,419	\$ -	\$ 2,273,419
Other taxes	68,275	-	68,275
Intergovernmental	76,377	-	76,377
Charges for services	-	34,064	34,064
Investment earnings	-	382	382
<b>Total revenues</b>	<b>2,418,071</b>	<b>34,446</b>	<b>2,452,517</b>
Expenditures, current, County environment and education	525,910	-	525,910
<b>Excess of revenue over expenditures</b>	<b>1,892,161</b>	<b>34,446</b>	<b>1,926,607</b>
Other financing uses, transfers out	(1,971,503)	(52,029)	(2,023,532)
<b>Net change in fund balances</b>	<b>(79,342)</b>	<b>(17,583)</b>	<b>(96,925)</b>
Fund balances, beginning of year	137,271	90,270	227,541
Fund balances, end of year	\$ 57,929	\$ 72,687	\$ 130,616

County of Scott, Iowa

Combining Statement of Net Assets  
Internal Service Funds  
June 30, 2011

	Internal Service Funds		
	Dental Insurance Fund	Health Insurance Fund	Total
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 63,010	\$ 1,714,763	\$ 1,777,773
<b>Total assets</b>	<b>\$ 63,010</b>	<b>\$ 1,714,763</b>	<b>\$ 1,777,773</b>
<b>Liabilities and Net Assets</b>			
Current liabilities:			
Accounts payable	\$ 2,045	\$ -	\$ 2,045
Claims payable	25,079	361,717	386,796
<b>Total liabilities</b>	<b>27,124</b>	<b>361,717</b>	<b>388,841</b>
Net assets:			
Unrestricted	35,886	1,353,046	1,388,932
<b>Total net assets</b>	<b>35,886</b>	<b>1,353,046</b>	<b>1,388,932</b>
<b>Total liabilities and net assets</b>	<b>\$ 63,010</b>	<b>\$ 1,714,763</b>	<b>\$ 1,777,773</b>

County of Scott, Iowa

Combining Statement of Revenues, Expenses, and Changes in Net Assets  
 Internal Service Funds  
 Year Ended June 30, 2011

	Internal Service Funds		
	Dental Insurance Fund	Health Insurance Fund	Total
Operating revenues:			
Charges for services	\$ 362,147	\$ 5,271,022	\$ 5,633,169
<b>Total operating revenues</b>	<b>362,147</b>	<b>5,271,022</b>	<b>5,633,169</b>
Operating expenses:			
Claims and administrative charges	326,505	4,394,879	4,721,384
<b>Total operating expenses</b>	<b>326,505</b>	<b>4,394,879</b>	<b>4,721,384</b>
<b>Operating income</b>	<b>35,642</b>	<b>876,143</b>	<b>911,785</b>
Nonoperating revenues:			
Investment earnings	244	5,941	6,185
<b>Total nonoperating revenues</b>	<b>244</b>	<b>5,941</b>	<b>6,185</b>
<b>Change in net assets</b>	<b>35,886</b>	<b>882,084</b>	<b>917,970</b>
Total net assets, beginning of year	-	470,962	470,962
Total net assets, end of year	\$ 35,886	\$ 1,353,046	\$ 1,388,932

County of Scott, Iowa

Combining Statement of Cash Flows  
Internal Service Funds  
Year Ended June 30, 2011

	Internal Service Funds		
	Dental Insurance Fund	Health Insurance Fund	Total
Cash flows from operating activities:			
Cash received from customers	\$ 362,147	\$ 5,271,022	\$ 5,633,169
Cash payments to suppliers for goods and services	(299,381)	(4,350,203)	(4,649,584)
<b>Net cash from operating activities</b>	<u>62,766</u>	<u>920,819</u>	<u>983,585</u>
Cash flows from investing activities, interest received	244	5,941	6,185
<b>Net increase in cash and cash equivalents</b>	<u>63,010</u>	<u>926,760</u>	<u>989,770</u>
Cash and cash equivalents:			
Beginning	-	788,003	788,003
Ending	<u>\$ 63,010</u>	<u>\$ 1,714,763</u>	<u>\$ 1,777,773</u>
Reconciliation of operating income to net cash from operating activities:			
Operating income	\$ 35,642	\$ 876,143	\$ 911,785
Adjustments to reconcile operating income to net cash from operating activities:			
Changes in assets and liabilities:			
Accounts payable	2,045	-	2,045
Claims payable	25,079	44,676	69,755
<b>Net cash from operating activities</b>	<u>\$ 62,766</u>	<u>\$ 920,819</u>	<u>\$ 983,585</u>



County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities  
 All Agency Funds  
 Year Ended June 30, 2011

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
<b>Agricultural Extension Service Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 5,815	\$ 448,173	\$ 448,762	\$ 5,226
Receivables, property taxes	450,817	467,356	451,707	466,466
<b>Total assets</b>	<b>\$ 456,632</b>	<b>\$ 915,529</b>	<b>\$ 900,469</b>	<b>\$ 471,692</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 456,632</b>	<b>\$ 915,529</b>	<b>\$ 900,469</b>	<b>\$ 471,692</b>
<b>Bangs Eradication Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 9,595	\$ 23,055	\$ 32,413	\$ 237
Receivables, property taxes	22,407	21,963	22,407	21,963
<b>Total assets</b>	<b>\$ 32,002</b>	<b>\$ 45,018</b>	<b>\$ 54,820</b>	<b>\$ 22,200</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 32,002</b>	<b>\$ 45,018</b>	<b>\$ 54,820</b>	<b>\$ 22,200</b>
<b>City Taxing Districts Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 1,363,986	\$ 97,174,520	\$ 97,374,211	\$ 1,164,295
Receivables, property taxes	97,371,406	101,046,434	97,522,615	100,895,225
<b>Total assets</b>	<b>\$ 98,735,392</b>	<b>\$ 198,220,954</b>	<b>\$ 194,896,826</b>	<b>\$ 102,059,520</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 98,735,392</b>	<b>\$ 198,220,954</b>	<b>\$ 194,896,826</b>	<b>\$ 102,059,520</b>
<b>Community College Taxing District Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 79,110	\$ 6,357,596	\$ 6,362,579	\$ 74,127
Receivables, property taxes	6,394,624	7,380,130	6,405,617	7,369,137
<b>Total assets</b>	<b>\$ 6,473,734</b>	<b>\$ 13,737,726</b>	<b>\$ 12,768,196</b>	<b>\$ 7,443,264</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 6,473,734</b>	<b>\$ 13,737,725</b>	<b>\$ 12,768,195</b>	<b>\$ 7,443,264</b>
<b>Fire Taxing District Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 4,304	\$ 323,448	\$ 324,332	\$ 3,420
Receivables, property taxes	316,276	335,928	316,891	335,313
<b>Total assets</b>	<b>\$ 320,580</b>	<b>\$ 659,376</b>	<b>\$ 641,223</b>	<b>\$ 338,733</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 320,580</b>	<b>\$ 659,376</b>	<b>\$ 641,223</b>	<b>\$ 338,733</b>

(continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities  
 All Agency Funds (Continued)  
 Year Ended June 30, 2011

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
<b>School Taxing District Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 1,437,657	\$ 109,424,880	\$ 109,569,782	\$ 1,292,755
Receivables, property taxes	110,088,366	114,567,739	110,282,170	114,373,935
<b>Total assets</b>	<b>\$ 111,526,023</b>	<b>\$ 223,992,619</b>	<b>\$ 219,851,952</b>	<b>\$ 115,666,690</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 111,526,023</b>	<b>\$ 223,992,619</b>	<b>\$ 219,851,952</b>	<b>\$ 115,666,690</b>
<b>Township Taxing District Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 1,991	\$ 185,183	\$ 184,714	\$ 2,460
Receivables, property taxes	185,465	198,106	185,670	197,901
<b>Total assets</b>	<b>\$ 187,456</b>	<b>\$ 383,289</b>	<b>\$ 370,384</b>	<b>\$ 200,361</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 187,456</b>	<b>\$ 383,289</b>	<b>\$ 370,384</b>	<b>\$ 200,361</b>
<b>Other Taxing Districts Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 80,934	\$ 11,367,664	\$ 11,319,876	\$ 128,722
Receivables, property taxes	36,910	112,812	111,557	38,165
<b>Total assets</b>	<b>\$ 117,844</b>	<b>\$ 11,480,476</b>	<b>\$ 11,431,433</b>	<b>\$ 166,887</b>
<b>Liabilities</b>				
Accounts payable	\$ 10,069	\$ 32,956	\$ 30,911	\$ 12,114
Due to other governmental agencies	107,775	11,373,849	11,326,851	154,773
<b>Total liabilities</b>	<b>\$ 117,844</b>	<b>\$ 11,406,805</b>	<b>\$ 11,357,762</b>	<b>\$ 166,887</b>
<b>City Special Assessments Fund</b>				
<b>Assets, cash and investments</b>	<b>\$ 530,527</b>	<b>\$ 2,869,095</b>	<b>\$ 2,846,223</b>	<b>\$ 553,399</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 530,527</b>	<b>\$ 2,869,095</b>	<b>\$ 2,846,223</b>	<b>\$ 553,399</b>

(continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities  
 All Agency Funds (Continued)  
 Year Ended June 30, 2011

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
<b>County Recorder Agency Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 156,290	\$ 1,312,194	\$ 1,304,357	\$ 164,127
Receivables, accounts	25,521	1,361,791	1,375,548	11,764
<b>Total assets</b>	<b>\$ 181,811</b>	<b>\$ 2,673,985</b>	<b>\$ 2,679,905</b>	<b>\$ 175,891</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 181,811</b>	<b>\$ 1,298,151</b>	<b>\$ 1,304,071</b>	<b>\$ 175,891</b>
<b>County Sheriff Agency Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 265,433	\$ 4,527,043	\$ 4,506,155	\$ 286,321
Receivables, accounts	-	32,364	32,364	-
<b>Total assets</b>	<b>\$ 265,433</b>	<b>\$ 4,559,407</b>	<b>\$ 4,538,519</b>	<b>\$ 286,321</b>
<b>Liabilities, accounts payable</b>	<b>\$ 265,433</b>	<b>\$ 4,559,387</b>	<b>\$ 4,538,499</b>	<b>\$ 286,321</b>
<b>Motor Vehicle Tax Fund</b>				
<b>Assets, cash and investments</b>	<b>\$ 1,699,391</b>	<b>\$ 25,163,713</b>	<b>\$ 24,142,030</b>	<b>\$ 2,721,074</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 1,699,391</b>	<b>\$ 25,163,713</b>	<b>\$ 24,142,030</b>	<b>\$ 2,721,074</b>
<b>Tax Sale Redemption Fund</b>				
<b>Assets, cash and investments</b>	<b>\$ 125,268</b>	<b>\$ 963,278</b>	<b>\$ 943,152</b>	<b>\$ 145,394</b>
<b>Liabilities, due to other governmental agencies</b>	<b>\$ 125,268</b>	<b>\$ 963,278</b>	<b>\$ 943,152</b>	<b>\$ 145,394</b>

(continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities  
 All Agency Funds (Continued)  
 Year Ended June 30, 2011

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
<b>Use Tax Fund</b>				
<b>Assets, cash and investments</b>	\$ 1,674,908	\$ 13,877,190	\$ 14,898,908	\$ 653,190
<b>Liabilities, due to other governmental agencies</b>	\$ 1,674,908	\$ 13,877,190	\$ 14,898,908	\$ 653,190
<b>Community Services Fund</b>				
<b>Assets, cash and investments</b>	\$ 429,235	\$ -	\$ 115,290	\$ 313,945
<b>Liabilities, due to private individuals</b>	\$ 429,235	\$ -	\$ 115,290	\$ 313,945
<b>County Assessor Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 484,476	\$ 574,303	\$ 635,425	\$ 423,354
Receivables, property taxes	631,009	493,909	635,101	489,817
<b>Total assets</b>	<b>\$ 1,115,485</b>	<b>\$ 1,068,212</b>	<b>\$ 1,270,526</b>	<b>\$ 913,171</b>
<b>Liabilities</b>				
Accounts payable	\$ 4,716	\$ 139,804	\$ 128,296	\$ 16,224
Due to other governmental agencies	1,110,769	1,557,782	1,771,604	\$ 896,947
<b>Total liabilities</b>	<b>\$ 1,115,485</b>	<b>\$ 1,697,586</b>	<b>\$ 1,899,900</b>	<b>\$ 913,171</b>
<b>County Assessor Special Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 532,070	\$ 300,252	\$ 220,730	\$ 611,592
Receivables, property taxes	266,296	410,278	266,296	410,278
<b>Total assets</b>	<b>\$ 798,366</b>	<b>\$ 710,530</b>	<b>\$ 487,026</b>	<b>\$ 1,021,870</b>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 220,730	\$ 220,730	\$ -
Due to other governmental agencies	798,366	706,307	482,803	1,021,870
<b>Total liabilities</b>	<b>\$ 798,366</b>	<b>\$ 927,037</b>	<b>\$ 703,533</b>	<b>\$ 1,021,870</b>
<b>City Assessor Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 411,695	\$ 625,131	\$ 740,273	\$ 296,553
Receivables, property taxes	574,325	787,256	574,540	787,041
<b>Total assets</b>	<b>\$ 986,020</b>	<b>\$ 1,412,387</b>	<b>\$ 1,314,813</b>	<b>\$ 1,083,594</b>
<b>Liabilities</b>				
Accounts payable	\$ 35,882	\$ 776,422	\$ 740,273	\$ 72,031
Due to other governmental agencies	950,138	1,381,585	1,320,160	1,011,563
<b>Total liabilities</b>	<b>\$ 986,020</b>	<b>\$ 2,158,007</b>	<b>\$ 2,060,433</b>	<b>\$ 1,083,594</b>

(continued)

County of Scott, Iowa

Combining Statement of Changes in Assets and Liabilities  
 All Agency Funds (Continued)  
 Year Ended June 30, 2011

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
<b>City Assessor Special Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 176,372	\$ 264,562	\$ 189,760	\$ 251,174
Receivables, property taxes	301,287	193,839	301,288	193,838
<b>Total assets</b>	<b>\$ 477,659</b>	<b>\$ 458,401</b>	<b>\$ 491,048</b>	<b>\$ 445,012</b>
<b>Liabilities</b>				
Accounts payable	\$ 11,308	\$ 205,854	\$ 189,760	\$ 27,402
Due to other governmental agencies	466,351	447,081	495,822	417,610
<b>Total liabilities</b>	<b>\$ 477,659</b>	<b>\$ 652,935</b>	<b>\$ 685,582</b>	<b>\$ 445,012</b>
<b>Jail Inmate Fund</b>				
<b>Assets, cash and investments</b>				
	\$ 50,226	\$ 46,422	\$ -	\$ 96,648
<b>Liabilities, due to private individuals</b>				
	\$ 50,226	\$ 46,422	\$ -	\$ 96,648
<b>Total Combined Funds</b>				
<b>Assets</b>				
Cash and investments	\$ 9,519,283	\$ 275,827,702	\$ 276,158,972	\$ 9,188,014
Receivables:				
Property taxes	216,639,188	226,015,750	217,075,859	225,579,079
Accounts	25,521	1,394,155	1,407,912	11,764
<b>Total Assets</b>	<b>\$ 226,183,992</b>	<b>\$ 503,237,607</b>	<b>\$ 494,642,742</b>	<b>\$ 234,778,857</b>
<b>Liabilities</b>				
Accounts payable	\$ 327,408	\$ 5,935,153	\$ 5,848,469	\$ 414,092
Due to other governmental agencies	225,377,123	497,592,541	489,015,493	233,954,171
Due to private individuals	479,461	46,422	115,290	410,593
<b>Total Liabilities</b>	<b>\$ 226,183,992</b>	<b>\$ 503,574,117</b>	<b>\$ 494,979,251</b>	<b>\$ 234,778,857</b>

County of Scott, Iowa

Combining Balance Sheet and Reconciliation to Statement of Net Assets  
Discretely Presented Component Units  
June 30, 2011

	Emergency Management Agency	County Library	Public Safety Authority	Scott Emergency Communication Center	Total
<b>Assets</b>					
Cash and investments	\$ 192,266	\$ 195,102	\$ 134,876	\$ 3,262,434	\$ 3,784,678
Receivables:					
Accounts	12,684	1,511	-	-	14,195
Due from other governmental agencies	-	-	-	6,300	6,300
<b>Total assets</b>	<b>\$ 204,950</b>	<b>\$ 196,613</b>	<b>\$ 134,876</b>	<b>\$ 3,268,734</b>	<b>\$ 3,805,173</b>
<b>Liabilities and Fund Balance</b>					
Liabilities:					
Accounts payable	\$ 779	\$ 9,722	\$ 130,626	\$ 569,748	\$ 710,875
Accrued liabilities	3,426	29,293	-	148,201	180,920
<b>Total liabilities</b>	<b>4,205</b>	<b>39,015</b>	<b>130,626</b>	<b>717,949</b>	<b>891,795</b>
Fund balances:					
Restricted for capital projects	-	-	-	1,382,337	1,382,337
Unassigned	200,745	157,598	4,250	1,168,448	1,531,041
<b>Total fund balances</b>	<b>200,745</b>	<b>157,598</b>	<b>4,250</b>	<b>2,550,785</b>	<b>2,913,378</b>
<b>Total liabilities and fund balances</b>	<b>\$ 204,950</b>	<b>\$ 196,613</b>	<b>\$ 134,876</b>	<b>\$ 3,268,734</b>	<b>\$ 3,805,173</b>
<b>Reconciliation to statement of net assets</b>					
Total component unit fund balances	\$ 200,745	\$ 157,598	\$ 4,250	\$ 2,550,785	\$ 2,913,378
Amounts reported for governmental activities in the statement of net assets are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:					
Capital assets:					
Land	-	16,600	-	-	16,600
Construction in progress	-	-	-	10,947,315	10,947,315
Buildings	-	1,297,266	-	-	1,297,266
Machinery and equipment	623,067	180,005	-	11,963,404	12,766,476
Accumulated depreciation	(208,002)	(449,276)	-	(402,653)	(1,059,931)
Capital lease receivable from primary government	-	-	22,410,000	-	22,410,000
Liabilities not due and payable in the current period are not reported in the funds:					
Compensated absences	(17,396)	(45,914)	-	(175,752)	(239,062)
Other post employment benefits obligation	(2,492)	3,969	-	(4,078)	(2,601)
Revenue bonds payable	-	-	(22,410,000)	-	(22,410,000)
Notes payable	-	-	-	(10,551,163)	(10,551,163)
Unamortized bond discount	-	-	179,433	79,719	259,152
Accrued interest payable	-	-	(77,109)	(38,457)	(115,566)
Bond issuance costs	-	-	78,965	47,214	126,179
<b>Total net assets</b>	<b>\$ 595,922</b>	<b>\$ 1,160,248</b>	<b>\$ 185,539</b>	<b>\$ 14,416,334</b>	<b>\$ 16,358,043</b>

County of Scott, Iowa

Combining Statement of Revenues, Expenditures and Changes in Fund Balances and Reconciliation  
to Statement of Activities - Discretely Presented Component Units  
Year Ended June 30, 2011

	Emergency Management Agency	County Library	Public Safety Authority	Scott Emergency Communication Center	Total
Revenues:					
Intergovernmental					
Operating	\$ 55,666	\$ 1,020,709	\$ -	\$ 7,092,023	\$ 8,168,398
Capital	-	-	-	512,330	512,330
Charges for services	-	17,482	-	-	17,482
Investment earnings	-	-	968,430	19,424	987,854
Rentals and fees	-	-	1,150,000	-	1,150,000
Other	51,174	8,382	-	21,925	81,481
<b>Total revenues</b>	<b>106,840</b>	<b>1,046,573</b>	<b>2,118,430</b>	<b>7,645,702</b>	<b>10,917,545</b>
Expenditures:					
Current:					
Public safety and legal services	135,781	-	-	4,986,589	5,122,370
County environment and education	-	1,019,980	-	-	1,019,980
Capital outlay	-	-	-	5,732,027	5,732,027
Debt service:					
Principal	-	-	1,150,000	350,000	1,500,000
Interest and fees	-	-	968,430	304,512	1,272,942
<b>Total expenditures</b>	<b>135,781</b>	<b>1,019,980</b>	<b>2,118,430</b>	<b>11,373,128</b>	<b>14,647,319</b>
<b>Net change in fund balances</b>	<b>(28,941)</b>	<b>26,593</b>	<b>-</b>	<b>(3,727,426)</b>	<b>(3,729,774)</b>
Fund balances, beginning of year	229,686	131,005	4,250	6,278,211	6,643,152
Fund balances, end of year	\$ 200,745	\$ 157,598	\$ 4,250	\$ 2,550,785	\$ 2,913,378

County of Scott, Iowa

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances and Reconciliation to Statement of Activities - Discretely Presented Component Units (Continued)**  
**Year Ended June 30, 2011**

	Emergency Management Agency	County Library	Public Safety Authority	Scott Emergency Communication Center	Total
<b>Reconciliation to statement of activities,</b>					
Net change in fund balances	\$ (28,941)	\$ 26,593	\$ -	\$ (3,727,426)	\$ (3,729,774)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the detail of the amount by which capital outlays exceeded depreciation in the current year:</p>					
Capital outlay capitalized	30,000	-		5,221,689	5,251,689
Depreciation	(68,490)	(39,187)		(402,654)	(510,331)
Capital contributions	-	-	-	11,645,351	11,645,351
Rentals and fees	-	-	(1,150,000)	-	(1,150,000)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the component unit:</p>					
Change in compensated absences	(95)	(11,701)		(162,594)	(174,390)
Change in other post employment benefits obligation	(870)	(797)		(3,572)	(5,239)
<p>The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following is a detail of the net effect of these differences in the treatment of long-term debt and related items:</p>					
Repayment of bond principal	-	-	1,150,000	436,240	1,586,240
Interest expense	-	-	-	583	583
Amortization of bond issuance costs and discounts	-	-	(28,236)	(10,877)	(39,113)
<b>Changes in net assets of component units</b>	<b>\$ (68,396)</b>	<b>\$ (25,092)</b>	<b>\$ (28,236)</b>	<b>\$ 12,996,740</b>	<b>\$ 12,875,016</b>



County of Scott, Iowa

Combining Statement of Cash Flows  
Discretely Presented Component Units  
Year Ended June 30, 2011

	Emergency Management Agency	County Library	Public Safety Authority	Scott Emergency Communication Center	Total
Cash flows from operating activities:					
Cash received from customers	\$ 106,840	\$ 1,045,062	\$ -	\$ 7,909,085	\$ 9,060,987
Cash payments to suppliers for goods and services	(105,824)	(1,017,100)	-	(5,868,344)	(6,991,268)
<b>Net cash from operating activities</b>	<b>1,016</b>	<b>27,962</b>	<b>-</b>	<b>2,040,741</b>	<b>2,069,719</b>
Cash flows from capital and related financing activities:					
Purchase of capital assets	(30,000)	-	-	(5,221,689)	(5,251,689)
Principal paid	-	-	(1,150,000)	(436,240)	(1,586,240)
Interest paid	-	-	(968,430)	(304,512)	(1,272,942)
Capital grants received	-	-	-	512,330	512,330
Lease payments received	-	-	2,118,430	-	2,118,430
<b>Net cash from capital and related financing activities</b>	<b>(30,000)</b>	<b>-</b>	<b>-</b>	<b>(5,450,111)</b>	<b>(5,480,111)</b>
Cash flows from investing activities, interest received	-	-	-	19,424	19,424
<b>Net increase in cash and cash equivalents</b>	<b>(28,984)</b>	<b>27,962</b>	<b>-</b>	<b>(3,389,946)</b>	<b>(3,390,968)</b>
Cash and cash equivalents:					
Beginning	221,250	167,140	134,876	6,652,380	7,175,646
Ending	\$ 192,266	\$ 195,102	\$ 134,876	\$ 3,262,434	\$ 3,784,678
Reconciliation of operating income (loss) to net cash from operating activities:					
Operating income (loss)	\$ (68,396)	\$ (25,092)	\$ -	\$ 1,134,441	\$ 1,040,953
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation	68,490	39,187	-	402,654	510,331
Changes in assets and liabilities:					
Receivables	-	(1,511)	-	-	(1,511)
Due from other governmental agencies	-	-	-	898,315	898,315
Accounts payable	(324)	483	-	(541,122)	(540,963)
Accrued liabilities	281	2,396	-	83,465	86,142
Unearned revenue	-	-	-	(103,178)	(103,178)
Compensated absences	95	11,702	-	162,594	174,391
Other post employment benefits obligation	870	797	-	3,572	5,239
<b>Net cash from operating activities</b>	<b>\$ 1,016</b>	<b>\$ 27,962</b>	<b>\$ -</b>	<b>\$ 2,040,741</b>	<b>\$ 2,069,719</b>
Noncash capital and related financing activities					
Amortization of bond issuance costs and discount on long-term debt	\$ -	\$ -	\$ 28,237	\$ 10,877	\$ 39,114
Capital assets contributed	\$ -	\$ -	\$ -	\$ 11,645,351	\$ 11,645,351



**STATISTICAL**



# County of Scott, Iowa

## Statistical Section Contents

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

Contents	Page
<b>Financial Trends</b>	77
These schedules contain trend information to help the reader understand how the County's financial performance and well being have changed over time.	
<b>Revenue Capacity</b>	89
These schedules contain information to help the reader assess the County's most significant local revenue sources, the property tax (or sales tax).	
<b>Debt Capacity</b>	97
These schedules present information to help the reader assess the affordability of the County's current level of outstanding debt and the County's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	103
These schedule offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
<b>Operating Information</b>	105
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	

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

County of Scott, Iowa

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

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

\*GASB Statement No. 34 implemented in fiscal year 2003.

**Source:** County records.

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$ 62,017,939	\$ 65,298,164	\$ 70,527,812	\$ 70,017,361	\$ 73,643,761	\$ 64,874,432
4,460,937	4,152,198	3,728,760	3,229,346	2,849,754	2,503,008
182,850	196,692	206,674	222,551	209,483	210,592
855,147	396,372	572,242	1,713,646	1,499,167	1,221,960
-	-	-	-	663,173	783,546
1,459,411	936,185	486,405	273,409	370,604	885,011
11,004,368	10,576,072	6,065,147	6,205,472	6,934,776	10,067,440
<u>\$ 79,980,652</u>	<u>\$ 81,555,683</u>	<u>\$ 81,587,040</u>	<u>\$ 81,661,785</u>	<u>\$ 86,170,718</u>	<u>\$ 80,545,989</u>

\$ 475,691	\$ 633,574	\$ 807,121	\$ 1,011,730	\$ 1,201,240	\$ 1,640,815
326,596	326,831	325,166	324,400	324,407	324,407
(2,341,036)	(2,832,971)	(3,225,906)	(3,623,282)	(3,921,629)	(4,233,323)
<u>\$ (1,538,749)</u>	<u>\$ (1,872,566)</u>	<u>\$ (2,093,619)</u>	<u>\$ (2,287,152)</u>	<u>\$ (2,395,982)</u>	<u>\$ (2,268,101)</u>

\$ 62,493,630	\$ 65,931,738	\$ 71,334,933	\$ 71,029,091	\$ 74,845,001	\$ 66,515,247
4,460,937	4,152,198	3,728,760	3,229,346	2,849,754	2,503,008
182,850	196,692	206,674	222,551	209,483	210,592
326,596	326,831	325,166	324,400	324,407	324,407
855,147	396,372	572,242	1,713,646	1,499,167	1,221,960
-	-	-	-	663,173	783,546
1,459,411	936,185	486,405	273,409	370,604	885,011
8,663,332	7,743,101	2,839,241	2,582,190	3,013,147	5,834,117
<u>\$ 78,441,903</u>	<u>\$ 79,683,117</u>	<u>\$ 79,493,421</u>	<u>\$ 79,374,633</u>	<u>\$ 83,774,736</u>	<u>\$ 78,277,888</u>

County of Scott, Iowa

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

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

(Continued)



Fiscal Year					
2006	2007	2008	2009	2010	2011
\$ 19,231,650	\$ 20,051,534	\$ 20,289,680	\$ 20,925,221	\$ 27,972,373	\$ 36,474,619
5,543,800	5,682,835	5,956,132	6,180,832	6,238,358	5,695,818
13,430,170	14,308,820	15,211,596	14,605,242	14,484,152	15,279,397
4,142,926	4,371,103	4,410,086	4,882,023	4,044,619	5,070,703
5,983,682	6,711,217	6,712,511	7,461,585	6,219,535	7,863,504
1,945,223	2,074,972	2,151,064	2,821,526	2,167,664	2,117,384
9,376,193	9,943,559	10,980,111	10,135,767	8,294,027	11,500,872
662,882	1,606,659	1,471,972	1,393,678	1,457,291	1,674,554
60,316,526	64,750,699	67,183,152	68,405,874	70,878,019	85,676,851
1,186,450	1,223,696	1,178,367	1,144,254	1,021,548	949,850
\$ 61,502,976	\$ 65,974,395	\$ 68,361,519	\$ 69,550,128	\$ 71,899,567	\$ 86,626,701

\$ 1,101,152	\$ 1,053,355	\$ 939,874	\$ 1,182,577	\$ 992,171	\$ 1,457,575
290,280	285,637	330,296	358,704	355,941	376,158
57,465	41,070	42,261	31,633	31,902	50,250
943,194	889,915	920,315	891,352	988,522	1,017,239
27,646	9,943	11,268	21,109	32,893	20,863
2,616,909	2,506,821	2,382,447	2,307,783	2,343,094	2,469,734
191,548	251,682	251,070	228,445	271,056	267,955
9,135,717	9,896,826	11,847,705	12,233,452	11,912,913	12,882,216
2,846,478	1,417,942	153,469	1,184,458	6,674,252	2,567,522
17,210,389	16,353,191	16,878,705	18,439,513	23,602,744	21,109,512
1,019,793	875,270	947,487	949,445	912,712	1,077,731
\$ 18,230,182	\$ 17,228,461	\$ 17,826,192	\$ 19,388,958	\$ 24,515,456	\$ 22,187,243

\$ (43,106,137)	\$ (48,397,508)	\$ (50,304,447)	\$ (49,966,361)	\$ (47,275,275)	\$ (64,567,339)
(166,657)	(348,426)	(230,880)	(194,809)	(108,836)	127,881
\$ (43,272,794)	\$ (48,745,934)	\$ (50,535,327)	\$ (50,161,170)	\$ (47,384,111)	\$ (64,439,458)

County of Scott, Iowa

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

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

\*GASB Statement No. 34 implemented in fiscal year 2003.

**Source:** County records.

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$ 31,335,227	\$ 31,995,844	\$ 33,138,131	\$ 34,113,141	\$ 36,228,794	\$ 43,052,682
3,470,318	3,700,844	3,867,941	3,602,230	3,637,825	3,863,574
887,690	789,210	815,524	748,920	676,255	584,582
63,287	61,766	65,253	66,852	63,470	68,512
1,377,835	1,382,625	1,341,669	1,348,776	1,395,383	1,539,020
791,859	782,123	731,456	847,456	790,006	791,685
5,246,050	5,243,536	5,194,016	5,183,554	4,826,563	4,930,224
-	165	8,226	9,046	6,828	6,782
2,970,800	2,906,371	2,866,918	2,743,735	3,101,887	2,775,120
241,277	188,557	-	-	-	-
1,381,353	2,140,787	1,447,577	674,859	188,207	228,038
804,554	780,711	859,093	702,537	868,990	1,102,391
-	-	-	-	-	-
48,570,250	49,972,539	50,335,804	50,041,106	51,784,208	58,942,610
10,375	14,609	9,827	1,276	6	-
\$ 48,580,625	\$ 49,987,148	\$ 50,345,631	\$ 50,042,382	\$ 51,784,214	\$ 58,942,610
\$ 5,464,113	\$ 1,575,031	\$ 31,357	\$ 74,745	\$ 4,508,933	\$ (5,624,729)
(156,282)	(333,817)	(221,053)	(193,533)	(108,830)	127,881
\$ 5,307,831	\$ 1,241,214	\$ (189,696)	\$ (118,788)	\$ 4,400,103	\$ (5,496,848)

County of Scott, Iowa

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

	2002	2003	2004	2005
General Fund:				
Reserved:				
Notes receivable	\$ 60,254	\$ 100,000	\$ 100,000	\$ 100,000
Advances	1,423,314	1,423,314	1,508,314	1,673,314
County conservation sewage treatment	-	151,021	160,678	170,507
Other statutory programs	-	-	-	-
Unreserved, designated claim liabilities	1,051,977	1,116,806	805,257	886,689
Unreserved, undesignated	6,012,505	6,372,309	5,488,379	4,637,761
Nonspendable:				
Notes receivable	-	-	-	-
Advances	-	-	-	-
Prepays	-	-	-	-
Restricted:				
County conservation sewage treatment	-	-	-	-
Other statutory programs	-	-	-	-
Assigned:				
Claim liabilities	-	-	-	-
Unassigned	-	-	-	-
<b>Total general fund</b>	<b>\$ 8,548,050</b>	<b>\$ 9,163,450</b>	<b>\$ 8,062,628</b>	<b>\$ 7,468,271</b>
All other governmental funds:				
Reserved for:				
Debt service	\$ 5,426,805	\$ 5,142,886	\$ 724,111	\$ 5,269,337
Unreserved, undesignated reported in:				
Special revenue funds:				
Mental health/development disabilities	1,218,233	1,021,020	1,000,512	1,251,251
Secondary Roads	561,446	2,189,357	2,943,900	1,552,667
Rural services	83,889	2,148,185	1,997,741	2,191,392
Recorders management fees	192,259	259,036	93,315	117,636
Capital projects funds, capital projects	5,916,295	1,788,279	1,275,218	3,426,597
Restricted:				
Debt service	-	-	-	-
Capital projects	-	-	-	-
Committed:				
Records management fee	-	-	-	-
Assigned:				
Mental health/development disabilities	-	-	-	-
Secondary Roads	-	-	-	-
Other capital projects	-	-	-	-
Rural services	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 13,398,927</b>	<b>\$ 12,548,763</b>	<b>\$ 8,034,797</b>	<b>\$ 13,808,880</b>

Source: County records.

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

Fiscal Year					
2006	2007	2008	2009	2010	2011 *
\$ 100,000	\$ 100,000	\$ 116,175	\$ 116,175	\$ 113,358	\$ -
1,863,314	2,262,314	2,702,314	3,207,314	3,397,314	-
182,850	196,692	206,674	222,551	213,843	-
-	-	-	-	663,173	-
886,689	1,004,488	718,847	589,331	522,407	-
5,479,818	5,301,970	5,849,553	5,956,480	7,613,701	-
-	-	-	-	-	113,358
-	-	-	-	-	3,720,324
-	-	-	-	-	109,106
-	-	-	-	-	210,592
-	-	-	-	-	783,546
-	-	-	-	-	694,052
-	-	-	-	-	9,247,282
<u>\$ 8,512,671</u>	<u>\$ 8,865,464</u>	<u>\$ 9,593,563</u>	<u>\$ 10,091,851</u>	<u>\$ 12,523,796</u>	<u>\$ 14,878,260</u>

\$ 4,460,937	\$ 4,152,198	\$ 3,728,760	\$ 3,229,346	\$ 2,908,690	\$ -
855,147	396,372	572,242	1,713,646	1,499,167	-
1,459,411	936,185	486,405	273,409	370,604	-
111,064	123,384	118,672	117,451	137,271	-
129,231	138,081	139,847	139,496	90,270	-
4,223,180	6,945,117	5,541,207	4,053,819	8,310,749	-
-	-	-	-	-	2,558,322
-	-	-	-	-	1,712,860
-	-	-	-	-	72,687
-	-	-	-	-	1,221,960
-	-	-	-	-	885,011
-	-	-	-	-	1,473,162
-	-	-	-	-	57,929
<u>\$ 11,238,970</u>	<u>\$ 12,691,337</u>	<u>\$ 10,587,133</u>	<u>\$ 9,527,167</u>	<u>\$ 13,316,751</u>	<u>\$ 7,981,931</u>

County of Scott, Iowa

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

	2002	2003	2004	2005
<b>Revenues:</b>				
Property taxes	\$ 20,644,047	\$ 22,769,823	\$ 24,996,346	\$ 25,895,065
Local option sales tax	3,195,497	3,289,382	3,403,432	3,418,462
Other taxes	1,980,614	2,039,181	2,171,528	2,192,673
Interest and penalty on taxes	579,951	667,318	652,959	837,554
Intergovernmental	15,895,641	17,130,707	17,181,934	17,899,516
Charges for services	4,181,051	4,698,212	4,389,232	4,336,407
Investment earnings	956,679	518,804	348,442	738,160
Licenses and permits	418,998	430,540	454,731	529,000
Rentals and fees	142,050	127,387	113,952	124,758
Other	784,724	564,798	604,805	695,374
<b>Total revenues</b>	<b>48,779,252</b>	<b>52,236,152</b>	<b>54,317,361</b>	<b>56,666,969</b>
<b>Expenditures:</b>				
Public safety and legal services	12,490,629	13,584,142	14,593,427	16,507,338
Physical health and social services	5,675,225	5,279,964	5,563,018	5,398,110
Mental health	12,507,653	12,540,895	12,454,452	12,673,353
County environment and education	2,974,726	3,331,750	3,809,045	3,554,450
Roads and transportation	3,380,066	3,025,694	3,716,998	3,915,398
Governmental services to residents	1,748,504	1,638,400	1,746,145	1,765,623
Administration	5,907,458	6,214,537	6,622,680	6,815,170
Capital outlay	13,388,707	9,256,988	5,320,722	5,583,383
<b>Debt service:</b>				
Principal	290,000	610,000	580,000	610,000
Bond issuance costs	-	-	-	-
Interest	317,818	502,750	458,905	436,926
<b>Total expenditures</b>	<b>58,680,786</b>	<b>55,985,120</b>	<b>54,865,392</b>	<b>57,259,751</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(9,901,534)</b>	<b>(3,748,968)</b>	<b>(548,031)</b>	<b>(592,782)</b>
<b>Other financing sources (uses):</b>				
Transfers in	5,919,049	5,949,549	6,468,235	5,835,149
Transfers out	(5,919,049)	(5,949,549)	(6,468,235)	(5,835,149)
Proceeds from sale of capital assets	-	-	-	-
Proceeds from issuance of long-term debt	5,041,777	-	-	-
Bond discount	-	-	-	-
Bond premium	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>5,041,777</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in fund balances</b>	<b>(4,859,757)</b>	<b>(3,748,968)</b>	<b>(548,031)</b>	<b>(592,782)</b>
Fund balances, beginning of year	24,942,986	23,183,554	19,434,586	18,886,555
Residual equity transfer in	1,863,748	-	-	-
Fund balances, end of year	\$ 21,946,977	\$ 19,434,586	\$ 18,886,555	\$ 18,293,773

Debt service as a percentage of noncapital expenditures 1.36% 2.44% 2.14% 2.07%

Source: County records.

Fiscal Year						
2006	2007	2008	2009	2010	2011	
\$ 31,364,663	\$ 32,017,310	\$ 33,120,748	\$ 34,082,776	\$ 36,232,900	\$ 43,098,556	
3,382,318	3,727,522	3,860,101	3,691,392	3,637,825	3,863,574	
2,328,812	2,233,601	2,222,446	2,164,548	2,135,108	2,192,115	
791,859	782,123	731,456	847,456	790,006	791,685	
18,596,027	18,714,770	19,873,049	20,369,088	19,848,192	20,595,340	
4,656,145	4,521,226	4,337,361	4,516,303	4,490,155	4,993,149	
1,381,353	2,008,067	1,447,577	674,859	186,708	221,853	
572,049	517,197	540,170	505,300	525,427	666,627	
141,568	144,693	157,323	165,676	186,492	188,240	
569,001	636,018	701,770	536,861	642,792	598,716	
63,783,795	65,302,527	66,992,001	67,554,259	68,675,605	77,209,855	
18,225,493	19,330,101	19,214,446	19,768,037	19,942,386	26,494,923	
5,489,011	5,638,002	5,915,796	6,075,938	6,595,222	6,511,764	
13,416,089	14,288,703	15,182,707	14,560,838	14,492,698	15,221,435	
3,558,603	3,845,185	4,099,548	4,378,787	4,197,866	4,515,096	
3,937,871	4,360,061	4,493,009	4,680,676	4,604,129	4,540,049	
1,866,796	1,933,065	2,012,787	2,134,299	2,052,707	2,022,332	
7,306,402	7,555,798	8,238,360	8,711,784	8,342,657	9,094,998	
5,290,532	5,580,379	5,832,465	4,369,892	9,072,467	7,748,371	
2,570,000	1,880,000	1,925,000	2,065,000	2,140,000	2,680,000	
-	99,453	-	-	-	-	
665,130	1,569,359	1,503,745	1,398,136	1,562,013	1,675,660	
62,325,927	66,080,106	68,417,863	68,143,387	73,002,145	80,504,628	
1,457,868	(777,579)	(1,425,862)	(589,128)	(4,326,540)	(3,294,773)	
6,665,376	5,107,655	8,516,222	8,616,899	8,007,463	8,433,584	
(6,665,376)	(5,107,655)	(8,516,222)	(8,616,899)	(8,007,463)	(8,433,584)	
-	33,394	49,757	27,450	39,705	157,209	
-	6,185,000	-	-	13,200,000	-	
-	-	-	-	(17,392)	-	
-	9,345	-	-	70,756	-	
-	(3,645,000)	-	-	(2,745,000)	-	
-	2,582,739	49,757	27,450	10,548,069	157,209	
1,457,868	1,805,160	(1,376,105)	(561,678)	6,221,529	(3,137,564)	
18,293,773	19,751,641	21,556,801	20,180,696	19,619,018	25,840,547	
-	-	-	-	-	-	
\$ 19,751,641	\$ 21,556,801	\$ 20,180,696	\$ 19,619,018	\$ 25,840,547	\$ 22,702,983	

6.01%

5.84%

5.39%

5.39%

5.54%

5.69%

County of Scott, Iowa

Program Revenues by Function/Program

Last Nine Fiscal Years\*

(accrual basis of accounting)

(Unaudited)

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

\*GASB Statement No. 34 implemented in fiscal year 2003

Source: County records.



Fiscal Year					
2006	2007	2008	2009	2010	2011
\$ 2,396,794	\$ 2,624,858	\$ 2,087,424	\$ 3,080,316	\$ 2,285,735	\$ 2,603,842
2,126,736	2,114,672	2,179,694	2,222,418	2,984,594	2,449,219
5,507,832	6,324,361	7,891,347	8,163,582	6,969,490	7,753,736
1,197,394	1,074,486	1,306,680	1,301,062	1,415,324	1,094,796
1,943,220	979,629	54,786	154,581	6,744,340	2,645,043
3,670,976	2,824,963	2,926,459	3,063,718	2,704,150	2,656,916
367,437	410,222	432,315	453,836	499,111	1,502,699
-	-	-	-	-	403,261
17,210,389	16,353,191	16,878,705	18,439,513	23,602,744	21,109,512
1,019,793	875,270	947,487	949,445	912,712	1,077,731
\$ 18,230,182	\$ 17,228,461	\$ 17,826,192	\$ 19,388,958	\$ 24,515,456	\$ 22,187,243

County of Scott, Iowa

Revenues by Source, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

Fiscal Year	Property	Local Option Sales Tax	Other Tax	Interest & Penalties on Taxes	Intergovernmental
2002	\$ 20,644,047	\$ 3,195,497	\$ 1,980,614	\$ 579,951	\$ 15,895,641
2003	25,895,065	3,418,462	2,192,673	837,554	17,899,516
2004	24,996,346	3,403,432	2,171,528	652,959	17,181,934
2005	25,895,065	3,418,462	2,192,673	837,554	17,899,516
2006	31,364,663	3,382,318	2,328,812	791,859	18,596,027
2007	32,017,310	3,727,522	2,233,601	782,123	18,714,770
2008	33,120,748	3,860,101	2,222,446	731,456	19,873,049
2009	34,082,776	3,691,392	2,164,548	847,456	20,369,088
2010	36,232,900	3,637,825	2,135,108	790,006	19,848,192
2011	43,098,556	3,863,574	2,192,115	791,685	20,595,340
Change 2002-2011	108.77%	20.91%	10.68%	36.51%	29.57%

Source: County records.

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Charges for Services	Investment Earnings	Licenses & Permits	Rentals & Fees	Other	Total
\$ 4,181,051	\$ 956,679	\$ 418,998	\$ 142,050	\$ 784,724	\$ 48,779,252
4,336,407	738,160	529,000	124,758	695,374	56,666,969
4,389,232	348,442	454,731	113,952	604,805	54,317,361
4,336,407	738,160	529,000	124,758	695,374	56,666,969
4,656,145	1,381,353	572,049	141,568	569,001	63,783,795
4,521,226	2,008,067	517,197	144,693	636,018	65,302,527
4,337,361	1,447,577	540,170	157,323	701,770	66,992,001
4,516,303	674,859	505,300	165,676	536,861	67,554,259
4,490,155	186,708	525,427	186,492	642,792	68,675,605
4,993,149	221,853	666,627	188,240	755,925	77,367,064
19.42%	-76.81%	59.10%	32.52%	-3.67%	58.61%

County of Scott, Iowa

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

Fiscal Year Ended June 30	Real Property		Personal Property		Utilities	
	Taxable Value	Assessed Value	Taxable Value	Assessed Value	Taxable Value	Assessed Value
2002	\$ 4,494,546,377	\$ 6,542,552,088	\$ 128,389,476	\$ 128,389,476	\$ 373,127,833	\$ 373,127,833
2003	4,697,380,131	7,262,052,360	55,912,460	55,912,460	376,912,988	376,928,465
2004	4,812,295,795	7,645,182,637	5,356,152	5,356,152	402,785,799	403,680,208
2005	5,087,898,264	8,391,908,858	-	-	416,619,162	416,632,167
2006	5,299,824,281	8,858,213,729	-	-	405,323,627	405,323,627
2007	5,636,684,084	9,304,359,638	-	-	242,007,768	287,536,004
2008	5,782,600,890	9,629,908,628	-	-	236,556,404	311,762,064
2009	6,175,708,574	10,870,184,903	-	-	244,749,886	300,708,935
2010	6,239,157,174	10,946,041,950	-	-	407,227,695	491,195,351
2011	6,408,604,034	11,185,801,070	-	-	382,244,194	501,524,388

Source: Auditor's Office

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

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

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Total		Ratio Taxable to Assessed Value	Tax Increment Financing District Values	County Urban Rate
Taxable Value	Assessed Value			
\$ 4,996,063,686	\$ 7,044,069,397	70.9%	\$ 218,666,744	\$ 4.16
5,130,205,579	7,694,893,285	66.7%	226,164,092	4.18
5,220,437,746	8,054,218,997	64.8%	232,697,034	4.48
5,504,517,426	8,808,541,025	62.5%	213,970,420	4.81
5,705,147,908	9,263,537,356	61.6%	235,146,048	4.75
5,878,691,852	9,591,895,642	61.3%	235,149,590	5.57
6,019,157,294	9,941,670,692	60.5%	301,116,369	5.51
6,420,458,460	11,170,893,838	57.5%	330,175,178	5.34
6,646,384,869	11,437,237,301	58.1%	369,081,487	5.48
6,790,848,228	11,687,325,458	58.1%	371,369,162	6.38

County of Scott, Iowa

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

Taxpayer	2002		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
MidAmerican Energy	\$ 220,409,567	1	4.39%
Aluminum Company of America	118,406,074	2	2.36%
SDG Macerich Properties	65,105,400	3	1.30%
Davenport Water Company	51,746,558	4	1.03%
Isle of Capri	39,792,199	5	0.79%
Genventures	31,582,712	6	0.63%
Qwest Communications	29,689,560	7	0.59%
Northern Border Pipeline Co	26,727,776	8	0.53%
Lafarge Corporation	23,234,916	9	0.46%
Petersen Properties LC	20,894,352	10	0.42%
<b>Total</b>	<b>\$ 627,589,114</b>		<b>12.50%</b>

Taxpayer	2011		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
MidAmerican Energy	\$ 326,959,565	1	4.92%
Isle of Capri	85,002,320	2	1.28%
SDG Macerich Properties	63,972,785	3	0.96%
Iowa American Water Company	55,894,471	4	0.84%
ALCOA	40,858,880	5	0.61%
Qwest Corp	29,780,024	6	0.45%
Northern Border Pipeline	25,364,152	7	0.38%
Gulf Investments	24,522,800	8	0.37%
Deere & Company	22,600,000	9	0.34%
Davenport-Durler Family Trust	20,554,200	10	0.31%
<b>Total</b>	<b>\$ 695,509,197</b>		<b>10.46%</b>

Source: County records

County of Scott, Iowa

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

Fiscal Year Ended June 30	Property Taxes Levied for the Fiscal Year	Property Taxes Collected Within the Fiscal Year of the Levy		Property Tax Collections In Subsequent Years	Property Tax Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	\$ 152,133,150	\$ 151,191,798	99.38	\$ 75,947	\$ 151,267,745	99.43
2003	164,344,090	163,141,398	99.27	38,060	163,179,458	99.29
2004	170,396,572	168,156,252	98.69	618,183	168,774,435	99.05
2005	181,497,890	179,753,240	99.04	1,664,237	181,417,477	99.96
2006	194,032,266	193,001,228	99.47	195,545	193,196,773	99.57
2007	202,141,914	200,878,707	99.38	(20,856)	200,857,851	99.36
2008	210,294,826	209,445,543	99.60	131,295	209,576,838	99.66
2009	223,092,062	221,671,064	99.36	205,504	221,876,568	99.46
2010	234,648,806	233,278,412	99.42	93,197	233,371,609	99.46
2011	247,987,832	246,709,768	99.48	357,380	247,067,148	99.63

Source: County records

**County of Scott, Iowa**

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

	2002	2003	2004	2005
County direct rates:				
Scott County Urban Rate	\$ 4.18290	\$ 4.48067	\$ 4.80887	\$ 4.75497
Scott County Rural Rate	7.23474	7.49188	7.71192	7.84647
Total direct rates	11.41764	11.97255	12.52079	12.60144
City and town rates:				
Bettendorf	11.45555	11.85000	11.85000	12.34932
Blue Grass	11.56925	12.43356	12.48463	11.51524
Buffalo	6.99999	7.00203	7.65547	8.09999
Davenport	14.60301	14.63000	14.96445	15.24000
Dixon	8.09975	8.09986	8.09977	8.10000
Donahue	5.20471	5.15138	7.96293	7.36868
Durant	12.19810	12.17088	12.17088	14.20315
Eldridge	6.37553	6.37555	6.64799	6.64795
LeClaire	14.69771	14.69660	14.69660	14.69639
Long Grove	7.87004	7.89977	8.10000	8.10000
Maysville	4.76008	4.85690	5.16066	5.16083
McCausland	7.64697	7.91705	7.91704	8.10000
New Liberty	1.52958	1.52478	2.22375	2.99975
Panorama Park	6.13308	6.27994	6.29016	6.25158
Princeton	9.30742	9.30739	9.22504	8.81288
Riverdale	2.29648	2.29649	2.30970	2.30949
Walcott	10.00001	9.50001	9.50000	9.75001
School District Rates:				
Bennett Schools	11.62167	11.85225	12.43900	12.85967
Bettendorf Schools	14.56220	15.78768	15.77779	15.46630
Davenport Schools	15.46758	16.96204	17.07873	17.09591
Durant Schools	12.18444	12.24493	12.04676	12.21711
North Scott Schools	15.66165	15.32122	14.99307	15.03382
Pleasant Valley Schools	13.45953	13.45042	13.45835	13.46470
Area IX CC	0.60382	0.62633	0.61738	0.59216
Other:				
Scott County Assessor	0.31830	0.33124	0.33119	0.27124
Davenport City Assessor	0.33488	0.37656	0.31521	0.27648
Ag. Extension - BANGS	0.06790	0.06248	0.06721	0.06939

Source: County records - Auditor's Office.



Year Taxes are Payable

2006	2007	2008	2009	2010	2011
\$ 5.56513	\$ 5.51106	\$ 5.54040	\$ 5.33791	\$ 5.47607	\$ 6.37607
8.60445	8.52602	8.62666	8.35745	8.49561	9.39561
14.16958	14.03708	14.16706	13.69536	13.97168	15.77168
12.34952	12.60000	12.95000	12.85000	12.85000	12.60000
11.43975	11.58668	11.65760	11.07291	10.98600	11.18972
8.09998	8.10000	8.10000	8.09999	8.17628	8.17540
15.24000	15.56702	15.57515	15.57584	15.58000	15.53000
8.10000	8.10000	8.10000	8.10000	8.10000	8.10000
5.42517	5.43321	5.43025	5.96370	5.96079	7.21883
15.56204	15.56204	15.56203	15.56203	14.95411	15.70846
6.64795	6.64800	6.64797	6.64880	6.64916	6.74852
14.69637	14.69636	14.69188	14.69998	16.08173	16.00434
8.10000	8.39529	8.10000	9.76863	11.15854	11.03125
5.16097	5.16094	5.16095	5.16100	5.16094	5.16962
8.10000	8.10000	8.10000	8.10000	8.10000	9.25982
2.90011	3.57028	3.349.15	2.93849	2.92797	3.96650
6.50590	6.76329	6.74595	5.64940	5.55117	5.56196
9.02314	8.97804	8.93821	8.94763	9.58243	9.58242
2.93819	2.50485	2.50485	2.70103	2.70103	3.37602
9.75001	9.75000	10.00000	10.00000	10.00000	9.99999
11.78130	11.62880	10.72766	11.01374	11.25066	11.23830
14.69042	15.00216	15.00025	14.84626	14.85367	15.00820
17.09734	17.10760	17.10610	17.08731	17.09334	17.11276
12.62186	11.96178	12.37027	12.60365	13.34659	11.84246
15.12320	15.17814	15.11048	14.76476	14.51584	14.75964
13.66430	13.86154	13.99385	13.98720	13.99319	14.74116
0.59269	0.61277	0.60785	0.60635	0.87714	0.92444
0.27404	0.29563	0.28899	0.28870	0.33733	0.28465
0.26045	0.29672	0.30964	0.27680	0.25789	0.23892
0.06973	0.07034	0.07079	0.06892	0.06845	0.06946

**County of Scott, Iowa**

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

Fiscal Year	Governmental Activities		Business-Type Activities	
	General Obligation Bonds	Capital Lease	Capital Lease	Purchase Contract
2002	\$ 10,435	\$ -	\$ -	\$ -
2003	9,825	-	-	2,361
2004	9,245	-	218	2,101
2005	8,635	-	476	1,918
2006	8,000	27,765	370	1,725
2007	9,655	26,770	266	1,523
2008	8,760	25,740	156	1,304
2009	7,765	24,670	39	1,075
2010	17,190	23,560	-	855
2011	15,660	22,410	-	585

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

Source: County records.

N/A - Not Available

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	Total Government	Percentage of Personal Income*		Per Capita*
\$	11,711	0.24	\$	73.81
	43,117	0.87		268.50
	38,851	0.73		241.48
	39,860	N/A		248.91
	71,809	N/A		446.02
	41,399	N/A		252.69
	39,099	N/A		237.47
	33,549	N/A		202.77
	41,605	N/A		249.65
	38,655	N/A		230.89

County of Scott, Iowa

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

---

Fiscal Year	General Bonded Debt Outstanding		Percent of Debt to Assessed Value	Per Capita*
	General Obligation Bonds			
2002	\$	10,435,000	0.15	\$ 65.77
2003		9,825,000	0.13	61.18
2004		9,245,000	0.12	57.46
2005		8,635,000	0.10	53.92
2006		8,000,000	0.09	49.69
2007		9,655,000	0.10	58.93
2008		8,760,000	0.09	53.20
2009		7,765,000	0.07	46.93
2010		17,190,000	0.15%	103.15
2011		15,660,000	0.13%	93.54

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

Source: County records.

County of Scott, Iowa

**Direct and Overlapping Governmental Activities Debt  
As of June 30, 2011  
(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Scott County	\$ 15,660,000	100.00%	\$ 15,660,000
School Districts:			
Bettendorf Community	-	100.00%	-
Durant Community	1,866,850	23.71%	442,630
North Scott Community	-	100.00%	-
Wheatland Community	993,750	8.24%	81,885
Eastern Iowa Community College	69,525,000	59.48%	41,353,470
<b>Subtotal, School Districts</b>			<b>41,877,985</b>
Cities:			
Bettendorf	106,010,000	100.00%	106,010,000
Blue Grass	2,464,440	100.00%	2,464,440
Buffalo	245,000	100.00%	245,000
Davenport	177,080,000	100.00%	177,080,000
Donahue	200,000	100.00%	200,000
Durant	2,470,000	3.73%	92,131
Eldridge	4,585,000	100.00%	4,585,000
LeClaire	19,622,095	100.00%	19,622,095
Long Grove	962,000	100.00%	962,000
Maysville	312,000	100.00%	312,000
McCausland	18,911	100.00%	18,911
New Liberty	275,738	100.00%	275,738
Princeton	805,000	100.00%	805,000
Walcott	4,325,000	100.00%	4,325,000
<b>Subtotal, Cities</b>			<b>316,997,315</b>
<b>Total direct and overlapping debt:</b>			<b>\$ 374,535,300</b>

Source: County records

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

County of Scott, Iowa

Legal Debt Margin Information  
As of June 30, 2011  
(Unaudited)

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	2002	2003	2004	2005
Debt limit	\$ 352,203,470	\$ 363,102,618	\$ 392,500,605	\$ 428,112,694
Total net debt applicable to limit	10,435,000	9,825,000	9,245,000	8,635,000
Legal debt margin	\$ 341,768,470	\$ 353,277,618	\$ 383,255,605	\$ 419,477,694
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	3.05%	2.78%	2.41%	2.06%

Source: County records.

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed value	<u>\$ 11,687,325,458</u>
Debt limit (5% of assessed value)	<u>\$ 584,366,273</u>
Debt applicable to limit:	
General obligation bonds	15,660,000
Capital lease	<u>22,410,000</u>
Total net applicable to limit	<u>38,070,000</u>
Legal debt margin	<u>\$ 546,296,273</u>

	2006	2007	2008	2009	2010	2011
\$	451,734,795	\$ 479,594,782	\$ 497,083,535	\$ 558,544,692	\$ 571,861,865	\$ 584,366,273
	35,765,000	36,425,000	34,500,000	32,435,000	40,750,000	38,070,000
\$	415,969,795	\$ 443,169,782	\$ 462,583,535	\$ 526,109,692	\$ 531,111,865	\$ 546,296,273
	8.60%	8.22%	7.46%	6.17%	7.67%	6.97%

**County of Scott, Iowa**

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

Year	Population <sup>1</sup>	Personal Income (000's) <sup>2</sup>	Per Capita Personal Income <sup>2</sup>	Farm Proprietors <sup>3</sup>	School Enrollment <sup>4</sup>	Unemployment Rate <sup>5</sup>
2002	158,668	\$ 4,855,622	\$ 30,599	750	27,436	4.6
2003	160,582	4,945,087	31,131	740	27,328	4.7
2004	160,889	5,360,743	33,628	740	27,264	5.0
2005	160,141	5,613,427	35,036	730	27,216	4.5
2006	160,998	5,974,647	36,950	730	27,126	3.8
2007	163,835	N/A	37,067	850	27,316	3.8
2008	164,650	N/A	39,209	850	N/A	3.9
2009	165,453	N/A	38,670	850	27,033	5.9
2010	166,650	N/A	N/A	N/A	26,934	7.5
2011	167,416	N/A	N/A	N/A	27,134	6.9

<sup>1</sup>Source: Iowa Data Center/Woods & Poole

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

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

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

<sup>5</sup>Source: Iowa Workforce Development, 2011 Data Average Through September.

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

N/A - Not Available



**County of Scott, Iowa**

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

Employer	2001		
	Employees	Rank	Percentage of Total County Employment
Genesis Medical Center	3,000	1	3.6%
ALCOA	2,600	2	3.2%
Davenport Community School District	1000+	3	N/A
Scott Community College	1000+	4	N/A
Kraft Foods (Oscar Mayer)	1,890	5	2.0%
Deere & Company (Davenport Works)	950	6	N/A
Mid American Energy	987	7	N/A
City of Davenport	N/A	8	N/A
APAC Customer Service	500	9	1.0%
Von Maur	435	10	0.7%

Employer	2011		
	Employees	Rank	Percentage of Total County Employment
Genesis Medical Center	3,850	1	4.5%
Davenport Community School District	1,950	2	2.3%
ALCOA	1,900	3	2.2%
Kraft Foods (Oscar Mayer)	1,500	4	1.8%
City of Davenport	980	5	1.2%
Isle of Capri	925	6	1.1%
APAC Customer Service	900	7	1.1%
Mid American Energy	780	9	0.9%
Rythm City Casino	750	10	0.9%
St Ambrose University	670	11	0.8%

Sources: Responses from individual organizations, compiled by Bi-State Regional Commission

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

**County of Scott, Iowa**

**Full-Time Equivalent County Government Employees by Function/Program**

**Last Ten Fiscal Years**

**(Unaudited)**

Function / Program	2002	2003	2004	2005
Public safety and legal services:				
Attorney	31.00	30.63	30.63	30.63
Health	2.90	2.30	4.90	4.90
Juvenile Court Services	12.40	15.20	15.20	14.20
Sheriff	140.70	141.70	154.15	159.65
Physical health and social services:				
Community Services	9.70	9.20	9.20	8.70
Health	30.75	31.85	31.25	32.25
Mental Health, Mental Retardation & Developmental Disabilities:				
Community Services	3.55	3.80	3.80	3.80
County Environment and Education				
Conservation	40.60	40.60	40.60	41.60
Planning & Development	4.33	4.33	4.08	4.08
Roads and Transportation				
Secondary Roads	33.40	33.40	35.15	35.15
Governmental services to residents:				
Auditor	6.00	6.00	6.00	6.00
Recorder	13.00	13.00	13.00	12.00
Treasurer	14.70	14.20	14.20	14.20
Administration:				
Administration	3.70	3.70	3.70	3.10
Auditor	9.40	9.40	9.40	9.40
Facility & Support Services	23.74	23.74	23.74	24.19
Human Resources	7.50	7.50	7.50	4.50
Information Technology	10.00	10.00	10.00	10.00
Non-Departmental	-	-	-	-
Supervisors, Board of	5.00	5.00	5.00	5.00
Treasurer	13.90	14.40	14.40	14.40
<b>Total</b>	<b>416.27</b>	<b>419.95</b>	<b>435.90</b>	<b>437.75</b>

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

Fiscal Year					
2006	2007	2008	2009	2010	2011
30.75	30.75	31.00	30.00	31.00	31.00
7.30	8.30	8.30	11.15	11.15	11.15
14.20	14.20	14.20	14.20	14.20	14.20
166.10	164.10	166.10	166.35	167.35	167.35
8.70	8.70	8.70	8.70	7.70	7.70
31.85	29.85	30.85	31.85	31.85	31.85
3.80	3.80	3.80	3.80	3.80	3.80
41.60	41.60	41.60	41.60	41.60	41.60
4.08	4.08	4.08	4.08	4.08	4.08
35.15	35.15	35.15	35.15	35.15	35.15
6.00	6.00	6.00	6.00	5.00	5.00
12.00	11.50	11.50	11.50	11.50	11.50
14.20	14.20	14.20	12.20	12.20	12.20
3.10	3.10	3.10	3.50	3.50	3.50
9.40	9.90	9.90	9.40	9.40	9.40
24.19	28.69	28.69	29.04	30.04	31.04
4.50	4.50	4.50	4.50	4.50	4.50
11.00	11.00	11.00	12.00	12.00	15.00
-	-	-	-	-	-
5.00	5.00	5.00	5.00	5.00	5.00
14.40	14.40	14.40	15.40	15.40	15.40
447.32	448.82	452.07	455.42	456.42	460.42

**County of Scott, Iowa**

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

<u>Function / Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Public Safety and Legal Services			
Attorney:			
# of felonies/aggravated field cases filed	4,322	4,152	4,641
Sheriff:			
# of civil papers served	14,311	14,973	15,069
# of jail bookings	7,780	8,257	9,343
# of traffic citations written	2,714	1,882	4,003
# of 9-1-1 calls	10,867	11,830	12,088
Physical Health and Social Services			
Community Services:			
# of applications for general assistance	6,506	7,354	7,822
# of applications approved for general assist	2,750	3,025	4,133
# of requests for veteran services	682	911	1,026
# of invol commit filed for substance abuse	184	244	213
Health Department:			
# of health related inmate contacts within jail	2,583	2,762	2,520
# of comm disease requiring investigation	157	153	234
# of environmental health inspections conducted	3,986	3,806	3,124
Mental Health, HR & DD			
Community Services:			
# of invol commit filed for mental health	237	263	218
# of persons with MH/CMI served	3,221	3,667	3,777
# of persons with MR/DD served	493	502	529
# of protective payee cases	426	441	430
County Environment and Education			
Conservation:			
# of camp sites available	738	738	788
# of rounds of golf course	34,004	33,316	33,012
Planning & Development:			
# of building permits issued	664	550	653
Roads and Transportation:			
Secondary Roads:			
# of miles of road paved	168	168	175
# of bridges/culverts repaired/replaced	99	100	98

(Continued)

Source: County records - Year-end Indicator Report

Fiscal Year						
2005	2006	2007	2008	2009	2010	2011
4,832	5,077	4,845	4,814	4,752	4,782	4,664
15,620	14,764	14,479	14,879	14,002	13,491	11,284
9,876	10,859	11,658	9,747	9,011	8,245	8,283
3,114	3,502	2,068	2,233	2,802	2,678	4,028
11,767	11,088	11,580	13,002	12,442	10,672	N/A
6,575	6,446	6,524	7,544	8,105	8,907	7,294
3,490	3,354	3,569	3,797	3,829	4,660	4,065
1,055	1,613	814	982	880	1,204	1,134
241	289	340	260	210	214	246
4,509	3,795	3,979	5,434	10,617	10,817	12,618
122	302	369	285	360	338	442
3,955	3,987	4,363	4,464	4,198	4,389	4,141
322	304	338	335	361	312	450
4,115	4,015	4,136	4,078	1,537	1,505	1,516
518	560	572	570	384	380	409
434	398	401	390	367	339	384
788	788	788	788	788	788	788
30,803	30,898	27,196	27,765	28,549	29,258	28,553
613	691	622	603	643	583	728
176	176	176	176	183	183	183
102	104	140	213	79	94	89

County of Scott, Iowa

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

<u>Function / Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>Governmental Services to Residents</b>				
Auditor:				
# of elections	26	6	24	6
# of registered voters	110,557	97,139	104,462	111,806
Recorder:				
# of real estate transactions recorded	57,177	68,404	59,384	49,447
# of vital statistics registered/issued	22,393	22,302	21,770	20,315
# of passport applications accepted	389	427	641	531
# of conservation privileges issued	2,524	2,379	1,282	1,235
# of conservation licenses - ATV/Snow boat reg, titles and liens and privileges issued	5,212	13,946	5,587	13,642
Treasurer:				
# of titles issued	67,330	67,729	72,522	75,405
<b>Administration</b>				
Auditor:				
# of real estate transactions processed	8,108	8,791	9,357	8,829
Facility & Support Service:				
# of service calls	3,273	4,524	5,010	5,810
# of purchase requisitions received	1,890	1,014	739	733
# of pieces of outgoing mail	548,028	562,476	524,775	550,631
# of files imaged	59,063	80,120	109,450	273,526
Information Technology:				
# of network users	415	424	566	652
# of 3rd party applications maintained	90	62	108	47
Treasurer:				
# of prop tax/spec assessment statutes issued	166,932	162,190	183,741	184,685
# of tax certifications issued	1,613	2,003	23	3,284

Fiscal Year					
2006	2007	2008	2009	2010	2011
26	11	27	5	26	3
114,507	115,457	116,570	118,641	120,962	123,115
48,297	43,976	40,493	40,010	37,856	38,493
20,207	21,830	20,726	20,196	20,450	20,776
788	1,564	1,430	1,134	1,280	1,151
808	797	N/A	N/A	N/A	N/A
6,098	13,498	6,505	4,291	14,612	5,852
76,517	64,468	60,342	66,597	67,777	71,883
8,859	8,414	7,728	6,689	7,303	6,663
4,608	4,586	4,408	4,579	3,045	2,197
849	864	1,113	1,011	N/A	N/A
524,752	547,591	491,571	534,148	479,814	446,405
327,979	887,629	746,690	899,403	792,379	698,680
686	805	851	899	929	1,094
52	54	54	55	61	67
180,196	186,423	176,450	181,657	191,493	198,053
1,834	1,974	2,116	2,592	2,151	1,691

**County of Scott, Iowa**

**Capital Asset Statistics by Function/Program**

**Last Ten Fiscal Years**

**(Unaudited)**

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<u>Function / Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Public safety and legal services:			
Sheriff:			
# of patrol cars	48	53	48
Physical health and social services:			
Health Department			
# of vehicles	15	15	16
County environment and education:			
Conservation			
# of acres managed	2,795	2,795	2,795
Planning and Development			
# of vehicles	2	2	2
Roads and transportation:			
Secondary Roads			
# of vehicles	61	61	61
# of buildings	10	10	10
Administration:			
Facility and Support Services			
# of vehicles	4	5	5
# of buildings maintained	11	11	12
Non-Departmental (Risk Management)			
# of vehicles	1	1	1

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

**Liabilities**, due to other governmental agencies



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Fiscal Year						
2005	2006	2007	2008	2009	2010	2011
62	54	54	55	42	45	46
18	13	13	13	13	13	13
2,795	2,795	2,795	2,795	2,795	2,795	2,795
2	2	2	2	2	2	2
61	61	61	61	61	61	61
10	10	10	10	10	10	10
4	6	6	5	5	5	6
12	12	12	12	12	12	11
1	6	6	1	1	1	1



# **COMPLIANCE**



County of Scott, Iowa

**Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2011**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Identifying Number	Federal Expenditures
<b>U.S. Department of Agriculture</b>			
<b>Child Nutrition Cluster</b>			
<i>(Passed through the Iowa Department of Human Services)</i>			
National School Lunch Program	10.555	N/A	\$ 14,158
<i>(Passed through Iowa Department of Public Health)</i>			
Summer Food Health Inspection Grant	10.559	94610	900
<b>Total Child Nutrition Cluster</b>			<u>15,058</u>
<i>(Passed through Iowa Department of Public Health)</i>			
Breastfeeding Peer Counseling	10.557	5880AO94	11,389
Breastfeeding Peer Counseling	10.557	5881AO94	22,137
Special Supplemental Nutrition Programs for Woman, Infants, and Children (WIC)	10.557	5880AO36	143,902
Special Supplemental Nutrition Programs for Woman, Infants, and Children (WIC)	10.557	5881AO36	642,946
			<u>820,374</u>
<i>(Passed through Iowa Department of Human Services)</i>			
Food Stamps	10.561	N/A	<u>86,448</u>
<i>(Passed through Iowa Department of Agriculture and Land Stewardship)</i>			
Iowa Farmers' Market Nutrition Program	10.572	N/A	<u>430</u>
<b>Total U.S. Department of Agriculture</b>			<u>922,310</u>
<b>U.S. Department of Housing and Urban Development</b>			
<i>(Passed through the City of Davenport)</i>			
Davenport MILES Program	14.900	IALHB0349-07	<u>5,953</u>
<b>U.S. Department of Justice</b>			
<i>(Passed through the Governor's Alliance on Substance Abuse)</i>			
State Criminal Alien Assistance Program	16.606	2008-AP-BX-0714	8,346
2008 State Criminal Alien Assistance Program	16.606	2008-AP-BX-0942	8,558
			<u>16,904</u>
<i>(Direct Program)</i>			
Bulletproof Vest Program	16.607	OMB1121-0235	<u>850</u>
<i>(Direct Program)</i>			
Public Safety Partnership and Community Policing Grants COPS Technology Grant	16.710	2008-CK-WX-0276	32,469
<i>(Passed through the Governor's Alliance on Substance Abuse)</i>			
Public Safety Partnership and Community Policing Grants Methamphetamine Drug Hot Spot Grant Program	16.710	09-Hotspots/Interdiction-15	23,337
<i>(Passed through the Office of Community Oriented Policing Services)</i>			
Public Safety Partnership and Community Policing Grants COPS 2007 Technology Program Grant	16.710	2007-CK-WX-00	409,152
COPS in School	16.710	2008-CK-WX-00	75,511
			<u>540,469</u>
<b>JAG Program Cluster</b>			
<i>(Direct Program)</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-DJ-BX-0943	120,882
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.804	2009-SB-B9-0549	765,146
<i>(Passed through the Governor's Alliance on Substance Abuse)</i>			
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.803	09JAG/ARRA-4269B	136,000
<b>Total JAG Program Cluster</b>			<u>1,022,028</u>
<i>(Passed through State of Iowa Department of Justice, Crime Victim Assistance Division)</i>			
Stop Violence Against Women	16.588	VW-11-17	<u>36,500</u>
<b>Total U.S. Department of Justice</b>			<u>1,616,751</u>

(Continued)

County of Scott, Iowa

Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Identifying Number	Federal Expenditures
<b>U.S. Department of Transportation</b>			
National Highway Traffic Safety Administration (Passed through Iowa Department of Public Safety-Governor's Traffic Safety Division)			
State and Community Highway Safety	20.600	PAP 10-410, Task 69	\$ 11,014
State and Community Highway Safety	20.600	PAP 11-410, Task 69	51,634
			<u>62,648</u>
<b>U.S. Department of Energy</b>			
(Direct Program)			
ARRA - Energy Efficiency and Conservation Block Grant	81.128	DOE-SC0003387	<u>53,171</u>
<b>U.S. Department of Health and Human Services</b>			
(Passed through the Iowa Department of Health)			
Childhood Lead Poisoning Prevention	93.197	5880LP04	<u>17,799</u>
Immunization Program			
I-4 Project	93.268	5880I468	35,387
I-4 Project	93.268	5881I468	42,197
			<u>77,584</u>
Maternal and Child Health Services Block Grant to the States			
Child Health Grant	93.994	5880MH21	10,759
Maternal Health Grant	93.994	5880MH21	3,907
Dental Health Grant	93.994	5880MH21	3,153
Child Health Grant	93.994	5881MH21	43,112
Dental Health Grant	93.994	5881MH21	2,773
			<u>63,704</u>
Public Health Emergency Preparedness Grant	93.069	8200	27,344
Public Health Emergency Preparedness Grant	93.069	5881BT82	53,447
Regional Public Health Emergency Preparedness and Response	93.069	5880BT206	87
Regional Public Health Emergency Preparedness	93.069	5881BT12	547
Public Health Emergency Response	93.069	5881BT382	95,343
			<u>176,768</u>
Centers for Disease Control and Prevention_Investigations and Technical Assistance			
Local Bioterrorism Grant	93.283	8209	471
WISEWOMEN Cardiovascular Program	93.283	5881NB21	85,460
Mosquito Surveillance Project	93.283	MOU-2011-ELC09	840
Mosquito Surveillance Project	93.283	MOU-2012-ELC09	280
			<u>87,051</u>
Project Grants and Cooperative Agreements for Tuberculosis Control Programs			
Directly Observed Therapy	93.116	MOU-2011-TB06	<u>6,419</u>
<b>Total passed through Iowa Department of Health</b>			<u>429,325</u>

(Continued)

County of Scott, Iowa

**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended June 30, 2011**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Identifying Number	Federal Expenditures
<b>U.S. Department of Health and Human Services (continued)</b>			
<i>(Passed through Iowa Department of Human Services)</i>			
Refugee and Entrant Assistance	93.566	N/A	\$ 66
Child Care Development Fund	93.596	N/A	20,947
Foster Care Title IV-E	93.658	N/A	34,337
Adoption	93.659	N/A	8,335
Expansion Title XXI	93.767	N/A	392
Scott County Empowerment Agreement (DECAT)	93.575	N/A	82,391
Medical Assistance (Title XIX)	93.778	N/A	82,965
SSBG -Indirect	93.667	N/A	29,440
SSBG -Direct	93.667	N/A	726,189
			<u>755,629</u>
<b>Total passed through Iowa Department of Human Services</b>			<u>985,062</u>
<i>(Passed through Iowa Secretary of State)</i>			
Voting Access for Individuals with Disabilities	93.617	082-11	6,192
<b>Total U.S. Dept of Health and Human Services</b>			<u>1,420,579</u>
<b>Corporation for National and Community Service</b>			
<i>(Passed through Linn County Conservation)</i>			
Eastern Iowa Conservation Alliance Americorps Program	94.006	06ACHIA0010006	7,452
<b>U.S. Department of Homeland Security</b>			
<b>Homeland Security Cluster</b>			
<i>(Passed through Iowa Homeland Security &amp; Emergency Mgt Division)</i>			
FY 2008 Law Enforcement Terrorism Prevention Program	97.067	FY2008-GE-T8-2008-016	163,263
FY 2009 Law Enforcement Terrorism Prevention Program	97.067	2009-SS-T9-0034-12A	93,236
FY 2009 Law Enforcement Terrorism Prevention Program	97.067	2009-SS-T9-0034-12	34,063
<b>Total Homeland Security Cluster</b>			<u>290,562</u>
<i>(Passed through the Iowa Disaster Services Division)</i>			
EMA - State and Local Assistance Grant	97.042	N/A	17,666
Hazard Mitigation Grant Program	97.039	DR 1763	30,592
<b>Total US Department of Homeland Security</b>			<u>338,820</u>
<b>Total expenditures of federal awards</b>			<u>\$ 4,427,684</u>

See Notes to Schedule of Expenditures of Federal Awards.

**County of Scott, Iowa**

**Notes to Schedule of Expenditures of Federal Awards**

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**Note 1. Basis of Presentation**

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

**Note 2. Significant Accounting Policies**

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

**Note 3. Pass-Through Funding**

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

Program Title	Federal CFDA Number	Amount Provided to Subrecipient
Special Supplemental Nutrition Programs for Woman, Infants and Children (WIC)	10.557	\$ 779,933
Breastfeeding Peer Counseling	10.557	33,526
Iowa Farmers' Market Nutrition Program	10.572	430
COPS in School	16.710	75,511
Methamphetamine Drug Hot Spot Grant Program	16.710	19,557
Edward Byrne Memorial Justice Assistance Grant Program	16.738	64,686
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.804	300,000
ARRA - Energy Efficiency and Conservation Block Grant	81.128	53,171
Directly Observed Therapy	93.116	6,419
Childhood Lead Poisoning Prevention	93.197	1,200
I-4 Project	93.268	56,250
WISEWOMEN Cardiovascular Program	93.283	85,460
Maternal and Child Health Grant	93.994	22,299
Hazard Mitigation Grant Program	97.039	30,592
2008 Law Enforcement Terrorism Prevention Program	97.067	36,251
2009 Law Enforcement Terrorism Prevention Program	97.067	33,094
		<u>\$ 1,598,379</u>



**County of Scott, Iowa**

**Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2011**

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Finding	Status
There were no findings relative to federal awards reported in the County of Scott's single audit report for the year ended June 30, 2010.	





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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Scott, Iowa as of and for the year ended June 30, 2011, and have issued our report thereon dated November 29, 2011. Our report was modified due to the implementation of Governmental Accounting Standards Board Statement No. 54. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

***Internal Control Over Financial Reporting***

Management of the County of Scott is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County of Scott's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Scott's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Scott's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses; and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness. This material weakness is item 2011-01.

To the Board of Supervisors  
County of Scott, Iowa

### ***Compliance and Other Matters***

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

Comments involving statutory and other legal matters about the County of Scott's operations for the year ended June 30, 2011, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County of Scott. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

We noted certain matters that we reported to management of the County of Scott in a separate letter dated November 29, 2011.

The County of Scott's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County of Scott's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Supervisors, management, others within the entity, federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

*Baker Tilly Vinchow Krause, LLP*

Milwaukee, Wisconsin  
November 29, 2011



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND  
MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

**Compliance**

We have audited the County of Scott, Iowa's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County of Scott's major federal programs for the year ended June 30, 2011. The County of Scott's major federal programs are 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 each of its major federal programs is the responsibility of the County of Scott's management. Our responsibility is to express an opinion on the County of Scott's compliance based on our audit.

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

In our opinion, the County of Scott, Iowa complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

To the Board of Supervisors  
County of Scott, Iowa

***Internal Control Over Compliance***

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

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

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

This report is intended solely for the information and use of the Board of Supervisors, management, others within the entity, federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

*Baker Tilly Vinchow Krause, LLP*

Milwaukee, Wisconsin  
November 29, 2011

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2011**

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**Section I: Summary of Auditors' Results**

*Financial Statements*

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

*Federal Awards*

Internal control over major programs		
Material weakness(es) identified?	<u>          </u> yes	<u>    X    </u> no
Significant deficiency(s) identified?	<u>          </u> yes	<u>    X    </u> 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 Circular A-133, Section .510(a)?	<u>          </u> yes	<u>    X    </u> no
Auditee qualified as low-risk auditee?	<u>          </u> yes	<u>    X    </u> no

Identification of major federal programs

**CFDA NUMBER(S)**  
10.557

16.738 / 16.803 / 16.804  
93.667

**Name of Federal Program or Cluster**

Special Supplemental Nutrition Programs for Woman, Infants, and Children (WIC)  
Justice Assistance Grant Program Cluster  
Social Service Block Grant

Dollar threshold used to distinguish between Type A and Type B programs

\$ 300,000

(Continued)

County of Scott, Iowa

Schedule of Findings and Questioned Costs(Continued)  
For the Year Ended June 30, 2011

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

**Finding No. 2011-01 Internal Control over Financial Reporting**

Criteria	Statement on Auditing Standards No. 115 requires communication of significant deficiencies and material weaknesses in the year end reporting process. Management should be capable of preparing a complete set of yearend financial statements for the auditor to review and test.
Condition	Management prepared the fund financial statements, the management's discussion and analysis, required supplementary information, supplementary information and statistical section of the report; however the government wide financial statements, related reconciliations of the fund statements to the government-wide financial statements and the notes to the basic financial statements were prepared by the auditors.
Effect	Year end financial information provided to management may not be presented in accordance with generally accepted accounting principles.
Recommendation	Management should evaluate if the benefits achieved by resolving this internal control deficiency warrants the additional cost to educate and train the finance staff to achieve the goal of having its external financial statements prepared by the County personnel.
Management's Response	Management is committed to review and evaluate the facts and circumstances related to the preparation of the County's financial statements and will determine appropriate actions to mitigate the present control weakness.

**Section III: Federal Awards Findings and Questioned Costs**

There were no findings or questioned costs in 2011.

(Continued)



**County of Scott, Iowa**

**Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2011**

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**Section IV: Other Findings Related to Required Statutory Reporting**

11-IV-A Certified Budget

Disbursements during the year ended June 30, 2011 did not exceed the amounts budgeted.

11-IV-B Questionable expenditures

No expenditures were noted that may not meet the requirements of public purpose as defined in the Attorney General's opinion dated April 25, 1979.

11-IV-C Travel Expense

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

11-IV-D Business Transactions

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

11-IV-E Bond Coverage

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

11-IV-F Board Minutes

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

11-IV-G Deposits and Investments

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

11-IV-H Resource Enhancement and Protection Certification

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

11-IV-I Capital Lease Purchase Agreements

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

11-IV-J County Extension Office

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

Disbursements during the year ended June 30, 2011 for the County Extension Office did not exceed the amount budgeted.

