

COUNTY OF LINN, IOWA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2005

PREPARED BY OFFICE OF FINANCE AND BUDGET

COUNTY OF LINN, IOWA

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COUNTY OF LINN, IOWA

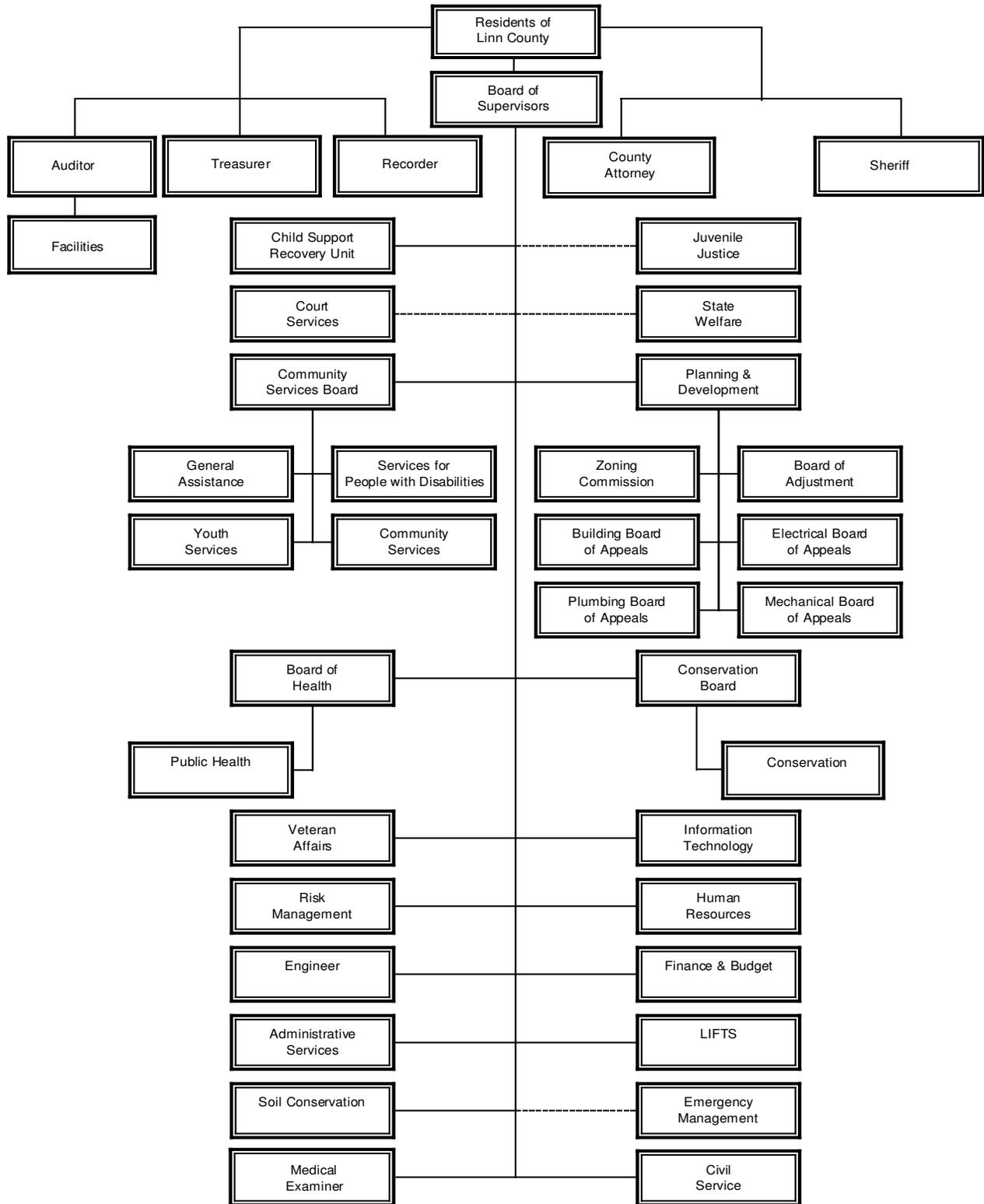
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COUNTY OF LINN, IOWA

COUNTY OFFICIALS

<u>NAME</u>	<u>TITLE</u>	<u>TERM EXPIRES</u>
Lu Barron	Board of Supervisors	2008
James Houser	Board of Supervisors	2008
Linda Langston	Board of Supervisors	2006
Harold Denton	Attorney	2006
Linda Langenberg	Auditor	2008
Joan McCalmant	Recorder	2006
Donald Zeller	Sheriff	2008
Michael Stevenson	Treasurer	2006





**Finance & Budget
Linn County, Iowa**

Steve Tucker, CPA – Finance Director
Dawn Jindrich, CPA – Budget Director
Joi Bergman – Grants and Communications Manager

Administrative Office Building
930 First Street Southwest
Cedar Rapids, Iowa 52404-2161

November 17, 2005

Board of Supervisors and Citizens
County of Linn, Iowa

The Comprehensive Annual Financial Report (CAFR) for the County of Linn, Iowa (the "County") for the fiscal year ended June 30, 2005, is hereby submitted in accordance with the provisions of Section 331.403 of the Code of Iowa.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Eide Bailly LLP, a firm of licensed certified public accountants, has audited the County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2005 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2005 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.



PROFILE OF LINN COUNTY

The County was organized on June 10, 1839. It currently is operated under a three-member Board of Supervisors. The members are elected at large to four-year terms. The Board is the legislative body of the County, which annually adopts a budget and establishes tax rates to support County programs. Other elected officials (Attorney, Auditor, Recorder, Sheriff and Treasurer) and appointed department heads have the responsibility of administering these programs in accordance with the policies and the annual budget adopted by the Board of Supervisors.

The County provides a full range of services to its citizens including public safety, social services, services to people with disabilities, parks, planning and development, public health and general administrative services. In addition, the County provides a secondary roads department and an information technology department utilized by other governmental entities.

The State of Iowa requires the adoption of an annual budget for total County operating expenditures by function area. Activities of the general fund, special revenue funds, debt service fund and capital projects fund are included in the annual appropriated budget, prepared on a cash basis. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the total function level.

As demonstrated by the statements included in the financial section of this report, the County continues to meet its responsibility for sound financial management.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

Linn County is the second largest population center in the state of Iowa. The adjoining metropolitan areas of Cedar Rapids, Marion, Hiawatha, and Robins include approximately 80% of the County's population, with the remainder living in small towns and rural areas. The fiscal year 2005 population of Linn County is estimated at 200,840 – an increase of 0.9 percent from 2004. The unemployment rate was 4.6 percent at the end of fiscal year 2005, slightly lower than the national average of 5.0 percent.

Recently, several businesses have announced plans to locate or expand existing facilities in the area. Additional capital investment and employment growth are expected to continue in the next fiscal year. A marketing plan for the area has been established by Priority One, the economic development division of the Cedar Rapids Area Chamber of Commerce. The plan focuses on capital-intensive companies that require a highly skilled workforce.

Clipper Windpower Inc. announced plans to locate a \$22 million manufacturing plant in Cedar Rapids to build wind turbines for distribution to markets throughout the world. The facility will create 141 new jobs at an average starting wage of \$18.93 per hour. During the site selection process, known competitors for the location of the manufacturing facility included New Mexico, Colorado, Michigan, New York, Maryland, and Nevada. Cedar Rapids, Iowa was chosen because of the state and local incentives, quality transportation, proximity to markets, availability of suppliers, and commitment to renewable energy sources.

Genencor International, a biotechnology company that develops and produces enzymes for the bioproducts market, recently announced plans to expand its Cedar Rapids location. The project includes a capital investment of approximately \$35 million and will create up to 20 new positions over the next three years, while retaining 80 existing jobs.

Rockwell Collins has invested more than \$10 million to expand into a new 100,000 square foot building located at Rockwell Drive NE. The new facility will initially provide space for 425 employees, including 47 new positions in engineering and development. The company is a worldwide leader in the design, production, and support of communication and aviation electronics for commercial and government customers.

Long-Term Financial Planning

Board members of the Cedar Rapids/Linn County Solid Waste Agency have voted to move forward with a plan to design and build a waste transfer station to be located at site #2, the former Linn County landfill. Members of the Solid Waste Agency's Board had voted to proceed with an expansion of the site last year, but the plan met with opposition from the Marion City Council, developers, and residents living near the landfill site. The Solid Waste Agency's Board is comprised of all five members of the Cedar Rapids City Council, the city's solid waste director, two of the Linn County Board of Supervisors, and a member from an "at-large" member-community. The proposed expansion at Site #2 is close enough to the metro area that the construction of a transfer station is not be required, but the agency's other site, in the city of Cedar Rapids, is scheduled to reach capacity and close in 2006. All waste will then be sent to Site #2 which is expected to reach capacity two years from now. With the expansion at Site #2 halted by Marion's lawsuit, the Agency's Board has decided to build a transfer station at the site because it is anticipated that both landfills will be at capacity before the legal dispute has been settled. The transfer station will cost approximately \$4 million and will be paid from the agency's cash reserves originally designated for property acquisition and landfill expansion. Solid waste will then be transported to a private out-of-state landfill.

Last year, community leaders began a community planning process called "Fifteen in 5". The plan calls for the identification of 15 goals that can be achieved in the next five years. The Cedar Rapids Area Chamber of Commerce and the Greater Cedar Rapids Community foundation are sponsoring this project. A selection committee narrowed the 3,500 suggestions on the initial list to 1,400 and those ideas then were given to eight subcommittees. The selection committee then trimmed those recommendations to the final 15. The next phase of the project has been launched, with over 350 citizens volunteering to serve on the 15 groups. The groups will set initial goals and timelines, develop work processes and identify resources required to accomplish these goals with meetings to continue on a regular basis.

Cash Management

Idle funds during the fiscal year were invested in those investments authorized by law and included federal securities and interest-bearing bank accounts. Income from investments, generally allocated to the general fund as permitted under state law, was \$847,000, an increase of \$404,000 from the previous fiscal year. The average yield on investments was 3.21 percent.

Risk Management

The County's health and dental, worker's compensation, and tort liability insurance are included in the internal service funds. Unemployment compensation is included in the general fund. The County is self-insured for health and dental, unemployment compensation, worker's compensation and tort liability. The County maintains a number of risk management programs under the direction of the County's Risk Manager. Various risk control techniques include educational programs for employees to prevent accidents, cardio-pulmonary resuscitation training and defensive driving classes conducted throughout the fiscal year.

Self-insurance for the health and dental program is in effect up to an aggregate annual stop loss of 100 percent for pure premiums or approximately \$7.4 million. Additionally, there is a stop loss of \$125,000 per individual. A private insurance company maintains coverage for losses in excess of the stop loss amount. An independent claims administrator performs all claims administration. Unemployment compensation is charged quarterly to the applicable funds. The State assesses the County based on actual claims paid. No stop loss policies are maintained for worker's compensation and tort liability risk exposures.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004. This was the 16th consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP 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, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget for fiscal 2006. In order to qualify for the Distinguished Budget Presentation Award, the County's budget document was judged to be proficient in several categories including as a policy document, a financial plan, an operations guide, and a communication device. Preparation of the Comprehensive Annual Financial Report could not have been accomplished without the services of the entire staff of the Office of Finance and Budget. The excellent services provided by the County's independent auditors, Eide Bailly LLP, is greatly appreciated. We would also like to thank the Board of Supervisors for their leadership and support without which preparation of this report would not have been possible.

Respectfully submitted,



Steve Tucker
Finance Director



Dawn Jindrich
Budget Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Linn,
Iowa

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2004

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.



Nancy L. Zjella

President

Jeffrey R. Emor

Executive Director



CPAs & BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Officials of the County of Linn, Iowa

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Linn, Iowa, as of and for the year ended June 30, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of County officials. 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, each major fund, and the aggregate remaining fund information of the County of Linn, Iowa, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report, under separate cover, dated November 15, 2005, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the 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 basic financial statements of the County of Linn, Iowa. The introductory section, combining nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County of Linn, Iowa. The combining nonmajor fund financial statements 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 introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Eide Bailly LLP

Dubuque, Iowa
November 15, 2005

Management's Discussion and Analysis

As management of the County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2005. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal which can be found on pages 5 – 8 of this report.

Financial Highlights

- The assets of the County exceeded the liabilities at the close of the most recent fiscal year by \$93,631,429 (net assets). Of this amount, \$10,811,322 (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors
- The County's total net assets increased by \$2,658,506
- As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$18,943,050, an increase of \$404,597 in comparison with the prior year
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$8,068,463, or 16 percent of total general fund expenditures
- Total general obligation bonded debt decreased by \$1,010,000 (18 percent) during the current fiscal year

Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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

The *statement of net assets* presents information on all of the County'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).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*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 government activities of the County include 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. Options of Linn County is the sole business-type activity of the County.

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, 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 financing 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 maintains 12 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, the mental health fund and the secondary roads fund, all of which are considered to be major funds. Data from the other 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 County adopts an annual appropriated budget for all governmental funds by fund and by ten major classes of expenditures. These ten 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, administration, nonprogram services, debt service and capital projects. The ultimate legal level of control is by function for all governmental funds.

The basic governmental fund financial statements can be found on pages 23 – 29 of this report.

Proprietary funds. Linn County maintains two different types of proprietary funds. An *enterprise fund* is used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses its enterprise fund, Options of Linn County, to account for employment opportunities provided for the County's mentally challenged and developmentally disabled individuals. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among Linn County's various functions. Linn County uses internal service funds to account for its employee health and dental benefits and for its self-insurance of worker's compensation, auto liability and tort claims. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Both the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 30 – 32 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's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 33 – 34 of this report.

Notes to the 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. The notes to the financial statements can be found on pages 35 – 47 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 55 – 62 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Linn County, assets exceeded liabilities by \$93,631,000 at the close of the most recent fiscal year.

The largest portion of the County's net assets (77 percent) reflects its investment in capital assets (e.g., infrastructure, land, buildings and machinery and equipment), less any related debt used to acquire those assets that is still

outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. 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.

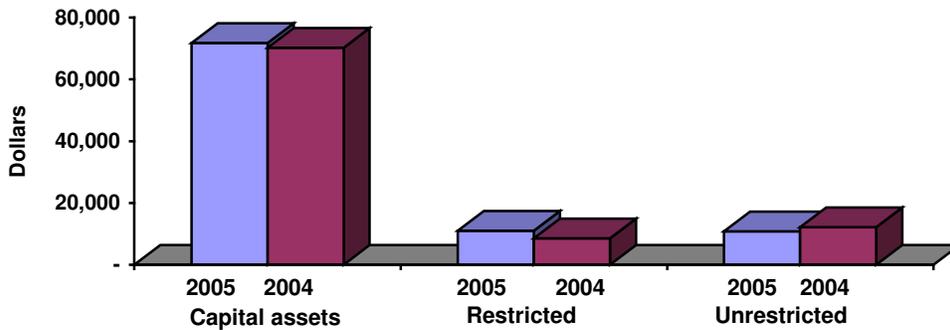
Statement of Net Assets for the Fiscal Year Ended June 30, 2005

The County's combined net assets increased to \$93,631,000 for fiscal year 2005. A condensed version of the Statement of Net Assets as of June 30, 2005 and June 30, 2004 follows:

County of Linn Net Assets
(in thousands)

	Governmental Activities		Business-Type Activities		Total Government	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 78,200	\$ 74,391	\$ 441	\$ 448	\$ 78,641	\$ 74,839
Capital assets	76,465	75,941	52	60	76,517	76,001
Total assets	154,665	150,332	493	508	155,158	150,840
Long-term debt outstanding	8,954	9,518	-	-	8,954	9,518
Other liabilities	52,488	50,243	85	106	52,573	50,349
Total liabilities	61,442	59,761	85	106	61,527	59,867
Net assets:						
Invested in capital assets, net of related debt	71,731	70,163	52	60	71,783	70,223
Restricted	11,037	8,571	-	-	11,037	8,571
Unrestricted	10,455	11,837	356	342	10,811	12,179
Total net assets	\$ 93,223	\$ 90,571	\$ 408	\$ 402	\$ 93,631	\$ 90,973

Comparison of Net Assets



The largest portion of the County's net assets is the Invested in Capital Assets (e.g., land, infrastructure, buildings and machinery and equipment), less the related debt. The debt related to the Investment in Capital Assets is liquidated with sources other than capital assets. The \$1,560,000 increase includes a \$516,000 increase in net capital assets and a \$1,010,000 decrease in general obligation-bonded debt to \$4,500,000 at year-end, a decrease of 18 percent. Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - decreased \$1,368,000 at June 30, 2005.

Current and other assets increased \$3,802,000 to \$78,641,000. Included is an increase of \$1,132,000 or 5% in pooled cash and investments and an increase in succeeding year property tax receivable of \$2,186,000 or 5%. The increase in pooled cash includes \$895,000 from the employee health and dental internal service fund used for a planned increase

in net assets and \$291,000 from the self insurance internal service fund, the result of a decrease in cash paid for claims and premiums.

Statement of Activities for the Fiscal Year Ended June 30, 2005

A condensed version of the Statement of Activities as of June 30, 2005 and June 30, 2004 follows:

County of Linn Changes in Net Assets (in thousands)

	Governmental Activities		Business-type Activities		Total		Total Percent- age Change
	2005	2004	2005	2004	2005	2004	2004-2005
Revenues:							
Program revenues:							
Charges for services	\$ 20,389	\$ 15,301	\$ 712	\$ 769	\$21,101	\$16,070	31.3%
Operating grants and contributions	24,219	25,943	-	-	24,219	25,943	-6.6%
Capital grants and contributions	3,799	4,599	-	-	3,799	4,599	-17.4%
General revenues and transfers:							
Property taxes	38,588	35,981	-	-	38,588	35,981	7.2%
Other county taxes	2,288	2,334	-	-	2,288	2,334	-2.0%
State replacements and credits	1,382	1,331	-	-	1,382	1,331	3.8%
Investment income	847	443	4	2	851	445	91.2%
Other general revenue	915	1,266	-	3	915	1,269	-27.9%
Total revenues	<u>92,427</u>	<u>87,198</u>	<u>716</u>	<u>774</u>	<u>93,143</u>	<u>87,972</u>	5.9%
Expenses:							
Public safety and legal services	17,955	18,237	-	-	17,955	18,237	-1.5%
Physical health and social services	14,622	13,928	-	-	14,622	13,928	5.0%
Mental health	25,244	24,531	710	737	25,954	25,268	2.7%
County environment and education	5,152	4,728	-	-	5,152	4,728	9.0%
Roads and transportation	14,244	13,969	-	-	14,244	13,969	2.0%
Governmental services to residents	3,170	3,010	-	-	3,170	3,010	5.3%
Administration	9,142	8,759	-	-	9,142	8,759	4.4%
Nonprogram current	8	7	-	-	8	7	14.3%
Interest on long-term debt	238	278	-	-	238	278	-14.4%
Total expenses	<u>89,775</u>	<u>87,447</u>	<u>710</u>	<u>737</u>	<u>90,485</u>	<u>88,184</u>	2.6%
Change in net assets	2,652	(249)	6	37	2,658	(212)	-1353.8%
Beginning net assets - restated	<u>90,571</u>	<u>90,820</u>	<u>402</u>	<u>365</u>	<u>90,973</u>	<u>91,185</u>	-0.2%
Ending net assets	<u>\$ 93,223</u>	<u>\$ 90,571</u>	<u>\$ 408</u>	<u>\$ 402</u>	<u>\$93,631</u>	<u>\$90,973</u>	2.9%

Governmental activities

Revenues for the County's governmental activities increased \$5,229,000 or 6.0% while total expenses increased \$2,328,000 or 2.7%. Key elements include:

- The 7.2% increase in County property taxes represented an overall valuation growth of 1.5% and a 22-cent increase in the countywide levy rate.
- A \$5,088,000 increase in charges for services was the net result of increased mental health revenues of \$7,388,000 reclassified from operating grants, offset by \$1,134,000 in physical health and social services operating grant revenue reclassified to charges for services. The remaining decrease of \$1,166,000 includes \$1,115,000 resulting from a declining inmate population at the Correctional Center.
- Capital grants financed a number of County road and bridge projects. The funding included \$656,000 in federal aid for four bridge projects, \$2,871,000 in federal aid for three road projects, \$459,000 in two state-funded farm-to-market roads and a \$188,000 state grant to partially fund improvements to the Cedar Valley Nature Trail.

- The average yield on investments of 2.0% in fiscal 2004 increased to 3.2% in fiscal 2005. This resulted in additional investment income of \$404,000.
- Included in the \$694,000 Physical Health and Social Services increase was \$179,000 related to the increased County share of a Bio-terrorism grant, \$211,000 due to an increase in the number of individuals served by the Youth Services program and the Community Empowerment Grant, and \$122,000 from additional DECAT program expenditures. (DECAT is a grant to divert children from the child welfare and juvenile justice systems by funding programs to support and reunite families.)
- The change in County Environment and Education expenses is due to costs that were capitalized in fiscal 2004 for work done on the Cedar Valley Nature Trail. In fiscal 2005, all conservation personnel costs were expensed as ongoing operations.
- All functional activities were impacted by wage and benefit increases. These costs, comprising 51.4% of expenses, increased \$843,000 or 1.9% in fiscal 2005. Wage increases ranged from 2.00% to 3.75% and benefit costs increased 1.3%. The number of full-time equivalent positions increased to 813 from 811 in the prior year.

Business-type activities

Options of Linn County (Options), the County's sole business-type activity, increased net assets by \$6,000. Operating revenues decreased 7.4 percent to \$712,000 while operating expenses decreased 3.7 percent to \$710,000. As a result, operating income decreased to \$2,000. Factors contributing to these results include:

- Automation and competition resulted in increased challenges to obtain profitable contract work. The percentage of time when no work was available increased 17% in FY 05.
- The number of people on payroll decreased 8.6% contributing to a \$14,000 decrease in payroll costs due to the development of a new program not included in employment services.
- Direct material costs associated with contract work secured in FY 05 decreased \$13,000.

General Fund Budgetary Highlights

In accordance with the Code of Iowa, the Board of Supervisors annually adopts a budget following required public notice and hearing for all governmental funds. The County budget is prepared on the cash basis. Over the course of the year, the County amended its general fund budget two times. The first amendment was made in November 2004 and resulted in an increase to the general fund expenditure budget of \$1,856,000 for an amended total of \$50,671,000. The amendment increased expenditures due to grant proceeds received in fiscal 2004 and 2005.

The amendment, in May 2005, decreased expenditures by \$107,000 for an amended expenditure budget of \$50,564,000. The decreases were due to grant related expenditures that were delayed until fiscal 2006. Actual expenditures for the year totaled \$49,810,000 or \$74,000 less than the final amended budget – a variance of 1.5%.

Capital Assets and Debt Administration

County of Linn's Capital Assets (Net of Depreciation) (in thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2005	2004	2005	2004	2005	2004
Land	\$ 6,161	\$ 6,331	\$ -	\$ -	\$ 6,161	\$ 6,331
Buildings	29,830	30,820	-	-	29,830	30,820
Improvements other than buildings	458	-	-	-	458	-
Machinery and equipment	6,678	7,694	52	60	6,730	7,754
Infrastructure	31,199	30,641	-	-	31,199	30,641
Construction in progress	2,139	455	-	-	2,139	455
Total	<u>\$ 76,465</u>	<u>\$ 75,941</u>	<u>\$ 52</u>	<u>\$ 60</u>	<u>\$ 76,517</u>	<u>\$ 76,001</u>

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2005 was \$76,517,000 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment and infrastructure. The net increase in the County's investment in capital assets for the current fiscal year was 0.7 percent. Major capital asset events during the fiscal year included the following:

- Completion of \$1,526,000 in roadway and bridge projects paid directly by the state and federal governments
- Various other infrastructure projects totaling \$885,000 were completed
- Completion of \$460,000 in Cedar Valley Nature Trail improvements
- Machinery and equipment increases including \$330,000 in heavy equipment and \$110,000 in automobile purchases

Additional information on the County's capital assets can be found in note 4 pages 40 – 41 of this report.

Long-Term Debt

At the end of the current fiscal year, the County had total outstanding debt of \$4,500,000. The full faith and credit of the County back all the debt.

County of Linn's Outstanding Debt (in thousands)

	<u>2004</u>	<u>Additions</u>	<u>Payments</u>	<u>2005</u>
Governmental -				
General obligation bonds	\$ 5,510	\$ -	\$ 1,010	\$ 4,500

Moody's Investor Services rate all the County's general obligation bonds Aaa. This rating enhances the sale of future County bonds by broadening the market and minimizing the interest rate for borrowing.

For more detailed information on the County's debt and amortization terms, please refer to note 5 on pages 42 and 43 of this report.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the County was 4.6 percent at the end of fiscal year 2005, below the national average of 5.0 percent. There were 679 single-family home building permits issued in the cities of Cedar Rapids, Marion and Hiawatha, unchanged from the prior year. The median household effective buying income, defined as income less personal tax and non-tax payments, often referred to as "disposable" income, was \$40,210 based on 80,100 households in Linn County.

Property taxes levied will increase \$2,323,000 or 6.0 percent from the fiscal 2005 budget. This increase represents overall valuation growth of 2.1 percent and a 22-cent increase in the countywide levy rate. The 2006 countywide levy rate is \$5.73 per thousand dollars of taxable value. Net property tax revenue represents 47 percent of total revenues compared to 45 percent for fiscal 2005. Rural residents will pay \$9.41 per thousand dollars of taxable value, including the rural services levy rate of \$3.68.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Linn County Office of Finance and Budget, 930 First Street, SW, Cedar Rapids Iowa 52404-2161.

BASIC FINANCIAL STATEMENTS

COUNTY OF LINN, IOWA

STATEMENT OF NET ASSETS
JUNE 30, 2005

ASSETS:	Governmental Activities	Business-Type Activities	Total
Current assets:			
Pooled cash and investments	\$ 25,268,179	\$ 314,892	\$ 25,583,071
Receivables:			
Accounts	218,964	114,231	333,195
Property taxes:			
Delinquent	327,416	-	327,416
Succeeding year	44,522,834	-	44,522,834
Interest and penalties on property taxes	340,224	-	340,224
Accrued interest	118,739	447	119,186
Due from other governments	3,688,194	-	3,688,194
Due from individuals and private entities	216,708	-	216,708
Inventories and prepaid expenses	1,203,938	11,548	1,215,486
Total current assets	<u>75,905,196</u>	<u>441,118</u>	<u>76,346,314</u>
Noncurrent assets:			
Investment in joint venture	2,295,000	-	2,295,000
Capital assets:			
Land and construction in progress	8,299,985	-	8,299,985
Other capital assets net of accumulated depreciation	68,165,057	52,325	68,217,382
Total noncurrent assets	<u>76,465,042</u>	<u>52,325</u>	<u>76,517,367</u>
TOTAL ASSETS	<u>154,665,238</u>	<u>493,443</u>	<u>155,158,681</u>
LIABILITIES:			
Current liabilities:			
Accounts payable	5,064,997	4,070	5,069,067
Salaries and benefits payable	1,974,201	81,018	2,055,219
Due to individuals and private entities	22,095	-	22,095
Deferred revenue:			
Succeeding year property tax	44,522,834	-	44,522,834
Other	887,174	-	887,174
Accrued interest payable	16,533	-	16,533
Total current liabilities	<u>52,487,834</u>	<u>85,088</u>	<u>52,572,922</u>
Noncurrent liabilities:			
Due within one year:			
General obligation bonds payable	1,055,000	-	1,055,000
Capital lease obligations	87,102	-	87,102
Compensated absences	2,999,977	-	2,999,977
Due in more than one year:			
General obligation bonds payable	3,445,000	-	3,445,000
Capital lease obligations	147,578	-	147,578
Compensated absences	1,219,673	-	1,219,673
Total noncurrent liabilities	<u>8,954,330</u>	<u>-</u>	<u>8,954,330</u>
TOTAL LIABILITIES	<u>61,442,164</u>	<u>85,088</u>	<u>61,527,252</u>
NET ASSETS:			
Investment in capital assets net of related debt	71,730,362	52,325	71,782,687
Restricted for:			
Supplemental levy purposes	5,711,588	-	5,711,588
MH-DD services	1,434,759	-	1,434,759
Secondary roads	1,543,304	-	1,543,304
Capital projects	1,286,993	-	1,286,993
Nonmajor special revenue funds	1,033,777	-	1,033,777
Debt service	26,999	-	26,999
Unrestricted	<u>10,455,292</u>	<u>356,030</u>	<u>10,811,322</u>
TOTAL NET ASSETS	<u>\$ 93,223,074</u>	<u>\$ 408,355</u>	<u>\$ 93,631,429</u>

See notes to financial statements.



COUNTY OF LINN, IOWA

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2005

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Public safety and legal services	\$ 17,955,442	\$ 5,021,216	\$ 2,901,614	\$ -
Physical health and social services	14,622,350	664,442	6,738,371	-
Mental health	25,243,956	8,702,270	8,789,252	-
County environment and education	5,151,547	1,023,369	606,850	188,000
Roads and transportation	14,243,576	1,312,925	4,951,845	3,611,120
Governmental services to residents	3,169,707	3,166,758	-	-
Administration	9,142,426	497,547	231,297	-
Nonprogram	8,070	-	-	-
Interest on long-term debt	237,745	-	-	-
Total governmental activities	<u>89,774,819</u>	<u>20,388,527</u>	<u>24,219,229</u>	<u>3,799,120</u>
Business-type activities - Options of Linn County	709,476	712,074	-	-
Total	<u>\$ 90,484,295</u>	<u>\$ 21,100,601</u>	<u>\$ 24,219,229</u>	<u>\$ 3,799,120</u>

General revenues:
Property and other county taxes levied for:
 General purposes
 Debt service
Penalties, interest and costs on taxes
Other county taxes
State replacements and credits
Investment income
Other general revenue
 Total general revenues
Change in net assets
Net assets - beginning restated
Net assets - ending

See notes to financial statements.

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (10,032,612)	\$ -	\$ (10,032,612)
(7,219,537)	-	(7,219,537)
(7,752,434)	-	(7,752,434)
(3,333,328)	-	(3,333,328)
(4,367,686)	-	(4,367,686)
(2,949)	-	(2,949)
(8,413,582)	-	(8,413,582)
(8,070)	-	(8,070)
(237,745)	-	(237,745)
<u>(41,367,943)</u>	<u>-</u>	<u>(41,367,943)</u>
-	2,598	2,598
<u>(41,367,943)</u>	<u>2,598</u>	<u>(41,365,345)</u>
38,098,246	-	38,098,246
490,307	-	490,307
573,228	-	573,228
2,288,358	-	2,288,358
1,382,010	-	1,382,010
846,617	4,144	850,761
340,941	-	340,941
<u>44,019,707</u>	<u>4,144</u>	<u>44,023,851</u>
2,651,764	6,742	2,658,506
<u>90,571,310</u>	<u>401,613</u>	<u>90,972,923</u>
<u>\$ 93,223,074</u>	<u>\$ 408,355</u>	<u>\$ 93,631,429</u>

COUNTY OF LINN, IOWA

BALANCE SHEET – GOVERNMENTAL FUNDS
 JUNE 30, 2005

	General	Special Revenue MH-DD Services
ASSETS:		
Cash and investments:		
Pooled cash and investments	\$ 13,340,010	\$ 2,601,092
Other county officials	783,951	477,458
Receivables:		
Accounts	117,840	85,951
Property taxes:		
Delinquent	247,048	67,463
Succeeding year	31,454,628	8,120,806
Interest and penalties on property taxes	340,224	-
Accrued interest	115,994	-
Due from other governments	2,767,755	833,408
Due from individuals and private entities	216,708	-
Inventories	84,805	-
TOTAL ASSETS	<u>\$ 49,468,963</u>	<u>\$ 12,186,178</u>
LIABILITIES AND FUND BALANCES:		
LIABILITIES:		
Accounts payable	\$ 1,025,975	\$ 2,305,847
Salaries and benefits payable	1,438,960	324,766
Deferred revenue:		
Succeeding year property tax	31,454,628	8,120,806
Other	1,710,001	204,694
Total liabilities	<u>35,629,564</u>	<u>10,956,113</u>
FUND BALANCES:		
Reserved for:		
Encumbrances	-	-
Inventories	84,805	-
Supplemental levy purposes	5,686,131	-
Debt service fund	-	-
Unreserved	8,068,463	1,230,065
Unreserved reported in nonmajor:		
Special revenue funds	-	-
Capital projects fund	-	-
Total fund balances	<u>13,839,399</u>	<u>1,230,065</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 49,468,963</u>	<u>\$ 12,186,178</u>

See notes to financial statements.

Funds	Secondary Roads	Other Governmental Funds	Total Governmental Funds
\$	1,066,550	\$ 2,351,528	\$ 19,359,180
	763	14,528	1,276,700
	15,173	-	218,964
	-	12,905	327,416
	-	4,947,400	44,522,834
	-	-	340,224
	-	112	116,106
	87,031	-	3,688,194
	-	-	216,708
	<u>1,113,283</u>	<u>5,850</u>	<u>1,203,938</u>
\$	<u>2,282,800</u>	<u>7,332,323</u>	<u>71,270,264</u>
\$	544,701	\$ 21,474	\$ 3,897,997
	194,795	15,680	1,974,201
	-	4,947,400	44,522,834
	8,250	9,237	1,932,182
	<u>747,746</u>	<u>4,993,791</u>	<u>52,327,214</u>
	1,454,682	-	1,454,682
	1,113,283	5,850	1,203,938
	-	-	5,686,131
	-	26,161	26,161
	(1,032,911)	-	8,265,617
	-	1,019,528	1,019,528
	-	1,286,993	1,286,993
	<u>1,535,054</u>	<u>2,338,532</u>	<u>18,943,050</u>
\$	<u>2,282,800</u>	<u>7,332,323</u>	<u>71,270,264</u>

COUNTY OF LINN, IOWA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2005

Total fund balances for governmental funds		\$ 18,943,050
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		76,465,042
The County has an equity interest in a joint venture. This investment is not a current financial resource and therefore is not reported in the funds.		2,295,000
Internal service funds are used by the County to charge the cost of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		3,445,837
Some of the County's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures. Therefore, they are reported as deferred revenue in the funds.		1,045,008
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities:		
Accrued interest on bonds		(16,533)
Bonds payable	\$ (4,500,000)	
Capital leases	(234,680)	
Compensated absences	<u>(4,219,650)</u>	
Total long-term debt liabilities		<u>(8,954,330)</u>
Total net assets of governmental activities		\$ <u>93,223,074</u>
See notes to the financial statements.		



COUNTY OF LINN, IOWA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2005

	General	Special Revenue MH-DD Services
REVENUES:		
Property taxes	\$ 27,448,151	\$ 7,494,104
Other county taxes	1,560,894	421,947
Interest and penalty on taxes	718,881	-
Intergovernmental	15,461,294	17,252,169
Licenses and permits	611,010	-
Charges for services	5,304,266	555,469
Use of money and property	1,302,001	2,289
Miscellaneous	616,298	1,031
Total revenues	53,022,795	25,727,009
EXPENDITURES:		
Current:		
Public safety and legal services	17,760,826	-
Physical health and social services	14,629,378	-
Mental health	-	25,323,758
County environment and education	4,658,596	-
Roads and transportation	1,379,460	-
Governmental services to residents	3,070,303	-
Administration	8,370,484	-
Nonprogram	8,070	-
Capital projects	3,258	-
Debt service	-	-
Total expenditures	49,880,375	25,323,758
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,142,420	403,251
OTHER FINANCING SOURCES (USES):		
Sale of capital assets	14,168	-
Provision for capital leases and installment purchases	67,279	-
Transfers in	-	-
Transfers out	(2,310,328)	-
Total other financing sources (uses)	(2,228,881)	-
NET CHANGE IN FUND BALANCES	913,539	403,251
FUND BALANCES AT BEGINNING OF YEAR RESTATED	12,944,591	826,814
INCREASE (DECREASE) IN INVENTORY RESERVES	(18,731)	-
FUND BALANCES AT END OF YEAR	\$ 13,839,399	\$ 1,230,065
See notes to financial statements.		

Funds Secondary Roads	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 3,631,561	\$ 38,573,816
-	305,378	2,288,219
-	-	718,881
5,246,017	457,907	38,417,387
27,833	-	638,843
167,379	67,945	6,095,059
-	36,194	1,340,484
150,269	15,475	783,073
<u>5,591,498</u>	<u>4,514,460</u>	<u>88,855,762</u>
-	-	17,760,826
-	-	14,629,378
-	-	25,323,758
-	465,941	5,124,537
9,155,754	286,016	10,821,230
-	62,078	3,132,381
-	-	8,370,484
-	-	8,070
619,366	1,514,396	2,137,020
-	1,251,322	1,251,322
<u>9,775,120</u>	<u>3,579,753</u>	<u>88,559,006</u>
(4,183,622)	934,707	296,756
35,200	-	49,368
-	-	67,279
4,082,519	1,117,645	5,200,164
-	(2,889,836)	(5,200,164)
<u>4,117,719</u>	<u>(1,772,191)</u>	<u>116,647</u>
(65,903)	(837,484)	413,403
1,589,489	3,177,559	18,538,453
11,468	(1,543)	(8,806)
<u>\$ 1,535,054</u>	<u>\$ 2,338,532</u>	<u>\$ 18,943,050</u>

COUNTY OF LINN, 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, 2005

Net change in fund balances - total governmental funds		\$	413,403
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.			
			722,877
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.			
			(198,879)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
			(73,224)
The issuance of long-term debt (e.g., bonds, leases) 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, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:			
General obligation bonds principal repayment			
			1,010,000
Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net assets, the lease obligation is reported as a liability.			
			33,701
Inventories in the governmental funds have been recorded as expenditures when paid. However, the statement of activities will report these as expenditures in the period that the corresponding net asset is exhausted.			
			(8,806)
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, as follows:			
Compensated absences		\$	(479,772)
Interest on long-term debt			<u>3,577</u>
			(476,195)
Internal service funds are used by management to charge costs of insurance to individual funds. The net revenue (expenses) of certain activities of internal service funds is reported with governmental activities.			
			<u>1,228,887</u>
Change in net assets of governmental activities		\$	<u>2,651,764</u>

See notes to financial statements

COUNTY OF LINN, IOWA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2005

	Nonmajor Enterprise Fund - Options	Internal Service Funds
	<u> </u>	<u> </u>
ASSETS:		
Current assets:		
Pooled cash and investments	\$ 313,415	\$ 4,632,299
Cash - Other county officials	1,477	-
Receivables:		
Accounts	114,231	-
Accrued interest	447	2,633
Inventories and prepaid expenses	<u>11,548</u>	<u>-</u>
Total current assets	441,118	4,634,932
Noncurrent assets - capital assets net of accumulated depreciation	<u>52,325</u>	<u>-</u>
TOTAL ASSETS	<u>493,443</u>	<u>4,634,932</u>
 LIABILITIES:		
Current liabilities:		
Accounts payable	4,070	1,167,000
Salaries and benefits payable	81,018	-
Due to individuals and private entities	<u>-</u>	<u>22,095</u>
Total current liabilities	<u>85,088</u>	<u>1,189,095</u>
 NET ASSETS:		
Investment in capital assets net of related debt	52,325	-
Unrestricted	<u>356,030</u>	<u>3,445,837</u>
TOTAL NET ASSETS	<u>\$ 408,355</u>	<u>\$ 3,445,837</u>
See notes to financial statements		

COUNTY OF LINN, IOWA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2005

	Nonmajor Enterprise Fund - Options	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 717,142	\$ -
Cash received from other funds	-	8,472,156
Cash received from insurance claims	-	23,021
Cash received from employees	-	219,704
Cash paid to suppliers	(86,029)	-
Cash paid to employees	(637,813)	(30,740)
Cash paid for insurance claims and premiums	-	(6,984,653)
Cash paid for services	-	(541,897)
NET CASH FROM (FOR) OPERATING ACTIVITIES	(6,700)	1,157,591
CASH FLOWS FROM INVESTING ACTIVITIES - Interest on investments	3,970	28,810
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,730)	1,186,401
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	317,622	3,445,898
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 314,892	\$ 4,632,299
 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:		
OPERATING INCOME	\$ 2,598	\$ 1,197,698
 ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH FROM (FOR) OPERATING ACTIVITIES:		
Depreciation	7,376	-
Decrease in accounts receivable	5,069	-
Decrease in due from other funds	-	122,992
Decrease in due from other governments	-	4,008
Increase in inventories and prepaid expenses	(724)	-
Increase in due to individuals and private entities	-	893
Decrease in accounts payable	(17,741)	(168,000)
Decrease in salaries and benefits payable	(3,278)	-
Total adjustments	(9,298)	(40,107)
NET CASH FROM (FOR) OPERATING ACTIVITIES	\$ (6,700)	\$ 1,157,591
See notes to financial statements		

COUNTY OF LINN, IOWA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2005

	Deferred Compensation Trust Fund	Agency Funds
	<hr/>	<hr/>
ASSETS:		
Cash and investments:		
Pooled cash and investments	\$ -	\$ 6,586,051
Cash - Other county officials	-	1,270,090
Investments	1,708,228	-
Receivables:		
Property taxes:		
Delinquent	-	1,853,074
Succeeding year	-	222,339,058
Special assessments	-	105,132
Due from individuals and private entities	-	2,954
TOTAL ASSETS	<hr/> 1,708,228	<hr/> 232,156,359
LIABILITIES:		
Due to other governments	-	230,883,816
Due to individuals and private entities	-	1,272,543
TOTAL LIABILITIES	<hr/> -	<hr/> 232,156,359
NET ASSETS - Held in trust for deferred compensation	<hr/> <hr/> \$ 1,708,228	<hr/> <hr/> \$ -

See notes to financial statements

COUNTY OF LINN, IOWA

STATEMENT OF CHANGES IN NET ASSETS
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2005

	<u>Deferred Compensation Trust Fund</u>
ADDITIONS:	
Employee contributions	\$ 128,448
Net increase in the fair value of investments	<u>79,774</u>
Total additions	208,222
DEDUCTIONS - Redemption of contributions to employee or beneficiaries	<u>24,101</u>
CHANGE IN NET ASSETS	184,121
TOTAL NET ASSETS - BEGINNING	<u>1,524,107</u>
TOTAL NET ASSETS - ENDING	<u>\$ 1,708,228</u>
See notes to financial statements	

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Linn, Iowa (the "County") was incorporated in 1839 and is a political subdivision of the State of Iowa operating under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Treasurer, Recorder, Sheriff, and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance, and general administrative services.

A. Reporting Entity

For financial reporting purposes, Linn County has included all funds, organizations, agencies, boards, commissions, and authorities. The County has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship 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 voting 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 the organization to provide specific benefits to or impose specific financial burdens on the County.

Jointly Governed Organizations - The County also participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Linn County Assessor's Conference Board, Cedar Rapids Assessor's Conference Board, Linn County Emergency Management Commission, and the Linn County Joint E911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in an Agency Fund of the County.

B. Basis of Presentation

Government-wide Financial Statements - 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. Property tax, intergovernmental revenues and other nonexchange transactions support governmental activities.

The statement of net assets presents the County's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

Invested in capital assets, net of related debt - consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted net assets - result when constraints are placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets - consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources that are imposed by management, but can be removed or modified.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among revenues are reported instead as general revenues.

Fund Financial Statements – 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. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other nonmajor governmental funds.

The County reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the County. All general tax revenues and other revenues that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges and the capital improvement costs that are not paid from other funds.

Special Revenue Funds – The MH-DD Services Fund is used to account for property taxes and other revenues designated to be used to fund mental health, mental retardation, and developmental disabilities services. The Secondary Roads Fund is used to account for secondary road construction and maintenance.

Additionally, the County reports the following fund types:

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governments, on a cost reimbursement basis. The County currently uses Internal Service Funds for the purpose of purchasing insurance and providing self-insurance for certain risks.

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenue earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control or other sound financial management purposes.

Deferred Compensation Trust Fund – The Deferred Compensation Trust Fund is accounted for using the economic resources measurement focus and the accrual basis of accounting. The Deferred Compensation Trust Fund accounts for assets where both the principal and interest may be spent.

Agency Funds - Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, other governmental units and/or other funds. Agency Funds are custodial in nature and do not involve the measurement of results of operations.

C. Measurement Focus and Basis of Accounting

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

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 after year-end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when the County receives cash.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recorded as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursements grant resources to such programs, followed by categorical block grants, and then by general revenues.

The proprietary fund of the County follows private-sector standards of accounting and financial reporting issued prior to December 1, 1989 to the extent that those standards do not conflict with or contradict GASB pronouncements, Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

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 internal service fund is charges to customers for sales and services. Operating expenses for internal service funds include the cost of service and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The County maintains its financial records on the cash basis. The financial statements of the County are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Liabilities, and Fund Equity

The following accounting policies are followed in preparing the balance sheet:

Cash, Pooled Investments and Cash Equivalents - The County Treasurer maintains a cash and investment pool for all County funds. The Deferred Compensation Trust Fund and several of the County's agency funds also hold cash and investments separately on behalf of others. Cash resources have been pooled in order to maximize investment opportunities. Interest earned on the cash and investment pool is generally allocated to the General Fund as permitted under state law. Each fund's portion of the total pooled cash and investments is reported as such within this report.

Investments in the Deferred Compensation Trust Fund are reported at fair value. All other investments are stated at amortized cost, if purchased with an original maturity of less than one year.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and at the day of purchase, they have a maturity date no longer than three months.

Property Tax Receivable – Property tax in Governmental Funds is accounted for using the modified accrual basis of accounting. Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the County Board of Supervisors certifies the tax asking. Delinquent property taxes receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of

Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½ percent per month penalty for delinquent payments; is based on January 1, 2003 assessed property valuations; is for the tax accrual period July 1, 2004 through June 30, 2005 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March, 2004.

Due from and Due to Other Funds - During the course of its operations, the County has numerous transactions between funds. To the extent that certain transactions between funds had not been paid or received as of June 30, 2005, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Due from Other Governments - Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Capital Assets – Capital assets, which include property, equipment and vehicles, and infrastructure assets (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the government), are reported in the governmental activities column in the government-wide statement of net assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value or materially extend the life of the asset are not capitalized. Capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years. The County defines reportable capital assets as individual assets above the following thresholds:

Infrastructure	\$50,000
Land, buildings and improvements	5,000
Equipment and vehicles	5,000

Property and equipment of the County is depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Building	25 – 50
Building improvements	25 – 50
Infrastructure	10 – 65
Equipment	3 – 20
Vehicles	3 – 15

Inventories - Inventories for all governmental funds are valued at average cost. The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased, however, material amounts of inventories are reported as assets of the respective fund. Reported inventories in these funds are equally offset by a fund balance reserve, which indicates they are unavailable for appropriation even though they are a component of reported assets.

Due to Other Governments - Due to other governments represents taxes and other revenues collected by the County and payments for services which will be remitted to other governments.

Deferred Revenue - Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the

current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds, the succeeding year property tax receivable, as well as delinquent property tax receivables and other receivables not collected within sixty days after year end.

Deferred revenue on the statement of net assets consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied and unspent grant proceeds.

Compensated Absences – Generally, County employees accumulate sick leave days for subsequent use. The County does not recognize this accumulation as a disbursement until it is paid since sick leave does not vest. County employees also accumulate vacation days for subsequent use. A liability is recorded when incurred in the government-wide, proprietary fund, and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2005. The compensated absences liability attributable to the governmental activities will be paid primarily by the General fund and the MH-DD Services, Rural Services and Secondary Roads Special Revenue funds as statutorily required.

Long-term Liabilities – In the government-wide and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund statement of net assets. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity – In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

2. CASH AND INVESTMENTS

The County's deposits in banks at June 30, 2005 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds. As of June 30, 2005 the carrying amount of the County's deposits with financial institutions, which include certificates of deposit, was \$32,846,607, and the bank balances were \$36,066,388.

The County is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Supervisors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; and certain joint investment trusts. The County is also authorized to invest deferred compensation balances in money market, bond and equity mutual funds under the terms of the County's Deferred Compensation Plan (See Note 7).

Investments are stated at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

In addition, the County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$595,963 pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Interest rate risk. The County's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified

as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the need and use of the County.

Credit risk. The County's investment in the Iowa Public Agency Investment Trust is unrated. The investments in mutual funds held by the County Employees' Deferred Compensation Trust Fund are not rated and had a carrying value and fair value of \$1,708,228 at June 30, 2005.

Concentration of credit risk. The County places no limit on the amount that may be invested in any one issuer.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County did not hold any investments during the year.

3. PROPERTY TAXES

The County certifies its fiscal year budget in March of each year. Property taxes are levied by the County Board of Supervisors on July 1 on the assessment rolls of January 1 of the prior calendar year and become a lien on property when levied. Collections are due in September and March and become delinquent on October 1 and April 1, respectively. The transfer of monies collected by the County on behalf of other taxing bodies takes place before the 15th day of the month following the month of collection.

The County is permitted by the State Code of Iowa to levy taxes up to \$3.50 per \$1,000 of assessed valuation for general services. The County levied the maximum \$3.50 levy for general governmental services for the year ended June 30, 2005. The Code provides for a levy of an unlimited amount for restricted supplemental and debt service expenditures. In addition, the Code provides for a levy of up to \$3.95 per \$1,000 of assessed valuation for rural services, of which the County levied \$3.68 for the year ended June 30, 2005.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2005 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,331,398	\$ 15,000	\$ 185,000	\$ 6,161,398
Construction in progress	455,155	4,363,811	2,680,379	2,138,587
Total capital assets not being depreciated	<u>6,786,553</u>	<u>4,378,811</u>	<u>2,865,379</u>	<u>8,299,985</u>
Capital assets being depreciated:				
Infrastructure	39,262,714	2,220,709	-	41,483,423
Buildings	45,659,055	-	-	45,659,055
Improvements other than buildings	226,975	459,670	-	686,645
Machinery and equipment	20,904,277	581,283	440,608	21,044,952
Total capital assets being depreciated	<u>106,053,021</u>	<u>3,261,662</u>	<u>440,608</u>	<u>108,874,075</u>
Less accumulated depreciation for:				
Infrastructure	8,622,573	1,666,479	5,065	10,283,987
Buildings	14,839,069	989,856	-	15,828,925
Improvements other than buildings	226,975	1,916	-	228,891
Machinery and equipment	13,209,913	1,578,966	421,664	14,367,215
Total accumulated depreciation	<u>36,898,530</u>	<u>4,237,217</u>	<u>426,729</u>	<u>40,709,018</u>
Total capital assets being depreciated, net	<u>69,154,491</u>	<u>(975,555)</u>	<u>13,879</u>	<u>68,165,057</u>
Governmental activities capital assets, net	<u>\$ 75,941,044</u>	<u>\$ 3,403,256</u>	<u>\$ 2,879,258</u>	<u>\$ 76,465,042</u>

Capital asset activity for the year ended June 30, 2005 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets being depreciated -				
Machinery and equipment	\$ 125,513	\$ -	\$ -	\$ 125,513
Less accumulated depreciation for -				
Machinery and equipment	<u>65,811</u>	<u>7,377</u>	-	<u>73,188</u>
Business-type activities capital assets, net	<u>\$ 59,702</u>	<u>\$ (7,377)</u>	<u>\$ -</u>	<u>\$ 52,325</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 442,779
Physical health and social services	218,922
Mental health	64,041
County environment and education	310,704
Roads and transportation	2,476,907
Governmental services to residents	18,095
Administration	<u>705,769</u>
Total depreciation expense - governmental activities	<u>\$ 4,237,217</u>
Business-type activities - Options of Linn County	<u>\$ 7,377</u>

The County has entered into contracts for the construction or reconstruction of various infrastructure and capital assets as follows:

	<u>Contract Amount</u>	<u>Expended To Date</u>	<u>Remaining Commitment</u>
Road construction projects	<u>\$ 673,277</u>	<u>\$ -</u>	<u>\$ 673,277</u>

5. LONG-TERM OBLIGATION ACTIVITY

Changes in long-term obligations for the year ended June 30, 2005 are as follows:

	Balance			Balance	Due Within
	June 30, 2004	Increases	Decreases	June 30, 2005	One Year
General obligation bonds	\$ 5,510,000	\$ -	\$ 1,010,000	\$ 4,500,000	\$ 1,055,000
Capital lease obligations	268,381	67,279	100,980	234,680	87,102
Compensated absences	<u>3,739,878</u>	<u>3,291,075</u>	<u>2,811,303</u>	<u>4,219,650</u>	<u>2,999,977</u>
	<u>\$ 9,518,259</u>	<u>\$ 3,358,354</u>	<u>\$ 3,922,283</u>	<u>\$ 8,954,330</u>	<u>\$ 4,142,079</u>

General Obligation Bonds

General obligation Correctional Center bonds totaling \$4,500,000 are outstanding as of June 30, 2005. The bonds have interest rates ranging from 4.00 percent to 4.50 percent and mature in varying annual amounts ranging from \$65,000 to \$1,200,000 per issue with final maturities due in the year ending June 30, 2009. Interest and principal payments on all general obligation bonds are accounted for through the Debt Service Fund.

Summary of Bond Issues

General obligation bonds payable at June 30, 2005, are comprised of the following individual issues:

	Date of Issue	Amount Issued	Interest Rates	Outstanding June 30, 2005
General Obligation Bonds:				
Correctional Center	July, 1999	\$ 6,500,000	4.000 - 4.500%	<u>\$ 4,500,000</u>

Summary of Principal and Interest Maturities

Annual debt service requirements to service all outstanding general obligation bonds as of June 30, 2005 are as follows:

Year Ending June 30	Principal	Interest	Total
2006	\$ 1,055,000	\$ 198,398	\$ 1,253,398
2007	1,100,000	152,505	1,252,505
2008	1,145,000	104,380	1,249,380
2009	<u>1,200,000</u>	<u>54,000</u>	<u>1,254,000</u>
Total	<u>\$ 4,500,000</u>	<u>\$ 509,283</u>	<u>\$ 5,009,283</u>

Debt Legal Compliance

In order to limit the liability of taxpayers, the State constitution of Iowa imposes a limit on the amount of debt local governments may incur. The County's debt limitation is five percent of its estimated actual valuation. This limitation applies only to general obligation indebtedness. At June 30, 2005, the statutory limit for the County was \$577,312,825, providing a legal debt margin of \$572,812,825.

Conduit Debt Obligations

From time to time, the County has issued Industrial 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, 2005, there were 19 series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$26,360,945.

6. PENSION AND RETIREMENT BENEFITS

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

Plan members are required to contribute 3.7 percent of their annual covered salary and the County is required to contribute 5.75 percent of annual covered payroll. For law enforcement employees the percentages are 5.10 percent and 7.66 percent, while the percentages for conservation peace officers are 6.16 percent and 9.23 percent. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2005, 2004, and 2003 were \$2,129,641, \$2,016,519, and \$1,952,425 respectively, equal to the required contributions for each year.

7. DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with and intended to comply with Internal Revenue Code Section 457. The plan, available to all County 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, 1999, the revised Linn County Deferred Compensation Plan required assets of the plan to be held in insurance annuity and custodial account contracts that meet the exclusive benefit and other requirements of Section 457(g) and 401(f) of the Internal Revenue Code. The terms of the insurance annuity and custodial contracts make it impossible, prior to the satisfaction of all liabilities with respect to the participants and beneficiaries, for any part of the assets and income of the contracts to be used for, or diverted to, any purpose other than for the exclusive benefit of the participants or beneficiaries.

Certain providers have not adopted the Linn County provider plan document. Assets of the plan held in insurance contracts or custodial accounts of those providers that do not meet the exclusive benefit and other requirements are held in trust by the County for the exclusive benefit of participants and their beneficiaries. Linn County is the trustee for the plan. Assets have been considered held because of the significant administrative involvement (withholding federal and state taxes from benefit payments and filing the required reports of withholdings with the appropriate federal and state agencies).

8. RISK MANAGEMENT

Health and Dental Benefits - The County has chosen to establish a risk-financing fund for risks associated with the employee health and dental insurance plans. The risk-financing fund, entitled "Employee Health and Dental Fund", is accounted for as an internal service fund where assets are set aside for claim settlements. A premium is charged to each fund that accounts for part-time or full-time employees. The total charge allocated to each of the funds (the allocation is based upon an estimated premium per employee within each of the County's funds) is calculated using trends in actual claims experience. Provisions are also made for unexpected and unusual claims.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claims liabilities are calculated and reevaluated periodically considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liabilities does not result in an exact amount. The estimated claims liabilities do not include any allocated or unallocated claim adjustment expenses. Changes in the balances of employee health and dental claims liabilities during the past year are as follows:

	Year ended June 30, 2005	Year ended June 30, 2004
Unpaid claims, beginning of year	\$ 1,115,000	\$ 841,200
Incurred claims	(6,797,368)	(6,820,023)
Claim payments	6,714,368	7,093,823
Unpaid claims, end of year	<u>\$ 1,032,000</u>	<u>\$ 1,115,000</u>

Self-insurance is in effect up to a calculated rating period aggregate deductible of \$7,392,003 for 2005. In addition, there is a stop loss amount of \$125,000 per individual covered. Coverage from a private insurance company is maintained for losses in excess of the stop loss amounts. There was no significant change in insurance coverage from the prior fiscal year. In each of the past three fiscal years, insurance coverage exceeded settlements. At June 30, 2005, the Employee Health and Dental Fund held \$1,904,851 in pooled cash and investments available for payment of these claims.

Unemployment Compensation - The County is self-insured for unemployment compensation. Claims for unemployment compensation are made from the governmental fund types. Unemployment compensation is charged quarterly to the applicable funds as the state assesses the County based on actual claims paid. The estimated claims liabilities do not include any allocated or unallocated claim adjustment expenditures. Changes in the balances of the claims liabilities during the past year are as follows:

	Year ended June 30, 2005	Year ended June 30, 2004
Unpaid claims, beginning of year	\$ -	\$ -
Incurred claims	(43,137)	(29,782)
Claim payments	43,137	29,782
Unpaid claims, end of year	<u>\$ -</u>	<u>\$ -</u>

Worker's Compensation and Tort Claims - The County has also chosen to establish a risk-financing fund for risks associated with worker's compensation and tort claims. The risk-financing fund, entitled "Self-Insurance Fund", is accounted for as an internal service fund where assets are set aside for claim settlements. Premiums are paid into the Self-Insurance Fund (the allocation is based upon the percentage of each fund's original budget as it relates to the total County original budget) and are calculated using trends in actual claims experience.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claims liabilities are calculated and reevaluated periodically considering the effects of inflation and recent claim settlement trends including frequency and amount of payouts. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liabilities does not result

in an exact amount. The estimated claims liabilities do not include any allocated or unallocated claim adjustment expenses. Changes in the balances of claims liabilities during the past year are as follows:

	Year ended June 30, 2005	Year ended June 30, 2004
Unpaid claims, beginning of year	\$ 220,000	\$ 187,000
Incurred claims	(737,794)	(1,119,691)
Claim payments	652,794	1,152,691
Unpaid claims, end of year	<u>\$ 135,000</u>	<u>\$ 220,000</u>

At June 30, 2005, the Self-Insurance Fund held \$2,727,448 in pooled cash and investments available for payment of these claims.

9. INTERFUND TRANSFERS

Interfund Transfers Reconciliation

The detail of interfund transfers for the year ended June 30, 2005 is as follows:

	Interfund Transfers In	Interfund Transfers Out
General fund	\$ -	\$ 2,310,328
Secondary roads fund	4,082,519	-
Nonmajor governmental funds	1,117,645	2,889,836
Total	<u>\$ 5,200,164</u>	<u>\$ 5,200,164</u>

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

10. LEASE COMMITMENTS

The County is committed under various leases for office equipment. These leases have been classified as operating leases as defined by Financial Accounting Standards Board Statement No. 13, "Accounting for Leases," and, accordingly, all rents are charged to expenditures as incurred. The leases expire at various dates through 2010. The County has also entered into lease agreements to finance machinery and equipment classified as capital leases under Statement No. 13. Capital assets include machinery and equipment with a carrying value (cost) of \$443,947 relative to these capital leases.

The following is a schedule, by year, of future minimum rental payments required under capital leases and noncancelable operating leases that have initial or remaining lease terms in excess of one year at June 30, 2005:

Year Ending June 30	Capital Leases	Operating Leases
2006	\$ 95,512	\$ 376,583
2007	90,630	380,710
2008	27,113	385,029
2009	20,291	210,312
2010	18,822	47,799
Total minimum lease payments	252,368	<u>\$ 1,400,433</u>
Less amounts representing interest	(17,688)	
Present value of minimum lease payments	<u>\$ 234,680</u>	

Lease expenditures for the year ended June 30, 2005, for all operating leases were \$368,846.

11. CONTINGENCIES

Litigation

The County records liabilities resulting from claims and legal actions only when they become fixed or determinable in amount. Currently there are several lawsuits pending against the County. Although the outcome of these lawsuits is not presently determinable, it is the opinion of management and counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the County's financial position.

12. INVESTMENT IN JOINT VENTURE

The County is a participant in a joint venture agreement with the City of Cedar Rapids for the operation of the Cedar Rapids/Linn County Solid Waste Agency, an agency governing solid-waste issues for Linn County. The agency is responsible for the landfill closure and postclosure care costs of both governmental agencies. The County Board of Supervisors appoints three members, and the City of Cedar Rapids appoint six members to the nine-member Board of Directors.

The County has no liability for closure and postclosure care costs. All closure and postclosure care costs will be born by The Cedar Rapids/Linn County Solid Waste Agency.

The agreement with the City of Cedar Rapids became fully operative July 1, 1994, and continues until June 30, 2044. At the termination of this agreement, the assets and liabilities of the Cedar Rapids/Linn County Solid Waste Agency shall be divided based on the proportion of the City and County's population. At June 30, 2005, The agency's equity was \$20.8 million of which 11.0 percent or \$2,295,000 was the County's equity interest. The previous year, the equity interest for the County was \$2,326,000. Complete separate financial statements for the Cedar Rapids/Linn County Solid Waste Agency may be obtained from the administrative offices of the agency at 6301 Kirkwood Blvd. SW, Cedar Rapids, Iowa 52406.

13. RESTATEMENT OF BEGINNING BALANCES

The restatement of the Secondary Roads Fund special revenue fund and the Other Governmental Funds unreserved fund balance was the result of eliminating the Transfer of Jurisdiction Other Governmental Fund and reclassifying as part of the Secondary Roads Fund:

	Fund Balance As Previously Reported June 30, 2004		Restatement	Fund Balance As Restated June 30, 2004		
Secondary Roads Fund	\$	1,589,192	\$	297	\$	1,589,489
Other Governmental Funds		3,177,856		(297)		3,177,559
	\$	<u>4,767,048</u>	\$	<u>-</u>	\$	<u>4,767,048</u>

14. NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STANDARDS

The Governmental Accounting Standards Board (GASB) has issued six statements not yet implemented by Linn County. The statements, which might impact Linn County, are as follows:

Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* issued November 2003, will be effective for the County for the fiscal year ending June 30, 2006. This statement establishes accounting and financial reporting standards for impairment of capital assets and also clarifies and establishes accounting requirements for insurance recoveries.

Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* issued April 2004, will be effective for the County for the fiscal year ending June 30, 2008. This statement establishes uniform financial reporting standards for other postemployment benefit (OPEB) plans and supersedes the interim guidance included in

Statement No. 26. This statement affects reporting by administrators or trustees of OPEB plan assets or by employers or sponsors that include OPEB plan assets as trust or agency funds in their financial reports.

Statement No. 44, *Economic Condition Reporting: The Statistical Section* issued May 2004, will be effective for the County for the fiscal year ending June 30, 2006. This statement amends previous guidance regarding preparation of the statistical section for governments that issue a comprehensive annual financial report.

Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* issued June 2004, will be effective for the County for the fiscal year ending June 30, 2009. This statement establishes standards for the measurement, recognition, and display of (OPEB) expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.

Statement No. 46, *Net Assets Restricted by Enabling Legislation* issued December 2004, will be effective for the County for the fiscal year ended June 30, 2006. This statement clarifies the definition of a legally enforceable enabling legislation restriction. It also specifies the accounting and financial reporting requirements for the restrictions and for any changes in them.

Statement No. 47, *Accounting for Termination Benefits* issued June 2005, establishes accounting standards for termination benefits. For termination benefits provided through an existing defined benefit OPEB plan, the provisions of this Statement should be implemented simultaneously with the requirements of Statement 45. For all other termination benefits, this Statement is effective for the fiscal year ended June 30, 2006.

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

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF LINN, IOWA
 BUDGETARY COMPARISON SCHEDULE
 ALL GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 38,656,333	\$ 39,096,562	\$ 38,623,396	\$ (473,166)
Other county taxes	2,528,562	2,232,873	2,290,325	57,452
Interest and penalty on taxes	564,000	700,735	740,338	39,603
Intergovernmental	35,695,974	37,658,365	37,142,164	(516,201)
Licenses and permits	552,401	588,852	640,206	51,354
Charges for services	5,197,762	5,770,803	6,038,279	267,476
Use of money and property	1,229,130	1,154,114	1,462,726	308,612
Miscellaneous	616,176	644,432	624,323	(20,109)
Total revenues	<u>85,040,338</u>	<u>87,846,736</u>	<u>87,561,757</u>	<u>(284,979)</u>
EXPENDITURES:				
Operating:				
Public safety and legal services	17,989,893	17,991,646	17,833,559	158,087
Physical health and social services	13,420,214	14,726,975	14,523,972	203,003
Mental health	25,429,567	25,590,995	25,253,846	337,149
County environment and education	4,876,729	5,110,955	5,109,380	1,575
Roads and transportation	10,140,234	10,719,922	10,631,938	87,984
Governmental services to residents	3,073,734	3,170,759	3,113,509	57,250
Administration	8,489,598	8,595,924	8,380,031	215,893
Nonprogram	17,905	8,195	7,749	446
Debt service	1,251,322	1,251,322	1,251,322	-
Capital projects	1,924,761	2,585,925	2,165,255	420,670
Total expenditures	<u>86,613,957</u>	<u>89,752,618</u>	<u>88,270,561</u>	<u>1,482,057</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,573,619)</u>	<u>(1,905,882)</u>	<u>(708,804)</u>	<u>1,197,078</u>
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	3,100	12,254	40,857	28,603
Transfers in	5,570,630	5,570,630	5,200,164	(370,466)
Transfers out	<u>(5,570,630)</u>	<u>(5,570,630)</u>	<u>(5,200,164)</u>	<u>370,466</u>
Total other financing sources (uses)	<u>3,100</u>	<u>12,254</u>	<u>40,857</u>	<u>28,603</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(1,570,519)</u>	<u>(1,893,628)</u>	<u>(667,947)</u>	<u>1,225,681</u>
FUND BALANCES - BEGINNING	<u>19,915,229</u>	<u>19,915,229</u>	<u>19,915,229</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 18,344,710</u>	<u>\$ 18,021,601</u>	<u>\$ 19,247,282</u>	<u>\$ 1,225,681</u>

See accompanying independent auditor's report

COUNTY OF LINN, IOWA
 BUDGETARY COMPARISON SCHEDULE
 BUDGET TO GAAP RECONCILIATION
 YEAR ENDED JUNE 30, 2005

	Governmental Fund Types		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 87,561,757	\$ 1,294,005	\$ 88,855,762
Expenditures	88,270,561	288,445	88,559,006
Net	(708,804)	1,005,560	296,756
Total other financing sources (uses)	40,857	75,790	116,647
Beginning fund balances restated	19,915,229	(1,376,776)	18,538,453
Decrease in reserve for inventories	-	(8,806)	(8,806)
Ending fund balances	<u>\$ 19,247,282</u>	<u>\$ (304,232)</u>	<u>\$ 18,943,050</u>

See accompanying independent auditor's report

COUNTY OF LINN, IOWA

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION –
BUDGETARY REPORTING
YEAR ENDED JUNE 30, 2005

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis for governmental funds following required public notice and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year-end.

Formal and legal budgetary control is based upon 10 major classes of expenditures known as functions, not by fund or fund type. These 10 functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, three budget amendments increased budgeted expenditures by \$3,138,661. The budget amendments are reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

COMBINING FUND FINANCIAL STATEMENTS AND OTHER SUPPLEMENTAL INFORMATION

COUNTY OF LINN, IOWA

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

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

Recorder's Records Management Fund – To account for fees collected for each recorded transaction to be used for the purpose of preserving and maintaining public records.

Recorder's Electronic Fees – To account for a \$1 fee per document collected and sent to the state treasurer to be used for the statewide internet website.

Conservation Reserve Fund – To account for funds deposited with the County to be used for conservation purposes.

Conservation Resource Enhancement and Protection (REAP) Fund – To account for state funds received by the County to be used for County conservation land acquisition and capital improvement projects.

Air Pollution Title V Fund – To account for permit fees collected from industry for all major sources of air pollution emissions.

Local Option Sales Tax – To account for local option sales tax revenue received by the County to be used for road and bridge improvement projects.

(Continued)

COUNTY OF LINN, IOWA

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Fund

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

COUNTY OF LINN, IOWA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2005

	Special			
ASSETS	Rural Services	Recorder's Records Management	Recorder's Electronic Fees	Conservation Reserve
Cash and investments:				
Pooled cash and investments	\$ 443,088	\$ 209,700	\$ 12,891	\$ 122,251
Other county officials	-	14,528	-	-
Receivables:				
Property tax:				
Delinquent	8,623	-	-	-
Succeeding year	3,700,269	-	-	-
Accrued interest	-	20	-	-
Inventories	5,850	-	-	-
TOTAL ASSETS	\$ 4,157,830	\$ 224,248	\$ 12,891	\$ 122,251
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	\$ 6,287	\$ -	\$ -	\$ 14,262
Salaries and benefits payable	15,680	-	-	-
Deferred revenue:				
Succeeding year property tax	3,700,269	-	-	-
Other	8,399	-	-	-
Total liabilities	<u>3,730,635</u>	<u>-</u>	<u>-</u>	<u>14,262</u>
FUND BALANCES:				
Reserved for:				
Inventories	5,850	-	-	-
Debt service	-	-	-	-
Unreserved	<u>421,345</u>	<u>224,248</u>	<u>12,891</u>	<u>107,989</u>
Total fund balances	<u>427,195</u>	<u>224,248</u>	<u>12,891</u>	<u>107,989</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,157,830	\$ 224,248	\$ 12,891	\$ 122,251

Revenue Funds

Conservation REAP	Air Pollution Title V	Local Option Sales Tax	Debt Service	Capital Projects	Total
\$ 96,482	\$ 156,481	\$ -	\$ 22,717	\$ 1,287,918	\$ 2,351,528
-	-	-	-	-	14,528
-	-	-	4,282	-	12,905
-	-	-	1,247,131	-	4,947,400
92	-	-	-	-	112
-	-	-	-	-	5,850
<u>\$ 96,574</u>	<u>\$ 156,481</u>	<u>\$ -</u>	<u>\$ 1,274,130</u>	<u>\$ 1,287,918</u>	<u>\$ 7,332,323</u>
\$ -	\$ -	\$ -	\$ -	\$ 925	\$ 21,474
-	-	-	-	-	15,680
-	-	-	1,247,131	-	4,947,400
-	-	-	838	-	9,237
-	-	-	<u>1,247,969</u>	<u>925</u>	<u>4,993,791</u>
-	-	-	-	-	5,850
-	-	-	26,161	-	26,161
<u>96,574</u>	<u>156,481</u>	<u>-</u>	<u>-</u>	<u>1,286,993</u>	<u>2,306,521</u>
<u>96,574</u>	<u>156,481</u>	<u>-</u>	<u>26,161</u>	<u>1,286,993</u>	<u>2,338,532</u>
<u>\$ 96,574</u>	<u>\$ 156,481</u>	<u>\$ -</u>	<u>\$ 1,274,130</u>	<u>\$ 1,287,918</u>	<u>\$ 7,332,323</u>

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2005

				Special
	Rural Services	Recorder's Records Management	Recorder's Electronic Fees	Conservation Reserve
REVENUES:				
Property taxes	\$ 3,141,254	\$ -	\$ -	\$ -
Other county taxes	279,522	-	-	-
Intergovernmental	155,133	-	-	42,783
Charges for services	-	53,749	14,196	-
Use of money and property	-	6,816	-	24,300
Miscellaneous	-	-	-	15,475
Total revenues	<u>3,575,909</u>	<u>60,565</u>	<u>14,196</u>	<u>82,558</u>
EXPENDITURES:				
Current:				
County environment and education	431,611	-	-	21,803
Roads and transportation	286,016	-	-	-
Governmental services to residents	-	38,084	23,994	-
Capital projects	-	-	-	73,073
Debt service	-	-	-	-
Total expenditures	<u>717,627</u>	<u>38,084</u>	<u>23,994</u>	<u>94,876</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,858,282</u>	<u>22,481</u>	<u>(9,798)</u>	<u>(12,318)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	<u>(2,889,836)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,889,836)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(31,554)	22,481	(9,798)	(12,318)
FUND BALANCES AT BEGINNING OF YEAR RESTATED	460,292	201,767	22,689	120,307
INCREASE (DECREASE) IN INVENTORY RESERVES	<u>(1,543)</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 427,195</u>	<u>\$ 224,248</u>	<u>\$ 12,891</u>	<u>\$ 107,989</u>

Revenue Funds					
Conservation REAP	Air Pollution Title V	Local Option Sales Tax	Debt Service	Capital Projects	Total
\$ -	\$ -	\$ -	\$ 490,307	\$ -	\$ 3,631,561
-	-	-	25,856	-	305,378
52,098	-	-	16,268	191,625	457,907
-	-	-	-	-	67,945
899	-	4,179	-	-	36,194
-	-	-	-	-	15,475
<u>52,997</u>	<u>-</u>	<u>4,179</u>	<u>532,431</u>	<u>191,625</u>	<u>4,514,460</u>
-	12,527	-	-	-	465,941
-	-	-	-	-	286,016
-	-	-	-	-	62,078
25,552	-	257,926	-	1,157,845	1,514,396
-	-	-	1,251,322	-	1,251,322
<u>25,552</u>	<u>12,527</u>	<u>257,926</u>	<u>1,251,322</u>	<u>1,157,845</u>	<u>3,579,753</u>
<u>27,445</u>	<u>(12,527)</u>	<u>(253,747)</u>	<u>(718,891)</u>	<u>(966,220)</u>	<u>934,707</u>
-	-	-	717,645	400,000	1,117,645
-	-	-	-	-	(2,889,836)
-	-	-	<u>717,645</u>	<u>400,000</u>	<u>(1,772,191)</u>
27,445	(12,527)	(253,747)	(1,246)	(566,220)	(837,484)
69,129	169,008	253,747	27,407	1,853,213	3,177,559
-	-	-	-	-	(1,543)
<u>\$ 96,574</u>	<u>\$ 156,481</u>	<u>\$ -</u>	<u>\$ 26,161</u>	<u>\$ 1,286,993</u>	<u>\$ 2,338,532</u>

COUNTY OF LINN, IOWA

INTERNAL SERVICE FUNDS

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

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

Self-Insurance Fund – To account for the County's self-insurance for worker's compensation and tort. Costs are billed to governmental funds based upon actual claims and estimated incurred but not reported claims. The general fund provided the contributed capital.

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF NET ASSETS – INTERNAL SERVICE FUNDS
JUNE 30, 2005

	Employee Health and Dental Fund	Self- Insurance Fund	Total
ASSETS:			
Pooled cash and investments	\$ 1,904,851	\$ 2,727,448	\$ 4,632,299
Receivables - accrued interest	-	2,633	2,633
TOTAL ASSETS	<u>1,904,851</u>	<u>2,730,081</u>	<u>4,634,932</u>
LIABILITIES:			
Current liabilities:			
Accounts payable	1,032,000	135,000	1,167,000
Due to individuals and private entities	22,095	-	22,095
Total current liabilities	<u>1,054,095</u>	<u>135,000</u>	<u>1,189,095</u>
NET ASSETS - Unrestricted	<u>\$ 850,756</u>	<u>\$ 2,595,081</u>	<u>\$ 3,445,837</u>

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET
ASSETS – INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2005

	Employee Health and Dental Fund	Self- Insurance Fund	Total
OPERATING REVENUES - Charges for services	\$ 7,564,860	\$ 1,000,000	\$ 8,564,860
OPERATING EXPENSES - Claims and administrative expenses	<u>6,714,368</u>	<u>652,794</u>	<u>7,367,162</u>
OPERATING INCOME	850,492	347,206	1,197,698
NON-OPERATING REVENUES - Interest income	<u>-</u>	<u>31,189</u>	<u>31,189</u>
CHANGE IN NET ASSETS	850,492	378,395	1,228,887
TOTAL NET ASSETS - BEGINNING	<u>264</u>	<u>2,216,686</u>	<u>2,216,950</u>
TOTAL NET ASSETS - ENDING	<u>\$ 850,756</u>	<u>\$ 2,595,081</u>	<u>\$ 3,445,837</u>

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS
 YEAR ENDED JUNE 30, 2005

	Employee Health and Dental Fund	Self- Insurance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from other funds	\$ 7,472,156	\$ 1,000,000	\$ 8,472,156
Cash received from insurance claims	23,021	-	23,021
Cash received from employees	219,704	-	219,704
Cash paid to employees	(30,740)	-	(30,740)
Cash paid for insurance claims and premiums	(6,461,523)	(523,130)	(6,984,653)
Cash paid for services	<u>(327,233)</u>	<u>(214,664)</u>	<u>(541,897)</u>
NET CASH FROM (FOR) OPERATING ACTIVITIES	895,385	262,206	1,157,591
CASH FLOWS FROM INVESTING ACTIVITIES - Interest on investments			
	<u>-</u>	<u>28,810</u>	<u>28,810</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	895,385	291,016	1,186,401
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,009,466</u>	<u>2,436,432</u>	<u>3,445,898</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,904,851</u>	<u>\$ 2,727,448</u>	<u>\$ 4,632,299</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM (FOR) OPERATING ACTIVITIES:			
OPERATING INCOME	<u>\$ 850,492</u>	<u>\$ 347,206</u>	<u>\$ 1,197,698</u>
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH FROM (FOR) OPERATING ACTIVITIES:			
Decrease in due from other funds	122,992	-	122,992
Decrease in due from other governments	4,008	-	4,008
Increase in due to individuals and private entities	893	-	893
Decrease in accounts payable	<u>(83,000)</u>	<u>(85,000)</u>	<u>(168,000)</u>
Total adjustments	<u>44,893</u>	<u>(85,000)</u>	<u>(40,107)</u>
NET CASH FROM (FOR) OPERATING ACTIVITIES	<u>\$ 895,385</u>	<u>\$ 262,206</u>	<u>\$ 1,157,591</u>

COUNTY OF LINN, IOWA

AGENCY FUNDS

Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds. The funds included in this category and their purposes are as follows:

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

- Agricultural Extension Service Fund
- Monies and Credits Fund
- Community College Taxing District Fund
- City Taxing Districts Fund
- School Taxing Districts Fund
- Fire Taxing Districts Fund
- Tax Financing Funds
- Township Taxing Districts Fund

County Offices and Other Agency Funds – To account for funds received by various County offices, which have been remitted to the County Treasurer, who acts as trustee for all pooled cash and investments of the County, or to other individuals, private entities or other governments. Funds included in this category are as follows:

- Mental Health Agency Fund
- County Recorder Agency Fund
- County Sheriff Agency Fund
- Other Agency Funds

Motor Vehicle License and Use Tax Fund – To account for motor vehicle licenses and use taxes collected for the State of Iowa.

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

(Continued)

COUNTY OF LINN, IOWA

AGENCY FUNDS (CONTINUED)

Emergency Management Fund – To account for revenues to be used to assist the residents of the County in times of disasters.

County Assessor Fund – To account for the taxes levied to assess valuations on all properties within the County, excluding the City of Cedar Rapids, Iowa.

County Assessor Special Fund – To account for the taxes levied to perform special appraisals on valuations of properties within the County, excluding the City of Cedar Rapids, Iowa.

City Assessor Fund – To account for the taxes levied to assess valuations on properties within the City of Cedar Rapids, Iowa.

City Assessor Special Fund – To account for the taxes levied to perform special appraisals on valuations of properties within the City of Cedar Rapids, Iowa.

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2005

AGRICULTURAL EXTENSION SERVICE FUND	Balance July 1, 2004	Additions	Deductions	Balance June 30, 2005
ASSETS:				
Pooled cash and investments	\$ 2,632	\$ 331,667	\$ 332,116	\$ 2,183
Receivables - Property taxes:				
Delinquent	2,606	321,148	321,021	2,733
Succeeding year	332,063	364,610	332,063	364,610
Due from other governments	-	10,519	10,519	-
TOTAL ASSETS	<u>\$ 337,301</u>	<u>\$ 1,027,944</u>	<u>\$ 995,719</u>	<u>\$ 369,526</u>
LIABILITIES - Due to other governments	<u>\$ 337,301</u>	<u>\$ 699,010</u>	<u>\$ 666,785</u>	<u>\$ 369,526</u>
MOTOR VEHICLE LICENSE AND USE TAX FUND				
<hr/>				
ASSETS - Pooled cash and investments	<u>\$ 3,529,725</u>	<u>\$ 42,141,077</u>	<u>\$ 42,181,665</u>	<u>\$ 3,489,137</u>
LIABILITIES - Due to other governments	<u>\$ 3,529,725</u>	<u>\$ 42,141,077</u>	<u>\$ 42,181,665</u>	<u>\$ 3,489,137</u>
MONIES AND CREDITS FUND				
<hr/>				
ASSETS:				
Pooled cash and investments	\$ 1,715	\$ 39,237	\$ 40,952	\$ -
Receivables - Property taxes - delinquent	-	39,237	39,237	-
TOTAL ASSETS	<u>\$ 1,715</u>	<u>\$ 78,474</u>	<u>\$ 80,189</u>	<u>\$ -</u>
LIABILITIES - Due to other governments	<u>\$ 1,715</u>	<u>\$ 39,237</u>	<u>\$ 40,952</u>	<u>\$ -</u>

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2005 (CONTINUED)

COMMUNITY COLLEGE TAXING DISTRICT FUND	Balance July 1, 2004	Additions	Deductions	Balance June 30, 2005
ASSETS:				
Pooled cash and investments	\$ 45,821	\$ 4,688,720	\$ 4,703,685	\$ 30,856
Receivables - Property taxes:				
Delinquent	45,373	4,540,019	4,546,761	38,631
Succeeding year	4,694,330	4,647,018	4,694,330	4,647,018
Due from other governments	-	148,701	148,701	-
TOTAL ASSETS	\$ 4,785,524	\$ 14,024,458	\$ 14,093,477	\$ 4,716,505
LIABILITIES - Due to other governments	\$ 4,785,524	\$ 9,374,369	\$ 9,443,388	\$ 4,716,505
 <u>CITY TAXING DISTRICTS FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 748,487	\$ 79,267,154	\$ 79,525,693	\$ 489,948
Receivables:				
Property taxes:				
Delinquent	840,563	76,859,743	76,973,036	727,270
Succeeding year	79,232,924	85,144,174	79,232,924	85,144,174
Special assessments	23,272	75,932	71,146	28,058
Due from other governments	-	2,331,479	2,331,479	-
TOTAL ASSETS	\$ 80,845,246	\$ 243,678,482	\$ 238,134,278	\$ 86,389,450
LIABILITIES - Due to other governments	\$ 80,845,246	\$ 165,166,656	\$ 159,622,452	\$ 86,389,450
 <u>SCHOOL TAXING DISTRICTS FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 1,056,974	\$ 113,933,684	\$ 114,312,920	\$ 677,738
Receivables - Property taxes:				
Delinquent	1,034,438	110,338,663	110,390,676	982,425
Succeeding year	114,128,151	115,017,271	114,128,151	115,017,271
Due from other governments	-	3,595,021	3,595,021	-
TOTAL ASSETS	\$ 116,219,563	\$ 342,884,639	\$ 342,426,768	\$ 116,677,434
LIABILITIES - Due to other governments	\$ 116,219,563	\$ 229,933,380	\$ 229,475,509	\$ 116,677,434

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2005 (CONTINUED)

<u>TAX SALE REDEMPTION FUND</u>	Balance July 1, 2004	Additions	Deductions	Balance June 30, 2005
ASSETS - Pooled cash and investments	\$ 339,033	\$ 2,637,915	\$ 2,724,178	\$ 252,770
LIABILITIES - Due to individuals and private entities	\$ 339,033	\$ 2,637,915	\$ 2,724,178	\$ 252,770
 <u>MENTAL HEALTH AGENCY FUND</u>				
ASSETS - Cash - Other county officials	\$ 598,214	\$ 5,105,338	\$ 5,117,436	\$ 586,116
LIABILITIES - Due to individuals and private entities	\$ 598,214	\$ 5,105,338	\$ 5,117,436	\$ 586,116
 <u>COUNTY RECORDER AGENCY FUND</u>				
ASSETS:				
Cash - Other county officials	\$ 195,154	\$ 3,534,415	\$ 3,531,692	\$ 197,877
Due from individuals and private entities	4,343	2,954	4,343	2,954
TOTAL ASSETS	\$ 199,497	\$ 3,537,369	\$ 3,536,035	\$ 200,831
LIABILITIES - Due to other governments	\$ 199,497	\$ 3,537,369	\$ 3,536,035	\$ 200,831
 <u>COUNTY SHERIFF AGENCY FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 15,420	\$ -	\$ -	\$ 15,420
Cash - Other county officials	314,002	8,678,452	8,549,004	443,450
TOTAL ASSETS	\$ 329,422	\$ 8,678,452	\$ 8,549,004	\$ 458,870
LIABILITIES:				
Due to other governments	\$ 46,024	\$ 508,129	\$ 470,648	\$ 83,505
Due to individuals and private entities	283,398	6,576,078	6,484,111	375,365
TOTAL LIABILITIES	\$ 329,422	\$ 7,084,207	\$ 6,954,759	\$ 458,870

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2005 (CONTINUED)

FIRE TAXING DISTRICTS FUND	Balance July 1, 2004	Additions	Deductions	Balance June 30, 2005
ASSETS:				
Pooled cash and investments	\$ 2,094	\$ 209,988	\$ 209,709	\$ 2,373
Receivables - Property taxes:				
Delinquent	1,029	200,709	200,914	824
Succeeding year	212,663	225,785	212,663	225,785
Due from other governments	-	9,279	9,279	-
TOTAL ASSETS	\$ 215,786	\$ 645,761	\$ 632,565	\$ 228,982
LIABILITIES - Due to other governments	\$ 215,786	\$ 436,597	\$ 423,401	\$ 228,982
 TAX FINANCING FUNDS				
ASSETS:				
Pooled cash and investments	\$ 138,132	\$ 13,599,797	\$ 13,629,909	\$ 108,020
Receivables - Property taxes:				
Delinquent	288,602	13,433,138	13,642,040	79,700
Succeeding year	13,358,002	14,030,864	13,358,002	14,030,864
Due from other governments	-	166,659	166,659	-
TOTAL ASSETS	\$ 13,784,736	\$ 41,230,458	\$ 40,796,610	\$ 14,218,584
LIABILITIES - Due to other governments	\$ 13,784,736	\$ 27,710,361	\$ 27,276,513	\$ 14,218,584
 TOWNSHIP TAXING DISTRICTS FUND				
ASSETS:				
Pooled cash and investments	\$ 5,845	\$ 524,254	\$ 525,304	\$ 4,795
Receivables - Property taxes:				
Delinquent	1,222	501,217	501,413	1,026
Succeeding year	523,598	540,176	523,598	540,176
Due from other governments	-	23,037	23,037	-
TOTAL ASSETS	\$ 530,665	\$ 1,588,684	\$ 1,573,352	\$ 545,997
LIABILITIES - Due to other governments	\$ 530,665	\$ 1,065,456	\$ 1,050,124	\$ 545,997

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2005 (CONTINUED)

	Balance July 1, 2004	Additions	Deductions	Balance June 30, 2005
<u>EMERGENCY MANAGEMENT FUND</u>				
ASSETS - Pooled cash and investments	\$ 179,789	\$ 1,262,196	\$ 1,201,834	\$ 240,151
LIABILITIES - Due to other governments	\$ 179,789	\$ 1,262,196	\$ 1,201,834	\$ 240,151
 <u>COUNTY ASSESSOR FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 61,202	\$ 588,677	\$ 565,415	\$ 84,464
Receivables - Property taxes:				
Delinquent	1,687	535,186	535,363	1,510
Succeeding year	556,647	603,068	556,647	603,068
Due from other governments	-	53,491	53,491	-
TOTAL ASSETS	\$ 619,536	\$ 1,780,422	\$ 1,710,916	\$ 689,042
LIABILITIES - Due to other governments	\$ 619,536	\$ 1,345,601	\$ 1,276,095	\$ 689,042
 <u>COUNTY ASSESSOR SPECIAL FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 60,105	\$ 55,072	\$ 93,250	\$ 21,927
Receivables - Property taxes:				
Delinquent	173	52,842	52,866	149
Succeeding year	54,972	54,969	54,972	54,969
Due from other governments	-	2,230	2,230	-
TOTAL ASSETS	\$ 115,250	\$ 165,113	\$ 203,318	\$ 77,045
LIABILITIES - Due to other governments	\$ 115,250	\$ 110,190	\$ 148,395	\$ 77,045

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2005 (CONTINUED)

CITY ASSESSOR FUND	Balance July 1, 2004	Additions	Deductions	Balance June 30, 2005
ASSETS:				
Pooled cash and investments	\$ 300,180	\$ 1,081,129	\$ 1,107,141	\$ 274,168
Receivables - Property taxes:				
Delinquent	15,126	1,050,041	1,053,272	11,895
Succeeding year	1,082,568	1,162,527	1,082,568	1,162,527
Due from other governments	-	31,088	31,088	-
TOTAL ASSETS	\$ 1,397,874	\$ 3,324,785	\$ 3,274,069	\$ 1,448,590
LIABILITIES - Due to other governments	\$ 1,397,874	\$ 2,255,551	\$ 2,204,835	\$ 1,448,590

CITY ASSESSOR SPECIAL FUND

ASSETS:				
Pooled cash and investments	\$ 365,869	\$ 606,293	\$ 750,609	\$ 221,553
Receivables - Property taxes:				
Delinquent	5,911	589,756	588,986	6,681
Succeeding year	608,027	519,975	608,027	519,975
Due from other governments	-	16,537	16,537	-
TOTAL ASSETS	\$ 979,807	\$ 1,732,561	\$ 1,964,159	\$ 748,209
LIABILITIES - Due to other governments	\$ 979,807	\$ 1,132,949	\$ 1,364,547	\$ 748,209

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2005 (CONTINUED)

OTHER AGENCY FUNDS	Balance July 1, 2004	Additions	Deductions	Balance June 30, 2005
ASSETS:				
Cash and investments:				
Pooled cash and investments	\$ 550,736	\$ 1,221,920	\$ 1,102,108	\$ 670,548
Cash - Other county officials	47,387	427,409	432,149	42,647
Receivables:				
Property taxes:				
Delinquent	267	27,136	27,173	230
Succeeding year	28,058	28,621	28,058	28,621
Special assessments	71,913	454,035	448,874	77,074
Due from other governments	-	889	889	-
TOTAL ASSETS	<u>\$ 698,361</u>	<u>\$ 2,160,010</u>	<u>\$ 2,039,251</u>	<u>\$ 819,120</u>
LIABILITIES:				
Due to other governments	\$ 603,801	\$ 989,083	\$ 832,056	\$ 760,828
Due to individuals and private entities	94,560	766,171	802,439	58,292
TOTAL LIABILITIES	<u>\$ 698,361</u>	<u>\$ 1,755,254</u>	<u>\$ 1,634,495</u>	<u>\$ 819,120</u>
 TOTAL ALL AGENCY FUNDS				
ASSETS:				
Cash and investments:				
Pooled cash and investments	\$ 7,403,759	\$ 262,188,780	\$ 263,006,488	\$ 6,586,051
Cash - Other county officials	1,154,757	17,745,614	17,630,281	1,270,090
Receivables:				
Property taxes:				
Delinquent	2,236,997	208,488,835	208,872,758	1,853,074
Succeeding year	214,812,003	222,339,058	214,812,003	222,339,058
Special assessments	95,185	529,967	520,020	105,132
Due from other governments	-	6,388,930	6,388,930	-
Due from individuals and private entities	4,343	2,954	4,343	2,954
TOTAL ASSETS	<u>\$ 225,707,044</u>	<u>\$ 717,684,138</u>	<u>\$ 711,234,823</u>	<u>\$ 232,156,359</u>
LIABILITIES:				
Due to other governments	\$ 224,391,839	\$ 487,707,211	\$ 481,215,234	\$ 230,883,816
Due to individuals and private entities	1,315,205	15,085,502	15,128,164	1,272,543
TOTAL LIABILITIES	<u>\$ 225,707,044</u>	<u>\$ 502,792,713</u>	<u>\$ 496,343,398</u>	<u>\$ 232,156,359</u>

STATISTICAL SECTION
(UNAUDITED)

COUNTY OF LINN, IOWA
 GOVERNMENT-WIDE EXPENSES BY FUNCTION
 LAST THREE FISCAL YEARS (1)

<u>Fiscal Year</u>	<u>Public Safety and Legal Services</u>	<u>Physical Health and Social Services</u>	<u>Mental Health</u>	<u>County Environment and Education</u>	<u>Roads and Transportation</u>
2002 - 2003	\$ 17,265,998	\$ 12,848,022	\$ 21,992,918	\$ 4,114,844	\$ 13,487,342
2003 - 2004	18,237,081	13,927,908	24,531,208	4,728,151	13,749,363
2004 - 2005	17,955,442	14,622,350	25,243,956	5,151,547	14,243,576

(1) Fiscal year 2003 is the first year shown because that was the year GASB 34 was implemented.

Governmental Services to Residents	Administration	Nonprogram Services	Interest on Long-term Debt	Options of Linn County	Total
\$ 2,820,173	\$ 9,171,584	\$ 2,576	\$ 316,828	\$ 688,985	\$ 82,709,270
3,010,327	8,758,404	6,860	278,323	737,078	87,964,703
3,169,707	9,142,426	8,070	237,745	709,476	90,484,295

COUNTY OF LINN, IOWA
 GOVERNMENT-WIDE REVENUES
 LAST THREE FISCAL YEARS (1)

Fiscal Year	Program Revenues			Taxes and Credits
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
2002 - 2003	\$ 22,508,078	\$ 18,780,544	\$ -	\$ 42,725,387
2003 - 2004	16,070,273	25,943,194	4,598,938	40,437,928
2004 - 2005	21,100,601	24,219,229	3,799,120	42,832,149

(1) Fiscal year 2003 is the first year shown because that was the year GASB 34 was implemented.

General Revenues					
Investment Income		Other General Revenue		Miscellaneous	Total
\$	1,385,635	\$	475,745	\$ 22,695	\$ 85,898,084
	445,399		481,627	(5,875)	87,971,484
	850,761		340,941	-	93,142,801

COUNTY OF LINN, IOWA
 GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
 LAST TEN FISCAL YEARS (1)

Fiscal Year	Public Safety and Legal Services	Court Services (2)	Physical Health and Social Services	Mental Health	Social Services (2)	County Environment and Education
1995 - 1996	\$ 9,173,539	\$ 1,158,351	\$ 1,947,324	\$ 16,508,168	\$ 6,302,698	\$ 2,650,813
1996 - 1997	9,852,656	1,185,570	1,923,539	17,253,461	5,839,584	2,886,298
1997 - 1998	10,221,473	1,183,105	1,978,422	17,476,638	6,155,235	3,059,847
1998 - 1999	10,936,519	1,275,900	2,099,770	18,107,906	7,068,015	3,080,551
1999 - 2000	12,129,065	1,390,363	2,400,498	19,570,216	9,062,098	3,433,903
2000 - 2001	13,354,410	1,458,830	2,632,832	20,147,413	9,785,001	3,654,447
2001 - 2002	14,094,351	1,377,542	2,930,907	22,274,838	10,237,674	4,712,929
2002 - 2003	16,953,422	-	12,736,219	21,979,055	-	4,876,818
2003 - 2004	17,757,760	-	13,600,133	24,278,308	-	5,007,238
2004 - 2005	17,760,826	-	14,629,378	25,323,758	-	5,124,537

(1) Includes general, special revenue, debt service and capital projects funds.

(2) For fiscal year 2003 and subsequent years, court services and social services are absorbed into other functions.

	Roads and Transportation	Governmental Services to Residents	Admini- stration	Nonprogram Services	Capital Projects	Debt Service	Total
\$	7,015,402	\$ 2,062,336	\$ 5,700,811	\$ 3,440	\$ 3,805,443	\$ 982,349	\$ 57,310,674
	7,766,270	2,202,463	5,977,139	10,571	3,429,753	1,199,005	59,526,309
	8,844,027	2,376,434	5,944,972	32,067	4,400,687	1,240,471	62,913,378
	9,335,612	2,331,409	6,537,794	68,817	8,131,937	1,313,673	70,287,903
	9,772,556	2,494,113	7,076,177	707	8,539,878	1,452,700	77,322,274
	9,731,597	2,680,128	7,859,179	1,114	5,370,517	1,255,827	77,931,295
	9,323,246	2,781,273	7,520,419	11,243	3,114,290	1,256,140	79,634,852
	10,687,480	2,805,022	8,499,141	2,576	5,589,501	1,255,023	85,384,257
	10,601,343	2,947,699	8,005,077	6,860	4,365,375	1,251,687	87,821,480
	10,821,230	3,132,381	8,370,484	8,070	2,137,020	1,251,322	88,559,006

COUNTY OF LINN, IOWA

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

<u>Fiscal Year</u>	<u>Taxes (2)</u>	<u>Intergovernmental</u>	<u>Licenses and Permits</u>
1995 - 1996	\$ 32,407,427	\$ 20,872,087	\$ 384,417
1996 - 1997	33,135,805	21,252,192	418,433
1997 - 1998	32,769,367	24,016,421	423,850
1998 - 1999	33,559,092	26,190,892	504,055
1999 - 2000	34,973,553	29,643,707	596,013
2000 - 2001	35,130,639	32,391,705	518,372
2001 - 2002	37,395,870	33,040,490	503,971
2002 - 2003	40,977,734	34,972,927	594,177
2003 - 2004	38,950,330	34,472,660	595,599
2004 - 2005	41,580,916	38,417,387	638,843

(1) Includes general, special revenue, debt service and capital projects funds.

(2) Includes property taxes, other county taxes and interest and penalty on delinquent property.

	Charges for Services	Use of Money and Property	Miscellaneous	Total
\$	3,736,387	\$ 2,138,261	\$ 455,235	\$ 59,993,814
	3,758,159	2,271,915	482,195	61,318,699
	4,286,683	2,552,685	525,567	64,574,573
	4,445,298	2,496,345	477,526	67,673,208
	4,652,651	3,057,935	710,724	73,634,583
	4,950,896	3,071,200	1,357,377	77,420,189
	5,609,963	2,068,143	883,533	79,501,970
	6,404,405	1,528,756	704,110	85,182,109
	6,384,708	1,074,779	806,225	82,284,301
	6,095,059	1,340,484	783,073	88,855,762

COUNTY OF LINN, IOWA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Total Tax Levy (1)	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections
1995 - 1996	\$ 158,906,672	\$ 157,635,080	99.20%	\$ 1,161,944
1996 - 1997	162,554,896	161,256,850	99.20%	984,093
1997 - 1998	169,467,935	168,218,153	99.26%	963,479
1998 - 1999	180,416,387	179,902,631	99.72%	409,445
1999 - 2000	187,404,144	186,770,186	99.66%	782,052
2000 - 2001	179,350,299	178,975,030	99.79%	238,676
2001 - 2002	191,802,323	191,153,631	99.66%	269,823
2002 - 2003	214,318,492	212,848,904	99.31%	1,076,619
2003 - 2004	222,054,432	220,779,615	99.43%	978,045
2004 - 2005	236,685,906	235,966,769	99.70%	659,748

(1) Years 1995 - 1996 through 1999 - 2000 included gas and electric utilities which in subsequent years were reported as other county taxes.

(2) Total tax collections solely for Linn County were:

1995 - 1996	\$ 31,887,517
1996 - 1997	32,610,124
1997 - 1998	32,256,507
1998 - 1999	32,971,996
1999 - 2000	34,389,042
2000 - 2001	31,883,037
2001 - 2002	32,698,631
2002 - 2003	34,630,969
2003 - 2004	36,018,737
2004 - 2005	38,573,816

(3) Property taxes receivable per the financial statements included real estate, personal property, telephone and railroad utilities and mobile home; outstanding delinquent taxes included real estate and personal property.

	Total Tax Collections (2)	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes (3)	Ratio of Delinquent Taxes to Total Tax Levy
\$	158,797,024	99.93%	\$ 2,340,024	1.47%
	162,240,943	99.81%	2,392,432	1.47%
	169,181,632	99.83%	1,108,318	0.65%
	180,312,076	99.94%	1,638,363	0.91%
	187,552,238	100.08%	1,231,368	0.66%
	179,213,706	99.92%	1,054,962	0.59%
	191,423,454	99.80%	1,801,396	0.94%
	213,925,523	99.82%	2,016,435	0.94%
	221,757,660	99.87%	2,480,451	1.12%
	236,626,517	99.97%	2,070,379	0.87%

COUNTY OF LINN, IOWA

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Real Property		Utilities	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1995 - 1996	\$ 4,529,255,550	\$ 5,816,242,295	\$ 512,220,098	\$ 526,926,621
1996 - 1997	4,795,475,800	6,701,365,925	514,443,202	515,044,220
1997 - 1998	4,975,667,792	6,924,803,881	539,699,489	539,699,489
1998 - 1999	5,260,836,642	7,738,539,144	580,463,958	580,891,776
1999 - 2000	5,533,868,632	7,946,111,026	577,014,552	577,014,552
2000 - 2001	5,633,586,169	8,261,850,999	548,655,126	548,866,136
2001 - 2002	5,844,758,398	8,458,965,771	542,304,433	542,304,433
2002 - 2003	6,114,766,709	9,501,487,451	544,355,480	544,704,241
2003 - 2004	6,358,164,571	9,836,886,001	559,509,682	559,509,682
2004 - 2005	6,535,574,921	10,545,008,026	484,708,118	568,534,058

Total		Ratio of Total Assessed Value to Total Estimated Actual Value	Tax Incremental Financing District Value
Assessed Value	Estimated Actual Value		
\$ 5,041,475,648	\$ 6,343,168,916	79.48%	\$ 222,579,123
5,309,919,002	7,216,410,145	73.58%	194,427,200
5,515,367,281	7,464,503,370	73.89%	226,457,941
5,841,300,600	8,319,430,920	70.21%	275,471,320
6,110,883,184	8,523,125,578	71.70%	296,725,902
6,182,241,295	8,810,717,135	70.17%	288,009,253
6,387,062,831	9,001,270,204	70.96%	342,956,855
6,659,122,189	10,046,191,692	66.29%	438,366,005
6,917,674,253	10,396,395,683	66.54%	363,744,666
7,020,283,039	11,113,542,084	63.17%	432,714,416

COUNTY OF LINN, IOWA

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

Fiscal Year	Taxing Body	City of Cedar Rapids					City of Hiawatha
		Cedar Rapids Schools	College Community Schools	Marion Schools	Linn-Mar Schools		
1995-1996	City	\$ 12.09999	\$ 12.09999	\$ 12.09999	\$ 12.09999	\$ 10.95618	
	School District	13.40785	13.11399	15.34153	14.42720	13.40785	
	Kirkwood Comm						
	College	0.59316	0.59316	0.59316	0.59316	0.59316	
	Assessor	0.26867	0.26867	0.26867	0.26867	0.30581	
	County	6.13757	6.13757	6.13757	6.13757	6.13757	
	Other (1)	0.03475	0.03475	0.03475	0.03475	0.03475	
	Total Levy	<u>\$ 32.54199</u>	<u>\$ 32.24813</u>	<u>\$ 34.47567</u>	<u>\$ 33.56134</u>	<u>\$ 31.43532</u>	
Percent of Linn County to totals		<u>18.86%</u>	<u>19.03%</u>	<u>17.80%</u>	<u>18.29%</u>	<u>19.52%</u>	
1996-1997	City	\$ 12.07417	\$ 12.07417	\$ 12.07417	\$ 12.07417	\$ 9.77853	
	School District	12.83183	12.66868	14.69172	14.31511	12.83183	
	Kirkwood Comm						
	College	0.58862	0.58862	0.58862	0.58862	0.58862	
	Assessor	0.23831	0.23831	0.23831	0.23831	0.29674	
	County	5.94563	5.94563	5.94563	5.94563	5.94563	
	Other (1)	0.03325	0.03325	0.03325	0.03325	0.03325	
	Total Levy	<u>\$ 31.71181</u>	<u>\$ 31.54866</u>	<u>\$ 33.57170</u>	<u>\$ 33.19509</u>	<u>\$ 29.47460</u>	
Percent of Linn County to totals		<u>18.75%</u>	<u>18.85%</u>	<u>17.71%</u>	<u>17.91%</u>	<u>20.17%</u>	
1997-1998	City	\$ 12.07416	\$ 12.07416	\$ 12.07416	\$ 12.07416	\$ 10.94417	
	School District	12.50172	12.70714	14.63126	16.05941	12.50172	
	Kirkwood Comm						
	College	0.59506	0.59506	0.59506	0.59506	0.59506	
	Assessor	0.29831	0.29831	0.29831	0.29831	0.29505	
	County	5.61839	5.61839	5.61839	5.61839	5.61839	
	Other (1)	0.03219	0.03219	0.03219	0.03219	0.03219	
	Total Levy	<u>\$ 31.11983</u>	<u>\$ 31.32525</u>	<u>\$ 33.24937</u>	<u>\$ 34.67752</u>	<u>\$ 29.98658</u>	
Percent of Linn County to totals		<u>18.05%</u>	<u>17.94%</u>	<u>16.90%</u>	<u>16.20%</u>	<u>18.74%</u>	

City of Marion						
Cedar Rapids Schools	Marion Schools	Linn-Mar Schools	City of Mount Vernon	City of Center Point	City of Lisbon	City of Robins
\$ 12.95790 13.40785	\$ 12.95790 15.34153	\$ 12.95790 14.42720	\$ 12.10489 14.05414	\$ 10.11676 16.73207	\$ 13.49999 15.17155	\$ 7.66786 13.40785
0.59316	0.59316	0.59316	0.59316	0.59316	0.59316	0.59316
0.30581	0.30581	0.30581	0.30581	0.30581	0.30581	0.30581
6.13757	6.13757	6.13757	6.13757	6.13757	6.13757	6.13757
0.03475	0.03475	0.03475	0.03475	0.03475	0.03475	0.03475
<u>\$ 33.43704</u>	<u>\$ 35.37072</u>	<u>\$ 34.45639</u>	<u>\$ 33.23032</u>	<u>\$ 33.92012</u>	<u>\$ 35.74283</u>	<u>\$ 28.14700</u>
<u>18.36%</u>	<u>17.35%</u>	<u>17.81%</u>	<u>18.47%</u>	<u>18.09%</u>	<u>17.17%</u>	<u>21.81%</u>
\$ 13.10005 12.83183	\$ 13.10005 14.69172	\$ 13.10005 14.31511	\$ 11.86698 13.20770	\$ 10.07431 15.23804	\$ 12.85236 14.17200	\$ 8.81930 12.83183
0.58862	0.58862	0.58862	0.58862	0.58862	0.58862	0.58862
0.29674	0.29674	0.29674	0.29674	0.29674	0.29674	0.29674
5.94563	5.94563	5.94563	5.94563	5.94563	5.94563	5.94563
0.03325	0.03325	0.03325	0.03325	0.03325	0.03325	0.03325
<u>\$ 32.79612</u>	<u>\$ 34.65601</u>	<u>\$ 34.27940</u>	<u>\$ 31.93892</u>	<u>\$ 32.17659</u>	<u>\$ 33.88860</u>	<u>\$ 28.51537</u>
<u>18.13%</u>	<u>17.16%</u>	<u>17.35%</u>	<u>18.62%</u>	<u>18.48%</u>	<u>17.55%</u>	<u>20.85%</u>
\$ 13.16082 12.50172	\$ 13.16082 14.63126	\$ 13.16082 16.05941	\$ 12.63277 13.37497	\$ 9.24586 17.34939	\$ 12.86989 14.24476	\$ 8.96845 12.50172
0.59506	0.59506	0.59506	0.59506	0.59506	0.59506	0.59506
0.29505	0.29505	0.29505	0.29505	0.29505	0.29505	0.29505
5.61839	5.61839	5.61839	5.61839	5.61839	5.61839	5.61839
0.03219	0.03219	0.03219	0.03219	0.03219	0.03219	0.03219
<u>\$ 32.20323</u>	<u>\$ 34.33277</u>	<u>\$ 35.76092</u>	<u>\$ 32.54843</u>	<u>\$ 33.13594</u>	<u>\$ 33.65534</u>	<u>\$ 28.01086</u>
<u>17.45%</u>	<u>16.37%</u>	<u>15.71%</u>	<u>17.26%</u>	<u>16.96%</u>	<u>16.69%</u>	<u>20.06%</u>

(Continued)

COUNTY OF LINN, IOWA

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

Fiscal Year	Taxing Body	City of Cedar Rapids				
		Cedar Rapids Schools	College Community Schools	Marion Schools	Linn-Mar Schools	City of Hiawatha
1998-1999	City	\$ 12.32432	\$ 12.32432	\$ 12.32432	\$ 12.32432	\$ 10.34467
	School District	12.48780	12.96040	17.24456	16.25259	12.48780
	Kirkwood Comm					
	College	0.56710	0.56710	0.56710	0.56710	0.56710
	Assessor	0.24225	0.24225	0.24225	0.24225	0.26194
	County	5.38110	5.38110	5.38110	5.38110	5.38110
	Other (1)	0.03068	0.03068	0.03068	0.03068	0.03068
	Total Levy	<u>\$ 31.03325</u>	<u>\$ 31.50585</u>	<u>\$ 35.79001</u>	<u>\$ 34.79804</u>	<u>\$ 29.07329</u>
Percent of Linn County to totals		<u>17.34%</u>	<u>17.08%</u>	<u>15.04%</u>	<u>15.46%</u>	<u>18.51%</u>
1999-2000	City	\$ 12.40000	\$ 12.40000	\$ 12.40000	\$ 12.40000	\$ 10.87986
	School District	11.88387	12.94536	16.71068	15.94591	11.88387
	Kirkwood Comm					
	College	0.61327	0.61327	0.61327	0.61327	0.61327
	Assessor	0.28772	0.28772	0.28772	0.28772	0.24999
	County	5.31110	5.31110	5.31110	5.31110	5.31110
	Other (1)	0.02955	0.02955	0.02955	0.02955	0.02955
	Total Levy	<u>\$ 30.52551</u>	<u>\$ 31.58700</u>	<u>\$ 35.35232</u>	<u>\$ 34.58755</u>	<u>\$ 28.96764</u>
Percent of Linn County to totals		<u>17.40%</u>	<u>16.81%</u>	<u>15.02%</u>	<u>15.36%</u>	<u>18.34%</u>
2000-2001	City	\$ 12.74497	\$ 12.74497	\$ 12.74497	\$ 12.74497	\$ 10.85444
	School District	12.40887	12.92737	17.93205	15.93025	12.40887
	Kirkwood Comm					
	College	0.60724	0.60724	0.60724	0.60724	0.60724
	Assessor	0.34142	0.34142	0.34142	0.34142	0.23777
	County	5.31110	5.31110	5.31110	5.31110	5.31110
	Other (1)	0.02926	0.02926	0.02926	0.02926	0.02926
	Total Levy	<u>\$ 31.44286</u>	<u>\$ 31.96136</u>	<u>\$ 36.96604</u>	<u>\$ 34.96424</u>	<u>\$ 29.44868</u>
Percent of Linn County to totals		<u>16.89%</u>	<u>16.62%</u>	<u>14.37%</u>	<u>15.19%</u>	<u>18.04%</u>
2001-2002	City	\$ 13.04000	\$ 13.04000	\$ 13.04000	\$ 13.04000	\$ 10.93415
	School District	12.94707	13.72416	17.96868	16.52524	12.94707
	Kirkwood Comm					
	College	0.60687	0.60687	0.60687	0.60687	0.60687
	Assessor	0.37126	0.37126	0.37126	0.37126	0.23136
	County	5.24684	5.24684	5.24684	5.24684	5.24684
	Other (1)	0.04143	0.04143	0.04143	0.04143	0.04143
	Total Levy	<u>\$ 32.25347</u>	<u>\$ 33.03056</u>	<u>\$ 37.27508</u>	<u>\$ 35.83164</u>	<u>\$ 30.00772</u>
Percent of Linn County to totals		<u>16.27%</u>	<u>15.88%</u>	<u>14.08%</u>	<u>14.64%</u>	<u>17.48%</u>

City of Marion							
Cedar Rapids Schools	Marion Schools	Linn-Mar Schools	City of Mount Vernon	City of Center Point	City of Lisbon	City of Robins	
\$ 12.46129	\$ 12.46129	\$ 12.46129	\$ 12.63333	\$ 9.31854	\$ 12.89424	\$ 9.00902	
12.48780	17.24456	16.25259	13.04683	17.10375	14.82057	12.48780	
0.56710	0.56710	0.56710	0.56710	0.56710	0.56710	0.56710	
0.26194	0.26194	0.26194	0.26194	0.26194	0.26194	0.26194	
5.38110	5.38110	5.38110	5.38110	5.38110	5.38110	5.38110	
0.03068	0.03068	0.03068	0.03068	0.03068	0.03068	0.03068	
<u>\$ 31.18991</u>	<u>\$ 35.94667</u>	<u>\$ 34.95470</u>	<u>\$ 31.92098</u>	<u>\$ 32.66311</u>	<u>\$ 33.95563</u>	<u>\$ 27.73764</u>	
<u>17.25%</u>	<u>14.97%</u>	<u>15.39%</u>	<u>16.86%</u>	<u>16.48%</u>	<u>15.85%</u>	<u>19.40%</u>	
\$ 12.39855	\$ 12.39855	\$ 12.39855	\$ 12.63336	\$ 9.83413	\$ 12.73964	\$ 9.04591	
11.88387	16.71068	15.94591	12.85178	16.17417	13.95671	11.88387	
0.61327	0.61327	0.61327	0.61327	0.61327	0.61327	0.61327	
0.24999	0.24999	0.24999	0.24999	0.24999	0.24999	0.24999	
5.31110	5.31110	5.31110	5.31110	5.31110	5.31110	5.31110	
0.02955	0.02955	0.02955	0.02955	0.02955	0.02955	0.02955	
<u>\$ 30.48633</u>	<u>\$ 35.31314</u>	<u>\$ 34.54837</u>	<u>\$ 31.68905</u>	<u>\$ 32.21221</u>	<u>\$ 32.90026</u>	<u>\$ 27.13369</u>	
<u>17.42%</u>	<u>15.04%</u>	<u>15.37%</u>	<u>16.76%</u>	<u>16.49%</u>	<u>16.14%</u>	<u>19.57%</u>	
\$ 12.75826	\$ 12.75826	\$ 12.75826	\$ 12.98883	\$ 9.85935	\$ 11.94278	\$ 9.04828	
12.40887	17.93205	15.93025	13.02780	15.83234	14.38636	12.40887	
0.60724	0.60724	0.60724	0.60724	0.60724	0.60724	0.60724	
0.23777	0.23777	0.23777	0.23777	0.23777	0.23777	0.23777	
5.31110	5.31110	5.31110	5.31110	5.31110	5.31110	5.31110	
0.02926	0.02926	0.02926	0.02926	0.02926	0.02926	0.02926	
<u>\$ 31.35250</u>	<u>\$ 36.87568</u>	<u>\$ 34.87388</u>	<u>\$ 32.20200</u>	<u>\$ 31.87706</u>	<u>\$ 32.51451</u>	<u>\$ 27.64252</u>	
<u>16.94%</u>	<u>14.40%</u>	<u>15.23%</u>	<u>16.49%</u>	<u>16.66%</u>	<u>16.34%</u>	<u>19.21%</u>	
\$ 12.78971	\$ 12.78971	\$ 12.78971	\$ 12.99335	\$ 10.32609	\$ 12.64935	\$ 8.61467	
12.94707	17.96868	16.52524	14.41244	15.70825	14.05935	12.94707	
0.60687	0.60687	0.60687	0.60687	0.60687	0.60687	0.60687	
0.23136	0.23136	0.23136	0.23136	0.23136	0.23136	0.23136	
5.24684	5.24684	5.24684	5.24684	5.24684	5.24684	5.24684	
0.04143	0.04143	0.04143	0.04143	0.04143	0.04143	0.04143	
<u>\$ 31.86328</u>	<u>\$ 36.88489</u>	<u>\$ 35.44145</u>	<u>\$ 33.53229</u>	<u>\$ 32.16084</u>	<u>\$ 32.83520</u>	<u>\$ 27.68824</u>	
<u>16.47%</u>	<u>14.22%</u>	<u>14.80%</u>	<u>15.65%</u>	<u>16.31%</u>	<u>15.98%</u>	<u>18.95%</u>	

(Continued)

COUNTY OF LINN, IOWA

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

Fiscal Year	Taxing Body	City of Cedar Rapids					City of Hiawatha
		Cedar Rapids Schools	College Community Schools	Marion Schools	Linn-Mar Schools		
2002-2003	City	\$ 12.82969	\$ 12.82969	\$ 12.82969	\$ 12.82969	\$ 11.11468	
	School District	15.35946	14.39975	15.35946	16.90663	15.35946	
	Kirkwood Comm						
	College	0.66634	0.66634	0.66634	0.66634	0.66634	
	Assessor	0.35185	0.35185	0.35185	0.35185	0.25234	
	County	5.25419	5.25419	5.25419	5.25419	5.25419	
	Other (1)	0.04302	0.04302	0.04302	0.04302	0.04302	
	Total Levy	<u>\$ 34.50455</u>	<u>\$ 33.54484</u>	<u>\$ 34.50455</u>	<u>\$ 36.05172</u>	<u>\$ 32.69003</u>	
Percent of Linn County to totals		<u>15.23%</u>	<u>15.66%</u>	<u>15.23%</u>	<u>14.57%</u>	<u>16.07%</u>	
2003-2004	City	\$ 13.06777	\$ 13.06777	\$ 13.06777	\$ 13.06777	\$ 11.31981	
	School District	15.36838	14.73088	17.81127	16.89647	15.36838	
	Kirkwood Comm						
	College	0.67924	0.67924	0.67924	0.67924	0.67924	
	Assessor	0.35361	0.35361	0.35361	0.35361	0.25500	
	County	5.29322	5.29322	5.29322	5.29322	5.29322	
	Other (1)	0.04302	0.04302	0.04302	0.04302	0.04302	
	Total Levy	<u>\$ 34.80524</u>	<u>\$ 34.16774</u>	<u>\$ 37.24813</u>	<u>\$ 36.33333</u>	<u>\$ 32.95867</u>	
Percent of Linn County to totals		<u>15.21%</u>	<u>15.49%</u>	<u>14.21%</u>	<u>14.57%</u>	<u>16.06%</u>	
2004-2005	City	\$ 13.11797	\$ 13.11797	\$ 13.11797	\$ 13.11797	\$ 12.01697	
	School District	15.74784	15.11410	16.82045	17.76825	15.74784	
	Kirkwood Comm						
	College	0.66276	0.66276	0.66276	0.66276	0.66276	
	Assessor	0.36120	0.36120	0.36120	0.36120	0.26125	
	County	5.51347	5.51347	5.51347	5.51347	5.51347	
	Other (1)	0.05129	0.05129	0.05129	0.05129	0.05129	
	Total Levy	<u>\$ 35.45453</u>	<u>\$ 34.82079</u>	<u>\$ 36.52714</u>	<u>\$ 37.47494</u>	<u>\$ 34.25358</u>	
Percent of Linn County to totals		<u>15.55%</u>	<u>15.83%</u>	<u>15.09%</u>	<u>14.71%</u>	<u>16.10%</u>	

(1) County Agricultural Extension and state levy

Included in this report are the major cities and towns within Linn County. Not shown are the Rural Services Fund of the county and the following taxing bodies over and above the cities and towns listed:

- a. 11 cities with a population under 1,800
- b. 19 townships
- c. 7 benefited fire districts

City of Marion						
Cedar Rapids Schools	Marion Schools	Linn-Mar Schools	City of Mount Vernon	City of Center Point	City of Lisbon	City of Robins
\$ 13.25744	\$ 13.25744	\$ 13.25744	\$ 12.99347	\$ 9.61047	\$ 12.66835	\$ 8.58425
15.35946	15.35946	16.90663	14.47556	16.36566	14.21345	15.35946
0.66634	0.66634	0.66634	0.66634	0.66634	0.66634	0.66634
0.25234	0.25234	0.25234	0.25234	0.25234	0.25234	0.25234
5.25419	5.25419	5.25419	5.25419	5.25419	5.25419	5.25419
0.04302	0.04302	0.04302	0.04302	0.04302	0.04302	0.04302
<u>\$ 34.83279</u>	<u>\$ 34.83279</u>	<u>\$ 36.37996</u>	<u>\$ 33.68492</u>	<u>\$ 32.19202</u>	<u>\$ 33.09769</u>	<u>\$ 30.15960</u>
15.08%	15.08%	14.44%	15.60%	16.32%	15.87%	17.42%
\$ 13.46667	\$ 13.46667	\$ 13.46667	\$ 12.99347	\$ 9.82809	\$ 12.67468	\$ 8.55126
15.36838	17.81127	16.89647	15.23657	16.45703	15.80870	15.36838
0.67924	0.67924	0.67924	0.67924	0.67924	0.67924	0.67924
0.25500	0.25500	0.25500	0.25500	0.25500	0.25500	0.25500
5.29322	5.29322	5.29322	5.29322	5.29322	5.29322	5.29322
0.04302	0.04302	0.04302	0.04302	0.04302	0.04302	0.04302
<u>\$ 35.10553</u>	<u>\$ 37.54842</u>	<u>\$ 36.63362</u>	<u>\$ 34.50052</u>	<u>\$ 32.55560</u>	<u>\$ 34.75386</u>	<u>\$ 30.19012</u>
15.08%	14.10%	14.45%	15.34%	16.26%	15.23%	17.53%
\$ 13.65104	\$ 13.65104	\$ 13.65104	\$ 12.99346	\$ 9.92352	\$ 12.67785	\$ 8.54268
15.74784	16.82045	17.76825	17.94000	18.16832	15.82366	15.74784
0.66276	0.66276	0.66276	0.66276	0.66276	0.66276	0.66276
0.26125	0.26125	0.26125	0.26125	0.26125	0.26125	0.26125
5.51347	5.51347	5.51347	5.51347	5.51347	5.51347	5.51347
0.05129	0.05129	0.05129	0.05129	0.05129	0.05129	0.05129
<u>\$ 35.88765</u>	<u>\$ 36.96026</u>	<u>\$ 37.90806</u>	<u>\$ 37.42223</u>	<u>\$ 34.58061</u>	<u>\$ 34.99028</u>	<u>\$ 30.77929</u>
15.36%	14.92%	14.54%	14.73%	15.94%	15.76%	17.91%

COUNTY OF LINN, IOWA

RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE
AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Estimated Population (2)</u>	<u>Assessed Value</u>	<u>Gross Bonded Debt</u>
1995 - 1996	180,000	\$ 5,041,475,648	\$ 6,385,000
1996 - 1997	181,370	5,309,919,002	5,530,000
1997 - 1998	182,240	5,515,367,281	6,915,000
1998 - 1999	183,630	5,841,300,600	3,695,000
1999 - 2000	186,130	6,110,883,184	9,165,000
2000 - 2001	191,701	6,182,241,295	8,310,000
2001 - 2002	196,200	6,387,062,831	7,415,000
2002 - 2003	198,370	6,659,122,189	6,480,000
2003 - 2004	199,090	6,917,674,253	5,510,000
2004 - 2005	200,840	7,020,283,039	4,500,000

(1) Amount available for repayment of general obligation bonds.

(2) Source: Estimated detail 1995-1996 through 1999-2000 and 2001-2002 through 2004-2005 from Woods & Poole Economics, Inc. Historical data 2000-2001 from the U.S. Department of Commerce.

Less Debt Service Fund (1)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
\$ 190,565	\$ 6,194,435	0.12%	\$ 34.41
247,424	5,282,576	0.10%	29.13
2,348,763	4,566,237	0.08%	25.06
116,818	3,578,182	0.06%	19.49
20,029	9,144,971	0.15%	49.13
94,063	8,215,937	0.13%	42.86
87,412	7,327,588	0.11%	37.35
34,733	6,445,267	0.10%	32.49
27,407	5,482,593	0.08%	27.54
26,161	4,473,839	0.06%	22.28

COUNTY OF LINN, IOWA

COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2005

2003 actual valuation of property	\$ 11,137,810,692
Plus: TIF increment	432,714,416
Less: military exemption	<u>(24,268,608)</u>
Actual value for debt limit calculations	11,546,256,500
Multiply by 5%	<u>0.05</u>
Debt limit	577,312,825
Less: outstanding general obligation debt	<u>(4,500,000)</u>
Legal debt margin	<u><u>\$ 572,812,825</u></u>

COUNTY OF LINN, IOWA

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT – GENERAL OBLIGATION BONDS
 JUNE 30, 2005

	Net General Obligation Bonded Debt Outstanding	Percent Applicable to Linn County	Amount Applicable to Linn County
Direct - Linn County	\$ 4,500,000	100.00%	\$ <u>4,500,000</u>
Overlapping:			
School Districts:			
Anamosa	4,190,000	6.28%	263,132
Cedar Rapids	41,225,000	100.00%	41,225,000
Center Point	5,645,000	62.87%	3,549,012
Central City	3,060,000	100.00%	3,060,000
College Community	38,070,000	85.65%	32,606,955
Linn-Mar	35,200,000	100.00%	35,200,000
Marion	5,310,000	100.00%	5,310,000
Monticello	6,260,000	1.68%	105,168
Mount Vernon	8,610,000	97.03%	8,354,283
North Linn	3,080,000	66.21%	2,039,268
Solon	8,570,000	0.56%	47,992
Springville	625,000	100.00%	625,000
Cities:			
Alburnett	550,000	100.00%	550,000
Cedar Rapids	72,880,300	100.00%	72,880,300
Center Point	265,000	100.00%	265,000
Central City	1,620,000	100.00%	1,620,000
Coggon	175,000	100.00%	175,000
Ely	1,195,000	100.00%	1,195,000
Fairfax	2,435,000	100.00%	2,435,000
Hiawatha	8,740,000	100.00%	8,740,000
Lisbon	1,475,000	100.00%	1,475,000
Marion	10,560,000	100.00%	10,560,000
Mount Vernon	2,555,000	100.00%	2,555,000
Robins	5,935,000	100.00%	5,935,000
Springville	848,401	100.00%	848,401
Fire Districts - Fire District #4	22,509	100.00%	<u>22,509</u>
Subtotal Overlapping Debt			<u>241,642,020</u>
Total Direct and Overlapping Debt			<u>\$ 246,142,020</u>

COUNTY OF LINN, IOWA

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION BONDED
DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest (2)</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures (1)</u>	<u>Ratio of Debt Service to General Governmental Expenditures</u>
1995 - 1996	\$ 605,000	\$ 377,349	\$ 982,349	\$ 57,310,674	1.7%
1996 - 1997	855,000	344,005	1,199,005	59,526,309	2.0%
1997 - 1998	915,000	325,471	1,240,471	62,913,378	2.0%
1998 - 1999	965,000	348,673	1,313,673	70,287,903	1.9%
1999 - 2000	1,030,000	422,700	1,452,700	77,322,274	1.9%
2000 - 2001	855,000	400,827	1,255,827	77,931,295	1.6%
2001 - 2002	895,000	361,140	1,256,140	79,634,852	1.6%
2002 - 2003	935,000	320,023	1,255,023	85,384,257	1.5%
2003 - 2004	970,000	281,687	1,251,687	87,821,480	1.4%
2004 - 2005	1,010,000	241,322	1,251,322	88,559,006	1.4%

(1) Includes general, special revenue, debt service and capital projects funds.

(2) Excludes bond issuance and other costs.

COUNTY OF LINN, IOWA

DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Per Capita Income (2)</u>	<u>Median Age (1)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
1995 - 1996	180,000	\$ 25,447	35.15	33,884	2.5%
1996 - 1997	181,370	26,122	35.52	34,554	2.4%
1997 - 1998	182,240	28,046	35.98	34,906	1.9%
1998 - 1999	183,630	28,791	36.32	35,141	1.9%
1999 - 2000	186,130	29,493	35.23	35,523	1.7%
2000 - 2001	191,701	29,916	35.46	33,826	2.3%
2001 - 2002	196,200	30,150	35.63	34,816	3.8%
2002 - 2003	198,370	30,416	35.76	35,677	4.5%
2003 - 2004	199,090	30,501	35.04	35,875	4.6%
2004 - 2005	200,840	33,405	37.01	36,338	4.6%

(1) Source: Estimated detail 1995 - 1996 through 1999 - 2000 and 2001 - 2002 through 2004 - 2005 from Woods & Poole Economics, Inc.

Historical data for 2000 - 2001 from the U.S. Department of Commerce.

(2) Source: Woods & Poole Economics, Inc. Expressed in 1996 dollars.

(3) Source: Grant Wood Area Education Agency.

(4) Source: Iowa Workforce Development.

COUNTY OF LINN, IOWA

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS

Fiscal Year	Property Value*		
	Commercial	Residential	Total
1995 - 1996	\$ 1,898,122	\$ 3,918,120	\$ 5,816,242
1996 - 1997	2,158,118	4,543,248	6,701,366
1997 - 1998	2,244,842	4,679,962	6,924,804
1998 - 1999	2,419,883	5,318,656	7,738,539
1999 - 2000	3,050,614	5,472,512	8,523,126
2000 - 2001	3,147,750	5,662,967	8,810,717
2001 - 2002	3,129,149	5,872,121	9,001,270
2002 - 2003	3,283,137	6,763,055	10,046,192
2003 - 2004	3,905,500	6,490,896	10,396,396
2004 - 2005	3,524,252	7,589,290	11,113,542

* Amounts expressed in thousands.

(1) Source: City of Cedar Rapids Building Safety Department.

Property values are estimated construction costs.

(2) Source: Federal Deposit Insurance Corporation.

New Construction (1)		Remodeling, Repairs and Additions (1)		Bank* Deposits (2)
Number of Permits	Value*	Number of Permits	Value*	
1,786	\$ 80,103	5,021	\$ 51,369	\$ 2,286,789
1,802	70,991	5,189	39,861	2,300,435
1,967	98,815	5,177	57,806	2,403,993
2,090	91,129	5,690	51,984	2,244,622
2,112	117,770	5,432	68,605	2,249,682
1,764	100,135	5,067	55,974	2,511,988
1,864	114,719	8,126	62,054	2,606,853
1,652	75,286	5,350	55,248	2,972,042
1,881	96,572	5,137	57,242	3,064,419
1,702	113,744	4,390	59,268	3,102,862

COUNTY OF LINN, IOWA

PRINCIPAL TAXPAYERS
JUNE 30, 2005

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation (1)</u>	<u>Percentage of Total Assessed Valuation</u>
Alliant Industries	Utility	\$ 344,414,028	4.91%
ADM Corn Processing	Grain Milling	120,351,224	1.71%
Rockwell International	Electronics Manufacturer	51,956,179	0.74%
Aegon	Insurance	50,443,402	0.72%
Quest	Utility	44,885,639	0.64%
Miell, Robert	Landlord	38,715,850	0.55%
Weyerhaeuser	Manufacturing	37,805,077	0.54%
McLeod USA Inc.	Telecommunications	34,768,633	0.50%
Midamerican Energy	Utility	34,150,327	0.49%
HNW Associates (Westdale)	Shopping Mall	<u>33,856,035</u>	0.48%
Total		<u>\$ 791,346,394</u>	<u>11.27%</u>

(1) As of January 1, 2003

Source: Linn County Auditor's Office

COUNTY OF LINN, IOWA

SALARIES OF PRINCIPAL OFFICIALS
JUNE 30, 2005

Official Title	Name of Official	2004 - 2005 Annual Salary
Board of Supervisors:	Lu Barron	\$ 74,545
	James Houser	74,545
	Linda Langston	74,545
Attorney	Harold Denton	112,010
Auditor	Linda Langenberg	74,545
Recorder	Joan McCalmant	74,545
Sheriff	Donald Zeller	92,778
Treasurer	Michael Stevenson	74,545
Administrative Services Director	Mike Goldberg	68,521
Budget Director	Dawn Jindrich	80,434
Community Services Director	John Brandt	89,100
Conservation Director	Dan Biechler	83,338
Human Resources Manager	Trude Elliott (1)	75,129
Engineer	Steve Gannon	92,678
Financial Director	Steve Tucker	86,841
Health Department Director	Keith Erickson	88,843
LIFTS Director	Ron Herdliska	62,075
Information Technology Director	Dean Ernst (2)	74,909
Planning and Development Director	Les Beck	77,198
Risk Manager	Robin Foubert	66,672
Veterans Affairs Director	Don Tyne	52,918

(1) Resigned effective June 3, 2005

(2) Retired effective April 30, 2005

COUNTY OF LINN, IOWA
 MISCELLANEOUS STATISTICS
 JUNE 30, 2005

Date of Incorporation		1839
Form of Government		County Board
Number of employees		811
Area in square miles		726
Miles of roads and streets:		
Interstate highways	28	
State highways	110	
County roads	1,175	
City streets	<u>810</u>	2,123
Farming acres		361,354
Number of farms		2,668
Schools within the County:		
Public schools (1):		
Elementary schools		45
Middle schools		14
High schools		14
Total enrollment		33,166
Private schools (1):		
Elementary schools		9
Middle schools		2
High schools		1
Total enrollment		3,172
Higher education (enrollment):		
3 four-year independent		3,995
1 community college		15,480
2 two-year independent/other		2,682
Recreation		
Parks:		
State parks		2
Number of acres		1,821
County parks		19
Number of acres		5,267
City parks		114
Number of acres		4,432
Golf courses:		
Private		6
Public		4
State wildlife preserve acres		330
Number of lakes		1
Number of swimming pools		8
Public safety:		
County sheriff department		1
City police department		7
Fire department:		
Full time		2
Volunteer		19
Rescue squad		4
Elections:		
Last general election:		
Registered voters		145,523
Votes cast		111,110
Percent		76.4%
Last municipal election:		
Registered voters		84,454
Votes cast		25,183
Percent		29.8%

(1) Number of schools refers to the number serving specific grades, not the total number of buildings.
 Source: Grant Wood Area Education Agency.