



COUNTY OF LINN, IOWA

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2009

COUNTY OF LINN, IOWA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PREPARED BY OFFICE OF FINANCE AND BUDGET

COUNTY OF LINN, IOWA

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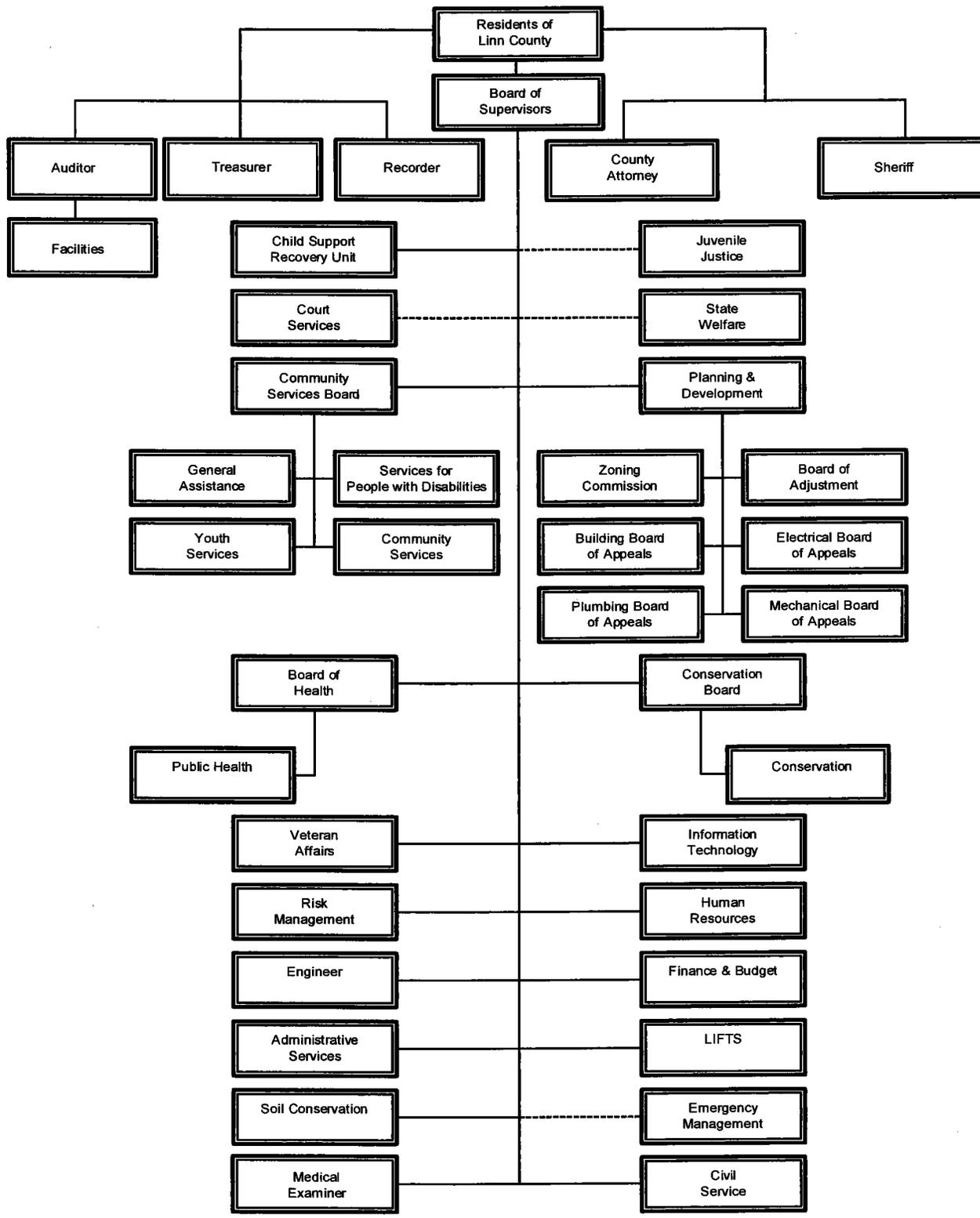


INTRODUCTORY SECTION

COUNTY OF LINN, IOWA

COUNTY OFFICIALS

<u>NAME</u>	<u>TITLE</u>	<u>TERM EXPIRES</u>
Lu Barron	Board of Supervisors	2010
Linda Langston	Board of Supervisors	2012
Ben Rogers	Board of Supervisors	2012
Brent Oleson	Board of Supervisors	2012
James Houser	Board of Supervisors	2010
Harold Denton	Attorney	2010
Joel Miller	Auditor	2012
Joan McCalmant	Recorder	2010
Brian Gardner	Sheriff	2012
Michael Stevenson	Treasurer	2010





**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

December 23, 2009

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, 2009, 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, 2009 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, 2009 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.

www.linncounty.org

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PROFILE OF LINN COUNTY

The County was organized on June 10, 1839. It currently is operated under a five-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 2009 population of Linn County is estimated at 210,551 – an increase of 0.9 percent from 2008. The local unemployment rate rose to 6.0 percent at the end of fiscal year 2009, compared to 4.5 percent in the prior year. The national average was 10.2 percent at the end of fiscal year 2009.

In the past year, Cedar Rapids residents affected by the record flooding of 2008 have been busy rebuilding their homes and businesses in flood affected areas. Downtown Cedar Rapids was severely impacted by the flood, but most businesses have returned to their former locations. With a great deal of new construction and remodeling occurring in these businesses, the downtown has a fresh appearance to offer its residents. Several new local restaurants have also opened downtown and in the New Bohemian district. The International Downtown Association recently announced that Cedar Rapids has received the Downtown Achievement Award as one of 77 projects submitted to the organization this year. The award was based on the River Corridor Redevelopment Plan and the Neighborhood Planning Process. These plans offer a compelling vision for Cedar Rapids over the next 15 years with a sustainable city characterized by connections from all neighborhoods to downtown and the river, with a network of diverse open spaces. Projects include vibrant revitalized neighborhoods, diverse economic opportunities, and thriving cultural destinations.

As plans for the downtown recovery continue to develop, a major downtown development was announced last month. Physicians Clinic of Iowa intends to build a \$40 million downtown medical mall and participate with Mercy Medical Center and St. Luke's Hospital in development of a medical district. Additional related development in the medical district could easily reach hundreds of millions of dollars over the next decade. The medical district idea was mentioned in a 2007 Downtown Framework Plan from JLG Architects. The plan suggests that a medical district is likely to spur additional interest in downtown housing, retail, commercial, and riverfront development.

A local developer has announced plans to purchase the Town Centre building in downtown Cedar Rapids for \$5.5 million from Lehman Brothers. The building had not been repaired since last year's flood. Within the next several months, it will be remodeled to include a new entrance and lobby. Updating the other common areas of the building will follow. Nearly \$40 million in federal grants will help fund a \$52 million project to add a convention center to the U.S. Cellular Center beyond those planned with a \$15 million I-JOBS grant from the State of Iowa. Construction of the new LEED-certified federal courthouse has already begun on a two-block site in downtown Cedar Rapids, with funding secured in the fall of 2008 through a special disaster relief appropriation by the U.S. Congress. All of these projects are expected to provide a major boost to downtown redevelopment.

Long-Term Financial Planning

Following the flooding of 2008, the County has repaired or is in the process of making repairs to its flood damaged buildings. The Elections Depot was repaired in September and the upper floors of the Courthouse reopened in October of 2008. Other Linn County offices relocated to new temporary quarters in April of 2009. The Correctional Center was restored in May of 2009 and the Sheriff's Office will reopen in January of 2010. The County is designing a new human services and sheltered workshop facility to be complete in late 2011. Construction of a new juvenile law center will be complete in April of 2011. Community open houses were held in November to gain public input regarding the Administrative Office Building project. A decision for the location of administrative offices is expected soon.

The Cedar Rapids/Linn County Solid Waste Agency permanently closed landfill site #1 two years ago, with all solid waste transported to site #2, the former Linn County landfill, for disposal. Site #1 was reopened in June of 2008 to accept flood debris from Cedar Rapids. The agency currently plans to reclose that site in July, 2010. New cells are being added at site #2, extending the estimated life of that site by another 20 to 30 years. The first of the new cells has been in use since August of 2008. Another cell will be ready for use in June, 2010. Board members will continue exploring new technological advances in solid waste disposal to avoid the necessity of siting another landfill in 20 years. The Solid Waste Agency's Board is comprised of five members from 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.

Relevant Financial Policies

Linn County implemented an Emergency Purchasing Policy a result of the June 2008 flood. The policy is put into effect whenever an emergency proclamation is declared by the Governor of the State of Iowa. The policy increases authorization limits for purchases approved by the purchasing director, director of policy and administration and the financial director. The increased authorization limits cease when the disaster emergency ceases as determined by the Governor. This policy was implemented to help ensure Linn County has a quicker response to the immediate needs of disaster recovery.

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, 2008. This was the 20th 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.

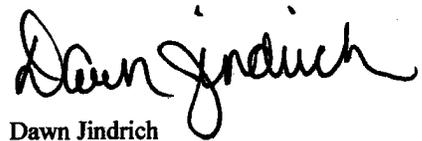
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget for fiscal year 2010. 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, 2008

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.



President

Executive Director



FINANCIAL SECTION



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, 2009, 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 the 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, 2009, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2009, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 section 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 and statistical sections 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
December 23, 2009

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, 2009. 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 \$97,010,274 (net assets). Of this amount, \$5,814,836 (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors
- The County's total net assets decreased by \$912,623
- As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$11,682,289, a decrease of \$2,973,414 in comparison with the prior year
- At the end of the current fiscal year, the fund balance for the general fund was \$11,001,979, or 17 percent of total general fund expenditures
- Total general obligation bonded debt decreased by \$1,200,000 (100 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 13 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 25 – 31 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 32 – 34 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 35 – 36 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 37 – 50 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 59 – 66 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 \$97,010,000 at the close of the most recent fiscal year.

The largest portion of the County's net assets, 76 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

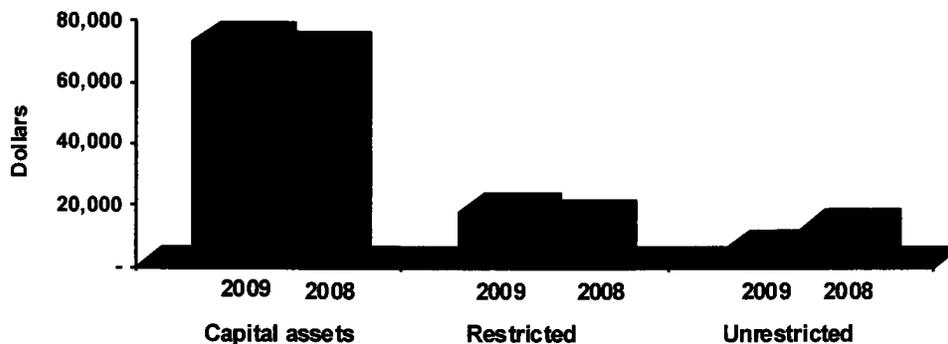
outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt 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, 2009

The County's combined net assets decreased to \$97,010,000 for fiscal year 2009. A condensed version of the Statement of Net Assets as of June 30, 2009 and June 30, 2008 follows:

County of Linn Net Assets						
(in thousands)						
	Governmental Activities		Business-Type Activities		Total Government	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 92,026	\$ 101,439	\$ 317	\$ 459	\$ 92,343	\$ 101,898
Capital assets	73,436	71,323	77	16	73,513	71,339
Total assets	165,462	172,762	394	475	165,856	173,237
Long-term debt outstanding	5,149	5,987	-	-	5,149	5,987
Other liabilities	63,640	69,256	57	71	63,697	69,327
Total liabilities	68,789	75,243	57	71	68,846	75,314
Net assets:						
Invested in capital assets, net of related debt	73,306	70,030	77	16	73,383	70,046
Restricted	17,812	15,681	-	-	17,812	15,681
Unrestricted	5,555	11,808	260	388	5,815	12,196
Total net assets	\$ 96,673	\$ 97,519	\$ 337	\$ 404	\$ 97,010	\$ 97,923

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 \$3,337,000 increase includes a \$2,174,000 increase in net capital assets and a \$1,200,000 decrease in general obligation-bonded, a decrease of 100 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 \$6,547,000 at June 30, 2009.

Current and other assets decreased \$9,556,000 to \$92,343,000. Included is a decrease of \$9,836,000 or 31 percent in pooled cash and investments, an increase in succeeding year property tax receivable of \$598,000 or 1 percent, and a decrease of \$589,000 in due from other governments. The decrease in pooled cash includes \$2,061,000 from the capital projects fund and \$7,434,000 due from the capital projects fund to the general fund, the result of flood-related expenditures yet to be reimbursed from FEMA and the State of Iowa. The increase in succeeding year property taxes

is for the general fund to support fiscal year 2009 operational increases. The increase in due from other governments is estimated federal and state reimbursements for flood-related costs.

Statement of Activities for the Fiscal Year Ended June 30, 2009

A condensed version of the Statement of Activities as of June 30, 2009 and June 30, 2008 follows:

County of Linn Changes in Net Assets							Total Percent- age Change
(in thousands)							
Governmental Activities		Business-type Activities		Total			
	2009	2008	2009	2008	2009	2008	2008-2009
Revenues:							
Program revenues:							
Charges for services	\$ 19,760	\$ 21,413	\$ 550	\$ 689	\$ 20,310	\$ 22,102	-8.1%
Operating grants and contributions	48,442	38,300	-	-	48,442	38,300	26.5%
Capital grants and contributions	2,470	1,295	-	-	2,470	1,295	90.7%
General revenues and transfers:							
Property taxes	47,282	43,402	-	-	47,282	43,402	8.9%
Other county taxes	4,348	2,891	-	-	4,348	2,891	50.4%
State replacements and credits	1,412	1,370	-	-	1,412	1,370	3.1%
Investment income	832	1,815	4	10	836	1,825	-54.2%
Other general revenue	1,536	814	-	-	1,536	814	88.7%
Total revenues	126,082	111,300	554	699	126,636	111,999	13.1%
Expenses:							
Public safety and legal services	21,637	20,851	-	-	21,637	20,851	3.8%
Physical health and social services	18,389	17,116	-	-	18,389	17,116	7.4%
Mental health	30,850	31,233	621	692	31,471	31,925	-1.4%
County environment and education	6,143	4,948	-	-	6,143	4,948	24.2%
Roads and transportation	16,169	22,954	-	-	16,169	22,954	-29.6%
Governmental services to residents	4,007	3,412	-	-	4,007	3,412	17.4%
Administration	29,376	17,782	-	-	29,376	17,782	65.2%
Nonprogram current	9	21	-	-	9	21	-57.1%
Interest on long-term debt	348	100	-	-	348	100	248.0%
Total expenses	126,928	118,417	621	692	127,549	119,109	7.1%
Change in net assets	(846)	(7,117)	(67)	7	(913)	(7,110)	-87.2%
Beginning net assets	97,519	104,636	404	397	97,923	105,033	-6.8%
Ending net assets	<u>\$ 96,673</u>	<u>\$ 97,519</u>	<u>\$ 337</u>	<u>\$ 404</u>	<u>\$ 97,010</u>	<u>\$ 97,923</u>	-0.9%

Governmental activities

Revenues for the County's governmental activities increased \$14,781,000 or 13.3% while total expenses increased \$8,511,000 or 7.2%. Key elements include:

- The 8.9% increase in County property taxes represented an overall valuation growth of 3.7% and a 27-cent increase in the countywide levy rate.
- The \$10,142,000 increase in operating grants and contributions included a \$9,900,000 increase from FEMA for flood damage reimbursement.
- Capital grants of \$2,470,000 were for infrastructure additions financed with federal grants and state farm-to-market funds.
- The \$983,000 decrease in investment income resulted from a decrease in the County's yield on investments from 2.1% in fiscal 2008 to 0.4% in fiscal 2009.
- The roads and transportation expense decrease of \$6,785,000 resulted from a decrease in infrastructure projects expensed in fiscal 2009 as well as flood-related road repairs.

- The increase in administrative expenses of 11,594,000 was a result of additional flood-related damages incurred in fiscal 2009.
- All functional activities were impacted by wage and benefit increases. These costs, comprising slightly more than half of total expenses, include wage increases of \$1,137,000 or 3.1% for the existing 815 County employees as well as \$361,000 for eight new employees. Health and dental expenses increased 3.0% or \$238,000.

Business-type activities

Options of Linn County, the County's sole business-type activity, decreased net assets by \$67,000. Operating revenues decreased 20.1% to \$550,000, while operating expenses decreased 10.3% to \$621,000 resulting in operating loss of \$72,000 compared to an operating income of \$10,899 for FY 08. Factors contributing to this:

- The amount of time when no work was available for clients increased from 13.3% in FY08 to 33.3% in FY09. Challenges, associated with securing contract work, have increased as a result of the downturn in the economy and the June 2008 flood. Some major work contracts are no longer available, due to business relocations caused by the flood.
- The FY09 operating loss included \$38,000, for replacement of supplies/minor equipment destroyed in the flood.

Financial Analysis of the County's Funds

As the County completed the year, its governmental funds reported a combined fund balance of \$11,682,000, \$2,973,000 less than last year. Total unreserved and undesignated fund balance had a deficit of \$4,427,000 and included a deficit of \$9,286,000 in capital projects as a result of unreimbursed flood-related expenditures. The remaining \$4,859,000 of this total is considered unreserved and undesignated which is available at the County's discretion. The remainder of the fund balance is reserved or designated to indicate it is not available for new spending because it has already been committed for encumbrances, inventories, prepaids, supplemental levy purposes, or to pay debt service. The primary reasons for the changes in the County's funds are:

- Decreased interest earnings in the general fund of \$983,000 resulting from decreased yields
- Lost Correctional Center inmate revenue of \$3,090,000 as a result of flood damage to the facility
- Decreased County Medicaid match payments of \$1,500,000 for MH-DD services were the result of federal stimulus legislation that increased the Federal Medical Assistance Participation program percentage

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 four times. The first amendment was made in November 2008 and resulted in an increase to the general fund expenditure budget of \$4,075,000 for an amended total of \$62,804,000. The amendment increased expenditures due largely to physical health and social service grants and repair expenditures related to the June of 2008 flood.

The second amendment in December of 2008 increased expenditures by \$6,769,000 for an amended expenditure budget of \$69,573,000. The amendment increased both revenue and expenditures for Jumpstart and CDBG grants,

The third amendment in April of 2009 increased expenditures by \$366,000 for an amended expenditure budget of \$69,939,000. The amendment was the result of election costs related to the presidential election and additional repair expenditures related to the flood.

The final amendment in May 2008 increased expenditures by \$954,000 for an amended expenditure budget of \$70,893,000. The increase was primarily for additional flood-related repairs. Actual expenditures for the year totaled \$65,794,000 or \$5,099,000 less than the final amended budget – a variance of 7.2%.

Capital Assets and Debt Administration

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

	Governmental Activities		Business-Type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Land	\$ 6,900	\$ 6,900	\$ -	\$ -	\$ 6,900	\$ 6,900
Buildings	21,513	22,331	-	-	21,513	22,331
Improvements other than buildings	429	461	-	-	429	461
Machinery and equipment	6,334	5,128	77	16	6,411	5,144
Infrastructure	35,829	36,050	-	-	35,829	36,050
Construction in progress	2,431	453	-	-	2,431	453
Total	\$ 73,436	\$ 71,323	\$ 77	\$ 16	\$ 73,513	\$ 71,339

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2009 was \$73,513,000 (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 3.0 percent. Major capital asset events during the fiscal year included the following:

- Construction in progress included \$1,704,000 in costs related to five county buildings damaged by the June flood
- Completion of \$1,657,000 in roadway and bridge projects paid directly by the state and federal governments
- Various other infrastructure projects totaling \$221,000 were completed
- Machinery and equipment increases including \$1,033,000 in vehicle purchases and \$609,000 for a new Sheriff's department paging system

Additional information on the County's capital assets can be found in note 4 pages 43 – 44 of this report.

Long-Term Debt

At the end of the current fiscal year, the County had no outstanding debt all the debt.

County of Linn's Outstanding Debt
(in thousands)

	2008	Additions	Payments	2009
Governmental -				
General obligation bonds	\$ 1,200	\$ -	\$ 1,200	\$ -

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 page 44 of this report.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the County was 5.9 percent at the end of fiscal year 2009, below the national average of 9.5 percent. Total employment decreased 1,387 in fiscal year 2009 to 152,283. Personal income decreased 0.9 percent to \$7.54 billion while per capita personal income decreased \$29 to \$35,796.

Property taxes levied will increase \$627,000 or 1.3 percent from the fiscal 2009 budget. This increase represents overall valuation growth of 4.3 percent combined with a 19-cent decrease in the countywide levy rate. The 2010 countywide levy rate is \$5.96 per thousand dollars of taxable value. Net property tax revenue represents 41.6 percent of total revenues compared to 45.9 percent for fiscal 2009. Rural residents will pay \$9.68 per thousand dollars of taxable value, including the rural services levy rate of \$3.72.

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, 2009

ASSETS:	Governmental Activities	Business-Type Activities	Total
Pooled cash and investments	\$ 21,372,771	\$ 226,135	\$ 21,598,906
Receivables:			
Accounts	174,899	83,345	258,244
Property taxes:			
Delinquent	302,599	-	302,599
Succeeding year	52,099,560	-	52,099,560
Interest and penalties on property taxes	364,492	-	364,492
Accrued interest	33,529	107	33,636
Due from other governments	12,835,853	-	12,835,853
Due from individuals and private entities	206,436	-	206,436
Inventories and prepaid expenses	1,676,460	8,019	1,684,479
Investment in joint venture	2,959,000	-	2,959,000
Capital assets:			
Land and construction in progress	9,330,603	-	9,330,603
Other capital assets net of accumulated depreciation	64,105,598	76,551	64,182,149
Total capital assets	73,436,201	76,551	73,512,752
TOTAL ASSETS	165,461,800	394,157	165,855,957
LIABILITIES:			
Accounts payable	9,577,825	12,226	9,590,051
Salaries and benefits payable	1,133,180	45,260	1,178,440
Due to individuals and private entities	37,706	-	37,706
Unearned revenue:			
Succeeding year property tax	52,099,560	-	52,099,560
Other	791,687	-	791,687
Long-term liabilities:			
Portion due or payable within one year:			
Capital lease obligations	55,292	-	55,292
Compensated absences	3,599,702	-	3,599,702
Portion due or payable after one year:			
Capital lease obligations	75,363	-	75,363
Other post employment benefits	83,511	-	83,511
Compensated absences	1,334,371	-	1,334,371
Total long-term liabilities	5,148,239	-	5,148,239
TOTAL LIABILITIES	68,788,197	57,486	68,845,683
NET ASSETS:			
Invested in capital assets net of related debt	73,305,546	76,551	73,382,097
Restricted for:			
Supplemental levy purposes	10,888,544	-	10,888,544
MH-DD services	2,982,349	-	2,982,349
Secondary roads	2,461,492	-	2,461,492
Other purposes	1,480,695	-	1,480,695
Debt service	261	-	261
Unrestricted	5,554,716	260,120	5,814,836
TOTAL NET ASSETS	\$ 96,673,603	\$ 336,671	\$ 97,010,274

See notes to financial statements.



COUNTY OF LINN, IOWA

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2009

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Public safety and legal services	\$ 21,637,019	\$ 2,419,288	\$ 2,095,386	\$ 1,070,841
Physical health and social services	18,389,201	727,328	8,883,381	-
Mental health	30,850,788	9,685,736	14,503,432	-
County environment and education	6,142,891	1,020,791	1,208,924	-
Roads and transportation	16,168,756	1,849,927	4,274,188	1,399,575
Governmental services to residents	4,006,718	3,277,146	-	-
Administration	29,375,779	779,876	17,476,441	-
Nonprogram	8,866	-	-	-
Interest on long-term debt	347,678	-	-	-
Total governmental activities	<u>126,927,696</u>	<u>19,760,092</u>	<u>48,441,752</u>	<u>2,470,416</u>
Business-type activities - Options of Linn County	<u>621,688</u>	<u>549,834</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 127,549,384</u>	<u>\$ 20,309,926</u>	<u>\$ 48,441,752</u>	<u>\$ 2,470,416</u>

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

See notes to financial statements.

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (16,051,504)	\$ -	\$ (16,051,504)
(8,778,492)	-	(8,778,492)
(6,661,620)	-	(6,661,620)
(3,913,176)	-	(3,913,176)
(8,645,066)	-	(8,645,066)
(729,572)	-	(729,572)
(11,119,462)	-	(11,119,462)
(8,866)	-	(8,866)
(347,678)	-	(347,678)
<u>(56,255,436)</u>	<u>-</u>	<u>(56,255,436)</u>
-	(71,854)	(71,854)
<u>(56,255,436)</u>	<u>(71,854)</u>	<u>(56,327,290)</u>
46,137,129	-	46,137,129
1,145,000	-	1,145,000
1,173,140	-	1,173,140
3,763,151	-	3,763,151
585,258	-	585,258
1,412,247	-	1,412,247
832,419	4,363	836,782
361,960	-	361,960
<u>55,410,304</u>	<u>4,363</u>	<u>55,414,667</u>
(845,132)	(67,491)	(912,623)
<u>97,518,735</u>	<u>404,162</u>	<u>97,922,897</u>
<u>\$ 96,673,603</u>	<u>\$ 336,671</u>	<u>\$ 97,010,274</u>

COUNTY OF LINN, IOWA

BALANCE SHEET – GOVERNMENTAL FUNDS
 JUNE 30, 2009

	Special Revenue Funds		
	General	MH-DD Services	Secondary Roads
ASSETS:			
Cash and investments:			
Pooled cash and investments	\$ 6,045,284	\$ 4,683,135	\$ 1,156,784
Other county officials	782,118	500	1,512
Receivables:			
Accounts	54,374	65,309	10,376
Property taxes:			
Delinquent	233,316	49,735	-
Succeeding year	39,827,723	8,111,914	-
Interest and penalties on property taxes	364,492	-	-
Accrued interest	32,878	-	-
Due from other funds	4,372,977	-	-
Due from other governments	2,973,474	1,551,315	679,470
Due from individuals and private entities	206,436	-	-
Inventories	131,693	-	1,094,018
Prepaid Items	174,787	261,989	-
TOTAL ASSETS	\$ 55,199,552	\$ 14,723,897	\$ 2,942,160
LIABILITIES AND FUND BALANCES:			
LIABILITIES:			
Accounts payable	\$ 1,363,468	\$ 3,388,456	\$ 385,398
Salaries and benefits payable	791,446	241,178	93,533
Due to other funds	-	-	-
Deferred revenue:			
Succeeding year property tax	39,827,723	8,111,914	-
Other	2,214,936	284,363	73,916
Total liabilities	44,197,573	12,025,911	552,847
FUND BALANCES:			
Reserved for:			
Encumbrances	-	-	340,202
Prepaid items	174,787	261,989	-
Inventories	131,693	-	1,094,018
Supplemental levy purposes	10,694,672	-	-
Debt service fund	-	-	-
Unreserved (deficit)	827	2,435,997	955,093
Unreserved reported in nonmajor - Special revenue funds	-	-	-
Total fund balances	11,001,979	2,697,986	2,389,313
TOTAL LIABILITIES AND FUND BALANCES	\$ 55,199,552	\$ 14,723,897	\$ 2,942,160

See notes to financial statements.

Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,428,775	\$ 13,313,978
-	-	15,340	799,470
-	-	44,840	174,899
-	8,509	11,039	302,599
-	-	4,159,923	52,099,560
-	-	-	364,492
-	-	148	33,026
-	-	-	4,372,977
7,601,549	-	30,045	12,835,853
-	-	-	206,436
-	-	13,973	1,239,684
-	-	-	436,776
<u>\$ 7,601,549</u>	<u>\$ 8,509</u>	<u>\$ 5,704,083</u>	<u>\$ 86,179,750</u>
\$ 2,846,363	\$ -	\$ 7,140	\$ 7,990,825
-	-	7,023	1,133,180
4,364,729	8,248	-	4,372,977
-	-	4,159,923	52,099,560
6,269,893	8,509	49,302	8,900,919
<u>13,480,985</u>	<u>16,757</u>	<u>4,223,388</u>	<u>74,497,461</u>
3,406,367	-	-	3,746,569
-	-	-	436,776
-	-	13,973	1,239,684
-	-	-	10,694,672
-	(8,248)	-	(8,248)
(9,285,803)	-	-	(5,893,886)
-	-	1,466,722	1,466,722
<u>(5,879,436)</u>	<u>(8,248)</u>	<u>1,480,695</u>	<u>11,682,289</u>
<u>\$ 7,601,549</u>	<u>\$ 8,509</u>	<u>\$ 5,704,083</u>	<u>\$ 86,179,750</u>

COUNTY OF LINN, IOWA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2009

Total fund balances for governmental funds		\$ 11,682,289
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.		73,436,201
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.		2,959,000
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.		5,635,120
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.		8,109,232
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:		
Capital leases	\$ (130,655)	
Other post employment benefits	(83,511)	
Compensated absences	<u>(4,934,073)</u>	
Total long-term debt liabilities		<u>(5,148,239)</u>
Total net assets of governmental activities		<u>\$ 96,673,603</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, 2009

	General	Special Revenue Funds	
		MH-DD Services	Secondary Roads
REVENUES:			
Property taxes	\$ 35,191,035	\$ 7,501,809	\$ -
Other county taxes	3,507,195	463,448	-
Interest and penalty on taxes	1,115,593	-	-
Intergovernmental	15,442,936	23,574,444	6,379,935
Licenses and permits	736,216	-	35,507
Charges for services	5,391,910	754,653	137,075
Use of money and property	861,491	2,850	-
Miscellaneous	732,002	459	272,052
Total revenues	62,978,378	32,297,663	6,824,569
EXPENDITURES:			
Current:			
Public safety and legal services	22,737,492	-	-
Physical health and social services	18,455,323	-	-
Mental health	-	31,003,722	-
County environment and education	5,597,720	-	-
Roads and transportation	1,634,130	-	10,623,944
Governmental services to residents	3,989,676	-	-
Administration	12,752,803	-	-
Nonprogram	8,866	-	-
Capital projects	162,595	-	980,430
Debt service	-	-	-
Total expenditures	65,338,605	31,003,722	11,604,374
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,360,227)	1,293,941	(4,779,805)
OTHER FINANCING SOURCES (USES):			
Sale of capital assets	1,907	-	155,342
Proceeds from long-term debt	-	-	-
Provision for capital leases and installment purchases	80,374	15,396	-
Transfers in	5,459,614	-	4,441,543
Transfers out	(6,993,276)	-	-
Total other financing sources (uses)	(1,451,381)	15,396	4,596,885
NET CHANGE IN FUND BALANCES	(3,811,608)	1,309,337	(182,920)
FUND BALANCES AT BEGINNING	14,776,872	1,388,649	2,515,993
INCREASE (DECREASE) IN INVENTORY RESERVES	36,715	-	56,240
FUND BALANCES AT END OF YEAR	\$ 11,001,979	\$ 2,697,986	\$ 2,389,313

See notes to financial statements.

Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,145,000	\$ 3,538,988	\$ 47,376,832
-	66,149	311,780	4,348,572
-	-	-	1,115,593
18,759,918	31,930	613,895	64,803,058
-	-	-	771,723
-	-	77,667	6,361,305
-	-	24,837	889,178
-	-	88,569	1,093,082
<u>18,759,918</u>	<u>1,243,079</u>	<u>4,655,736</u>	<u>126,759,343</u>
-	-	25,496	22,762,988
-	-	-	18,455,323
-	-	-	31,003,722
-	-	538,526	6,136,246
-	-	332,152	12,590,226
-	-	53,145	4,042,821
-	-	5,237	12,758,040
-	-	-	8,866
18,931,844	-	690,318	20,765,187
-	16,602,178	-	16,602,178
<u>18,931,844</u>	<u>16,602,178</u>	<u>1,644,874</u>	<u>145,125,597</u>
<u>(171,926)</u>	<u>(15,359,099)</u>	<u>3,010,862</u>	<u>(18,366,254)</u>
-	-	-	157,249
15,050,000	-	-	15,050,000
-	-	-	95,770
-	15,348,178	250,000	25,499,335
<u>(15,348,178)</u>	<u>-</u>	<u>(3,157,881)</u>	<u>(25,499,335)</u>
<u>(298,178)</u>	<u>15,348,178</u>	<u>(2,907,881)</u>	<u>15,303,019</u>
(470,104)	(10,921)	102,981	(3,063,235)
(5,409,332)	2,673	1,380,848	14,655,703
-	-	(3,134)	89,821
<u>\$ (5,879,436)</u>	<u>\$ (8,248)</u>	<u>\$ 1,480,695</u>	<u>\$ 11,682,289</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, 2009

Net change in fund balances - total governmental funds		\$ (3,063,235)
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.		
Capital outlay	6,510,435	
Depreciation	<u>(4,273,387)</u>	2,237,048
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		(124,298)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(2,108,231)
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		1,200,000
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.		(36,900)
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.		89,821
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	\$ (240,509)	
Other post employment benefits annual required contribution	(83,511)	
Interest on long-term debt	<u>4,500</u>	(319,520)
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>1,280,183</u>
Change in net assets of governmental activities		<u>\$ (845,132)</u>
See notes to financial statements		

COUNTY OF LINN, IOWA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2009

	<u>Nonmajor Enterprise Fund - Options</u>	<u>Internal Service Funds</u>
ASSETS:		
Current assets:		
Pooled cash and investments	\$ 226,081	\$ 7,259,323
Cash - Other county officials	54	-
Receivables:		
Accounts	83,345	-
Accrued interest	107	503
Inventories and prepaid expenses	8,019	-
Total current assets	<u>317,606</u>	<u>7,259,826</u>
Noncurrent assets - capital assets net of accumulated depreciation	76,551	-
TOTAL ASSETS	<u>394,157</u>	<u>7,259,826</u>
LIABILITIES:		
Current liabilities:		
Accounts payable	12,226	1,587,000
Salaries and benefits payable	45,260	-
Due to individuals and private entities	-	37,706
Total current liabilities	<u>57,486</u>	<u>1,624,706</u>
NET ASSETS:		
Invested in capital assets	76,551	-
Unrestricted	260,120	5,635,120
TOTAL NET ASSETS	<u>\$ 336,671</u>	<u>\$ 5,635,120</u>
See notes to financial statements		

COUNTY OF LINN, IOWA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2009

	Nonmajor Enterprise Fund - Options	Internal Service Funds
OPERATING REVENUES - Charges for services	\$ 549,834	\$ 10,579,420
OPERATING EXPENSES:		
Salaries and benefits	509,661	-
Supplies	13,074	-
Other expenses	85,901	-
Depreciation	13,052	-
Claims and administrative expenses	-	9,333,754
TOTAL OPERATING EXPENSES	<u>621,688</u>	<u>9,333,754</u>
OPERATING INCOME (LOSS)	(71,854)	1,245,666
NON-OPERATING REVENUES (EXPENSES) -		
Interest income	<u>4,363</u>	<u>34,516</u>
CHANGE IN NET ASSETS	(67,491)	1,280,182
TOTAL NET ASSETS - BEGINNING	<u>404,162</u>	<u>4,354,938</u>
TOTAL NET ASSETS - ENDING	<u>\$ 336,671</u>	<u>\$ 5,635,120</u>
See notes to financial statements		

COUNTY OF LINN, IOWA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2009

	<u>Nonmajor Enterprise Fund - Options</u>	<u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 604,530	\$ -
Cash received from other funds	-	10,314,134
Cash received from insurance claims	-	97,639
Cash received from employees	-	240,287
Cash paid to suppliers	(111,353)	-
Cash paid to employees	(513,477)	(33,276)
Cash paid for insurance claims and premiums	-	(9,142,295)
Cash paid for services	-	(714,896)
NET CASH (FOR) FROM OPERATING ACTIVITIES	<u>(20,300)</u>	<u>761,593</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases of capital assets	<u>(73,504)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES - Interest on investments		
	<u>4,943</u>	<u>37,180</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(88,861)	798,773
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>314,996</u>	<u>6,460,550</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 226,135</u>	<u>\$ 7,259,323</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:		
OPERATING INCOME (LOSS)	<u>\$ (71,854)</u>	<u>\$ 1,245,666</u>
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH FROM (FOR) OPERATING ACTIVITIES:		
Depreciation	13,052	-
Decrease in accounts receivable	54,696	-
Increase in inventories and prepaid expenses	(2,895)	-
Increase in due to individuals and private entities	-	539
Decrease in accounts payable	(11,108)	(484,612)
Decrease in salaries and benefits payable	(2,191)	-
Total adjustments	<u>51,554</u>	<u>(484,073)</u>
NET CASH (FOR) FROM OPERATING ACTIVITIES	<u>\$ (20,300)</u>	<u>\$ 761,593</u>
See notes to financial statements		

COUNTY OF LINN, IOWA

STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2009

	Deferred Compensation Trust Fund	Agency Funds
ASSETS:		
Cash and investments:		
Pooled cash and investments	\$ -	\$ 11,742,201
Cash - Other county officials	-	1,221,199
Investments	1,586,911	-
Receivables:		
Property taxes:		
Delinquent	-	1,810,574
Succeeding year	-	260,849,510
Special assessments	-	106,954
Due from individuals and private entities	-	3,701
TOTAL ASSETS	<u>1,586,911</u>	<u>275,734,139</u>
LIABILITIES:		
Due to other governments	-	274,383,767
Due to individuals and private entities	-	1,350,372
TOTAL LIABILITIES	<u>-</u>	<u>275,734,139</u>
NET ASSETS - Held in trust for deferred compensation	<u>\$ 1,586,911</u>	<u>\$ -</u>

See notes to financial statements

COUNTY OF LINN, IOWA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
YEAR ENDED JUNE 30, 2009

	<u>Deferred Compensation Trust Fund</u>
ADDITIONS:	
Employee contributions	\$ 142,610
Net decrease in the fair value of investments	<u>(317,171)</u>
Total additions	(174,561)
DEDUCTIONS - Redemption of contributions to employee or beneficiaries	<u>83,261</u>
CHANGE IN NET ASSETS	(257,822)
TOTAL NET ASSETS - BEGINNING	<u>1,844,733</u>
TOTAL NET ASSETS - ENDING	<u>\$ 1,586,911</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 except for interfund services provided and used which are not eliminated in the process of consolidation. 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.

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.

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.

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. The County's agency funds are used primarily for the collection and remittance of property taxes for other local governments. Agency funds are also used for funds received by various County offices which have been remitted to the County Treasurer. 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. Linn County has elected not to follow subsequent private-sector guidance.

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.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

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, 2007 assessed property valuations; is for the tax accrual period July 1, 2008 through June 30, 2009 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2008.

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, 2009, 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	\$75,000
Land, buildings and improvements	50,000
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 and Prepaid Items – 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.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

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.

Unearned 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. Unearned 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. Unearned 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. Unearned 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, 2009. 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, 2009 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, 2009 the carrying amount of the County's deposits with financial institutions, which include certificates of deposit, was \$33,907,695, and the bank balances were \$35,910,158.

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 8).

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 \$682,637 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 \$1,586,911 at June 30, 2009.

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's investment policy does not limit the amount of securities that can be held by counterparties. 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, 2009. 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 \$3.72 for the year ended June 30, 2009.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,899,759	\$ -	\$ -	\$ 6,899,759
Construction in progress	452,892	3,855,410	1,877,458	2,430,844
Total capital assets not being depreciated	<u>7,352,651</u>	<u>3,855,410</u>	<u>1,877,458</u>	<u>9,330,603</u>
Capital assets being depreciated:				
Infrastructure	52,033,703	1,877,458	-	53,911,161
Buildings	33,855,379	-	-	33,855,379
Improvements other than buildings	778,045	-	-	778,045
Machinery and equipment	19,816,070	2,655,025	1,950,265	20,520,830
Total capital assets being depreciated	<u>106,483,197</u>	<u>4,532,483</u>	<u>1,950,265</u>	<u>109,065,415</u>
Less accumulated depreciation for:				
Infrastructure	15,984,016	2,098,497	-	18,082,513
Buildings	11,523,499	818,221	-	12,341,720
Improvements other than buildings	316,883	32,123	-	349,006
Machinery and equipment	14,687,999	1,324,546	1,825,967	14,186,578
Total accumulated depreciation	<u>42,512,397</u>	<u>4,273,387</u>	<u>1,825,967</u>	<u>44,959,817</u>
Total capital assets being depreciated, net	<u>63,970,800</u>	<u>259,096</u>	<u>124,298</u>	<u>64,105,598</u>
Governmental activities capital assets, net	<u>\$ 71,323,451</u>	<u>\$ 4,114,506</u>	<u>\$ 2,001,756</u>	<u>\$ 73,436,201</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets being depreciated -				
Machinery and equipment	\$ 55,174	\$ 73,504	\$ -	\$ 128,678
Less accumulated depreciation for -				
Machinery and equipment	39,075	13,052	-	52,127
Business-type activities capital assets, net	<u>\$ 16,099</u>	<u>\$ 60,452</u>	<u>\$ -</u>	<u>\$ 76,551</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 409,395
Physical health and social services	189,163
Mental health	39,473
County environment and education	328,019
Roads and transportation	2,769,222
Governmental services to residents	37,110
Administration	501,005
Total depreciation expense - governmental activities	<u>\$ 4,273,387</u>
Business-type activities - Options of Linn County	<u>\$ 13,052</u>

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

	Contract Amount	Expended To Date	Remaining Commitment
Hoover Trail	\$ 99,500	\$ 48,555	\$ 50,945
Building projects	3,950,530	1,398,358	2,552,172
Road construction projects	633,148	293,641	339,507
	<u>\$ 4,683,178</u>	<u>\$ 1,740,554</u>	<u>\$ 2,942,624</u>

5. LONG-TERM OBLIGATION ACTIVITY

Changes in long-term obligations for the year ended June 30, 2009 are as follows:

	Balance June 30, 2008	Increases	Decreases	Balance June 30, 2009	Due Within One Year
General obligation bonds	\$ 1,200,000	\$ -	\$ 1,200,000	\$ -	\$ -
Capital lease obligations	93,755	95,770	58,870	130,655	55,292
Compensated absences	4,693,564	3,542,433	3,301,924	4,934,073	3,599,702
Net OPEB liability	-	83,511	-	83,511	-
	<u>\$ 5,987,319</u>	<u>\$ 3,721,714</u>	<u>\$ 4,560,794</u>	<u>\$ 5,148,239</u>	<u>\$ 3,654,994</u>

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, 2009, there were 16 series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of 18,017,840.

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 4.1 percent of their annual covered salary and the County is required to contribute 6.35 percent of annual covered payroll. For law enforcement employees the percentages are 7.52 percent and 7.52 percent, while the percentages for conservation peace officers are 5.63 percent and 8.45 percent. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2009, 2008, and 2007 were \$2,613,834, \$2,409,853, and \$2,291,369 respectively, equal to the required contributions for each year.

7. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Linn County implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits other Than Pensions prospectively during the year ended June 30, 2009.

Plan Description. The County operates a single-employer retiree benefit plan which provides medical/prescription drug benefits for retirees and their spouses. There are 770 active and 21 retired members in the plan. Participants must be age 55 or older at retirement. The medical/prescription drug coverage, which is a partially self-funded medical plan, is administered by Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability. The plan does not issue a stand-alone report.

Funding Policy. The contribution requirements of plan members are established and may be amended by the County. The County currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation. The County's annual OPEB cost is calculated based on the annual required contribution (ARC) of the County, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the County's annual OPEB cost for the year ended June 30, 2009, the amount actually contributed to the plan and changes in the County's net OPEB obligation:

Annual required contribution	\$	297,000
Interest on net OPEB obligation		-
Adjustment to annual required contribution		-
Annual OPEB cost		<u>297,000</u>
Contributions made		<u>(213,489)</u>
Increase in net OPEB obligation		83,511
Net OPEB obligation beginning of year		-
Net OPEB obligation end of year	<u>\$</u>	<u>83,511</u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2009.

For the year ended June 30, 2009, the County contributed \$213,489 to the medical plan. Plan members eligible for benefits contributed \$208,694, or 49.4% of the premium costs.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2009 are summarized as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2009	\$ 297,000	71.9%	\$ 83,511

Funded Status and Funding Progress. As of July 1, 2008, the most recent actuarial valuation date for the period July 1, 2008 through June 30, 2009, the actuarial accrued liability was \$2,597,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,597,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$37,927,000 and the ratio of the UAAL to covered payroll was 6.8%. As of June 30, 2009, there were no trust fund assets.

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information in the section following the Notes to Financial Statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

As of the July 1, 2008 actuarial valuation date, the unit credit actuarial cost method was used. The actuarial assumptions include a 5.0% discount rate based on the County's funding policy. The projected annual medical trend rate is 11.0%. The ultimate medical trend rate is 6.0%. The medical trend rate is reduced 0.5% each year until reaching the 6.0% ultimate trend rate.

Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2007 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2007. The monthly expected claim cost is \$644. The final claim cost is set to reflect an average age of 60 for pre-65 retirees. Costs at all other ages vary based on an assumed age slope. The salary increase rate was assumed to be 4% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

8. 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).

9. 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, 2009	Year ended June 30, 2008
Unpaid claims, beginning of year	\$ 1,448,108	\$ 1,434,000
Incurred claims	(8,384,818)	(8,033,017)
Claim payments	8,284,710	8,047,125
Unpaid claims, end of year	<u>\$ 1,348,000</u>	<u>\$ 1,448,108</u>

Self-insurance is in effect up to a calculated rating period aggregate deductible of \$9,330,297 for 2009. 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, 2009, the Employee Health and Dental Fund held \$5,358,692 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, 2009	Year ended June 30, 2008
Unpaid claims, beginning of year	\$ -	\$ -
Incurred claims	11,671	40,504
Claim payments	(11,671)	(40,504)
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, 2009	Year ended June 30, 2008
Unpaid claims, beginning of year	\$ 623,504	\$ 228,000
Incurred claims	(1,433,548)	(1,162,887)
Claim payments	1,049,044	1,558,391
Unpaid claims, end of year	<u>\$ 239,000</u>	<u>\$ 623,504</u>

At June 30, 2009, the Self-Insurance Fund held \$1,900,631 in pooled cash and investments available for payment of these claims.

10. DUE FROM AND TO OTHER FUNDS

The detail of interfund receivables and payables for the year ended June 30, 2009 is as follows:

Receivable Fund	Payable Fund	Amount
General	Capital projects	\$ 4,364,729
General	Debt service	8,248
Total		<u>\$ 4,372,977</u>

These balances result from the time lag between the dates interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

11. INTERFUND TRANSFERS

Interfund Transfers Reconciliation

The detail of interfund transfers for the year ended June 30, 2009 is as follows:

	Interfund Transfers In	Interfund Transfers Out
General fund	\$ 5,459,614	\$ 6,993,276
Secondary roads fund	4,441,543	-
Capital projects fund	-	15,348,178
Debt service	15,348,178	-
Nonmajor governmental funds	250,000	3,157,881
Total	<u>\$ 25,499,335</u>	<u>\$ 25,499,335</u>

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

12. SHORT-TERM DEBT

During the year, the County issued General Fund Cash Flow Anticipation Notes. The proceeds were used, along with other available funds, to finance flood damage costs. The Notes were issued in anticipation of the receipt of Federal Emergency Management Agency (FEMA) funds that were received during the fiscal year. The proceeds were deposited to the capital projects fund. The Notes were repaid by the end of the fiscal year.

Short-term debt activity for the year ended June 30, 2009 is as follows:

Governmental activities:	Beginning Balance	Issued	Repaid	Ending Balance
Cash flow anticipation notes	\$ -	\$ 15,050,000	\$ 15,050,000	\$ -

13. 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 2013. 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 \$96,752 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, 2009:

<u>Year Ending June 30</u>	<u>Capital Leases</u>	<u>Operating Leases</u>
2010	\$ 58,322	\$ 313,108
2011	46,140	269,503
2012	28,667	269,363
2013	2,068	269,363
2014	585	202,022
Total minimum lease payments	135,782	<u>\$ 1,323,359</u>
Less amounts representing interest	(5,127)	
Present value of minimum lease payments	<u>\$ 130,655</u>	

Lease expenditures for the year ended June 30, 2009, for all operating leases were \$388,670.

14. 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.

15. 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 appoints 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, 2009, the agency's equity was \$26.8 million of which 11.0 percent or \$2,959,000 was the County's equity interest. The previous year, the equity interest for the County was \$2,667,000. 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.

16. DEFICIT BALANCES

At June 30, 2009, funds with deficit balances were as follows:

Fund	Deficit Amount
Capital projects	\$ 5,879,436
Debt service	8,248

The deficits do not represent the violation of any law. Both deficits will be eliminated prior to the end of fiscal 2010. The capital projects fund deficit by receipt of FEMA revenue related to the June 2008 flood and debt service by the property tax levy.

17. SUBSEQUENT EVENTS

On December 2, 2009, the County approved issuance of \$1,000,000 General Obligation Build America Bonds to finance improvements to the County's Election Depot. The bonds mature on June 1 in each of the respective years and in principal amounts between \$25,000 and \$75,000 and interest amounts between 1.50 percent and 5.75% commencing June 1, 2011 and ending June 1, 2029. Bonds maturing on June 1, 2018 and thereafter are subject to redemption prior to maturity at times and on the terms specified in the Bonds.

In September the Board of Supervisors approved abating property taxes for residents, commercial businesses, and industrial entities at 100 percent for the period of time the property owners were not able to use or occupy their property because of damage from the 2008 flood. The abatement covers the taxing period of July 1, 2008 through June 30, 2009 and applies to the property taxes due September 2009 and March 2010. The estimated property tax revenue loss is \$500,000.

18. NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STANDARDS

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

Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, issued June 2007, will be effective for the fiscal year ending June 30, 2010. This statement requires that all intangible assets not specifically excluded by its scope be classified as capital assets.

Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, issued June 2008, will be effective for the fiscal year ending June 30, 2010. This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments.

Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* issued February 2009, will be effective for the fiscal year ending June 30, 2011. This statement establishes new standards for fund balance classifications based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

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, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 47,352,513	\$ 47,352,513	\$ 47,499,332	\$ 146,819
Other county taxes	3,034,564	3,034,564	3,474,793	440,229
Interest and penalty on taxes	585,000	585,000	1,143,829	558,829
Intergovernmental	42,332,532	74,969,621	63,752,866	(11,216,755)
Licenses and permits	727,625	745,925	770,860	24,935
Charges for services	6,417,079	6,069,206	6,210,208	141,002
Use of money and property	1,826,684	874,840	968,526	93,686
Miscellaneous	740,151	1,127,820	1,127,356	(464)
Total revenues	<u>103,016,148</u>	<u>134,759,489</u>	<u>124,947,770</u>	<u>(9,811,719)</u>
EXPENDITURES:				
Operating:				
Public safety and legal services	21,602,246	23,454,885	22,761,776	693,109
Physical health and social services	15,636,893	22,893,458	18,552,464	4,340,994
Mental health	32,003,183	31,690,545	31,540,030	150,515
County environment and education	6,029,929	6,215,995	6,039,552	176,443
Roads and transportation	10,921,836	12,924,218	12,675,731	248,487
Governmental services to residents	3,748,690	4,094,129	3,999,066	95,063
Administration	10,835,620	13,375,816	13,229,879	145,937
Nonprogram	19,054	19,054	16,477	2,577
Debt service	1,254,000	16,602,178	16,602,178	-
Capital projects	2,587,500	26,078,005	25,434,834	643,171
Total expenditures	<u>104,638,951</u>	<u>157,348,283</u>	<u>150,851,987</u>	<u>6,496,296</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,622,803)</u>	<u>(22,588,794)</u>	<u>(25,904,217)</u>	<u>(3,315,423)</u>
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	152,455	166,539	156,519	(10,020)
General long-term debt proceeds	-	15,047,867	15,050,000	2,133
Transfers in	12,389,105	12,389,105	25,499,335	13,110,230
Transfers out	(12,389,105)	(12,389,105)	(25,499,335)	(13,110,230)
Total other financing sources (uses)	<u>152,455</u>	<u>15,214,406</u>	<u>15,206,519</u>	<u>(7,887)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(1,470,348)</u>	<u>(7,374,388)</u>	<u>(10,697,698)</u>	<u>(3,323,310)</u>
FUND BALANCES - BEGINNING	<u>23,870,303</u>	<u>23,870,303</u>	<u>23,870,303</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 22,399,955</u>	<u>\$ 16,495,915</u>	<u>\$ 13,172,605</u>	<u>\$ (3,323,310)</u>

See accompanying independent auditor's report

COUNTY OF LINN, IOWA
 BUDGETARY COMPARISON SCHEDULE
 BUDGET TO GAAP RECONCILIATION
 YEAR ENDED JUNE 30, 2009

	Governmental Fund Types		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 124,947,770	\$ 1,811,573	\$ 126,759,343
Expenditures	150,851,987	(5,726,390)	145,125,597
Net	(25,904,217)	7,537,963	(18,366,254)
Total other financing sources (uses)	15,206,519	96,500	15,303,019
Beginning fund balances	23,870,303	(9,214,600)	14,655,703
Increase in reserve for inventories	-	89,821	89,821
Ending fund balances	\$ 13,172,605	\$ (1,490,316)	\$ 11,682,289

See accompanying independent auditor's report

COUNTY OF LINN, IOWA

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION –
BUDGETARY REPORTING
YEAR ENDED JUNE 30, 2009

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, five budget amendments increased budgeted expenditures by \$52,709,332. 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.

COUNTY OF LINN, IOWA
 SCHEDULE OF FUNDING PROGRESS FOR THE
 RETIREE HEALTH PLAN

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
07/01/08	\$ -	\$ 2,597,000	\$ 2,597,000		\$ 37,927,000	6.8%

See accompanying independent auditor's report

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.

Inmate Commissary Fund – To account for the sale of personal and convenience items to prisoners in the correctional center and revenues from inmate phone calls with profits used for purposes of prisoner welfare and rehabilitation.

Gifts and Donations – To account for funds given to the County to be expended for any legal purpose deemed appropriate.

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.



COUNTY OF LINN, IOWA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

ASSETS	Special			
	Rural Services	Inmate Commissary	Gifts and Donations	Recorder's Records Management
Cash and investments:				
Pooled cash and investments	\$ 411,267	\$ 177,676	\$ 206,103	\$ 81,126
Other county officials	-	-	-	15,340
Receivables:				
Accounts	-	3,150	-	-
Property taxes:				
Delinquent	11,039	-	-	-
Succeeding year	4,159,923	-	-	-
Accrued interest	-	-	93	1
Due from other governments	-	-	-	-
Inventories	13,973	-	-	-
TOTAL ASSETS	\$ 4,596,202	\$ 180,826	\$ 206,196	\$ 96,467
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	\$ 3,733	\$ -	\$ -	\$ -
Salaries and benefits payable	6,130	893	-	-
Due to other funds	-	-	-	-
Deferred revenue:				
Succeeding year property tax	4,159,923	-	-	-
Other	10,984	-	-	-
Total liabilities	4,180,770	893	-	-
FUND BALANCES:				
Reserved for:				
Inventories	13,973	-	-	-
Debt service	-	-	-	-
Unreserved	401,459	179,933	206,196	96,467
Total fund balances	415,432	179,933	206,196	96,467
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,596,202	\$ 180,826	\$ 206,196	\$ 96,467

Revenue Funds

Recorder's Electronic Fees	Conservation Reserve	Conservation REAP	Air Pollution Title V	Total
\$ 4	\$ 439,202	\$ 23,159	\$ 90,238	\$ 1,428,775
-	-	-	-	15,340
-	-	41,690	-	44,840
-	-	-	-	11,039
-	-	-	-	4,159,923
-	-	54	-	148
-	30,045	-	-	30,045
-	-	-	-	13,973
<u>\$ 4</u>	<u>\$ 469,247</u>	<u>\$ 64,903</u>	<u>\$ 90,238</u>	<u>\$ 5,704,083</u>

\$ -	\$ 2,047	\$ -	\$ 1,360	\$ 7,140
-	-	-	-	7,023
-	-	-	-	-
-	-	-	-	4,159,923
-	38,318	-	-	49,302
-	40,365	-	1,360	4,223,388
-	-	-	-	13,973
-	-	-	-	-
4	428,882	64,903	88,878	1,466,722
4	428,882	64,903	88,878	1,480,695
<u>\$ 4</u>	<u>\$ 469,247</u>	<u>\$ 64,903</u>	<u>\$ 90,238</u>	<u>\$ 5,704,083</u>

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2009

				Special
	Rural Services	Inmate Commissary	Gifts and Donations	Recorder's Records Management
REVENUES:				
Property taxes	\$ 3,538,988	\$ -	\$ -	\$ -
Other county taxes	311,780	-	-	-
Intergovernmental	192,598	-	-	-
Charges for services	-	18,492	-	51,050
Use of money and property	-	3,644	3,079	1,816
Miscellaneous	-	8	6,036	-
Total revenues	4,043,366	22,144	9,115	52,866
EXPENDITURES:				
Current:				
Public safety and legal services	-	25,496	-	-
County environment and education	512,189	-	-	-
Roads and transportation	332,152	-	-	-
Governmental services to residents	-	-	-	53,145
Administration	-	-	5,237	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Total expenditures	844,341	25,496	5,237	53,145
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,199,025	(3,352)	3,878	(279)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(3,157,881)	-	-	-
Total other financing sources (uses)	(3,157,881)	-	-	-
NET CHANGE IN FUND BALANCES	41,144	(3,352)	3,878	(279)
FUND BALANCES AT BEGINNING OF YEAR	377,422	183,285	202,318	96,746
DECREASE IN INVENTORY RESERVES	(3,134)	-	-	-
FUND BALANCES AT END OF YEAR	\$ 415,432	\$ 179,933	\$ 206,196	\$ 96,467

Revenue Funds

Recorder's Electronic Fees	Conservation Reserve	Conservation REAP	Air Pollution Title V	Total
\$ -	\$ -	\$ -	\$ -	\$ 3,538,988
-	-	-	-	311,780
-	294,631	126,666	-	613,895
-	8,125	-	-	77,667
-	14,175	2,123	-	24,837
-	82,525	-	-	88,569
-	<u>399,456</u>	<u>128,789</u>	-	<u>4,655,736</u>
-	-	-	-	25,496
-	5,383	-	20,954	538,526
-	-	-	-	332,152
-	-	-	-	53,145
-	-	-	-	5,237
-	492,488	197,830	-	690,318
-	-	-	-	-
-	<u>497,871</u>	<u>197,830</u>	<u>20,954</u>	<u>1,644,874</u>
-	(98,415)	(69,041)	(20,954)	3,010,862
-	250,000	-	-	250,000
-	-	-	-	(3,157,881)
-	<u>250,000</u>	-	-	<u>(2,907,881)</u>
-	151,585	(69,041)	(20,954)	102,981
4	277,297	133,944	109,832	1,380,848
-	-	-	-	(3,134)
<u>\$ 4</u>	<u>\$ 428,882</u>	<u>\$ 64,903</u>	<u>\$ 88,878</u>	<u>\$ 1,480,695</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, 2009

	<u>Employee Health and Dental Fund</u>	<u>Self- Insurance Fund</u>	<u>Total</u>
ASSETS:			
Pooled cash and investments	\$ 5,358,692	\$ 1,900,631	\$ 7,259,323
Receivables - accrued interest	<u>-</u>	<u>503</u>	<u>503</u>
TOTAL ASSETS	<u>5,358,692</u>	<u>1,901,134</u>	<u>7,259,826</u>
LIABILITIES:			
Current liabilities:			
Accounts payable	1,348,000	239,000	1,587,000
Due to individuals and private entities	<u>37,706</u>	<u>-</u>	<u>37,706</u>
Total current liabilities	<u>1,385,706</u>	<u>239,000</u>	<u>1,624,706</u>
NET ASSETS - Unrestricted	<u>\$ 3,972,986</u>	<u>\$ 1,662,134</u>	<u>\$ 5,635,120</u>

COUNTY OF LINN, IOWA
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET
 ASSETS – INTERNAL SERVICE FUNDS
 YEAR ENDED JUNE 30, 2009

	Employee Health and Dental Fund	Self- Insurance Fund	Total
OPERATING REVENUES - Charges for services	\$ 9,554,420	\$ 1,025,000	\$ 10,579,420
OPERATING EXPENSES - Claims and administrative expenses	<u>8,284,710</u>	<u>1,049,044</u>	<u>9,333,754</u>
OPERATING INCOME (LOSS)	1,269,710	(24,044)	1,245,666
NON-OPERATING REVENUES - Interest income	<u>-</u>	<u>34,516</u>	<u>34,516</u>
CHANGE IN NET ASSETS	1,269,710	10,472	1,280,182
TOTAL NET ASSETS - BEGINNING	<u>2,703,276</u>	<u>1,651,662</u>	<u>4,354,938</u>
TOTAL NET ASSETS - ENDING	<u>\$ 3,972,986</u>	<u>\$ 1,662,134</u>	<u>\$ 5,635,120</u>

COUNTY OF LINN, IOWA
 COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS
 YEAR ENDED JUNE 30, 2009

	Employee Health and Dental Fund	Self- Insurance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from other funds	\$ 9,314,134	\$ 1,000,000	\$ 10,314,134
Cash received from insurance claims	72,639	25,000	97,639
Cash received from employees	240,287	-	240,287
Cash paid to employees	(33,276)	-	(33,276)
Cash paid for insurance claims and premiums	(7,951,777)	(1,190,518)	(9,142,295)
Cash paid for services	(471,866)	(243,030)	(714,896)
NET CASH FROM (FOR) OPERATING ACTIVITIES	1,170,141	(408,548)	761,593
CASH FLOWS FROM INVESTING ACTIVITIES - Interest on investments			
	-	37,180	37,180
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,170,141	(371,368)	798,773
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,188,551	2,271,999	6,460,550
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 5,358,692	\$ 1,900,631	\$ 7,259,323
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM (FOR) OPERATING ACTIVITIES:			
OPERATING INCOME (LOSS)	\$ 1,269,710	\$ (24,044)	\$ 1,245,666
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH FROM (FOR) OPERATING ACTIVITIES:			
Decrease in accounts payable	(100,108)	(384,504)	(484,612)
Increase in due to individuals and private entities	539	-	539
Total adjustments	(99,569)	(384,504)	(484,073)
NET CASH FROM (FOR) OPERATING ACTIVITIES	\$ 1,170,141	\$ (408,548)	\$ 761,593

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, 2009

AGRICULTURAL EXTENSION SERVICE FUND	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
ASSETS:				
Pooled cash and investments	\$ 1,828	\$ 422,345	\$ 418,335	\$ 5,838
Receivables - Property taxes:				
Delinquent	4,578	411,174	413,191	2,561
Succeeding year	418,705	434,420	418,705	434,420
Due from other governments	-	11,171	11,171	-
TOTAL ASSETS	<u>\$ 425,111</u>	<u>\$ 1,279,110</u>	<u>\$ 1,261,402</u>	<u>\$ 442,819</u>
LIABILITIES - Due to other governments	<u>\$ 425,111</u>	<u>\$ 859,326</u>	<u>\$ 841,618</u>	<u>\$ 442,819</u>
 MOTOR VEHICLE LICENSE AND USE TAX FUND				
ASSETS - Pooled cash and investments	<u>\$ 2,461,321</u>	<u>\$ 46,546,123</u>	<u>\$ 44,788,416</u>	<u>\$ 4,219,028</u>
LIABILITIES - Due to other governments	<u>\$ 2,461,321</u>	<u>\$ 46,546,123</u>	<u>\$ 44,788,416</u>	<u>\$ 4,219,028</u>
 MONIES AND CREDITS FUND				
ASSETS:				
Pooled cash and investments	\$ 12,429	\$ 51,761	\$ 64,190	\$ -
Receivables - Property taxes - delinquent	-	51,761	51,761	-
TOTAL ASSETS	<u>\$ 12,429</u>	<u>\$ 103,522</u>	<u>\$ 115,951</u>	<u>\$ -</u>
LIABILITIES - Due to other governments	<u>\$ 12,429</u>	<u>\$ 51,761</u>	<u>\$ 64,190</u>	<u>\$ -</u>

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2009 (CONTINUED)

COMMUNITY COLLEGE TAXING DISTRICT FUND	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
ASSETS:				
Pooled cash and investments	\$ 29,451	\$ 13,195,573	\$ 13,139,387	\$ 85,637
Receivables - Property taxes:				
Delinquent	73,231	6,533,326	6,564,815	41,742
Succeeding year	6,652,773	6,850,111	6,652,773	6,850,111
Due from other governments	-	6,662,247	6,662,247	-
TOTAL ASSETS	<u>\$ 6,755,455</u>	<u>\$ 33,241,257</u>	<u>\$ 33,019,222</u>	<u>\$ 6,977,490</u>
LIABILITIES - Due to other governments	<u>\$ 6,755,455</u>	<u>\$ 20,087,426</u>	<u>\$ 19,865,391</u>	<u>\$ 6,977,490</u>
 CITY TAXING DISTRICTS FUND				
ASSETS:				
Pooled cash and investments	\$ 391,663	\$ 99,428,503	\$ 98,635,792	\$ 1,184,374
Receivables:				
Property taxes:				
Delinquent	1,117,302	96,814,559	97,252,166	679,695
Succeeding year	98,304,895	102,961,132	98,304,895	102,961,132
Special assessments	37,528	159,268	160,186	36,610
Due from other governments	-	2,454,676	2,454,676	-
TOTAL ASSETS	<u>\$ 99,851,388</u>	<u>\$ 301,818,138</u>	<u>\$ 296,807,715</u>	<u>\$ 104,861,811</u>
LIABILITIES - Due to other governments	<u>\$ 99,851,388</u>	<u>\$ 203,105,940</u>	<u>\$ 198,095,517</u>	<u>\$ 104,861,811</u>
 SCHOOL TAXING DISTRICTS FUND				
ASSETS:				
Pooled cash and investments	\$ 543,870	\$ 123,697,985	\$ 122,709,646	\$ 1,532,209
Receivables - Property taxes:				
Delinquent	1,320,112	120,464,855	121,079,315	705,652
Succeeding year	122,606,077	129,256,982	122,606,077	129,256,982
Due from other governments	-	3,233,130	3,233,130	-
TOTAL ASSETS	<u>\$ 124,470,059</u>	<u>\$ 376,652,952</u>	<u>\$ 369,628,168</u>	<u>\$ 131,494,843</u>
LIABILITIES - Due to other governments	<u>\$ 124,470,059</u>	<u>\$ 253,660,619</u>	<u>\$ 246,635,835</u>	<u>\$ 131,494,843</u>

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2009 (CONTINUED)

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
<u>TAX SALE REDEMPTION FUND</u>				
ASSETS - Pooled cash and investments	\$ 229,706	\$ 2,495,316	\$ 2,399,847	\$ 325,175
LIABILITIES - Due to individuals and private entities	\$ 229,706	\$ 2,495,316	\$ 2,399,847	\$ 325,175
<u>MENTAL HEALTH AGENCY FUND</u>				
ASSETS - Cash - Other county officials	\$ 573,539	\$ 684,992	\$ 811,091	\$ 447,440
LIABILITIES - Due to individuals and private entities	\$ 573,539	\$ 684,992	\$ 811,091	\$ 447,440
<u>COUNTY RECORDER AGENCY FUND</u>				
ASSETS:				
Cash - Other county officials	\$ 144,872	\$ 1,284,574	\$ 1,259,086	\$ 170,360
Due from individuals and private entities	1,400	3,701	1,400	3,701
TOTAL ASSETS	\$ 146,272	\$ 1,288,275	\$ 1,260,486	\$ 174,061
LIABILITIES - Due to other governments	\$ 146,272	\$ 1,288,275	\$ 1,260,486	\$ 174,061
<u>COUNTY SHERIFF AGENCY FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 15,420	\$ -	\$ -	\$ 15,420
Cash - Other county officials	525,987	5,484,044	5,450,930	559,101
TOTAL ASSETS	\$ 541,407	\$ 5,484,044	\$ 5,450,930	\$ 574,521
LIABILITIES:				
Due to other governments	\$ 73,769	\$ 913,731	\$ 891,041	\$ 96,459
Due to individuals and private entities	467,638	4,570,313	4,559,889	478,062
TOTAL LIABILITIES	\$ 541,407	\$ 5,484,044	\$ 5,450,930	\$ 574,521

(Continued)

COUNTY OF LINN, IOWA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2009 (CONTINUED)**

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
FIRE TAXING DISTRICTS FUND				
ASSETS:				
Pooled cash and investments	\$ 1,627	\$ 236,461	\$ 235,211	\$ 2,877
Receivables - Property taxes:				
Delinquent	1,968	228,084	229,126	926
Succeeding year	235,574	245,348	235,574	245,348
Due from other governments	-	8,377	8,377	-
TOTAL ASSETS	<u>\$ 239,169</u>	<u>\$ 718,270</u>	<u>\$ 708,288</u>	<u>\$ 249,151</u>
LIABILITIES - Due to other governments	<u>\$ 239,169</u>	<u>\$ 482,735</u>	<u>\$ 472,753</u>	<u>\$ 249,151</u>
TAX FINANCING FUNDS				
ASSETS:				
Pooled cash and investments	\$ 130,343	\$ 16,674,331	\$ 16,499,013	\$ 305,661
Receivables - Property taxes:				
Delinquent	245,058	16,465,983	16,350,926	360,115
Succeeding year	16,801,231	17,153,599	16,801,231	17,153,599
Due from other governments	-	208,348	208,348	-
TOTAL ASSETS	<u>\$ 17,176,632</u>	<u>\$ 50,502,261</u>	<u>\$ 49,859,518</u>	<u>\$ 17,819,375</u>
LIABILITIES - Due to other governments	<u>\$ 17,176,632</u>	<u>\$ 34,188,045</u>	<u>\$ 33,545,302</u>	<u>\$ 17,819,375</u>
TOWNSHIP TAXING DISTRICTS FUND				
ASSETS:				
Pooled cash and investments	\$ 4,992	\$ 587,197	\$ 586,890	\$ 5,299
Receivables - Property taxes:				
Delinquent	3,144	563,954	565,697	1,401
Succeeding year	584,647	595,631	584,647	595,631
Due from other governments	-	23,243	23,243	-
TOTAL ASSETS	<u>\$ 592,783</u>	<u>\$ 1,770,025</u>	<u>\$ 1,760,477</u>	<u>\$ 602,331</u>
LIABILITIES - Due to other governments	<u>\$ 592,783</u>	<u>\$ 1,184,229</u>	<u>\$ 1,174,681</u>	<u>\$ 602,331</u>

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2009 (CONTINUED)

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
<u>EMERGENCY MANAGEMENT FUND</u>				
ASSETS - Pooled cash and investments	\$ 77,126	\$ 790,432	\$ 738,472	\$ 129,086
LIABILITIES - Due to other governments	\$ 77,126	\$ 790,432	\$ 738,472	\$ 129,086
<u>COUNTY ASSESSOR FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 208,479	\$ 775,172	\$ 704,869	\$ 278,782
Receivables - Property taxes:				
Delinquent	7,068	728,665	733,334	2,399
Succeeding year	742,420	754,527	742,420	754,527
Due from other governments	-	46,507	46,507	-
TOTAL ASSETS	\$ 957,967	\$ 2,304,871	\$ 2,227,130	\$ 1,035,708
LIABILITIES - Due to other governments	\$ 957,967	\$ 1,836,742	\$ 1,759,001	\$ 1,035,708
<u>COUNTY ASSESSOR SPECIAL FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 110,175	\$ 870,819	\$ 89,553	\$ 891,441
Receivables - Property taxes:				
Delinquent	1,233	835,015	833,499	2,749
Succeeding year	855,766	906,993	855,766	906,993
Due from other governments	-	35,804	35,804	-
TOTAL ASSETS	\$ 967,174	\$ 2,648,631	\$ 1,814,622	\$ 1,801,183
LIABILITIES - Due to other governments	\$ 967,174	\$ 1,780,561	\$ 946,552	\$ 1,801,183

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2009 (CONTINUED)

CITY ASSESSOR FUND	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
ASSETS:				
Pooled cash and investments	\$ 487,585	\$ 1,268,931	\$ 1,304,621	\$ 451,895
Receivables - Property taxes:				
Delinquent	15,438	1,226,874	1,232,629	9,683
Succeeding year	1,247,396	299,375	1,247,396	299,375
Due from other governments	-	42,057	42,057	-
TOTAL ASSETS	<u>\$ 1,750,419</u>	<u>\$ 2,837,237</u>	<u>\$ 3,826,703</u>	<u>\$ 760,953</u>
LIABILITIES - Due to other governments	<u>\$ 1,750,419</u>	<u>\$ 1,577,989</u>	<u>\$ 2,567,455</u>	<u>\$ 760,953</u>

CITY ASSESSOR SPECIAL FUND

ASSETS:				
Pooled cash and investments	\$ 1,214,163	\$ 451,993	\$ 277,613	\$ 1,388,543
Receivables - Property taxes:				
Delinquent	4,842	441,661	443,017	3,486
Succeeding year	449,989	1,367,230	449,989	1,367,230
Due from other governments	-	10,332	10,332	-
TOTAL ASSETS	<u>\$ 1,668,994</u>	<u>\$ 2,271,216</u>	<u>\$ 1,180,951</u>	<u>\$ 2,759,259</u>
LIABILITIES - Due to other governments	<u>\$ 1,668,994</u>	<u>\$ 1,822,709</u>	<u>\$ 732,444</u>	<u>\$ 2,759,259</u>

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2009 (CONTINUED)

OTHER AGENCY FUNDS	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
ASSETS:				
Cash and investments:				
Pooled cash and investments	\$ 1,031,227	\$ 1,369,545	\$ 1,479,836	\$ 920,936
Cash - Other county officials	37,511	268,897	262,110	44,298
Receivables:				
Property taxes:				
Delinquent	294	26,470	26,599	165
Succeeding year	26,999	24,162	26,999	24,162
Special assessments	72,621	303,974	306,251	70,344
Due from other governments	-	750	750	-
TOTAL ASSETS	\$ 1,168,652	\$ 1,993,798	\$ 2,102,545	\$ 1,059,905
LIABILITIES:				
Due to other governments	\$ 1,058,207	\$ 923,177	\$ 1,021,174	\$ 960,210
Due to individuals and private entities	110,445	809,936	820,686	99,695
TOTAL LIABILITIES	\$ 1,168,652	\$ 1,733,113	\$ 1,841,860	\$ 1,059,905
 TOTAL ALL AGENCY FUNDS				
ASSETS:				
Cash and investments:				
Pooled cash and investments	\$ 6,951,405	\$ 308,862,487	\$ 304,071,691	\$ 11,742,201
Cash - Other county officials	1,281,909	7,722,507	7,783,217	1,221,199
Receivables:				
Property taxes:				
Delinquent	2,794,268	244,792,381	245,776,075	1,810,574
Succeeding year	248,926,472	260,849,510	248,926,472	260,849,510
Special assessments	110,149	463,242	466,437	106,954
Due from other governments	-	12,736,642	12,736,642	-
Due from individuals and private entities	1,400	3,701	1,400	3,701
TOTAL ASSETS	\$ 260,065,603	\$ 835,430,470	\$ 819,761,934	\$ 275,734,139
LIABILITIES:				
Due to other governments	\$ 258,684,275	\$ 571,099,820	\$ 555,400,328	\$ 274,383,767
Due to individuals and private entities	1,381,328	8,560,557	8,591,513	1,350,372
TOTAL LIABILITIES	\$ 260,065,603	\$ 579,660,377	\$ 563,991,841	\$ 275,734,139



STATISTICAL SECTION

STATISTICAL SECTION
(UNAUDITED)

This part of the County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents	Page
Financial Trends.....	77
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
Revenue Capacity.....	87
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	
Debt Capacity.....	101
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
Demographic and Economic Information.....	106
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
Operating Information	109
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	

COUNTY OF LINN, IOWA
NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

	2002	2003	2004	2005
Governmental Activities				
Investment in capital assets net of related debt	\$ 62,807	\$ 66,456	\$ 70,163	\$ 72,538
Restricted	8,554	9,392	6,718	9,750
Unrestricted	<u>16,148</u>	<u>14,972</u>	<u>13,690</u>	<u>11,742</u>
Total governmental activities net assets	<u>\$ 87,509</u>	<u>\$ 90,820</u>	<u>\$ 90,571</u>	<u>\$ 94,030</u>
Business-type activities				
Investment in capital assets net of related debt	\$ 31	\$ 9	\$ 60	\$ 52
Unrestricted	<u>467</u>	<u>356</u>	<u>342</u>	<u>356</u>
Total business-type activities net assets	<u>\$ 498</u>	<u>\$ 365</u>	<u>\$ 402</u>	<u>\$ 408</u>
Primary government				
Investment in capital assets net of related debt	\$ 62,838	\$ 66,465	\$ 70,223	\$ 72,590
Restricted	8,554	9,392	6,718	9,750
Unrestricted	<u>16,615</u>	<u>15,328</u>	<u>14,032</u>	<u>12,098</u>
Total primary government net assets	<u>\$ 88,007</u>	<u>\$ 91,185</u>	<u>\$ 90,973</u>	<u>\$ 94,438</u>

Note: Accrual-basis financial information for the county government as a whole is available back to the year GASB Statement 34 was implemented.

2006	2007	2008	2009
\$ 74,357	\$ 77,058	\$ 70,030	\$ 73,306
14,115	16,087	15,681	17,812
10,035	11,491	11,808	5,555
<u>\$ 98,507</u>	<u>\$ 104,636</u>	<u>\$ 97,519</u>	<u>\$ 96,673</u>

\$ 45	\$ 38	\$ 16	\$ 77
311	359	388	260
<u>\$ 356</u>	<u>\$ 397</u>	<u>\$ 404</u>	<u>\$ 337</u>

\$ 74,402	\$ 77,096	\$ 70,046	\$ 73,383
14,115	16,087	15,681	17,812
10,346	11,850	12,196	5,815
<u>\$ 98,863</u>	<u>\$ 105,033</u>	<u>\$ 97,923</u>	<u>\$ 97,010</u>

COUNTY OF LINN, IOWA
CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

Expenses	2003	2004	2005	2006
Governmental activities:				
Public safety and legal services	\$ 17,266	\$ 18,237	\$ 17,955	\$ 19,315
Physical health and social services	12,848	13,928	14,622	15,552
Mental health	21,993	24,531	25,244	25,708
County environment and education	4,115	4,728	5,152	4,937
Roads and transportation	13,487	13,969	14,244	15,146
Governmental services to residents	2,820	3,010	3,170	2,198
Administration	9,171	8,759	9,142	9,013
Nonprogram	3	7	8	19
Interest on long-term debt	317	278	238	195
Total governmental activities	82,020	87,447	89,775	92,083
Business-type activities -				
Mental health	685	737	710	713
Total primary government expenses	\$ 82,705	\$ 88,184	\$ 90,485	\$ 92,796
Program Revenues				
Governmental activities:				
Charges for services:				
Public safety and legal services	\$ 5,430	\$ 5,551	\$ 5,021	\$ 5,880
Mental health	7,192	7,593	8,702	10,380
Government services to residents	3,710	3,533	3,167	3,388
Other activities	5,439	6,012	3,499	3,681
Operating grants and contributions	18,780	18,555	24,219	23,333
Capital grants and contributions	-	4,599	3,799	2,611
Total governmental activities program revenues	40,551	45,843	48,407	49,273
Business-type activities -				
Charges for services	737	769	712	653
Total primary government program revenues	\$ 41,288	\$ 46,612	\$ 49,119	\$ 49,926
Net (expense)/revenue				
Governmental activities	\$ (41,469)	\$ (41,604)	\$ (41,368)	\$ (42,810)
Business-type activities	52	32	2	(60)
Total primary government net expense	\$ (41,417)	\$ (41,572)	\$ (41,366)	\$ (42,870)
General Revenues and Other Changes in				
Net Assets				
Governmental activities:				
Property and other county taxes	\$ 34,520	\$ 35,981	\$ 38,588	\$ 40,661
Other county taxes	5,717	2,334	2,288	2,468
State replacements and credits	2,211	1,331	1,382	1,393
Investment income	1,060	443	847	1,785
Other general revenue	1,097	1,266	915	980
Total governmental activities	44,605	41,355	44,020	47,287
Business-type activities -				
Investment income	4	2	4	8
Other general revenue	-	3	-	-
Total business-type activities	4	5	4	8
Total primary government	\$ 44,609	\$ 41,360	\$ 44,024	\$ 47,295
Change in Net Assets				
Governmental activities	\$ 3,136	\$ (249)	\$ 2,652	\$ 4,477
Business-type activities	56	37	6	(52)
Total primary government	\$ 3,192	\$ (212)	\$ 2,658	\$ 4,425

Note: Accrual-basis financial information for the county government as a whole is available back to the year GASB Statement 34 was implemented.

2007	2008	2009
\$ 20,419	\$ 20,851	\$ 21,637
17,135	17,116	18,389
26,863	31,232	30,850
5,341	4,948	6,143
13,348	22,954	16,169
3,630	3,413	4,007
9,937	17,782	29,376
14	22	9
148	100	348
<u>96,835</u>	<u>118,418</u>	<u>126,928</u>
676	692	621
<u>\$ 97,511</u>	<u>\$ 119,110</u>	<u>\$ 127,549</u>
\$ 5,795	\$ 5,263	\$ 2,419
9,005	9,076	9,686
3,274	3,044	3,277
3,860	4,030	4,378
27,314	38,300	48,442
4,156	1,295	2,470
<u>53,404</u>	<u>61,008</u>	<u>70,672</u>
708	689	550
<u>\$ 54,112</u>	<u>\$ 61,697</u>	<u>\$ 71,222</u>
\$ (43,431)	\$ (57,410)	\$ (56,256)
32	(3)	(71)
<u>\$ (43,399)</u>	<u>\$ (57,413)</u>	<u>\$ (56,327)</u>
\$ 41,667	\$ 43,402	\$ 47,282
2,610	2,891	4,348
1,369	1,370	1,412
2,957	1,815	832
957	815	1,536
<u>49,560</u>	<u>50,293</u>	<u>55,410</u>
9	10	4
-	-	-
9	10	4
<u>\$ 49,569</u>	<u>\$ 50,303</u>	<u>\$ 55,414</u>
\$ 6,129	\$ (7,117)	\$ (846)
41	7	(67)
<u>\$ 6,170</u>	<u>\$ (7,110)</u>	<u>\$ (913)</u>

COUNTY OF LINN, IOWA
 GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
 LAST SEVEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (AMOUNTS EXPRESSED IN THOUSANDS)

Fiscal Year	Property Taxes	Other County Taxes	Total
2003	\$ 34,520	\$ 5,717	\$ 40,237
2004	35,981	2,334	38,315
2005	38,588	2,288	40,876
2006	40,661	2,468	43,129
2007	41,667	2,610	44,277
2008	43,402	2,891	46,293
2009	47,282	4,348	51,630

Note: Accrual-basis financial information for the county government as a whole is available back to the year GASB Statement 34 was implemented.



COUNTY OF LINN, IOWA
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING
 (AMOUNTS EXPRESSED IN THOUSANDS))

	2000	2001	2002	2003	2004
General fund					
Reserved	\$ 722	\$ 730	\$ 411	\$ 1,237	\$ 2,784
Unreserved	9,597	10,217	10,901	11,987	10,161
Total general fund	<u>\$ 10,319</u>	<u>\$ 10,947</u>	<u>\$ 11,312</u>	<u>\$ 13,224</u>	<u>\$ 12,945</u>
All other governmental funds					
Reserved	\$ 4,080	\$ 1,757	\$ 2,945	\$ 3,959	\$ 2,948
Unreserved, reported in:					
Special revenue funds	5,622	5,703	5,325	4,356	806
Capital projects fund	3,985	5,801	3,799	2,682	1,839
	<u>\$ 13,687</u>	<u>\$ 13,261</u>	<u>\$ 12,069</u>	<u>\$ 10,997</u>	<u>\$ 5,593</u>

2005	2006	2007	2008	2009
\$ 5,771	\$ 9,855	\$ 9,788	\$ 9,606	\$ 11,001
8,068	5,784	7,454	5,171	1
<u>\$ 13,839</u>	<u>\$ 15,639</u>	<u>\$ 17,242</u>	<u>\$ 14,777</u>	<u>\$ 11,002</u>
\$ 2,600	\$ 1,439	\$ 3,481	\$ 2,695	\$ 1,701
1,217	2,756	2,864	2,593	4,858
1,287	886	1,383	(5,409)	(5,879)
<u>\$ 5,104</u>	<u>\$ 5,081</u>	<u>\$ 7,728</u>	<u>\$ (121)</u>	<u>\$ 680</u>

COUNTY OF LINN, IOWA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (1)
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
REVENUES:				
Property taxes	\$ 34,389	\$ 31,883	\$ 32,699	\$ 34,631
Other county taxes	178	2,684	4,131	5,717
Interest and penalty on taxes	407	563	566	630
Intergovernmental	29,643	32,393	33,040	34,973
Licenses and permits	596	518	504	594
Charges for services	4,653	4,951	5,610	6,404
Use of money and property	3,058	3,071	2,068	1,529
Miscellaneous	711	1,357	884	704
Total revenues	<u>73,635</u>	<u>77,420</u>	<u>79,502</u>	<u>85,182</u>
EXPENDITURES:				
Current:				
Public safety and legal services	12,129	13,354	14,094	16,953
Court services (1)	1,390	1,459	1,378	-
Physical health and social services	2,400	2,633	2,931	12,736
Mental health	19,570	20,147	22,275	21,979
Social services (1)	9,062	9,785	10,239	-
County environment and education	3,434	3,654	4,713	4,877
Roads and transportation	9,773	9,732	9,323	10,687
Governmental services to residents	2,494	2,680	2,781	2,805
Administration	7,076	7,859	7,520	8,499
Nonprogram	1	1	11	3
Capital projects	8,540	5,371	3,114	5,590
Debt service:				
Principal	1,030	855	895	935
Interest	423	401	361	320
Total expenditures	<u>77,322</u>	<u>77,931</u>	<u>79,635</u>	<u>85,384</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,687)	(511)	(133)	(202)
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	112	39	82	85
Proceeds from sale of long-term debt	6,500	-	-	-
Provision for capital leases and installment purchases	52	381	43	30
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	6,906	4,912	6,311	5,858
Transfers out	<u>(6,906)</u>	<u>(4,912)</u>	<u>(6,311)</u>	<u>(5,683)</u>
Total other financing sources (uses)	<u>6,664</u>	<u>420</u>	<u>125</u>	<u>290</u>
NET CHANGE IN FUND BALANCES	<u>\$ 2,977</u>	<u>\$ (91)</u>	<u>\$ (8)</u>	<u>\$ 88</u>
Debt service as a percentage of noncapital expenditures	2.11%	1.73%	1.64%	1.57%

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

	2004	2005	2006	2007	2008	2009
\$	36,019	\$ 38,574	\$ 40,721	\$ 41,701	\$ 43,080	\$ 47,377
	2,317	2,288	2,468	2,611	2,884	4,349
	614	719	616	628	507	1,115
	34,473	38,417	40,339	43,185	43,325	64,803
	595	639	597	630	767	772
	6,385	6,095	6,321	6,545	6,214	6,361
	1,075	1,341	2,128	3,040	2,333	889
	806	783	704	1,080	1,217	1,093
	<u>82,284</u>	<u>88,856</u>	<u>93,894</u>	<u>99,420</u>	<u>100,327</u>	<u>126,759</u>
	17,758	17,761	19,242	20,327	20,646	22,763
	-	-	-	-	-	-
	13,600	14,629	15,399	16,940	16,961	18,455
	24,278	25,324	25,706	26,829	31,256	31,004
	-	-	-	-	-	-
	5,007	5,125	5,273	5,554	5,503	6,136
	10,601	10,821	10,362	10,504	11,782	12,590
	2,948	3,132	3,165	3,558	3,413	4,043
	8,005	8,371	8,422	9,245	10,925	12,758
	7	8	19	14	22	9
	4,365	2,137	3,240	1,139	8,919	20,765
	970	1,010	1,055	1,100	1,145	16,250
	282	241	198	153	104	352
	<u>87,821</u>	<u>88,559</u>	<u>92,081</u>	<u>95,363</u>	<u>110,676</u>	<u>145,125</u>
	(5,537)	297	1,813	4,057	(10,349)	(18,366)
	32	49	19	28	20	157
	-	-	-	-	-	15,050
	62	67	36	117	26	96
	-	-	-	-	-	-
	5,057	5,200	5,469	9,117	10,293	25,499
	<u>(5,057)</u>	<u>(5,200)</u>	<u>(5,469)</u>	<u>(9,117)</u>	<u>(10,293)</u>	<u>(25,499)</u>
	<u>94</u>	<u>116</u>	<u>55</u>	<u>145</u>	<u>46</u>	<u>15,303</u>
\$	<u>(5,443)</u>	<u>\$ 413</u>	<u>\$ 1,868</u>	<u>\$ 4,202</u>	<u>\$ (10,303)</u>	<u>\$ (3,063)</u>
	1.50%	1.45%	1.41%	1.33%	1.23%	13.35%

COUNTY OF LINN, IOWA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Utility Property</u>	<u>Agricultural Property</u>	<u>Personal Property</u>
2000	\$ 3,130,459	\$ 1,805,315	\$ 375,217	\$ 577,015	\$ 239,554	\$ 305,352
2001	3,151,355	1,891,168	386,293	548,655	289,042	228,807
2002	3,363,189	2,006,057	395,861	542,304	298,897	148,728
2003	3,565,671	2,245,676	410,162	544,355	298,623	57,855
2004	3,677,287	2,356,652	414,471	559,510	298,165	-
2005	3,751,299	2,543,207	443,000	484,708	255,051	-
2006	3,864,415	2,584,199	443,702	490,181	254,498	-
2007	4,055,625	2,584,353	435,247	492,447	266,977	-
2008	4,178,207	2,633,134	369,663	527,031	266,328	-
2009	4,201,526	2,408,081	334,907	537,093	275,419	-

(1) Per \$1,000 of taxable value. For detail of components of direct rate, see pages 89-96.

(2) Includes tax incremental financing value and military exemption.

Less: Tax Incremental Financing Value	Less: Military Exemption	Total Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value (2)
\$ 296,726	\$ 25,302	\$ 6,110,884	\$ 5.31110	\$ 8,523,126	75.48%
288,009	25,070	6,182,241	5.31110	8,810,717	73.72%
342,957	25,017	6,387,062	5.24684	9,001,270	75.05%
438,366	24,854	6,659,122	5.25419	10,046,191	70.90%
363,745	24,665	6,917,675	5.29322	10,396,396	70.28%
432,714	24,268	7,020,283	5.51347	11,113,542	67.28%
444,488	23,985	7,168,522	5.73231	11,509,112	66.36%
496,226	23,654	7,314,769	5.69014	12,280,788	63.80%
508,771	23,387	7,442,205	5.88629	12,789,950	62.35%
504,172	23,099	7,229,755	6.14971	13,616,821	56.97%

COUNTY OF LINN, IOWA

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

Fiscal Year	Taxing Body	City of Cedar Rapids				
		Cedar Rapids Schools	College Community Schools	Marion Schools	Linn-Mar Schools	City of Hiawatha
2000	Direct County:					
	General	\$ 3.77103	\$ 3.77103	\$ 3.77103	\$ 3.77103	\$ 3.77103
	MH-DD	1.34107	1.34107	1.34107	1.34107	1.34107
	Debt service	0.19900	0.19900	0.19900	0.19900	0.19900
	Subtotal direct	5.31110	5.31110	5.31110	5.31110	5.31110
	School District	11.88387	12.94536	16.71068	15.94591	11.88387
	Comm college	0.61327	0.61327	0.61327	0.61327	0.61327
	Assessor	0.28772	0.28772	0.28772	0.28772	0.24999
	City	12.40000	12.40000	12.40000	12.40000	10.87986
	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>
2001	Direct County:					
	General	\$ 3.78651	\$ 3.78651	\$ 3.78651	\$ 3.78651	\$ 3.78651
	MH-DD	1.32559	1.32559	1.32559	1.32559	1.32559
	Debt service	0.19900	0.19900	0.19900	0.19900	0.19900
	Subtotal direct	5.31110	5.31110	5.31110	5.31110	5.31110
	School District	12.40887	12.92737	17.93205	15.93025	12.40887
	Comm college	0.60724	0.60724	0.60724	0.60724	0.60724
	Assessor	0.34142	0.34142	0.34142	0.34142	0.23777
	City	12.74497	12.74497	12.74497	12.74497	10.85444
	Other (1)	0.02926	0.02926	0.02926	0.02926	0.02926
	Total Levy	<u>\$ 31.44286</u>	<u>\$ 37.27246</u>	<u>\$ 42.27714</u>	<u>\$ 40.27534</u>	<u>\$ 34.75978</u>
	Percent of Linn County to totals		<u>16.89%</u>	<u>14.25%</u>	<u>12.56%</u>	<u>13.19%</u>
2002	Direct County:					
	General	\$ 3.82965	\$ 3.82965	\$ 3.82965	\$ 3.82965	\$ 3.82965
	MH-DD	1.28316	1.28316	1.28316	1.28316	1.28316
	Debt service	0.13403	0.13403	0.13403	0.13403	0.13403
	Subtotal direct	5.24684	5.24684	5.24684	5.24684	5.24684
	School District	12.94707	13.72416	17.96868	16.52524	12.94707
	Comm college	0.60687	0.60687	0.60687	0.60687	0.60687
	Assessor	0.37126	0.37126	0.37126	0.37126	0.23136
	City	13.04000	13.04000	13.04000	13.04000	10.93415
	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>

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	
\$ 3.77103	\$ 3.77103	\$ 3.77103	\$ 3.77103	\$ 3.77103	\$ 3.77103	\$ 3.77103	\$ 3.77103
1.34107	1.34107	1.34107	1.34107	1.34107	1.34107	1.34107	1.34107
<u>0.19900</u>	<u>0.19900</u>	<u>0.19900</u>	<u>0.19900</u>	<u>0.19900</u>	<u>0.19900</u>	<u>0.19900</u>	<u>0.19900</u>
5.31110	5.31110	5.31110	5.31110	5.31110	5.31110	5.31110	5.31110
11.88387	16.71068	15.94591	12.85178	16.17417	13.95671	11.88387	11.88387
0.61327	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	0.24999
12.39855	12.39855	12.39855	12.63336	9.83413	12.73964	9.04591	9.04591
0.02955	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>	
\$ 3.78651	\$ 3.78651	\$ 3.78651	\$ 3.78651	\$ 3.78651	\$ 3.78651	\$ 3.78651	\$ 3.78651
1.32559	1.32559	1.32559	1.32559	1.32559	1.32559	1.32559	1.32559
<u>0.19900</u>	<u>0.19900</u>	<u>0.19900</u>	<u>0.19900</u>	<u>0.19900</u>	<u>0.19900</u>	<u>0.19900</u>	<u>0.19900</u>
5.31110	5.31110	5.31110	5.31110	5.31110	5.31110	5.31110	5.31110
12.40887	17.93205	15.93025	13.02780	15.83234	14.38636	12.40887	12.40887
0.60724	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	0.23777
12.75826	12.75826	12.75826	12.98883	9.85935	11.94278	9.04828	9.04828
0.02926	0.02926	0.02926	0.02926	0.02926	0.02926	0.02926	0.02926
<u>\$ 36.66360</u>	<u>\$ 42.18678</u>	<u>\$ 40.18498</u>	<u>\$ 37.51310</u>	<u>\$ 37.18816</u>	<u>\$ 37.82561</u>	<u>\$ 32.95362</u>	
<u>14.49%</u>	<u>12.59%</u>	<u>13.22%</u>	<u>14.16%</u>	<u>14.28%</u>	<u>14.04%</u>	<u>16.12%</u>	
\$ 3.82965	\$ 3.82965	\$ 3.82965	\$ 3.82965	\$ 3.82965	\$ 3.82965	\$ 3.82965	\$ 3.82965
1.28316	1.28316	1.28316	1.28316	1.28316	1.28316	1.28316	1.28316
<u>0.13403</u>	<u>0.13403</u>	<u>0.13403</u>	<u>0.13403</u>	<u>0.13403</u>	<u>0.13403</u>	<u>0.13403</u>	<u>0.13403</u>
5.24684	5.24684	5.24684	5.24684	5.24684	5.24684	5.24684	5.24684
12.94707	17.96868	16.52524	14.41244	15.70825	14.05935	12.94707	12.94707
0.60687	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	0.23136
12.78971	12.78971	12.78971	12.99335	10.32609	12.64935	8.61467	8.61467
0.04143	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 VALUE – 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
2003	Direct County:					
	General	\$ 3.95777	\$ 3.95777	\$ 3.95777	\$ 3.95777	\$ 3.95777
	MH-DD	1.23066	1.23066	1.23066	1.23066	1.23066
	Debt service	0.06576	0.06576	0.06576	0.06576	0.06576
	Subtotal direct	5.25419	5.25419	5.25419	5.25419	5.25419
	School District	15.35946	14.39975	15.35946	16.90663	15.35946
	Comm college	0.66634	0.66634	0.66634	0.66634	0.66634
	Assessor	0.35185	0.35185	0.35185	0.35185	0.25234
	City	12.82969	12.82969	12.82969	12.82969	11.11468
	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>
2004	Direct County:					
	General	\$ 4.03719	\$ 4.03719	\$ 4.03719	\$ 4.03719	\$ 4.03719
	MH-DD	1.18467	1.18467	1.18467	1.18467	1.18467
	Debt service	0.07136	0.07136	0.07136	0.07136	0.07136
	Subtotal direct	5.29322	5.29322	5.29322	5.29322	5.29322
	School District	15.36838	14.73088	17.81127	16.89647	15.36838
	Comm college	0.67924	0.67924	0.67924	0.67924	0.67924
	Assessor	0.35361	0.35361	0.35361	0.35361	0.25500
	City	13.06777	13.06777	13.06777	13.06777	11.31981
	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>
2005	Direct County:					
	General	\$ 4.27477	\$ 4.27477	\$ 4.27477	\$ 4.27477	\$ 4.27477
	MH-DD	1.16735	1.16735	1.16735	1.16735	1.16735
	Debt service	0.07135	0.07135	0.07135	0.07135	0.07135
	Subtotal direct	5.51347	5.51347	5.51347	5.51347	5.51347
	School District	15.74784	15.11410	16.82045	17.76825	15.74784
	Comm college	0.66276	0.66276	0.66276	0.66276	0.66276
	Assessor	0.36120	0.36120	0.36120	0.36120	0.26125
	City	13.11797	13.11797	13.11797	13.11797	12.01697
	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>

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	
\$ 3.95777	\$ 3.95777	\$ 3.95777	\$ 3.95777	\$ 3.95777	\$ 3.95777	\$ 3.95777	\$ 3.95777
1.23066	1.23066	1.23066	1.23066	1.23066	1.23066	1.23066	1.23066
0.06576	0.06576	0.06576	0.06576	0.06576	0.06576	0.06576	0.06576
5.25419	5.25419	5.25419	5.25419	5.25419	5.25419	5.25419	5.25419
15.35946	15.35946	16.90663	14.47556	16.36566	14.21345	15.35946	15.35946
0.66634	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	0.25234
13.25744	13.25744	13.25744	12.99347	9.61047	12.66835	8.58425	8.58425
0.04302	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>	
<u>15.08%</u>	<u>15.08%</u>	<u>14.44%</u>	<u>15.60%</u>	<u>16.32%</u>	<u>15.87%</u>	<u>17.42%</u>	
\$ 4.03719	\$ 4.03719	\$ 4.03719	\$ 4.03719	\$ 4.03719	\$ 4.03719	\$ 4.03719	\$ 4.03719
1.18467	1.18467	1.18467	1.18467	1.18467	1.18467	1.18467	1.18467
0.07136	0.07136	0.07136	0.07136	0.07136	0.07136	0.07136	0.07136
5.29322	5.29322	5.29322	5.29322	5.29322	5.29322	5.29322	5.29322
15.36838	17.81127	16.89647	15.23657	16.45703	15.80870	15.36838	15.36838
0.67924	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	0.25500
13.46667	13.46667	13.46667	12.99347	9.82809	12.67468	8.55126	8.55126
0.04302	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>	
<u>15.08%</u>	<u>14.10%</u>	<u>14.45%</u>	<u>15.34%</u>	<u>16.26%</u>	<u>15.23%</u>	<u>17.53%</u>	
\$ 4.27477	\$ 4.27477	\$ 4.27477	\$ 4.27477	\$ 4.27477	\$ 4.27477	\$ 4.27477	\$ 4.27477
1.16735	1.16735	1.16735	1.16735	1.16735	1.16735	1.16735	1.16735
0.07135	0.07135	0.07135	0.07135	0.07135	0.07135	0.07135	0.07135
5.51347	5.51347	5.51347	5.51347	5.51347	5.51347	5.51347	5.51347
15.74784	16.82045	17.76825	17.94000	18.16832	15.82366	15.74784	15.74784
0.66276	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	0.26125
13.65104	13.65104	13.65104	12.99346	9.92352	12.67785	8.54268	8.54268
0.05129	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>	
<u>15.36%</u>	<u>14.92%</u>	<u>14.54%</u>	<u>14.73%</u>	<u>15.94%</u>	<u>15.76%</u>	<u>17.91%</u>	

(Continued)

COUNTY OF LINN, IOWA

PROPERTY TAX RATES PER \$1,000 TAXABLE VALUE – 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
2006	Direct County:					
	General	\$ 4.42446	\$ 4.42446	\$ 4.42446	\$ 4.42446	\$ 4.42446
	MH-DD	1.14321	1.14321	1.14321	1.14321	1.14321
	Debt service	0.16464	0.16464	0.16464	0.16464	0.16464
	Subtotal direct	5.73231	5.73231	5.73231	5.73231	5.73231
	School District	15.25042	15.21947	16.81459	17.99931	15.25042
	Comm college	0.64894	0.64894	0.64894	0.64894	0.64894
	Assessor	0.35819	0.35819	0.35819	0.35819	0.26716
	City	13.98997	13.98997	13.98997	13.98997	12.14137
	Other (1)	0.05492	0.05492	0.05492	0.05492	0.05492
	Total Levy	<u>\$ 36.03475</u>	<u>\$ 36.00380</u>	<u>\$ 37.59892</u>	<u>\$ 38.78364</u>	<u>\$ 34.09512</u>
Percent of Linn County to totals		15.91%	15.92%	15.25%	14.78%	16.81%
2007	Direct County:					
	General	\$ 4.40999	\$ 4.40999	\$ 4.40999	\$ 4.40999	\$ 4.40999
	MH-DD	1.12036	1.12036	1.12036	1.12036	1.12036
	Debt service	0.15979	0.15979	0.15979	0.15979	0.15979
	Subtotal direct	5.69014	5.69014	5.69014	5.69014	5.69014
	School District	14.90212	17.33321	16.80183	18.81657	14.90212
	Comm college	0.87249	0.87249	0.87249	0.87249	0.87249
	Assessor	0.35819	0.35819	0.35819	0.35819	0.30872
	City	14.38608	14.38608	14.38608	14.38608	12.43336
	Other (1)	0.05732	0.05732	0.05732	0.05732	0.05732
	Total Levy	<u>\$ 36.26634</u>	<u>\$ 38.69743</u>	<u>\$ 38.16605</u>	<u>\$ 40.18079</u>	<u>\$ 34.26415</u>
Percent of Linn County to totals		15.69%	14.70%	14.91%	14.16%	16.61%
2008	Direct County:					
	General	\$ 4.62831	\$ 4.62831	\$ 4.62831	\$ 4.62831	\$ 4.62831
	MH-DD	1.10117	1.10117	1.10117	1.10117	1.10117
	Debt service	0.15681	0.15681	0.15681	0.15681	0.15681
	Subtotal direct	5.88629	5.88629	5.88629	5.88629	5.88629
	School District	14.37481	17.33832	16.80516	19.39588	14.37481
	Comm college	0.85526	0.85526	0.85526	0.85526	0.85526
	Assessor	0.35009	0.35009	0.35009	0.35009	0.31711
	City	14.61610	14.61610	14.61610	14.61610	13.46518
	Other (1)	0.05792	0.05792	0.05792	0.05792	0.05792
	Total Levy	<u>\$ 36.14047</u>	<u>\$ 39.10398</u>	<u>\$ 38.57082</u>	<u>\$ 41.16154</u>	<u>\$ 34.95657</u>
Percent of Linn County to totals		16.29%	15.05%	15.26%	14.30%	16.84%

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
\$ 4.42446	\$ 4.42446	\$ 4.42446	\$ 4.42446	\$ 4.42446	\$ 4.42446	\$ 4.42446
1.14321	1.14321	1.14321	1.14321	1.14321	1.14321	1.14321
0.16464	0.16464	0.16464	0.16464	0.16464	0.16464	0.16464
5.73231	5.73231	5.73231	5.73231	5.73231	5.73231	5.73231
15.25042	16.81459	17.99931	18.18924	17.06225	17.18555	15.25042
0.64894	0.64894	0.64894	0.64894	0.64894	0.64894	0.64894
0.26716	0.26716	0.26716	0.26716	0.26716	0.26716	0.26716
13.98551	13.98551	13.98551	12.99994	11.29117	12.67694	8.69792
0.05492	0.05492	0.05492	0.05492	0.05492	0.05492	0.05492
<u>\$ 35.93926</u>	<u>\$ 37.50343</u>	<u>\$ 38.68815</u>	<u>\$ 37.89251</u>	<u>\$ 35.05675</u>	<u>\$ 36.56582</u>	<u>\$ 30.65167</u>
<u>15.95%</u>	<u>15.28%</u>	<u>14.82%</u>	<u>15.13%</u>	<u>16.35%</u>	<u>15.68%</u>	<u>18.70%</u>
\$ 4.40999	\$ 4.40999	\$ 4.40999	\$ 4.40999	\$ 4.40999	\$ 4.40999	\$ 4.40999
1.12036	1.12036	1.12036	1.12036	1.12036	1.12036	1.12036
0.15979	0.15979	0.15979	0.15979	0.15979	0.15979	0.15979
5.69014	5.69014	5.69014	5.69014	5.69014	5.69014	5.69014
14.90212	16.80183	18.81657	17.85267	17.92625	17.48988	14.90212
0.87249	0.87249	0.87249	0.87249	0.87249	0.87249	0.87249
0.30872	0.30872	0.30872	0.30872	0.30872	0.30872	0.30872
13.95525	13.95525	13.95525	12.99985	11.27967	12.65313	9.32643
0.05732	0.05732	0.05732	0.05732	0.05732	0.05732	0.05732
<u>\$ 35.78604</u>	<u>\$ 37.68575</u>	<u>\$ 39.70049</u>	<u>\$ 37.78119</u>	<u>\$ 36.13459</u>	<u>\$ 37.07168</u>	<u>\$ 31.15722</u>
<u>15.90%</u>	<u>15.10%</u>	<u>14.33%</u>	<u>15.06%</u>	<u>15.75%</u>	<u>15.35%</u>	<u>18.26%</u>
\$ 4.62831	\$ 4.62831	\$ 4.62831	\$ 4.62831	\$ 4.62831	\$ 4.62831	\$ 4.62831
1.10117	1.10117	1.10117	1.10117	1.10117	1.10117	1.10117
0.15681	0.15681	0.15681	0.15681	0.15681	0.15681	0.15681
5.88629	5.88629	5.88629	5.88629	5.88629	5.88629	5.88629
14.37481	16.80516	19.39588	17.65642	17.74919	17.69514	14.37481
0.85526	0.85526	0.85526	0.85526	0.85526	0.85526	0.85526
0.31711	0.31711	0.31711	0.31711	0.31711	0.31711	0.31711
13.78572	13.78572	13.78572	12.99986	9.97409	12.64942	9.33124
0.05792	0.05792	0.05792	0.05792	0.05792	0.05792	0.05792
<u>\$ 35.27711</u>	<u>\$ 37.70746</u>	<u>\$ 40.29818</u>	<u>\$ 37.77286</u>	<u>\$ 34.83986</u>	<u>\$ 37.46114</u>	<u>\$ 30.82263</u>
<u>16.69%</u>	<u>15.61%</u>	<u>14.61%</u>	<u>15.58%</u>	<u>16.90%</u>	<u>15.71%</u>	<u>19.10%</u>

(Continued)

COUNTY OF LINN, IOWA

PROPERTY TAX RATES PER \$1,000 TAXABLE VALUE – 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
2009	Direct County:					
	General	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523
	MH-DD	1.05415	1.05415	1.05415	1.05415	1.05415
	Debt service	0.15033	0.15033	0.15033	0.15033	0.15033
	Subtotal direct	6.14971	6.14971	6.14971	6.14971	6.14971
	School District	13.78107	16.84626	15.31689	20.40133	13.78107
	Comm college	0.85162	0.85162	0.85162	0.85162	0.85162
	Assessor	0.34518	0.34518	0.34518	0.34518	0.57050
	City	15.07076	15.07076	15.07076	15.07076	15.31391
	Other (1)	0.05778	0.05778	0.05778	0.05778	0.05778
	Total Levy	<u>\$ 36.25612</u>	<u>\$ 39.32131</u>	<u>\$ 37.79194</u>	<u>\$ 42.87638</u>	<u>\$ 36.72459</u>
Percent of Linn County to totals		<u>16.96%</u>	<u>15.64%</u>	<u>16.27%</u>	<u>14.34%</u>	<u>16.75%</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
\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523
1.05415	1.05415	1.05415	1.05415	1.05415	1.05415	1.05415
0.15033	0.15033	0.15033	0.15033	0.15033	0.15033	0.15033
6.14971	6.14971	6.14971	6.14971	6.14971	6.14971	6.14971
13.78107	15.31689	20.40133	17.51051	17.78247	17.88402	20.40133
0.85162	0.85162	0.85162	0.85162	0.85162	0.85162	0.85162
0.57050	0.57050	0.57050	0.57050	0.57050	0.57050	0.57050
14.13850	14.13850	14.13850	12.99970	13.21838	13.61361	9.18340
0.05778	0.05778	0.05778	0.05778	0.05778	0.05778	0.05778
<u>\$ 35.54918</u>	<u>\$ 37.08500</u>	<u>\$ 42.16944</u>	<u>\$ 38.13982</u>	<u>\$ 38.63046</u>	<u>\$ 39.12724</u>	<u>\$ 37.21434</u>
<u>17.30%</u>	<u>16.58%</u>	<u>14.58%</u>	<u>16.12%</u>	<u>15.92%</u>	<u>15.72%</u>	<u>16.53%</u>

COUNTY OF LINN, IOWA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO
(AMOUNTS EXPRESSED IN THOUSANDS)

Taxpayer	Type of Business	2009		
		Taxable Value (1)	Rank	Percentage of Taxable Value
Alliant Industries	Utility	\$ 269,451	1	3.73%
ADM Corn Processing	Grain Milling	98,202	2	1.36%
Aegon	Insurance	76,629	3	1.06%
Weyerhaeuser	Manufacturing	49,277	4	0.68%
Quest	Telecommunications	41,430	5	0.57%
Rockwell Collins Internatioinal	Aviation/Aerospace	36,584	6	0.51%
SDG Macerich Properties	Shopping Mall	35,121	7	0.49%
Midamerican Energy	Utility	31,929	8	0.44%
FPL Energy Duane Arnold	Utility	31,363	9	0.43%
Individual	Real Estate	28,513	10	0.39%
PMX	Manufacturing	-		-
HNW Associates (Westdale)	Shopping Mall	-		-
General Mills	Grain Milling	-		-
Cargill, Incorporated	Grain Milling	-		-
Total		<u>\$ 698,499</u>		<u>9.66%</u>

(1) As of January 1, 2007
Source: Linn County Auditor's Office

(2) As of January 1, 1998
Source: Linn County Auditor's Office

2000			
Taxable Value (2)	Rank	Percentage of Taxable Value	
\$ 419,823	1	6.87%	
71,307	3	1.17%	
48,407	5	0.79%	
-		-	
45,806	6	0.75%	
103,637	2	1.70%	
-		-	
38,202	10	0.63%	
-		-	
-		-	
64,730	4	1.06%	
45,528	7	0.75%	
39,845	8	0.65%	
38,284	9	0.63%	
<u>\$ 915,569</u>		<u>14.98%</u>	

COUNTY OF LINN, IOWA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

Fiscal Year	Levy (1)	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections (2)
		Amount	Percentage of the Levy	
2000	\$ 35,552	\$ 34,248	96.33%	\$ 141
2001	33,474	31,920	95.36%	(37)
2002	34,295	32,661	95.24%	38
2003	35,870	34,469	96.09%	162
2004	37,487	35,883	95.72%	136
2005	39,951	38,461	96.27%	113
2006	42,341	40,681	96.08%	39
2007	43,037	41,642	96.76%	59
2008	44,959	43,158	95.99%	(78)
2009	48,737	46,964	96.36%	413

(1) The year 2000 included gas and electric utilities which
in subsequent years were reported as other county taxes.

(2) Delinquent tax collections reflect the amounts of delinquent taxes received during the year.
Information is not available as to the years for which the delinquent tax collections apply.

Total Tax Collections		
Amount (3)		Percentage of the Levy
\$	34,389	96.73%
	31,883	95.25%
	32,699	95.35%
	34,631	96.55%
	36,019	96.08%
	38,574	96.55%
	40,720	96.17%
	41,701	96.90%
	43,080	95.82%
	47,377	97.21%

COUNTY OF LINN, IOWA

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT PER CAPITA AMOUNT)**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Capital Leases</u>	<u>Total</u>	<u>Percentage of Personal Income (1)</u>	<u>Percentage of Taxable Value (2)</u>	<u>Debt Per Capita (1)</u>
2000	\$ 9,165	\$ 79	\$ 9,244	0.14%	0.15%	\$ 48.07
2001	8,310	389	8,699	0.13%	0.14%	44.77
2002	7,415	357	7,772	0.12%	0.12%	39.67
2003	6,480	299	6,779	0.10%	0.10%	34.46
2004	5,510	268	5,778	0.09%	0.08%	29.16
2005	4,500	235	4,735	0.07%	0.07%	23.65
2006	3,445	179	3,624	0.05%	0.05%	17.90
2007	2,345	182	2,527	0.03%	0.03%	12.29
2008	1,200	94	1,294	0.02%	0.02%	6.20
2009	-	131	131	0.00%	0.00%	0.62

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographics and Economic Statistics on page 106 for personal income and population data.

(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on pages 87-88.

COUNTY OF LINN, IOWA

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT PER CAPITA AMOUNT)**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Taxable Value of Property	Per Capita (2)
2000	\$ 9,165	\$ 20	\$ 9,145	0.15%	\$ 47.56
2001	8,310	94	8,216	0.13%	42.28
2002	7,415	87	7,328	0.11%	37.41
2003	6,480	35	6,445	0.10%	32.76
2004	5,510	27	5,483	0.08%	27.67
2005	4,500	26	4,474	0.06%	22.35
2006	3,445	18	3,427	0.05%	16.92
2007	2,345	17	2,328	0.03%	11.32
2008	1,200	3	1,197	0.02%	5.74
2009	-	(8)	8	0.00%	0.04

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on pages 87-88.

(2) Population data can be found in the Schedule of Demographics and Economic Statistics on page 106.

COUNTY OF LINN, IOWA

LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Debt limit	\$ 440,993	\$ 454,936	\$ 467,211	\$ 524,228	\$ 538,007
Total net debt applicable to limit	<u>(9,165)</u>	<u>(8,310)</u>	<u>(7,415)</u>	<u>(6,480)</u>	<u>(5,510)</u>
Legal debt margin	<u>\$ 431,828</u>	<u>\$ 446,626</u>	<u>\$ 459,796</u>	<u>\$ 517,748</u>	<u>\$ 532,497</u>
Total net debt applicable to limit as a percentage of debt limit	2.08%	1.83%	1.59%	1.24%	1.02%

Note: Under state law, the County's outstanding general obligation debt should not exceed 5 percent of total actual value.

2005	2006	2007	2008	2009
\$ 577,313	\$ 597,680	\$ 638,851	\$ 664,936	\$ 706,050
<u>(4,500)</u>	<u>(3,445)</u>	<u>(2,345)</u>	<u>(1,200)</u>	<u>-</u>
<u>\$ 572,813</u>	<u>\$ 594,235</u>	<u>\$ 636,506</u>	<u>\$ 663,736</u>	<u>\$ 706,050</u>
0.78%	0.58%	0.37%	0.18%	0.00%

Legal Debt Margin Calculation for Fiscal 2009

2007 actual valuation of property	\$13,639,920
Plus: TIF increment	504,172
Less: military exemption	<u>(23,099)</u>
Actual value for debt limit calculations	14,120,993
Multiply by 5%	<u>0.05</u>
Debt limit	706,050
Less: outstanding general obligation debt	-
Legal debt margin	<u>\$ 706,050</u>

COUNTY OF LINN, IOWA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2009
(AMOUNTS EXPRESSED IN THOUSANDS)

Government Unit	General Obligation Debt Outstanding	Percentage Applicable (1)	Amount Applicable To Linn County
Direct - Linn County	\$ -	100.00%	\$ -
Overlapping:			
School Districts:			
Alburnett	4,375,000	100.00%	4,375,000
Anamosa	-	5.92%	-
Cedar Rapids	26,300,000	100.00%	26,300,000
Center Point	7,280,000	62.12%	4,522,336
Central City	4,175,000	100.00%	4,175,000
College Community	66,895,000	85.47%	57,175,157
Linn-Mar	53,870,000	100.00%	53,870,000
Lisbon	2,210,000	65.43%	1,446,003
Marion	3,230,000	100.00%	3,230,000
Monticello	4,365,000	1.76%	76,824
Mount Vernon	7,805,000	97.37%	7,599,729
North Linn	2,115,000	67.90%	1,436,085
Solon	7,345,000	0.49%	35,991
Springville	130,000	100.00%	130,000
Kirkwood Community College	18,180,000	43.90%	7,981,020
Cities:			
Alburnett	450,000	100.00%	450,000
Cedar Rapids	98,224,388	100.00%	98,224,388
Center Point	2,237,647	100.00%	2,237,647
Central City	1,955,000	100.00%	1,955,000
Coggon	980,000	100.00%	980,000
Ely	565,000	100.00%	565,000
Fairfax	3,695,000	100.00%	3,695,000
Hiawatha	16,750,000	100.00%	16,750,000
Lisbon	1,068,000	100.00%	1,068,000
Marion	13,030,000	100.00%	13,030,000
Mount Vernon	5,090,000	100.00%	5,090,000
Robins	7,455,000	100.00%	7,455,000
Springville	1,129,588	100.00%	1,129,588
Walker	42,000	100.00%	42,000
Fire Districts - Fire District #4	8,564	100.00%	8,564
Subtotal Overlapping Debt	360,955,187		325,033,332
Total Direct and Overlapping Debt	\$ 360,955,187		\$ 325,033,332

Sources: Assessed value data used to estimate applicable percentages provide by the Linn County Auditor. Debt outstanding provided by each of the governmental units.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding general obligation debt that is borne by the residents and businesses of Linn County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated by using assessed property values. Applicable percentages were estimated by determining the portion of each entity's taxable assessment value that is within the County's boundaries and dividing it by the entities total assessed value.

COUNTY OF LINN, IOWA

DEMOGRAPHICS AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (amount expressed in thousands) (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age (1)</u>	<u>Public School Enrollment (3)</u>	<u>Private School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2000	192,288	\$ 6,532,693	\$ 33,973	\$ 35.26	32,448	3,075	1.7%
2001	194,320	6,444,378	33,164	35.45	31,075	2,751	2.3%
2002	195,893	6,497,292	33,168	35.66	32,141	2,675	3.8%
2003	196,707	6,519,520	33,143	35.89	32,657	3,020	4.5%
2004	198,139	6,645,812	33,541	36.13	32,857	3,018	4.6%
2005	200,191	6,764,472	33,790	36.35	33,166	3,172	4.6%
2006	202,488	6,942,278	34,285	36.56	33,410	3,246	3.7%
2007	205,621	7,277,617	35,393	36.66	34,076	3,240	3.6%
2008	208,574	7,472,208	35,825	36.84	33,837	3,372	4.5%
2009	210,551	7,536,944	35,796	36.95	34,187	3,298	5.9%

- (1) Source: Woods & Poole Economics, Inc.
- (2) Source: Woods & Poole Economics, Inc. Expressed in 2004 dollars.
- (3) Source: Grant Wood Area Education Agency.
- (4) Source: Iowa Workforce Development.

COUNTY OF LINN, IOWA

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

<u>Employer</u>	<u>Fiscal Year 2009</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Rockwell Collins Inc.	8,425	1	5.53%
AEGON USA, Inc.	3,500	2	2.30%
St. Luke's Hospital	2,700	3	1.77%
Hy-Vee Food Stores	2,608	4	1.71%
Cedar Rapids Community Schools	2,569	5	1.69%
Mercy Medical Center	2,300	6	1.51%
Whirlpool Corporation	2,273	7	1.49%
Kirkwood Community College	1,410	8	0.93%
City of Cedar Rapids	1,280	9	0.84%
Wal Mart Stores	1,141	10	0.75%
MCI WorldCom	-		-
Amana Appliances	-		-
McLeodUSA	-		-
	<u>28,206</u>		18.52%

Sources: Cedar Rapids Chamber of Commerce, Woods and Poole Economics

Note: Total employment encompasses the Cedar Rapids Metropolitan Statistical Area

Fiscal Year 2000		
Employees	Rank	Percentage of Total County Employment
7,543	1	5.18%
1,900	8	1.30%
2,200	5	1.51%
2,188	6	1.50%
2,485	4	1.71%
1,800	9	1.24%
-		-
-		-
1,629	10	1.12%
-		-
2,000	7	1.37%
2,860	3	1.96%
3,500	2	2.40%
<u>28,105</u>		19.29%

COUNTY OF LINN, IOWA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	2000	2001	2002	2003
Function				
Public Safety and Legal Services:				
Correctional facility inmate bookings	11,587	11,595	13,222	12,910
Correctional facility average daily population	256	271	344	354
Physical Health and Social Services:				
Communicable diseases - children vaccinated	2,492	1,856	1,418	1,254
Child development center - children served	504	480	624	732
Financial assistance - vouchers authorized	4,568	4,692	5,440	7,373
Mental Health:				
Vocational and day service placements	636	628	615	626
Residential placements	142	158	139	140
County Environment and Education:				
Camping permits - days	47,628	51,276	52,500	53,462
Boat rentals	5,723	6,988	6,337	6,349
Roads and Transportation:				
Public transportation - total riders	93,700	83,803	82,876	85,040
Miles of road maintained - paved	291	278	300	310
Miles of road maintained - unpaved	866	900	860	850

Source: Individual county department.

2004	2005	2006	2007	2008	2009
13,099	13,589	13,888	13,234	12,327	9,800
377	355	394	381	392	247
1,409	1,461	1,876	1,511	1,517	1,550
744	792	756	732	744	780
5,339	4,657	4,767	5,242	5,027	5,000
642	690	707	730	759	775
159	155	118	208	231	230
58,818	64,591	66,000	51,262	53,980	60,000
4,064	4,215	4,729	5,372	5,587	6,000
86,007	82,532	82,235	82,500	80,429	87,000
310	358	358	365	377	380
850	810	810	830	772	769

COUNTY OF LINN, IOWA
 CAPITAL ASSET STATISTICS BY FUNCTION
 LAST TEN FISCAL YEARS

Function	2000	2001	2002	2003
Public Safety and Legal Services - Correctional facility capacity	244	244	400	400
County Environment and Education:				
Park acreage - developed and undeveloped	6,387	6,388	6,490	6,503
Parks	19	19	19	19
Nature center	-	-	-	1
Roads and Transportation:				
Miles of roads - paved	291	278	300	310
Miles of roads - unpaved	866	900	860	850
Bridges	251	250	246	253

Source: County Office of Finance and Budget and individual departments.

2004	2005	2006	2007	2008	2009
410	410	410	410	410	410
6,559	6,559	6,825	6,895	6,915	6,955
19	19	19	19	19	19
1	1	1	1	1	1
310	358	358	365	377	380
850	810	810	830	772	769
251	252	269	262	262	262

COUNTY OF LINN, IOWA

FULL-TIME EQUIVALENT EMPLOYEES BY DEPARTMENT
LAST TEN FISCAL YEARS

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Department										
Attorney	33	34	34	34	32	34	34	36	38	38
Auditor	19	18	19	18	18	17	17	19	18	19
Board of Supervisors	6	6	6	6	6	6	6	6	6	10
Child Support Recovery Unit	31	25	25	23	24	24	24	24	22	22
Conservation	37	37	38	38	38	38	38	39	39	39
Engineering	91	86	88	86	85	85	81	76	74	72
Facilities	28	30	28	31	31	32	32	32	32	32
Finance and Budget	4	4	4	4	4	4	4	4	4	3
Human Resources	3	3	3	3	3	3	3	4	5	5
Information Technology	17	17	17	17	17	17	18	18	19	19
LIFTS	20	23	23	23	23	22	22	22	22	22
Linn County Community Services	227	239	234	231	238	236	234	248	255	255
Planning and Development	15	14	14	14	14	14	14	14	14	14
Public Health	37	41	41	41	44	41	42	42	42	42
Purchasing	4	4	4	4	4	4	4	4	4	4
Recorder	14	14	14	14	14	14	14	14	14	14
Risk Management	3	3	4	4	3	3	3	3	3	3
Sheriff	145	158	168	173	171	166	163	167	173	173
Soil Conservation	1	1	1	1	1	1	1	1	1	1
Treasurer	37	38	37	37	37	34	36	37	37	37
Veteran Affairs	3	3	3	3	3	3	3	3	3	3
	<u>775</u>	<u>798</u>	<u>805</u>	<u>805</u>	<u>810</u>	<u>798</u>	<u>793</u>	<u>813</u>	<u>825</u>	<u>827</u>

Source: County Office of Finance and Budget.



COMPLIANCE SECTION



CPAs & BUSINESS ADVISORS

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

To the Officials of the County of Linn, Iowa:

We have audited the 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, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 23, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency and a material weakness.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiency in internal control described in Part II of the Schedule of Findings and Questioned Costs, issued under separate cover, to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe item II-A-09 in the Schedule of Findings and Questioned Costs, issued under separate cover, is a material weakness.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2009, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County and are reported in Part III of the Schedule of Findings and Questioned Costs, issued under separate cover. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

The County's responses to findings identified in our audit are described in the Schedule of Findings and Questioned Costs, issued under separate cover. While we have expressed our conclusions on the County's responses, we did not audit the County's responses, and accordingly, we express no opinion on them.

We also noted certain additional matters that we reported to management of the County of Linn, Iowa, in a separate letter dated December 23, 2009.

This report, a public record by law, is intended solely for the information and use of the officials, employees, and citizens of the County of Linn, Iowa, and other parties to whom the County of Linn, Iowa, may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the County of Linn, Iowa, during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



Dubuque, Iowa
December 23, 2009

*Information to Comply with Government
Auditing Standards and OMB Circular A-133,
Audits of States, Local Governments, and
Non-Profit Organizations*
June 30, 2009

County of Linn, Iowa

COUNTY OF LINN, IOWA

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

To the Officials of the County of Linn, Iowa:

We have audited the 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, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 23, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency and a material weakness.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiency in internal control described in Part II of the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe item II-A-09 is a material weakness.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2009, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County and are reported in Part III of the accompanying Schedule of Findings and Questioned Costs. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

The County's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the County's responses, we did not audit the County's responses, and accordingly, we express no opinion on them.

We also noted certain additional matters that we reported to management of the County of Linn, Iowa, in a separate letter dated December 23, 2009.

This report, a public record by law, is intended solely for the information and use of the officials, employees, and citizens of the County of Linn, Iowa, and other parties to whom the County of Linn, Iowa, may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the County of Linn, Iowa, during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

A handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Dubuque, Iowa
December 23, 2009



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Officials of the County of Linn, Iowa:

Compliance

We have audited the compliance of the County of Linn, Iowa, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The County's major federal programs are identified in the Summary of the Independent Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grant agreements applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County of Linn, Iowa, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the County of Linn, Iowa, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A control deficiency in the County's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect non-compliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the County's ability to administer a federal program such that there is more than a remote likelihood non-compliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood material non-compliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control.

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

Schedule of Expenditures of Federal Awards

We have audited the 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, 2009, and have issued our report thereon dated December 23, 2009. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report, a public record by law, is intended solely for the information and use of the officials, employees, and citizens of the County of Linn, Iowa, and other parties to whom the County of Linn, Iowa, may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Dubuque, Iowa
February 17, 2010

COUNTY OF LINN, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

Grantor/Program	CFDA Number	Agency or Pass Through Number	Program Expenditures
U.S Department of Agriculture			
Pass through program from			
Iowa Department of Education			
School Breakfast Program	10.553	57-8012	\$ 42,707
School Breakfast Program	10.553	57-8022	<u>10,327</u>
			<u>53,034</u>
National School Lunch Program	10.555	57-8022	<u>13,965</u>
Iowa Department of Human Services			
State Administrative Matching Grants for			
Supplemental Nutrition Assistance Program	10.561		111,040
Total U.S. Department of Agriculture			<u>178,039</u>
U.S. Department of Housing and Urban Development			
Pass through program from			
Iowa Department of Economic Development			
Community Development Block Grants/ State's Program	14.228	08-DRH-005	<u>12,551</u>
City of Cedar Rapids, IA			
Lead-Based Paint Hazard Control in Privately- Owned Housing	14.900	IALHB0388-08	18,757
Lead-Based Paint Hazard Control in Privately- Owned Housing	14.900	IALHB0287-05	<u>90,285</u>
			<u>109,042</u>
Total U.S. Department of Housing and Urban Development			<u>121,593</u>
U.S. Department of Justice			
Direct program			
High Intensity Drug Trafficking Areas	16.000		<u>114,084</u>
Pass through program from			
Iowa Department of Human Rights			
Juvenile Accountability Incentive Block Grants (JAIBG)	16.523	JJYD-F07-31	<u>5,764</u>
			(continued)

COUNTY OF LINN, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

Grantor/Program	CFDA Number	Agency or Pass Through Number	Program Expenditures
U.S. Department of Justice (continued)			
Pass through program from			
Supervised Visitation, Safe Havens for Children	16.527	2007WAX0008	\$ <u>50,304</u>
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	JJYD-F09-31	<u>5,143</u>
Enforcing Underage Drinking Laws Program	16.727	JJYD-F07-31	<u>8,537</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2008-DJ-BX-0450	<u>26,323</u>
Total U.S. Department of Justice			<u>210,155</u>
U.S. Department of Transportation			
Pass through program from			
Governor's Traffic Safety Bureau			
State and Community Highway Safety	20.600	09-410 Task 45	36,073
State and Community Highway Safety	20.600	08-02 Task 19	<u>6,430</u>
Total U.S. Department of Transportation			<u>42,503</u>
U.S. Environmental Protection Agency			
Pass through program from			
Iowa Department of Natural Resources			
Surveys, Studies, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	XA-98786801-0	21,269
Surveys, Studies, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	2008-7230-03	17,500
Surveys, Studies, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	5889RC02	<u>158,891</u>
			<u>197,660</u>
Capitalization Grants for Drinking Water State Revolving Funds	66.468	2008-7230-03	<u>1,098</u>
Performance Partnership Grants	66.605	2008-7230-03	<u>58,089</u>
Total U.S. Environmental Protection Agency			<u>256,847</u>

(continued)

COUNTY OF LINN, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

Grantor/Program	CFDA Number	Agency or Pass Through Number	Program Expenditures
U.S Department of Health and Human Services Pass through program from Iowa Department of Public Health Public Health Emergency Preparedness	93.069	5889BT06	\$ <u>81,907</u>
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	MOU-2008-TB23	500
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	MOU-2009-TB13	<u>1,750</u>
			<u>2,250</u>
Childhood Lead Poisoning Prevention Projects- State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	5889LP06	<u>26,568</u>
State Capacity Building	93.240	5880HH05	<u>3,955</u>
Immunization Grants	93.268	5888I448	19,225
Immunization Grants	93.268	5889I448	<u>7,818</u>
			<u>27,043</u>
Centers for Disease Control and Prevention- Investigations and Technical Assistance	93.283	5889OB12	9,095
Centers for Disease Control and Prevention- Investigations and Technical Assistance	93.283	5889NB16	34,467
Centers for Disease Control and Prevention- Investigations and Technical Assistance	93.283	5889WW10	4,000
Centers for Disease Control and Prevention- Investigations and Technical Assistance	93.283	MOU-2009-ELC05	<u>900</u>
			<u>48,462</u>
Iowa Department of Human Services Promoting Safe and Stable Families	93.556	DCFS-07-003	<u>11,420</u>
Human Services Administrative Reimbursement Temporary Assistance for Needy Families	93.558		<u>102,786</u>
Child Support Enforcement	93.563		<u>999,984</u>
Refugee and Entrant Assistance - State Administered Programs	93.566		<u>168</u>

(continued)

COUNTY OF LINN, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

Grantor/Program	CFDA Number	Agency or Pass Through Number	Program Expenditures
U.S Department of Health and Human Services (continued)			
Pass through program from (continued)			
Iowa Department of Human Services (continued)			
Human Services Administrative Reimbursement (continued)			
Child Care and Development Block Grant	93.575		<u>\$ 645,260</u>
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		<u>29,166</u>
Hawkeye Area Community Action Program Head Start	93.600		<u>137,446</u>
Human Services Administrative Reimbursement Foster Care - Title IV-E	93.658		<u>61,179</u>
Adoption Assistance	93.659		<u>14,875</u>
Social Services Block Grant	93.667		<u>67,365</u>
State Children's Insurance Program	93.767		<u>838</u>
Medical Assistance Program	93.778		<u>134,677</u>
Iowa Department of Public Health			
HIV Care Formula Grant	93.917	5880HC08	<u>4,514</u>
HIV Prevention Activities - Health Department Based	93.940	5889AP09	1,479
HIV Prevention Activities - Health Department Based	93.940	5888AP17	10,741
HIV Prevention Activities - Health Department Based	93.940	5889AP17	<u>11,155</u>
			<u>23,375</u>
Block Grants for Community Mental Health Services	93.958	BDPS-06-050	16,386
Block Grants for Community Mental Health Services	93.958	DCFS7-09-005	<u>41,000</u>
			<u>57,386</u>
Preventive Health and Health Services Block Grant	93.991	588AP09	9,008
Preventive Health and Health Services Block Grant	93.991	5889AP09	<u>6,579</u>
			<u>15,587</u>

Total U.S Department of Health and Human Services

2,496,211
(continued)

COUNTY OF LINN, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Agency or Pass Through Number</u>	<u>Program Expenditures</u>
Corporation for National and Community Service			
Pass through program from			
Iowa Commission on Volunteer Services			
AmeriCorps	94.006	08-AC-16	\$ 115,087
AmeriCorps	94.006	07-AF-16	<u>19,755</u>
			<u>134,842</u>
Social Security Administration			
Pass through program from			
Iowa Department of Human Services			
Social Security- Disability Insurance	96.001		<u>50</u>
U.S. Department of Homeland Security			
Pass through program from			
United Way of America			
Emergency Food and Shelter National Board Program	97.024	27-2964-00	<u>81,035</u>
Iowa Department of Homeland Security			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-1763	<u>16,157,632</u>
Total U.S. Department of Homeland Security			<u>16,238,667</u>
Total			<u>\$ 19,678,907</u>

COUNTY OF LINN, IOWA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

NOTE 1 – BASIS OF PRESENTATION

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

NOTE 2 – SUBRECIPIENTS

Of the federal expenditures presented in the Schedule, the County of Linn, Iowa, provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Child Care and Development Block Grant	93.575	\$ 609,928
Block Grants for Community Mental Health Services	93.958	39,264
AmeriCorps	94.006	85,424
Emergency Food and Shelter National Board Program	97.024	80,236

**COUNTY OF LINN, IOWA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2009**

Part I: Summary of the Independent Auditor's Results:

Financial Statements

Type of auditor's report issued Unqualified

Internal control over financial reporting:

Material weakness identified Yes

Significant deficiency Yes

Noncompliance material to financial statements noted No

Federal Awards

Internal control over major programs:

Material weakness identified No

Significant deficiency None reported

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

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a) No

Identification of major programs:

CFDA Number

93.563

97.036

Name of Federal Program or Cluster

Child Support Enforcement

Disaster Grants-Public Assistance

Dollar threshold used to distinguish between Type A and Type B programs \$590,367

Auditee qualified as low-risk auditee No

Part II: Findings Related to the Financial Statements:

SIGNIFICANT DEFICIENCY/MATERIAL WEAKNESS

II-A-09 Material Audit Adjustments

Criteria – A properly designed system of internal control over financial reporting allows for the preparation of financial statements which are free from material misstatement and presented in conformity with generally accepted accounting principles (GAAP).

Condition – As a result of our audit procedures, we were required to propose a material adjustment in the area related to the recognition or deferral of certain grant proceeds.

Cause – The cause of the adjustment appears to be that finance staff used an incorrect receipt date when determining whether this revenue should be recognized or deferred in the year ended June 30, 2009.

Effect – Had the proposed adjustments not been made, the financial statements would have been materially misstated.

COUNTY OF LINN, IOWA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2009

Part II: Findings Related to Financial Statement: (continued)

Recommendation – We recommend that those responsible for preparation of the financial statements perform a more thorough review of the items needed to report in accordance with GAAP and communicate with other departments to insure completeness of the information received.

Response – The County plans to hire additional accounting staff that will allow a more thorough review of items needed to report in accordance with GAAP.

Conclusion – Response accepted.

Part III: Other Findings Related to Required Statutory Reporting:

III-A-09 Certified Budget – Disbursements during the year ended June 30, 2009 exceeded the amounts budgeted in the capital projects function and department.

Recommendation – The budget should have been amended in accordance with Chapter 331.435 of the Code of Iowa before disbursements were allowed to exceed the budget.

Chapter 331.434(6) of the Code of Iowa authorizes the Board of Supervisors, by resolution, to increase or decrease appropriations of one office or department by increasing or decreasing the appropriation of another office or department as long as the function budget is not increased. Such increases or decreases should be made before disbursements are allowed to exceed the appropriation.

Response – The County understood the budget should have been amended prior to disbursement of amounts that exceeded the budget. This was an emergency situation that resulted from the June 2008 flooding in Linn County. Disbursement critical to recovery had to be made prior to the required timeline needed for a budget amendment.

Conclusion – Response accepted.

III-B-09 Questionable Expenditures – No expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979, were noted.

III-C-09 Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

III-D-09 Business Transactions – Business transactions between the County and County Officials or employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
Lu Barron, Supervisor, spouse is owner of Barron Motor Supplies, Inc.	Batteries, per bid	\$ 8,009

COUNTY OF LINN, IOWA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2009

Part III: Other Findings Related to Required Statutory Reporting: (continued)

Name, Title, and Business Connection	Transaction Description	Amount
Jim Houser, Board of Supervisors, spouse was paid as a deputy medical examiner	Medical examiner	\$ 4,511
Steve Tucker, Finance Director, spouse is a court reporter sometimes used by the County to obtain documents on certain cases	Court documents	699
Randall Clapp, Election Tech, wife was paid as an election worker	Election worker	219

In accordance with Chapter 331.342(4) of the Code of Iowa, the battery purchases with the Supervisor do not appear to represent conflicts of interest since they were entered into through competitive bidding. The transactions with Jim Houser could represent a conflict of interest, and the County should get an opinion from the County Attorney. In accordance with Chapter 331.342 of the Code of Iowa, the transactions with the Finance Director do not appear to represent conflicts of interest because these transactions are a result of this being professional services and the fact that the transaction is the default of his spouse being the reporter on a certain case. The transactions with the election wages do not appear to represent conflicts of interest since total transactions were less than \$1,500 during the fiscal year as allowed by Chapter 331.342(10) of the Code of Iowa.

Recommendation – The County should develop a conflict of interest policy and inform all employees of the bidding requirements if transactions exceed the \$1,500 limit imposed by Chapter 331.342 of the Code of Iowa.

Response – The County has a draft conflict of interest policy that is currently under review by the County Attorney.

Conclusion – Response accepted.

III-E-09 Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.

III-F-09 Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.

III-G-09 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County’s investment policy were noted.

COUNTY OF LINN, IOWA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2009

Part III: Other Findings Related to Required Statutory Reporting: (continued)

III-H-09 Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

III-I-09 County Extension Office – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an Extension Council separate and distinct from County operations and, consequently, is not included in the governmental funds balance sheet or statement of revenues, expenditures, and changes in fund balances.

Disbursements during the year ended June 30, 2009, for the County Extension Office did not exceed the amount budgeted.



CPAs & BUSINESS ADVISORS

To the Officials of Linn County, Iowa
Cedar Rapids, Iowa

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Linn County, Iowa, for the year ended June 30, 2009, and have issued our report thereon dated December 23, 2009. Professional standards require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Linn County, Iowa, are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2009. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the depreciable lives is based on past history of life cycles of capital assets. We evaluated the key factors and assumptions used to develop the depreciable lives in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of intergovernmental receivables from FEMA is based on expenditures incurred for flood related items as of year-end which are reimbursed through FEMA. We evaluated the key factors and assumptions used to develop the receivables in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the incurred but not reported claims is based on a calculation of estimated unpaid claims. We evaluated the key factors and assumptions used to develop the incurred but not reported claims in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the other postemployment benefits is based on a calculation of actuarially determined contributions for health insurance benefits. We evaluated the key factors and assumptions used to develop the other postemployment benefits liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 23, 2009.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Comments

We have included additional comments regarding the County's operations and future accounting pronouncements which will affect the County. These comments are not a result of in-depth study of any specific areas but are based on observations made during the course of our audit.

This information, a public record by law, is intended solely for the use of the officials, employees, and citizens of Linn County, Iowa, and other parties to whom Linn County, Iowa, may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

To the Officials of Linn County, Iowa
Page 3

As always, we will be happy to discuss these or any other topics at your convenience. We would like to take this opportunity to express our appreciation to you and your staff for the fine cooperation that we received during the course of the audit. We look forward to many years of continued service to Linn County, Iowa.

Eide Bailly LLP

Dubuque, Iowa
December 23, 2009

LINN COUNTY, IOWA

YEAR ENDED JUNE 30, 2009

OTHER COMMENTS

Vacation Accrual

During review of the vacation accrual for deputy elected officials, it was noted that there are some deputies with excess amounts of accrued vacation. There is no limit currently placed on deputy elected officials, except for the auditor's office, regarding vacation accrual. This creates a large liability and provides little incentive to use the vacation. We recommend that the County review the current policies and determine if limits should be in place to limit the County's future liability and encourage the use of accrued vacation.

Mandatory Vacation Policy

The County does not currently have a policy requiring mandatory use of vacation. As a step to strengthen internal controls, we recommend that the County institute a policy requiring personnel to take at least one week of their vacation at a time. While the employee is gone, someone else should perform their normal duties.

Conflict of Interest Policy

We noted that the County does not have a formal policy regarding employee conflict of interest. Issues of conflicts have become much more scrutinized, and many organizations have developed or formalized such a policy. We recommend the County adopt a formal policy covering potential conflict of interest situations. This policy should identify all business relationships and other dealings between the County and its officers, directors, key employees and other such parties with whom the County conducts business.

Claims Policy

During the audit, it was noted that there is no time limit for submission of claims to be paid. We recommend the County adopt a policy to only pay claims which are submitted timely to ensure accurate accounting records.

Journal Entry Review and Approval

During the audit, it was noted that there is no documentation maintained to support approval of journal entries prior to being posted to the system after the entries were reviewed by the Finance Director. In addition, it was noted that any entries posted to the accounting system by the Finance Director were not reviewed for approval. We recommend that documentation of approval be maintained after review of all journal entries and that approvals are made by persons of appropriate authority over the individual proposing the entry.

LINN COUNTY, IOWA

YEAR ENDED JUNE 30, 2009

OTHER COMMENTS

New Accounting Pronouncements

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

Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, issued June 2007, will be effective for the fiscal year ending June 30, 2010. This statement requires that all intangible assets not specifically excluded by its scope be classified as capital assets.

Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, issued June 2008, will be effective for the fiscal year ending June 30, 2010. This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments.

Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, issued March 2009, will be effective for the fiscal year ending June 30, 2011. This Statement establishes new standards for fund balance classifications based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

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