



COUNTY OF LINN, IOWA
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2010

COUNTY OF LINN, IOWA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

PREPARED BY OFFICE OF FINANCE AND BUDGET

COUNTY OF LINN, IOWA

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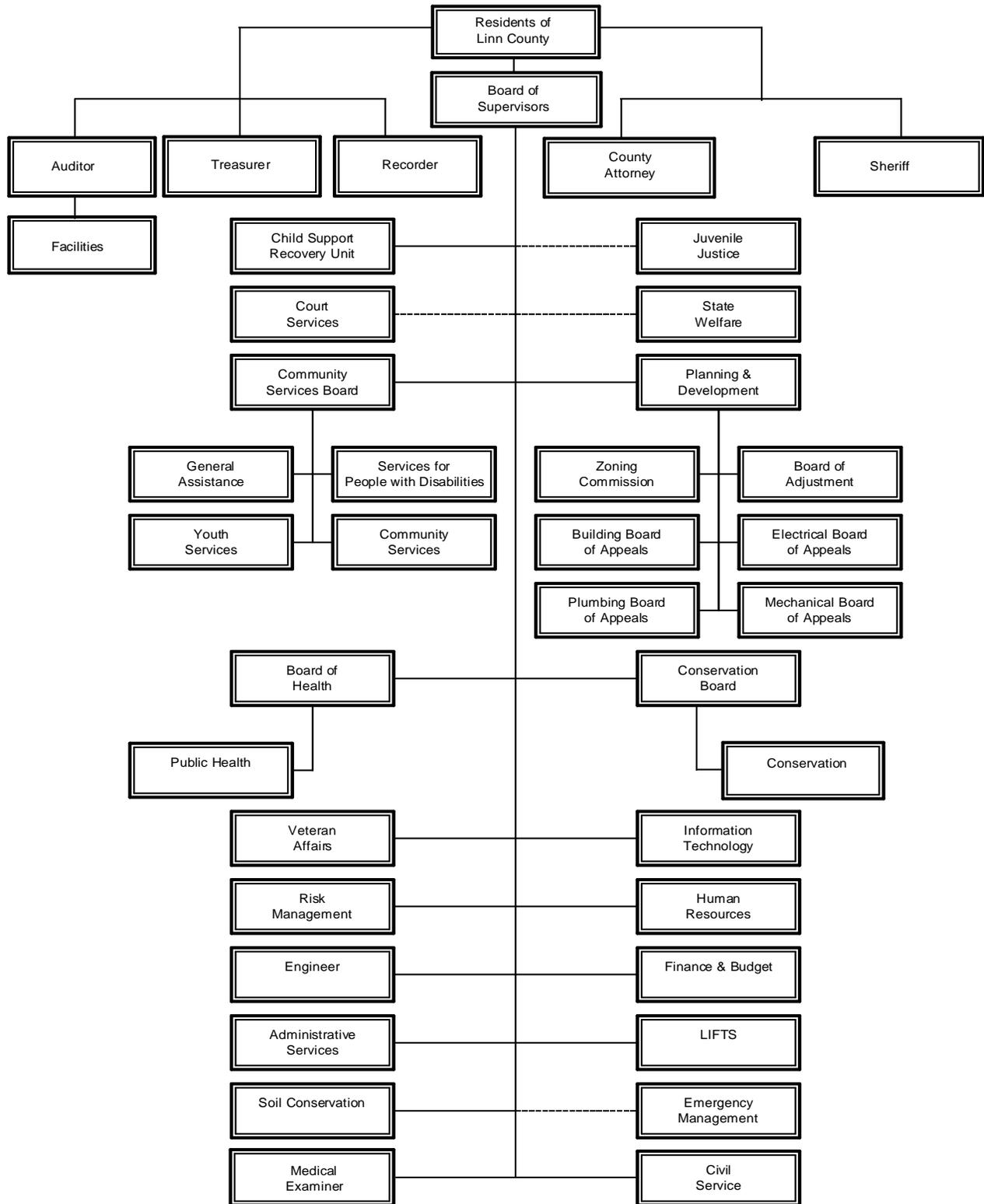
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INTRODUCTORY SECTION

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
Jerry Vander Sanden	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

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

December 15, 2010

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, 2010, 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, 2010 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, 2010 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 2010 population of Linn County is estimated at 211,217 – an increase of 0.3 percent from 2009. The local unemployment rate rose to 6.5 percent at the end of fiscal year 2010, compared to 6.0 percent in the prior year. The national average was 9.5 percent at the end of fiscal year 2010.

Several major construction projects are underway in downtown Cedar Rapids and now the city has unveiled plans for a \$75.6 million Convention Complex designed to draw organizations and groups from across the country. Total square footage of the complex will be 291,000 allowing the facility to host large national conventions. Officials expect the complex to bring 375,000 people to the city annually, spending an additional \$2.8 million every year and generate an annual economic impact of \$34 million. Construction requires property demolition that will start in March of 2011 with ground breaking planned for the following August. The facility is expected to open in February of 2013.

Physicians Clinic of Iowa is moving forward with plans to build a \$40 million downtown medical mall and participate with Mercy Medical Center and St. Luke's Hospital in the 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 new parks master plan proposed for Cedar Rapids features several riverfront improvements including a 5,000-seat downtown riverfront amphitheater on the west bank of the Cedar River. The amphitheater would face the river and is across from the new LEED-certified federal courthouse currently being constructed. Workers broke ground on the courthouse project last year and construction is expected to be complete by July of 2012.

A major expansion recently announced by GoDaddy.com, the world's largest web-hosting internet company, will add a total of 500-700 employees over the next five years, with 100-200 people needed in the next few months. The business is moving its offices to Hiawatha from Cedar Rapids, becoming Hiawatha's largest employer over the next several years. Another local employer, Rockwell Collins, has also announced hiring plans. The company expects to hire 800 people over the next 12 months, with about half of those jobs in Iowa. The Cedar Rapids based aerospace electronics company currently employs 8,600 people in Cedar Rapids. The commercial aerospace industry has been picking up after a major slowdown caused by the recent recession.

Long-Term Financial Planning

Following the flooding of 2008, Linn County has been designing several new or improved flood damaged buildings. Construction is already underway on the new Options/LCCS building that will house human services and sheltered workshop programs. Construction of a new Juvenile Justice Center is also going on at the same time, along with the expansion and complete renovation of the Public Service Center. These building projects are all LEED-certified designs to provide residents with energy efficient, green buildings. These projects will be completed in 2011. The Correctional Facility and the Courthouse are the final two buildings to be renovated after the flood. Those projects have been designed and construction is expected to start in the near future.

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 2011. 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 was opened in August 2010, providing sufficient landfill capacity for the next 3 to 4 years. 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 as a result of the June 2008 flood. The policy was deactivated during fiscal year 2010. 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, 2009. This was the 21st 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.

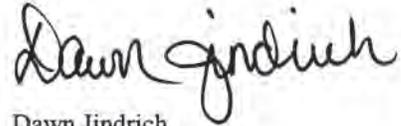
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget for fiscal year 2011. 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, 2009

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



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, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the County of Linn, Iowa. 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, 2010, 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 15, 2010, 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, budgetary comparison information, and schedule of funding progress for retiree health plan 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 15, 2010

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, 2010. 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 \$110,077,882 (net assets). Of this amount, \$17,741,545 (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors
- The County's total net assets increased by \$13,067,608
- As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$16,201,640, an increase of \$4,519,351 in comparison with the prior year
- At the end of the current fiscal year, the fund balance for the general fund was \$12,864,089, or 19 percent of total general fund expenditures
- Total general obligation bonded debt increased by \$1,000,000 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 15 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, the capital projects 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 – 51 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 \$110,078,000 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

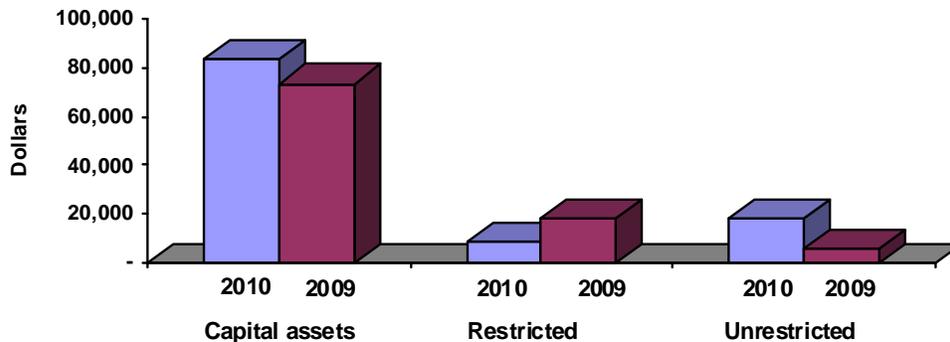
outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt 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, 2010

The County's combined net assets increased to \$110,078,000 for fiscal year 2010. A condensed version of the Statement of Net Assets as of June 30, 2010 and June 30, 2009 follows:

County of Linn Net Assets (in thousands)						
	Governmental Activities		Business-Type Activities		Total Government	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 98,997	\$ 92,026	\$ 444	\$ 317	\$ 99,441	\$ 92,343
Capital assets	84,747	73,436	61	77	84,808	73,513
Total assets	<u>183,744</u>	<u>165,462</u>	<u>505</u>	<u>394</u>	<u>184,249</u>	<u>165,856</u>
Long-term debt outstanding	6,490	5,149	-	-	6,490	5,149
Other liabilities	67,641	63,640	40	57	67,681	63,697
Total liabilities	<u>74,131</u>	<u>68,789</u>	<u>40</u>	<u>57</u>	<u>74,171</u>	<u>68,846</u>
 Net assets:						
Invested in capital assets, net of related debt	83,626	73,306	61	77	83,687	73,383
Restricted	8,649	17,812	-	-	8,649	17,812
Unrestricted	17,338	5,555	404	260	17,742	5,815
Total net assets	<u>\$ 109,613</u>	<u>\$ 96,673</u>	<u>\$ 465</u>	<u>\$ 337</u>	<u>\$ 110,078</u>	<u>\$ 97,010</u>

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 \$10,304,000 increase includes a \$11,295,000 increase in net capital assets and a \$1,000,000 increase in general obligation-bonded. 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 – increased \$11,927,000 at June 30, 2010.

Current and other assets increased \$7,098,000 to \$99,441,000. Included is an increase of \$4,374,000 or 20 percent in pooled cash and investments and an increase in succeeding year property tax receivable of \$2,990,000 or 6 percent. The increase in pooled cash includes \$1,482,000 in the general fund as the Correctional Center post-flood occupancy increases to pre-flood levels. A decrease of \$920,000 due from the capital projects fund to the general fund is a result of the County beginning to receive a substantial portion of flood-related expenditures reimbursed from FEMA and the

State of Iowa. The increase in succeeding year property taxes is for the general fund to support fiscal year 2010 operational increases..

Statement of Activities for the Fiscal Year Ended June 30, 2010

A condensed version of the Statement of Activities as of June 30, 2010 and June 30, 2009 follows:

	County of Linn Changes in Net Assets						Total Percent- age Change 2009-2010
	Governmental Activities		Business-type Activities		Total		
	2010	2009	2010	2009	2010	2009	
Revenues:							
Program revenues:							
Charges for services	\$ 22,845	\$ 19,760	\$ 630	\$ 550	\$ 23,475	\$ 20,310	15.6%
Operating grants and contributions	41,271	48,442	-	-	41,271	48,442	-14.8%
Capital grants and contributions	4,941	2,470	-	-	4,941	2,470	100.0%
General revenues and transfers:							
Property taxes	47,121	47,282	-	-	47,121	47,282	-0.3%
Other county taxes	6,651	4,348	-	-	6,651	4,348	53.0%
State replacements and credits	1,341	1,412	-	-	1,341	1,412	-5.0%
Investment income	673	832	1	4	674	836	-19.4%
Other general revenue	1,303	1,536	-	-	1,303	1,536	-15.2%
Total revenues	<u>126,146</u>	<u>126,082</u>	<u>631</u>	<u>554</u>	<u>126,777</u>	<u>126,636</u>	0.1%
Expenses:							
Public safety and legal services	23,420	21,637	-	-	23,420	21,637	8.2%
Physical health and social services	21,284	18,389	-	-	21,284	18,389	15.7%
Mental health	30,971	30,850	503	621	31,474	31,471	0.0%
County environment and education	8,490	6,143	-	-	8,490	6,143	38.2%
Roads and transportation	14,046	16,169	-	-	14,046	16,169	-13.1%
Governmental services to residents	3,769	4,007	-	-	3,769	4,007	-5.9%
Administration	11,173	29,376	-	-	11,173	29,376	-62.0%
Nonprogram current	26	9	-	-	26	9	188.9%
Interest on long-term debt	27	348	-	-	27	348	-92.2%
Total expenses	<u>113,206</u>	<u>126,928</u>	<u>503</u>	<u>621</u>	<u>113,709</u>	<u>127,549</u>	-10.9%
Change in net assets	12,940	(846)	128	(67)	13,068	(913)	-1531.3%
Beginning 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%
Ending net assets	<u>\$ 109,613</u>	<u>\$ 96,673</u>	<u>\$ 465</u>	<u>\$ 337</u>	<u>\$ 110,078</u>	<u>\$ 97,010</u>	13.5%

Governmental activities

Revenues for the County's governmental activities remained relatively unchanged, increasing \$64,000 or 0.1% while total expenses decreased \$13,722,000 or 10.8%. Key elements include:

- The 0.3% decrease in County property taxes represented an overall valuation growth of 4.3% and a 19-cent decrease in the countywide levy rate.
- The \$7,171,000 decrease in operating grants and contributions included a \$12,125,000 decrease from FEMA for flood damage reimbursement, and increases of \$1,221,000 in flood-related grant revenue, \$899,000 in mental health charges for services and \$876,000 in local options sales taxes for road and conservation projects.
- Capital grants of \$4,941,000 were for infrastructure additions financed with federal grants and state farm-to-market funds.
- The \$2,303,000 increase in other county taxes was a result of passage of a 1-cent local option sales tax used to offset general fund revenue lost from the 2008 flood.

- Physical health and social services increased \$2,895,000 with the addition of flood-related CDBG pass through grants.
- Demolition and buyout grants of flooded properties of \$2,209,000 were the primary reason for the \$2,347,000 increase in county environment and education expenses.
- The roads and transportation expense decrease of \$2,123,000 resulted from a decrease in infrastructure projects and flood-related road repairs.
- The decrease in administrative expenses of \$18,203,000 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 \$384,000 or 3.1% for the existing 825 County employees as well as \$191,000 for four new employees. Health and dental expenses increased 5.5% or \$453,000.

Business-type activities

Options of Linn County, the County's sole business-type activity, increased net assets by \$128,000. Operating revenues increased 14.6% to \$630,000, while operating expenses decreased 19.0% to \$503,000 resulting in operating income of \$127,000 compared to an operating loss of \$71,000 for FY 09. Factors contributing to this:

- Revenue of \$127,000 was received from FEMA in FY10. This one time revenue was offset by declining revenue from subcontract work. The time when no work was available increased from 33% in FY09 to 36% in FY10. Challenges, associated with securing contract work continue, as the economy remains weakened and major contracts lost, due to the flood, have not been replaced.
- Operating expenses included reduced client wages caused by the reduction in subcontract work of \$58,000, elimination of \$38,000 in flood losses expensed in FY 09, reduced costs of \$11,000 for equipment rental and maintenance, as new items were acquired to replace those lost or damaged from the flood and a \$7,000 decrease in advertising costs, which had been significantly increased following the flood.

Individual Major Fund Analysis

As the County completed the year, its governmental funds reported a combined fund balance of \$16,202,000, \$4,520,000 more than last year. Total unreserved and undesignated fund balance had a deficit of \$4,809,000 and included a deficit of \$22,727,000 in capital projects as a result of unreimbursed flood-related expenditures. The remaining \$17,918,000 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.

General fund - General fund revenues increased by \$9,693,000 while expenditures increased \$3,157,000. Included in the revenue increase was local option sales tax revenue of \$3,708,000 used to replenish the general fund balance. The County also expended \$5,420,000 in reimbursed Jumpstart Iowa Recovery grants related to the June of 2008 flood. Administration expenditures decreased as a result of the significant FY 09 flood related repairs to County buildings and equipment.

Mental health fund – The County continues to evaluate alternatives to effectively manage mental health services. Mental health revenues decrease \$1,147,000 while expenditures remained unchanged from FY 09 resulting in an increase in fund balance of \$88,000. The County received \$10,183,000 in property tax relief and state allowable growth funding, a decrease of \$1,693,000 received in FY 09.

Secondary roads – The secondary roads net change in fund balance increased \$500,000 for FY 10. The decrease of \$832,000 in revenue and \$1,376,000 in expenditures is a combination of reduced expenditures and revenue related to the flood of 2008 and seasonal construction delays.

Capital projects – Revenues and expenditures both decrease approximately \$10,000,000 from FY 09. The decreases are the direct result of the significant flood-related repairs and FEMA reimbursements from the 2008 flood. The County also received proceeds from the issuance of \$1,000,000 general obligation taxable election depot bonds issued to finance improvements to the County's Election Depot Building

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 September 2009 and resulted in an increase to the general fund expenditure budget of \$2,000,000 for an amended total of \$62,049,000. The amendment increased revenue and expenditures due to Jumpstart Iowa Recovery funding related to the June of 2008 flood.

The second amendment in October of 2009 increased revenue and expenditures by \$3,055,000 for an amended expenditure budget of \$65,104,000. The amendment was for the flood buy-out grant program.

The third amendment in December of 2009 increased expenditures by \$2,984,000 for an amended expenditure budget of \$68,088,000. The amendment reflected new Public Health grants as well as amending FY 09 deferred revenues related to Linn County Community Services Empowerment grants.

The final amendment in May 2010 increased expenditures by \$1,990,000 for an amended expenditure budget of \$70,078,000. The increase was primarily for CDBG grant related expenditures and flood recovery expenditures of the Sheriff. Actual expenditures for the year totaled \$66,195,000 or \$3,883,000 less than the final amended budget – a variance of 5.5%.

Capital Assets and Debt Administration

	County of Linn's Capital Assets					
	(Net of Depreciation, in thousands)					
	Governmental Activities		Business-Type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Land	\$ 8,355	\$ 6,900	\$ -	\$ -	\$ 8,355	\$ 6,900
Buildings	20,728	21,513	-	-	20,728	21,513
Improvements other than buildings	397	429	-	-	397	429
Machinery and equipment	5,746	6,334	61	77	5,807	6,411
Infrastructure	35,869	35,829	-	-	35,869	35,829
Construction in progress	13,652	2,431	-	-	13,652	2,431
Total	<u>\$ 84,747</u>	<u>\$ 73,436</u>	<u>\$ 61</u>	<u>\$ 77</u>	<u>\$ 84,808</u>	<u>\$ 73,513</u>

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2010 was \$84,808,000 (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 15.4 percent. Major capital asset events during the fiscal year included the following:

- Construction in progress included \$9,651,000 in costs related to six county buildings damaged by the June 2008 flood
- Purchase of \$1,356,000 in land for the construction of the Options/LCCS building
- Completion of \$1,400,000 in roadway and bridge projects paid directly by the state and federal governments
- Various other infrastructure projects totaling \$638,000 were completed
- Machinery and equipment increases of \$850,000 including \$566,000 in secondary roads additions

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 total outstanding debt of \$1,000,000. The full faith and credit of the County back all the debt.

County of Linn's Outstanding Debt (in thousands)

	2009	Additions	Payments	2010
Governmental - General obligation bonds	\$ -	\$ 1,000	\$ -	\$ 1,000

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

For more detailed information on the County's debt and amortization terms, please refer to note 5 on pages 44 and 45 of this report.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the County was 6.5 percent at the end of fiscal year 2010, below the national average of 9.5 percent. Total employment decreased 1,548 in fiscal year 2010 to 150,473. Personal income decreased 1.5 percent to \$7.49 billion while per capita personal income decreased \$899 to \$35,442.

Property taxes levied will increase \$3,161,000 or 6.4 percent from the fiscal 2010 budget. This increase represents overall valuation growth of 4.0 percent combined with a 12-cent increase in the countywide levy rate. The 2011 countywide levy rate is \$6.07 per thousand dollars of taxable value. Net property tax revenue represents 42.7 percent of total revenues compared to 41.6 percent for fiscal 2010. Rural residents will pay \$9.79 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, 2010

ASSETS:	Governmental Activities	Business-Type Activities	Total
Pooled cash and investments	\$ 25,620,339	\$ 351,554	\$ 25,971,893
Receivables:			
Accounts	377,818	83,678	461,496
Property taxes:			
Delinquent	256,789	-	256,789
Succeeding year	55,089,190	-	55,089,190
Interest and penalties on property taxes	388,947	-	388,947
Accrued interest	26,412	92	26,504
Due from other governments	12,257,806	-	12,257,806
Due from individuals and private entities	203,566	-	203,566
Inventories and prepaid expenses	1,447,284	9,056	1,456,340
Investment in joint venture	3,329,000	-	3,329,000
Capital assets:			
Land and construction in progress	22,007,001	-	22,007,001
Other capital assets net of accumulated depreciation	62,740,082	60,749	62,800,831
Total capital assets	84,747,083	60,749	84,807,832
TOTAL ASSETS	183,744,234	505,129	184,249,363
LIABILITIES:			
Accounts payable	9,633,523	2,587	9,636,110
Salaries and benefits payable	1,283,248	37,827	1,321,075
Due to individuals and private entities	-	-	-
Unearned revenue:			
Succeeding year property tax	55,089,190	-	55,089,190
Other	1,607,942	-	1,607,942
Accrued interest payable	26,731	-	26,731
Long-term liabilities:			
Portion due or payable within one year:			
General obligation bonds payable	25,000	-	25,000
Capital lease obligations	58,480	-	58,480
Compensated absences	3,899,907	-	3,899,907
Portion due or payable after one year:			
General obligation bonds payable	975,000	-	975,000
Capital lease obligations	62,221	-	62,221
Other post employment benefits	465,916	-	465,916
Compensated absences	1,003,909	-	1,003,909
Total long-term liabilities	6,490,433	-	6,490,433
TOTAL LIABILITIES	74,131,067	40,414	74,171,481
NET ASSETS:			
Invested in capital assets net of related debt	83,626,382	60,749	83,687,131
Restricted for:			
Supplemental levy purposes	360,900	-	360,900
MH-DD services	3,051,685	-	3,051,685
Secondary roads	2,722,694	-	2,722,694
Other purposes	2,510,910	-	2,510,910
Debt service	3,017	-	3,017
Unrestricted	17,337,579	403,966	17,741,545
TOTAL NET ASSETS	\$ 109,613,167	\$ 464,715	\$ 110,077,882

See notes to financial statements.



COUNTY OF LINN, IOWA

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Public safety and legal services	\$ 23,419,645	\$ 4,654,032	\$ 2,237,820	\$ -
Physical health and social services	21,284,109	1,885,285	11,506,393	-
Mental health	30,971,383	9,530,998	13,604,674	-
County environment and education	8,489,702	1,294,456	1,369,488	-
Roads and transportation	14,046,097	1,295,929	6,045,193	4,941,215
Governmental services to residents	3,769,527	2,928,261	3,000	-
Administration	11,172,865	1,255,626	6,504,611	-
Nonprogram	25,713	-	-	-
Interest on long-term debt	26,731	-	-	-
Total governmental activities	<u>113,205,772</u>	<u>22,844,587</u>	<u>41,271,179</u>	<u>4,941,215</u>
Business-type activities - Options of Linn County	<u>502,529</u>	<u>629,689</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 113,708,301</u>	<u>\$ 23,474,276</u>	<u>\$ 41,271,179</u>	<u>\$ 4,941,215</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
\$ (16,527,793)	\$ -	\$ (16,527,793)
(7,892,431)	-	(7,892,431)
(7,835,711)	-	(7,835,711)
(5,825,758)	-	(5,825,758)
(1,763,760)	-	(1,763,760)
(838,266)	-	(838,266)
(3,412,628)	-	(3,412,628)
(25,713)	-	(25,713)
(26,731)	-	(26,731)
<u>(44,148,791)</u>	<u>-</u>	<u>(44,148,791)</u>
-	127,160	127,160
<u>(44,148,791)</u>	<u>127,160</u>	<u>(44,021,631)</u>
47,121,275	-	47,121,275
38	-	38
957,238	-	957,238
6,510,089	-	6,510,089
140,487	-	140,487
1,340,571	-	1,340,571
673,062	884	673,946
345,595	-	345,595
<u>57,088,355</u>	<u>884</u>	<u>57,089,239</u>
12,939,564	128,044	13,067,608
96,673,603	336,671	97,010,274
<u>\$ 109,613,167</u>	<u>\$ 464,715</u>	<u>\$ 110,077,882</u>

COUNTY OF LINN, IOWA

BALANCE SHEET – GOVERNMENTAL FUNDS
 JUNE 30, 2010

	Special Revenue Funds		
	General	MH-DD Services	Secondary Roads
ASSETS:			
Cash and investments:			
Pooled cash and investments	\$ 7,527,280	\$ 4,765,916	\$ 1,956,302
Other county officials	864,873	500	3,469
Receivables:			
Accounts	69,448	275,694	31,357
Property taxes:			
Delinquent	203,518	38,698	-
Succeeding year	42,611,917	8,102,672	-
Interest and penalties on property taxes	388,947	-	-
Accrued interest	26,072	-	-
Due from other funds	3,444,868	-	-
Due from other governments	4,509,620	1,730,038	299,182
Due from individuals and private entities	203,566	-	-
Inventories	205,524	-	894,928
Prepaid Items	127,200	212,190	-
TOTAL ASSETS	\$ 60,182,833	\$ 15,125,708	\$ 3,185,238
LIABILITIES AND FUND BALANCES:			
LIABILITIES:			
Accounts payable	\$ 2,385,712	\$ 3,725,148	\$ 357,675
Salaries and benefits payable	923,115	246,203	104,869
Due to other funds	-	-	-
Deferred revenue:			
Succeeding year property tax	42,611,917	8,102,672	-
Other	1,398,000	265,872	32,332
Total liabilities	47,318,744	12,339,895	494,876
FUND BALANCES:			
Reserved for:			
Encumbrances	-	-	1,087,877
Prepaid items	127,200	212,190	-
Inventories	205,524	-	894,928
Supplemental levy purposes	303,759	-	-
Debt service fund	-	-	-
Unreserved (deficit)	12,227,606	2,573,623	707,557
Unreserved reported in nonmajor - Special revenue funds	-	-	-
Total fund balances	12,864,089	2,785,813	2,690,362
TOTAL LIABILITIES AND FUND BALANCES	\$ 60,182,833	\$ 15,125,708	\$ 3,185,238

See notes to financial statements.

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,963,264	\$ 16,212,762
-	12,822	881,664
-	1,265	377,764
-	14,573	256,789
-	4,374,601	55,089,190
-	-	388,947
-	56	26,128
-	-	3,444,868
5,033,812	685,154	12,257,806
-	-	203,566
-	7,442	1,107,894
-	-	339,390
<u>\$ 5,033,812</u>	<u>\$ 7,059,177</u>	<u>\$ 90,586,768</u>
\$ 1,398,798	\$ 85,190	\$ 7,952,523
-	9,061	1,283,248
3,444,868	-	3,444,868
-	4,374,601	55,089,190
4,842,393	76,702	6,615,299
<u>9,686,059</u>	<u>4,545,554</u>	<u>74,385,128</u>
18,074,467	222,008	19,384,352
-	-	339,390
-	7,442	1,107,894
-	-	303,759
-	2,713	2,713
(22,726,714)	-	(7,217,928)
-	2,281,460	2,281,460
<u>(4,652,247)</u>	<u>2,513,623</u>	<u>16,201,640</u>
<u>\$ 5,033,812</u>	<u>\$ 7,059,177</u>	<u>\$ 90,586,768</u>

COUNTY OF LINN, IOWA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

Total fund balances for governmental funds \$ 16,201,640

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. 84,747,083

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. 3,329,000

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. 6,845,251

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. 5,007,357

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:

Bonds payable	\$ (1,000,000)	
Capital leases	(120,701)	
Other post employment benefits	(465,916)	
Compensated absences	(4,903,816)	
Total long-term debt liabilities	<u>(6,490,433)</u>	<u>(6,490,433)</u>

Total net assets of governmental activities \$ 109,613,167

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, 2010

	General	Special Revenue Funds	
		MH-DD Services	Secondary Roads
REVENUES:			
Property taxes	\$ 36,184,319	\$ 7,369,471	\$ -
Other county taxes	5,892,700	440,626	-
Interest and penalty on taxes	951,050	-	-
Intergovernmental	21,138,170	22,419,549	5,683,377
Licenses and permits	800,781	-	35,616
Charges for services	5,702,587	917,037	161,060
Use of money and property	761,455	3,600	-
Miscellaneous	1,239,977	-	112,170
Total revenues	<u>72,671,039</u>	<u>31,150,283</u>	<u>5,992,223</u>
EXPENDITURES:			
Current:			
Public safety and legal services	22,963,922	-	-
Physical health and social services	21,344,942	-	-
Mental health	-	31,067,490	-
County environment and education	7,835,490	-	-
Roads and transportation	1,629,256	-	9,738,481
Governmental services to residents	3,725,964	-	-
Administration	10,970,032	-	-
Nonprogram	25,713	-	-
Capital projects	-	-	489,415
Debt service	-	-	-
Total expenditures	<u>68,495,319</u>	<u>31,067,490</u>	<u>10,227,896</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,175,720</u>	<u>82,793</u>	<u>(4,235,673)</u>
OTHER FINANCING SOURCES (USES):			
Sale of capital assets	2,284	-	94,018
Proceeds from long-term debt	-	-	-
Provision for capital leases and installment purchases	47,988	5,034	-
Transfers in	17,950,309	-	4,641,794
Transfers out	(20,388,022)	-	-
Total other financing sources (uses)	<u>(2,387,441)</u>	<u>5,034</u>	<u>4,735,812</u>
NET CHANGE IN FUND BALANCES	1,788,279	87,827	500,139
FUND BALANCES AT BEGINNING	11,001,979	2,697,986	2,389,313
INCREASE (DECREASE) IN INVENTORY RESERVES	<u>73,831</u>	<u>-</u>	<u>(199,090)</u>
FUND BALANCES AT END OF YEAR	<u>\$ 12,864,089</u>	<u>\$ 2,785,813</u>	<u>\$ 2,690,362</u>

See notes to financial statements.

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 3,686,076	\$ 47,239,866
-	1,195,888	7,529,214
-	-	951,050
8,722,595	313,688	58,277,379
-	-	836,397
-	323,707	7,104,391
-	15,336	780,391
-	68,619	1,420,766
<u>8,722,595</u>	<u>5,603,314</u>	<u>124,139,454</u>
-	253,873	23,217,795
-	-	21,344,942
-	-	31,067,490
-	512,946	8,348,436
-	338,113	11,705,850
-	77,941	3,803,905
-	-	10,970,032
-	-	25,713
<u>9,358,356</u>	<u>328,653</u>	<u>10,176,424</u>
-	-	-
<u>9,358,356</u>	<u>1,511,526</u>	<u>120,660,587</u>
<u>(635,761)</u>	<u>4,091,788</u>	<u>3,478,867</u>
22,950	-	119,252
1,000,000	-	1,000,000
-	-	53,022
840,000	258,248	23,690,351
-	(3,302,329)	(23,690,351)
<u>1,862,950</u>	<u>(3,044,081)</u>	<u>1,172,274</u>
1,227,189	1,047,707	4,651,141
(5,879,436)	1,472,447	11,682,289
-	(6,531)	(131,790)
<u>\$ (4,652,247)</u>	<u>\$ 2,513,623</u>	<u>\$ 16,201,640</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, 2010

Net change in fund balances - total governmental funds \$ 4,651,141

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	15,597,998	
Depreciation	<u>(4,188,862)</u>	11,409,136

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets. (98,252)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (2,731,875)

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 issuance		(1,000,000)
-----------------------------------	--	-------------

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. 9,954

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. (131,790)

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	\$ 30,257	
Other post employment benefits annual required contribution	(382,405)	
Interest on long-term debt	<u>(26,731)</u>	(378,879)

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. 1,210,129

Change in net assets of governmental activities \$ 12,939,564

See notes to financial statements

COUNTY OF LINN, IOWA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

	Nonmajor Enterprise Fund - Options	Internal Service Funds
	<u> </u>	<u> </u>
ASSETS:		
Current assets:		
Pooled cash and investments	\$ 351,459	\$ 8,525,913
Cash - Other county officials	95	-
Receivables:		
Accounts	83,678	54
Accrued interest	92	284
Inventories and prepaid expenses	9,056	-
Total current assets	<u>444,380</u>	<u>8,526,251</u>
Noncurrent assets - capital assets net of accumulated depreciation	<u>60,749</u>	<u>-</u>
TOTAL ASSETS	<u>505,129</u>	<u>8,526,251</u>
 LIABILITIES:		
Current liabilities:		
Accounts payable	2,587	1,681,000
Salaries and benefits payable	37,827	-
Total current liabilities	<u>40,414</u>	<u>1,681,000</u>
 NET ASSETS:		
Invested in capital assets	60,749	-
Unrestricted	403,966	6,845,251
TOTAL NET ASSETS	<u>\$ 464,715</u>	<u>\$ 6,845,251</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, 2010

OPERATING REVENUES - Charges for services	\$	<u>629,689</u>	\$	<u>11,142,138</u>
OPERATING EXPENSES:				
Salaries and benefits		451,462		-
Supplies		7,503		-
Other expenses		27,762		-
Depreciation		15,802		-
Claims and administrative expenses		-		9,937,405
TOTAL OPERATING EXPENSES		<u>502,529</u>		<u>9,937,405</u>
OPERATING INCOME		127,160		1,204,733
NON-OPERATING REVENUES -				
Interest income		<u>884</u>		<u>5,398</u>
CHANGE IN NET ASSETS		128,044		1,210,131
TOTAL NET ASSETS - BEGINNING		<u>336,671</u>		<u>5,635,120</u>
TOTAL NET ASSETS - ENDING	\$	<u>464,715</u>	\$	<u>6,845,251</u>
See notes to financial statements				

COUNTY OF LINN, IOWA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2010

	Nonmajor Enterprise Fund - Options	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 629,356	\$ -
Cash received from other funds	-	10,829,660
Cash received from insurance claims	-	367,210
Cash received from employees	-	312,424
Cash paid to suppliers	(47,133)	-
Cash paid to employees	(457,703)	(29,288)
Cash paid for insurance claims and premiums	-	(9,431,637)
Cash paid for services	-	(787,396)
NET CASH FROM OPERATING ACTIVITIES	<u>124,520</u>	<u>1,260,973</u>
CASH FLOWS FROM INVESTING ACTIVITIES - Interest on investments	<u>899</u>	<u>5,617</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	125,419	1,266,590
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>226,135</u>	<u>7,259,323</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 351,554</u>	<u>\$ 8,525,913</u>
 RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES:		
OPERATING INCOME	<u>\$ 127,160</u>	<u>\$ 1,204,733</u>
 ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES:		
Depreciation	15,802	-
Increase in accounts receivable	(333)	(54)
Increase in inventories and prepaid expenses	(1,037)	-
Decrease in due to individuals and private entities	-	(37,706)
Increase (decrease) in accounts payable	(9,639)	94,000
Decrease in salaries and benefits payable	(7,433)	-
Total adjustments	<u>(2,640)</u>	<u>56,240</u>
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 124,520</u>	<u>\$ 1,260,973</u>
See notes to financial statements		

COUNTY OF LINN, IOWA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
YEAR ENDED JUNE 30, 2010

	<u>Deferred Compensation Trust Fund</u>
ADDITIONS:	
Employee contributions	\$ 86,517
Net increase in the fair value of investments	<u>194,509</u>
Total additions	281,026
DEDUCTIONS - Redemption of contributions to employee or beneficiaries	<u>118,859</u>
CHANGE IN NET ASSETS	162,167
TOTAL NET ASSETS - BEGINNING	<u>1,586,911</u>
TOTAL NET ASSETS - ENDING	<u><u>\$ 1,749,078</u></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.

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 and Pooled Investments – 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, 2008 assessed property valuations; is for the tax accrual period July 1, 2009 through June 30, 2010 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2009.

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, 2010, 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, intangibles, 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
Intangible	50,000
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
Software	10 – 15
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. The purchase method is used to account for prepaid items.

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, 2010. 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, 2010 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, 2010, the carrying amount of the County's deposits with financial institutions, which include certificates of deposit, was \$40,088,605, and the bank balances were \$43,856,214.

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 \$683,746 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 \$1,749,078 at June 30, 2010.

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, 2010. 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 \$3.71 for the year ended June 30, 2010.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,899,759	\$ 1,455,728	\$ -	\$ 8,355,487
Construction in progress	2,430,844	13,266,746	2,046,076	13,651,514
Total capital assets not being depreciated	<u>9,330,603</u>	<u>14,722,474</u>	<u>2,046,076</u>	<u>22,007,001</u>
Capital assets being depreciated:				
Infrastructure	53,911,161	2,037,688	-	55,948,849
Buildings	33,855,379	33,660	-	33,889,039
Improvements other than buildings	778,045	-	-	778,045
Machinery and equipment	20,520,830	850,250	892,132	20,478,948
Total capital assets being depreciated	<u>109,065,415</u>	<u>2,921,598</u>	<u>892,132</u>	<u>111,094,881</u>
Less accumulated depreciation for:				
Infrastructure	18,082,513	1,997,060	-	20,079,573
Buildings	12,341,720	819,455	-	13,161,175
Improvements other than buildings	349,006	32,124	-	381,130
Machinery and equipment	14,186,578	1,340,223	793,880	14,732,921
Total accumulated depreciation	<u>44,959,817</u>	<u>4,188,862</u>	<u>793,880</u>	<u>48,354,799</u>
Total capital assets being depreciated, net	<u>64,105,598</u>	<u>(1,267,264)</u>	<u>98,252</u>	<u>62,740,082</u>
Governmental activities capital assets, net	<u>\$ 73,436,201</u>	<u>\$ 13,455,210</u>	<u>\$ 2,144,328</u>	<u>\$ 84,747,083</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets being depreciated -				
Machinery and equipment	\$ 128,678	\$ -	\$ 8,100	\$ 120,578
Less accumulated depreciation for -				
Machinery and equipment	52,127	15,802	8,100	59,829
Business-type activities capital assets, net	<u>\$ 76,551</u>	<u>\$ (15,802)</u>	<u>\$ -</u>	<u>\$ 60,749</u>

Depreciation expense was charged to the following functions:

Governmental activities:		
Public safety and legal services		\$ 437,575
Physical health and social services		188,876
Mental health		44,485
County environment and education		336,821
Roads and transportation		2,664,286
Governmental services to residents		34,487
Administration		482,332
Total depreciation expense - governmental activities		<u>\$ 4,188,862</u>
Business-type activities - Options of Linn County		<u>\$ 15,802</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	\$ 405,863	\$ 144,250	\$ 261,613
Building projects	23,711,341	7,294,429	16,416,912
Road construction projects	1,309,885	-	1,309,885
	<u>\$ 25,427,089</u>	<u>\$ 7,438,679</u>	<u>\$ 17,988,410</u>

5. LONG-TERM OBLIGATION ACTIVITY

Changes in long-term obligations for the year ended June 30, 2010 are as follows:

	Balance			Balance	Due Within
	June 30, 2009	Increases	Decreases	June 30, 2010	One Year
General obligation bonds	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 25,000
Capital lease obligations	130,655	53,022	62,976	120,701	58,480
Compensated absences	4,934,073	3,792,013	3,822,270	4,903,816	3,899,907
Net OPEB liability	83,511	382,405	-	465,916	-
	<u>\$ 5,148,239</u>	<u>\$ 5,227,440</u>	<u>\$ 3,885,246</u>	<u>\$ 6,490,433</u>	<u>\$ 3,983,387</u>

General Obligation Bonds

General obligation Election Depot bonds totaling \$1,000,000 are outstanding as of June 30, 2010. For this issue, the County elected to issue the bonds as Build America Bonds and qualified bonds for which the County will receive a credit from the federal government in the amount of 35% of the interest payable on each interest payment date. The bonds have interest rates ranging from 1.50 percent to 5.75 percent and mature in varying annual amounts ranging from \$25,000 to \$75,000 per year with final maturities due in the year ended June 30, 2029. Interest and principal payments on all general obligation bonds are accounted for through the Debt Service Fund.

Summary of Bond Issues

General obligation bonds payable at June 30, 2010, are comprised of the following individual issues:

	Date of Issue	Amount Issued	Interest Rates	Outstanding June 30, 2010
General Obligation Bonds: Elections Depot	December, 2009	\$ 1,000,000	1.50 - 5.75 %	<u>\$ 1,000,000</u>

Summary of Principal and Interest Maturities

Annual debt service requirements to service all outstanding general obligation bonds as of June 30, 2010 are as follows:

Year Ending June 30	Principal	Interest	IRS	
			Credit	Total
2011	\$ 25,000	\$ 68,738	\$ (23,123)	\$ 70,615
2012	40,000	45,450	(15,908)	69,542
2013	45,000	44,650	(15,628)	74,022
2014	45,000	43,525	(15,234)	73,291
2015	45,000	42,175	(14,761)	72,414
2016-2020	240,000	182,525	(63,884)	358,641
2021-2025	285,000	122,150	(42,752)	364,398
2026-2029	275,000	40,050	(14,017)	301,033
	<u>\$ 1,000,000</u>	<u>\$ 589,263</u>	<u>\$ (205,307)</u>	<u>\$ 1,383,956</u>

Debt Legal Compliance

In order to limit the liability of taxpayers, the State constitution of Iowa imposes a limit on the amount of debt local governments may incur. The County's debt limitation is five percent of its estimated actual valuation. This limitation applies only to general obligation indebtedness. At June 30, 2010, the statutory limit for the County was \$725,055,062, providing a legal debt margin of \$724,055,062.

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, 2010, there were 18 series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$28,843,036.

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 4.30 percent of their annual covered salary and the County is required to contribute 6.65 percent of annual covered payroll. For law enforcement employees the percentages are 7.62 percent and 7.62 percent, while the percentages for conservation peace officers are 6.14 percent and 9.20 percent. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2010, 2009, and 2008 were \$2,773,046, \$2,613,834, and \$2,409,853 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 791 active and 32 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, 2010, the amount actually contributed to the plan and changes in the County's net OPEB obligation:

Annual required contribution	\$ 371,959
Interest on net OPEB obligation	4,176
Adjustment to annual required contribution	(3,346)
Annual OPEB cost	<u>372,789</u>
Payments made	<u>9,616</u>
Increase in net OPEB obligation	382,405
Net OPEB obligation beginning of year	<u>83,511</u>
Net OPEB obligation end of year	<u><u>\$ 465,916</u></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, 2010.

For the year ended June 30, 2010, the County paid \$9,616 to the medical plan. Plan members eligible for benefits contributed \$278,828, or 103.6% 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, 2010 are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2009	\$ 297,000	71.9%	\$ 83,511
June 30, 2010	371,959	-2.6%	465,916

Funded Status and Funding Progress. As of July 1, 2009, the most recent actuarial valuation date for the period July 1, 2009 through June 30, 2010, the actuarial accrued liability was \$3,530,951 with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,530,951. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$37,982,106 and the ratio of the UAAL to covered payroll was 9.3%. As of June 30, 2010, 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, 2009 actuarial valuation date, the projected 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 10.0%. The ultimate medical trend rate is 5.0%. The medical trend rate is reduced 0.5% each year until reaching the 5.0% 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, 2008 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2008.

The monthly expected claim cost is \$817. 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, 2010	Year ended June 30, 2009
Unpaid claims, beginning of year	\$ 1,348,000	\$ 1,448,108
Incurred claims	8,737,917	8,248,710
Claim payments	(8,643,917)	(8,348,818)
Unpaid claims, end of year	<u>\$ 1,442,000</u>	<u>\$ 1,348,000</u>

Self-insurance is in effect up to a calculated rating period aggregate deductible of \$9,716,052 for 2010. 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, 2010, the Employee Health and Dental Fund held \$6,822,858 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, 2010	Year ended June 30, 2009
Unpaid claims, beginning of year	\$ -	\$ -
Incurred claims	37,207	11,671
Claim payments	(37,207)	(11,671)
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, 2010	Year ended June 30, 2009
Unpaid claims, beginning of year	\$ 239,000	\$ 623,504
Incurred claims	1,199,488	1,049,044
Claim payments	(1,199,488)	(1,433,548)
Unpaid claims, end of year	<u>\$ 239,000</u>	<u>\$ 239,000</u>

At June 30, 2010, the Self-Insurance Fund held \$1,703,055 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, 2010 is as follows:

Receivable Fund	Payable Fund	Amount
General	Capital projects	\$ <u>3,444,868</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, 2010 is as follows:

	Interfund Transfers In	Interfund Transfers Out
General fund	\$ 17,950,309	\$ 20,388,022
Secondary roads fund	4,641,794	-
Capital projects fund	840,000	-
Nonmajor governmental funds	<u>258,248</u>	<u>3,302,329</u>
Total	<u>\$ 23,690,351</u>	<u>\$ 23,690,351</u>

In the year ended June 30, 2010, \$8,248 was transferred from the general fund to the debt service fund as a result of prior year property tax collections less than anticipated. Additionally, \$250,000 was transferred from the general fund to the conservation REAP fund to be used for conservation land acquisition and capital improvement projects.

Transfers are used to move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources. Transfers were also used to move unrestricted general fund revenues to finance various programs that the County must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

In the year ended June 30, 2010, there were no significant individual transfers that did not occur on a routine basis or were inconsistent with the activities of the fund making the transfer.

12. 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 2014. 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 \$47,502 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, 2010:

<u>Year Ending June 30</u>	<u>Capital Leases</u>	<u>Operating Leases</u>
2011	\$ 60,481	\$ 269,503
2012	43,007	269,363
2013	13,196	269,363
2014	3,525	202,022
2015	2,317	-
Total minimum lease payments	122,526	<u>\$ 1,010,251</u>
Less amounts representing interest	(1,825)	
Present value of minimum lease payments	<u>\$ 120,701</u>	

Lease expenditures for the year ended June 30, 2010, for all operating leases were \$271,043.

13. 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.

14. 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, 2010, the agency's equity was \$30.2 million of which 11.0 percent or \$3,329,000 was the County's equity interest. The previous year, the equity interest for the County was \$2,959,000. Complete separate financial statements for the Cedar Rapids/Linn County Solid Waste Agency may be obtained from the administrative offices of the agency at 1954 County Home Road, Marion, Iowa 52302.

15. DEFICIT BALANCES

At June 30, 2010, funds with deficit balances were as follows:

Fund	Deficit Amount
Capital projects	\$ 4,652,247

The deficit does not represent the violation of any law. The deficit will be eliminated prior to the end of fiscal 2011 by receipt of FEMA revenue related to the June 2008 flood.

16. SUBSEQUENT EVENTS

On September 30, 2009, the County approved issuance of \$2,995,000 General Obligation Build America Bonds to finance construction of the County's Juvenile Courthouse. The bonds mature on June 1 in each of the respective years and in principal amounts between \$135,000 and \$195,000 and bear interest at rates ranging from 0.80% and 4.90% commencing June 1, 2012 and ending June 1, 2030. Bonds maturing on June 1, 2019 and thereafter are subject to redemption prior to maturity at times and on the terms specified in the Bonds.

On December 8, 2010, the County approved issuance of \$10,260,000 General Obligation Build America Bonds to finance (1) constructing, equipping and furnishing a portion of the Correctional Facilities Phase II project; (2) remodeling the Linn County Courthouse; (3) constructing the Linn County Community Services/Options of Linn County Building; and (4) constructing improvements to the Wickiup Hill Nature Center. The bonds mature on June 1 in each of the respective years and in principal amounts between \$465,000 and \$680,000 and bear interest at rates ranging from 0.75% and 5.00% commencing June 1, 2012 and ending June 1, 2030. Bonds maturing on June 1, 2019 and thereafter are subject to redemption prior to maturity at times and on the terms specified in the Bonds.

On October 13, 2010, the County settled a lawsuit filed against it to satisfy damages related to an incident occurring at the Linn County Correctional Center. The plaintiffs were awarded damages of \$585,565. Prior to settlement, it was the assessment of the County Attorney that material damages would not be awarded.

17. NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STANDARDS

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

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.

Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, issued December 2009, will be effective for the fiscal year ending June 30, 2013. This Statement permits an agent employer that has an individual-employer OPEB plan with fewer than 100 total plan members to use the alternative measurement method.

Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*, issued December 2009, will be effective for the fiscal year ending June 30, 2011. This Statement establishes new standards for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code.

Statement No. 59, *Financial Instruments Omnibus*, issued June 2010, will be effective for the fiscal year ending June 30, 2011. The objective of this Statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice.

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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 47,937,028	\$ 47,328,997	\$ 47,165,325	\$ (163,672)
Other county taxes	2,959,611	7,542,678	7,819,366	276,688
Interest and penalty on taxes	565,000	565,000	932,783	367,783
Intergovernmental	54,449,342	62,632,756	56,416,644	(6,216,112)
Licenses and permits	733,189	760,889	834,472	73,583
Charges for services	6,226,390	6,834,807	7,123,806	288,999
Use of money and property	1,260,948	727,686	788,395	60,709
Miscellaneous	818,711	879,936	1,013,101	133,165
Total revenues	<u>114,950,219</u>	<u>127,272,749</u>	<u>122,093,892</u>	<u>(5,178,857)</u>
EXPENDITURES:				
Operating:				
Public safety and legal services	22,407,104	23,274,152	22,889,957	384,195
Physical health and social services	15,635,647	21,301,206	20,386,771	914,435
Mental health	33,378,375	30,583,044	30,632,342	(49,298)
County environment and education	6,172,240	9,396,372	8,331,197	1,065,175
Roads and transportation	11,681,465	12,519,426	11,701,595	817,831
Governmental services to residents	3,862,536	3,937,365	3,796,412	140,953
Administration	11,070,222	11,239,904	9,934,940	1,304,964
Nonprogram	20,108	30,000	25,302	4,698
Capital projects	<u>12,322,000</u>	<u>14,243,150</u>	<u>11,610,963</u>	<u>2,632,187</u>
Total expenditures	<u>116,549,697</u>	<u>126,524,619</u>	<u>119,309,479</u>	<u>7,215,140</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,599,478)</u>	<u>748,130</u>	<u>2,784,413</u>	<u>2,036,283</u>
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	4,250	67,448	119,732	52,284
General long-term debt proceeds	-	-	1,000,000	1,000,000
Transfers in	14,082,103	23,690,351	23,690,351	-
Transfers out	<u>(14,082,103)</u>	<u>(23,690,351)</u>	<u>(23,690,351)</u>	<u>-</u>
Total other financing sources (uses)	<u>4,250</u>	<u>67,448</u>	<u>1,119,732</u>	<u>1,052,284</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(1,595,228)</u>	<u>815,578</u>	<u>3,904,145</u>	<u>3,088,567</u>
FUND BALANCES - BEGINNING	<u>13,172,605</u>	<u>13,172,605</u>	<u>13,172,605</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 11,577,377</u>	<u>\$ 13,988,183</u>	<u>\$ 17,076,750</u>	<u>\$ 3,088,567</u>

See accompanying independent auditor's report

COUNTY OF LINN, IOWA
 BUDGETARY COMPARISON SCHEDULE
 BUDGET TO GAAP RECONCILIATION
 YEAR ENDED JUNE 30, 2010

	Governmental Fund Types		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 122,093,892	\$ 2,045,562	\$ 124,139,454
Expenditures	119,309,479	1,351,108	120,660,587
Net	2,784,413	694,454	3,478,867
Total other financing sources	1,119,732	52,542	1,172,274
Beginning fund balances	13,172,605	(1,490,316)	11,682,289
Decrease in reserve for inventories	-	(131,790)	(131,790)
Ending fund balances	<u>\$ 17,076,750</u>	<u>\$ (875,110)</u>	<u>\$ 16,201,640</u>

See accompanying independent auditor's report

COUNTY OF LINN, IOWA

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION –
BUDGETARY REPORTING
YEAR ENDED JUNE 30, 2010

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, four budget amendments increased budgeted expenditures by \$9,974,922. 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%
07/01/09	-	3,530,951	3,530,951	-	37,982,106	9.3%

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.

Secondary Roads LOST – To account for the one-cent local options sales tax revenue to be expended for secondary roads construction projects.

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.

Conservation LOST – To account for the one-cent local options sales tax revenue to be expended for conservation projects.

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

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.

COUNTY OF LINN, IOWA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2010

ASSETS	Rural Services	Secondary Roads LOST	Inmate Commissary	Special Gifts and Donations
Cash and investments:				
Pooled cash and investments	\$ 418,813	\$ 262,903	\$ 170,984	\$ 207,055
Other county officials	-	-	-	-
Receivables:				
Accounts	-	-	1,265	-
Property taxes:				
Delinquent	14,229	-	-	-
Succeeding year	4,303,828	-	-	-
Accrued interest	-	-	-	-
Due from other governments	-	525,806	-	-
Inventories	7,442	-	-	-
TOTAL ASSETS	\$ 4,744,312	\$ 788,709	\$ 172,249	\$ 207,055
 LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	\$ 3,911	\$ -	\$ 11,070	\$ -
Salaries and benefits payable	7,022	-	2,039	-
Due to other funds	-	-	-	-
Deferred revenue:				
Succeeding year property tax	4,303,828	-	-	-
Other	12,000	-	-	-
Total liabilities	4,326,761	-	13,109	-
 FUND BALANCES:				
Reserved for:				
Encumbrances	-	222,008	-	-
Inventories	7,442	-	-	-
Debt service	-	-	-	-
Unreserved	410,109	566,701	159,140	207,055
Total fund balances	417,551	788,709	159,140	207,055
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,744,312	\$ 788,709	\$ 172,249	\$ 207,055

Revenue Funds

Recorder's Records Management	Conservation Reserve	Conservation REAP	Conservation LOST	Air Pollution Title V	Debt Service	Total
\$ 83,043	\$ 515,073	\$ 192,580	\$ 29,211	\$ 80,929	\$ 2,673	\$ 1,963,264
12,822	-	-	-	-	-	12,822
-	-	-	-	-	-	1,265
-	-	-	-	-	344	14,573
-	-	-	-	-	70,773	4,374,601
1	-	55	-	-	-	56
-	100,925	-	58,423	-	-	685,154
-	-	-	-	-	-	7,442
<u>\$ 95,866</u>	<u>\$ 615,998</u>	<u>\$ 192,635</u>	<u>\$ 87,634</u>	<u>\$ 80,929</u>	<u>\$ 73,790</u>	<u>\$ 7,059,177</u>
\$ 28,387	\$ 41,822	\$ -	\$ -	\$ -	\$ -	\$ 85,190
-	-	-	-	-	-	9,061
-	-	-	-	-	-	-
-	-	-	-	-	70,773	4,374,601
-	64,398	-	-	-	304	76,702
<u>28,387</u>	<u>106,220</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,077</u>	<u>4,545,554</u>
-	-	-	-	-	-	222,008
-	-	-	-	-	-	7,442
-	-	-	-	-	2,713	2,713
<u>67,479</u>	<u>509,778</u>	<u>192,635</u>	<u>87,634</u>	<u>80,929</u>	<u>-</u>	<u>2,281,460</u>
<u>67,479</u>	<u>509,778</u>	<u>192,635</u>	<u>87,634</u>	<u>80,929</u>	<u>2,713</u>	<u>2,513,623</u>
<u>\$ 95,866</u>	<u>\$ 615,998</u>	<u>\$ 192,635</u>	<u>\$ 87,634</u>	<u>\$ 80,929</u>	<u>\$ 73,790</u>	<u>\$ 7,059,177</u>

COUNTY OF LINN, IOWA

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

NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2010

				Special	
	Rural Services	Secondary Roads LOST	Inmate Commissary	Gifts and Donations	Recorder's Records Management
REVENUES:					
Property taxes	\$ 3,686,038	\$ -	\$ -	\$ -	\$ -
Other county taxes	319,543	788,709	-	-	-
Intergovernmental	141,673	-	-	-	-
Charges for services	-	-	233,080	-	48,939
Use of money and property	-	-	-	721	10
Miscellaneous	-	-	-	138	-
Total revenues	<u>4,147,254</u>	<u>788,709</u>	<u>233,080</u>	<u>859</u>	<u>48,949</u>
EXPENDITURES:					
Current:					
Public safety and legal services	-	-	253,873	-	-
County environment and education	498,162	-	-	-	-
Roads and transportation	338,113	-	-	-	-
Governmental services to residents	-	-	-	-	77,937
Administration	-	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Total expenditures	<u>836,275</u>	<u>-</u>	<u>253,873</u>	<u>-</u>	<u>77,937</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,310,979</u>	<u>788,709</u>	<u>(20,793)</u>	<u>859</u>	<u>(28,988)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	<u>(3,302,329)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,302,329)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	8,650	788,709	(20,793)	859	(28,988)
FUND BALANCES AT BEGINNING OF YEAR	415,432	-	179,933	206,196	96,467
DECREASE IN INVENTORY RESERVES	<u>(6,531)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 417,551</u>	<u>\$ 788,709</u>	<u>\$ 159,140</u>	<u>\$ 207,055</u>	<u>\$ 67,479</u>

Revenue Funds

Recorder's Electronic Fees	Conservation Reserve	Conservation REAP	LOST Conservation	Air Pollution Title V	Debt Service	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38	\$ 3,686,076
-	-	-	87,634	-	2	1,195,888
-	44,800	127,215	-	-	-	313,688
-	41,688	-	-	-	-	323,707
-	11,415	517	-	-	2,673	15,336
-	68,481	-	-	-	-	68,619
-	<u>166,384</u>	<u>127,732</u>	<u>87,634</u>	-	<u>2,713</u>	<u>5,603,314</u>
-	-	-	-	-	-	253,873
-	6,835	-	-	7,949	-	512,946
-	-	-	-	-	-	338,113
4	-	-	-	-	-	77,941
-	-	-	-	-	-	-
-	328,653	-	-	-	-	328,653
-	-	-	-	-	-	-
<u>4</u>	<u>335,488</u>	<u>-</u>	<u>-</u>	<u>7,949</u>	<u>-</u>	<u>1,511,526</u>
<u>(4)</u>	<u>(169,104)</u>	<u>127,732</u>	<u>87,634</u>	<u>(7,949)</u>	<u>2,713</u>	<u>4,091,788</u>
-	250,000	-	-	-	8,248	258,248
-	-	-	-	-	-	(3,302,329)
-	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,248</u>	<u>(3,044,081)</u>
(4)	80,896	127,732	87,634	(7,949)	10,961	1,047,707
4	428,882	64,903	-	88,878	(8,248)	1,472,447
-	-	-	-	-	-	(6,531)
<u>\$ -</u>	<u>\$ 509,778</u>	<u>\$ 192,635</u>	<u>\$ 87,634</u>	<u>\$ 80,929</u>	<u>\$ 2,713</u>	<u>\$ 2,513,623</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, 2010

	Employee Health and Dental Fund	Self- Insurance Fund	Total
ASSETS:			
Pooled cash and investments	\$ 6,822,858	\$ 1,703,055	\$ 8,525,913
Receivables:			
Accounts	54	-	54
Accrued interest	-	284	284
TOTAL ASSETS	<u>6,822,912</u>	<u>1,703,339</u>	<u>8,526,251</u>
LIABILITIES:			
Current liabilities - accounts payable	<u>1,442,000</u>	<u>239,000</u>	<u>1,681,000</u>
Total current liabilities	<u>1,442,000</u>	<u>239,000</u>	<u>1,681,000</u>
NET ASSETS - Unrestricted	<u>\$ 5,380,912</u>	<u>\$ 1,464,339</u>	<u>\$ 6,845,251</u>

COUNTY OF LINN, IOWA
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET
 ASSETS – INTERNAL SERVICE FUNDS
 YEAR ENDED JUNE 30, 2010

	Employee Health and Dental Fund	Self- Insurance Fund	Total
OPERATING REVENUES - Charges for services	\$ 10,145,843	\$ 996,295	\$ 11,142,138
OPERATING EXPENSES - Claims and administrative expenses	<u>8,737,917</u>	<u>1,199,488</u>	<u>9,937,405</u>
OPERATING INCOME (LOSS)	1,407,926	(203,193)	1,204,733
NON-OPERATING REVENUES - Interest income	<u>-</u>	<u>5,398</u>	<u>5,398</u>
CHANGE IN NET ASSETS	1,407,926	(197,795)	1,210,131
TOTAL NET ASSETS - BEGINNING	<u>3,972,986</u>	<u>1,662,134</u>	<u>5,635,120</u>
TOTAL NET ASSETS - ENDING	<u>\$ 5,380,912</u>	<u>\$ 1,464,339</u>	<u>\$ 6,845,251</u>

COUNTY OF LINN, IOWA
COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2010

	Employee Health and Dental Fund	Self- Insurance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from other funds	\$ 9,833,365	\$ 996,295	\$ 10,829,660
Cash received from insurance claims	367,210	-	367,210
Cash received from employees	312,424	-	312,424
Cash paid to employees	(29,288)	-	(29,288)
Cash paid for insurance claims and premiums	(8,488,209)	(943,428)	(9,431,637)
Cash paid for services	(531,336)	(256,060)	(787,396)
NET CASH FROM (FOR) OPERATING ACTIVITIES	1,464,166	(203,193)	1,260,973
CASH FLOWS FROM INVESTING ACTIVITIES - Interest on investments			
	-	5,617	5,617
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,464,166	(197,576)	1,266,590
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5,358,692	1,900,631	7,259,323
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 6,822,858	\$ 1,703,055	\$ 8,525,913
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM (FOR) OPERATING ACTIVITIES:			
OPERATING INCOME (LOSS)	\$ 1,407,926	\$ (203,193)	\$ 1,204,733
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH FROM (FOR) OPERATING ACTIVITIES:			
Increase in accounts receivable	(54)	-	(54)
Increase in accounts payable	94,000	-	94,000
Decrease in due to individuals and private entities	(37,706)	-	(37,706)
Total adjustments	56,240	-	56,240
NET CASH FROM (FOR) OPERATING ACTIVITIES	\$ 1,464,166	\$ (203,193)	\$ 1,260,973

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, 2010

AGRICULTURAL EXTENSION SERVICE FUND	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
ASSETS:				
Pooled cash and investments	\$ 5,838	\$ 428,441	\$ 428,164	\$ 6,115
Receivables - Property taxes:				
Delinquent	2,561	417,577	417,989	2,149
Succeeding year	434,420	449,972	434,420	449,972
Due from other governments	-	10,864	10,864	-
TOTAL ASSETS	\$ 442,819	\$ 1,306,854	\$ 1,291,437	\$ 458,236
LIABILITIES - Due to other governments	\$ 442,819	\$ 880,562	\$ 865,145	\$ 458,236
 MOTOR VEHICLE LICENSE AND USE TAX FUND				
ASSETS - Pooled cash and investments	\$ 4,219,028	\$ 48,067,912	\$ 48,013,025	\$ 4,273,915
LIABILITIES - Due to other governments	\$ 4,219,028	\$ 48,067,912	\$ 48,013,025	\$ 4,273,915
 MONIES AND CREDITS FUND				
ASSETS:				
Pooled cash and investments	\$ -	\$ 52,596	\$ 50,253	\$ 2,343
Receivables - Property taxes - delinquent	-	52,596	52,596	-
TOTAL ASSETS	\$ -	\$ 105,192	\$ 102,849	\$ 2,343
LIABILITIES - Due to other governments	\$ -	\$ 52,596	\$ 50,253	\$ 2,343

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2010 (CONTINUED)

COMMUNITY COLLEGE TAXING DISTRICT FUND	July 1, 2009	Additions	Deductions	June 30, 2010
ASSETS:				
Pooled cash and investments	\$ 85,637	\$ 6,791,801	\$ 6,781,391	\$ 96,047
Receivables - Property taxes:				
Delinquent	41,742	6,584,300	6,588,558	37,484
Succeeding year	6,850,111	7,818,862	6,850,111	7,818,862
Due from other governments	-	207,501	207,501	-
TOTAL ASSETS	\$ 6,977,490	\$ 21,402,464	\$ 20,427,561	\$ 7,952,393
LIABILITIES - Due to other governments	\$ 6,977,490	\$ 14,648,147	\$ 13,673,244	\$ 7,952,393
 <u>CITY TAXING DISTRICTS FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 1,184,374	\$ 101,485,608	\$ 101,085,072	\$ 1,584,910
Receivables:				
Property taxes:				
Delinquent	679,695	98,932,323	99,065,787	546,231
Succeeding year	102,961,132	106,197,861	102,961,132	106,197,861
Special assessments	36,610	144,644	135,193	46,061
Due from other governments	-	2,408,641	2,408,641	-
TOTAL ASSETS	\$ 104,861,811	\$ 309,169,077	\$ 305,655,825	\$ 108,375,063
LIABILITIES - Due to other governments	\$ 104,861,811	\$ 208,275,761	\$ 204,762,509	\$ 108,375,063
 <u>SCHOOL TAXING DISTRICTS FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 1,532,209	\$ 127,710,721	\$ 127,507,341	\$ 1,735,589
Receivables - Property taxes:				
Delinquent	705,652	124,516,779	124,583,129	639,302
Succeeding year	129,256,982	140,251,808	129,256,982	140,251,808
Due from other governments	-	3,193,942	3,193,942	-
TOTAL ASSETS	\$ 131,494,843	\$ 395,673,250	\$ 384,541,394	\$ 142,626,699
LIABILITIES - Due to other governments	\$ 131,494,843	\$ 268,601,831	\$ 257,469,975	\$ 142,626,699

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2010 (CONTINUED)

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<u>TAX SALE REDEMPTION FUND</u>				
ASSETS - Pooled cash and investments	\$ 325,175	\$ 3,779,934	\$ 3,801,866	\$ 303,243
LIABILITIES - Due to individuals and private entities	\$ 325,175	\$ 3,779,934	\$ 3,801,866	\$ 303,243
<u>MENTAL HEALTH AGENCY FUND</u>				
ASSETS - Cash - Other county officials	\$ 447,440	\$ 4,647,336	\$ 4,776,094	\$ 318,682
LIABILITIES - Due to individuals and private entities	\$ 447,440	\$ 4,647,336	\$ 4,776,094	\$ 318,682
<u>COUNTY RECORDER AGENCY FUND</u>				
ASSETS:				
Cash - Other county officials	\$ 170,360	\$ 3,704,714	\$ 3,625,811	\$ 249,263
Due from individuals and private entities	3,701	3,981	3,701	3,981
TOTAL ASSETS	\$ 174,061	\$ 3,708,695	\$ 3,629,512	\$ 253,244
LIABILITIES:				
Due to other governments	\$ 174,061	\$ 3,708,695	\$ 3,629,533	\$ 253,223
Due to individuals and private entities	-	21	-	21
TOTAL LIABILITIES	\$ 174,061	\$ 3,708,716	\$ 3,629,533	\$ 253,244
<u>COUNTY SHERIFF AGENCY FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 15,420	\$ -	\$ -	\$ 15,420
Cash - Other county officials	559,101	9,751,626	9,176,081	1,134,646
TOTAL ASSETS	\$ 574,521	\$ 9,751,626	\$ 9,176,081	\$ 1,150,066
LIABILITIES:				
Due to other governments	\$ 96,459	\$ 2,125,227	\$ 1,119,545	\$ 1,102,141
Due to individuals and private entities	478,062	8,517,409	8,947,546	47,925
TOTAL LIABILITIES	\$ 574,521	\$ 10,642,636	\$ 10,067,091	\$ 1,150,066

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2010 (CONTINUED)

FIRE TAXING DISTRICTS FUND	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
ASSETS:				
Pooled cash and investments	\$ 2,877	\$ 243,959	\$ 244,438	\$ 2,398
Receivables - Property taxes:				
Delinquent	926	235,858	235,679	1,105
Succeeding year	245,348	-	(12,804)	258,152
Due from other governments	-	8,101	8,101	-
TOTAL ASSETS	<u>\$ 249,151</u>	<u>\$ 487,918</u>	<u>\$ 475,414</u>	<u>\$ 261,655</u>
LIABILITIES - Due to other governments	<u>\$ 249,151</u>	<u>\$ 245,064</u>	<u>\$ 232,560</u>	<u>\$ 261,655</u>
 TAX FINANCING FUNDS				
ASSETS:				
Pooled cash and investments	\$ 305,661	\$ 16,479,266	\$ 16,625,447	\$ 159,480
Receivables - Property taxes:				
Delinquent	360,115	16,290,453	16,547,145	103,423
Succeeding year	17,153,599	13,041,345	17,153,599	13,041,345
Due from other governments	-	188,813	188,813	-
TOTAL ASSETS	<u>\$ 17,819,375</u>	<u>\$ 45,999,877</u>	<u>\$ 50,515,004</u>	<u>\$ 13,304,248</u>
LIABILITIES - Due to other governments	<u>\$ 17,819,375</u>	<u>\$ 29,624,034</u>	<u>\$ 34,139,161</u>	<u>\$ 13,304,248</u>
 TOWNSHIP TAXING DISTRICTS FUND				
ASSETS:				
Pooled cash and investments	\$ 5,299	\$ 596,123	\$ 595,799	\$ 5,623
Receivables - Property taxes:				
Delinquent	1,401	573,124	572,929	1,596
Succeeding year	595,631	605,035	595,631	605,035
Due from other governments	-	22,999	22,999	-
TOTAL ASSETS	<u>\$ 602,331</u>	<u>\$ 1,797,281</u>	<u>\$ 1,787,358</u>	<u>\$ 612,254</u>
LIABILITIES - Due to other governments	<u>\$ 602,331</u>	<u>\$ 1,202,754</u>	<u>\$ 1,192,831</u>	<u>\$ 612,254</u>

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2010 (CONTINUED)

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<u>EMERGENCY MANAGEMENT FUND</u>				
ASSETS - Pooled cash and investments	\$ 129,086	\$ 598,931	\$ 587,126	\$ 140,891
LIABILITIES - Due to other governments	\$ 129,086	\$ 598,931	\$ 587,126	\$ 140,891
<u>COUNTY ASSESSOR FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 278,782	\$ 756,909	\$ 712,766	\$ 322,925
Receivables - Property taxes:				
Delinquent	2,399	730,690	730,753	2,336
Succeeding year	754,527	706,878	754,527	706,878
Due from other governments	-	26,219	26,219	-
TOTAL ASSETS	\$ 1,035,708	\$ 2,220,696	\$ 2,224,265	\$ 1,032,139
LIABILITIES - Due to other governments	\$ 1,035,708	\$ 1,765,236	\$ 1,768,805	\$ 1,032,139
<u>COUNTY ASSESSOR SPECIAL FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 891,441	\$ 906,284	\$ 201,621	\$ 1,596,104
Receivables - Property taxes:				
Delinquent	2,749	878,354	878,058	3,045
Succeeding year	906,993	921,148	906,993	921,148
Due from other governments	-	27,930	27,930	-
TOTAL ASSETS	\$ 1,801,183	\$ 2,733,716	\$ 2,014,602	\$ 2,520,297
LIABILITIES - Due to other governments	\$ 1,801,183	\$ 1,830,477	\$ 1,111,363	\$ 2,520,297

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2010 (CONTINUED)

CITY ASSESSOR FUND	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
ASSETS:				
Pooled cash and investments	\$ 451,895	\$ 1,338,096	\$ 1,406,063	\$ 383,928
Receivables - Property taxes:				
Delinquent	9,683	1,308,470	1,311,295	6,858
Succeeding year	1,367,230	1,210,001	1,367,230	1,210,001
Due from other governments	-	29,626	29,626	-
TOTAL ASSETS	\$ 1,828,808	\$ 3,886,193	\$ 4,114,214	\$ 1,600,787
LIABILITIES - Due to other governments	\$ 1,828,808	\$ 2,554,955	\$ 2,782,976	\$ 1,600,787

CITY ASSESSOR SPECIAL FUND

ASSETS:				
Pooled cash and investments	\$ 1,388,543	\$ 292,861	\$ 226,775	\$ 1,454,629
Receivables - Property taxes:				
Delinquent	3,486	286,395	288,408	1,473
Succeeding year	299,375	-	39,357	260,018
Due from other governments	-	6,466	6,466	-
TOTAL ASSETS	\$ 1,691,404	\$ 585,722	\$ 561,006	\$ 1,716,120
LIABILITIES - Due to other governments	\$ 1,691,404	\$ 294,334	\$ 269,618	\$ 1,716,120

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2010 (CONTINUED)

OTHER AGENCY FUNDS	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
ASSETS:				
Cash and investments:				
Pooled cash and investments	\$ 920,936	\$ 1,513,695	\$ 1,436,289	\$ 998,342
Cash - Other county officials	44,298	229,001	256,435	16,864
Receivables:				
Property taxes:				
Delinquent	165	23,175	23,204	136
Succeeding year	24,162	28,453	24,162	28,453
Special assessments	70,344	273,571	268,988	74,927
Due from other governments	-	603	603	-
TOTAL ASSETS	<u>\$ 1,059,905</u>	<u>\$ 2,068,498</u>	<u>\$ 2,009,681</u>	<u>\$ 1,118,722</u>
LIABILITIES:				
Due to other governments	\$ 960,210	\$ 1,089,889	\$ 1,011,827	\$ 1,038,272
Due to individuals and private entities	99,695	756,323	775,568	80,450
TOTAL LIABILITIES	<u>\$ 1,059,905</u>	<u>\$ 1,846,212</u>	<u>\$ 1,787,395</u>	<u>\$ 1,118,722</u>

TOTAL ALL AGENCY FUNDS

ASSETS:				
Cash and investments:				
Pooled cash and investments	\$ 11,742,201	\$ 311,043,137	\$ 309,703,436	\$ 13,081,902
Cash - Other county officials	1,221,199	18,332,677	17,834,421	1,719,455
Receivables:				
Property taxes:				
Delinquent	1,810,574	250,830,094	251,295,530	1,345,138
Succeeding year	260,849,510	271,231,363	260,331,340	271,749,533
Special assessments	106,954	418,215	404,181	120,988
Due from other governments	-	6,131,705	6,131,705	-
Due from individuals and private entities	3,701	3,981	3,701	3,981
TOTAL ASSETS	<u>\$ 275,734,139</u>	<u>\$ 857,991,172</u>	<u>\$ 845,704,314</u>	<u>\$ 288,020,997</u>
LIABILITIES:				
Due to other governments	\$ 274,383,767	\$ 585,566,405	\$ 572,679,496	\$ 287,270,676
Due to individuals and private entities	1,350,372	17,701,023	18,301,074	750,321
TOTAL LIABILITIES	<u>\$ 275,734,139</u>	<u>\$ 603,267,428</u>	<u>\$ 590,980,570</u>	<u>\$ 288,020,997</u>

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 NINE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
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	2010
\$ 74,357	\$ 77,058	\$ 70,030	\$ 73,306	\$ 83,626
14,115	16,087	15,681	17,812	8,649
<u>10,035</u>	<u>11,491</u>	<u>11,808</u>	<u>5,555</u>	<u>17,338</u>
<u>\$ 98,507</u>	<u>\$ 104,636</u>	<u>\$ 97,519</u>	<u>\$ 96,673</u>	<u>\$ 109,613</u>
\$ 45	\$ 38	\$ 16	\$ 77	\$ 61
<u>311</u>	<u>359</u>	<u>388</u>	<u>260</u>	<u>404</u>
<u>\$ 356</u>	<u>\$ 397</u>	<u>\$ 404</u>	<u>\$ 337</u>	<u>\$ 465</u>
\$ 74,402	\$ 77,096	\$ 70,046	\$ 73,383	\$ 83,687
14,115	16,087	15,681	17,812	8,649
<u>10,346</u>	<u>11,850</u>	<u>12,196</u>	<u>5,815</u>	<u>17,742</u>
<u>\$ 98,863</u>	<u>\$ 105,033</u>	<u>\$ 97,923</u>	<u>\$ 97,010</u>	<u>\$ 110,078</u>

COUNTY OF LINN, IOWA
 CHANGES IN NET ASSETS
 LAST EIGHT 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	<u>82,020</u>	<u>87,447</u>	<u>89,775</u>	<u>92,083</u>
Business-type activities -				
Mental health	685	737	710	713
Total primary government expenses	<u>\$ 82,705</u>	<u>\$ 88,184</u>	<u>\$ 90,485</u>	<u>\$ 92,796</u>
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	<u>40,551</u>	<u>45,843</u>	<u>48,407</u>	<u>49,273</u>
Business-type activities -				
Charges for services	737	769	712	653
Total primary government program revenues	<u>\$ 41,288</u>	<u>\$ 46,612</u>	<u>\$ 49,119</u>	<u>\$ 49,926</u>
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	<u>\$ (41,417)</u>	<u>\$ (41,572)</u>	<u>\$ (41,366)</u>	<u>\$ (42,870)</u>
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	<u>44,605</u>	<u>41,355</u>	<u>44,020</u>	<u>47,287</u>
Business-type activities -				
Investment income	4	2	4	8
Other general revenue	-	3	-	-
Total business-type activities	<u>4</u>	<u>5</u>	<u>4</u>	<u>8</u>
Total primary government	<u>\$ 44,609</u>	<u>\$ 41,360</u>	<u>\$ 44,024</u>	<u>\$ 47,295</u>
Change in Net Assets				
Governmental activities	\$ 3,136	\$ (249)	\$ 2,652	\$ 4,477
Business-type activities	56	37	6	(52)
Total primary government	<u>\$ 3,192</u>	<u>\$ (212)</u>	<u>\$ 2,658</u>	<u>\$ 4,425</u>

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	2010
\$	20,419	\$ 20,851	\$ 21,637	\$ 23,419
	17,135	17,116	18,389	21,284
	26,863	31,232	30,850	30,971
	5,341	4,948	6,143	8,490
	13,348	22,954	16,169	14,046
	3,630	3,413	4,007	3,769
	9,937	17,782	29,376	11,173
	14	22	9	26
	148	100	348	27
	<u>96,835</u>	<u>118,418</u>	<u>126,928</u>	<u>113,205</u>
	676	692	621	503
\$	<u>97,511</u>	<u>119,110</u>	<u>127,549</u>	<u>113,708</u>
\$	5,795	\$ 5,263	\$ 2,419	\$ 4,654
	9,005	9,076	9,686	9,532
	3,274	3,044	3,277	2,928
	3,860	4,030	4,378	5,731
	27,314	38,300	48,442	41,271
	4,156	1,295	2,470	4,941
	<u>53,404</u>	<u>61,008</u>	<u>70,672</u>	<u>69,057</u>
	708	689	550	630
\$	<u>54,112</u>	<u>61,697</u>	<u>71,222</u>	<u>69,687</u>
\$	(43,431)	\$ (57,410)	\$ (56,256)	\$ (44,148)
	32	(3)	(71)	127
\$	<u>(43,399)</u>	<u>(57,413)</u>	<u>(56,327)</u>	<u>(44,021)</u>
\$	41,667	\$ 43,402	\$ 47,282	\$ 47,121
	2,610	2,891	4,348	6,651
	1,369	1,370	1,412	1,341
	2,957	1,815	832	673
	957	815	1,536	1,302
	<u>49,560</u>	<u>50,293</u>	<u>55,410</u>	<u>57,088</u>
	9	10	4	1
	-	-	-	-
	9	10	4	1
\$	<u>49,569</u>	<u>50,303</u>	<u>55,414</u>	<u>57,089</u>
\$	6,129	\$ (7,117)	\$ (846)	\$ 12,940
	41	7	(67)	128
\$	<u>6,170</u>	<u>(7,110)</u>	<u>(913)</u>	<u>13,068</u>

COUNTY OF LINN, IOWA
 GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
 LAST EIGHT 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
2010	47,121	6,651	53,772

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))

	2001	2002	2003	2004	2005
General fund					
Reserved	\$ 730	\$ 411	\$ 1,237	\$ 2,784	\$ 5,771
Unreserved	10,217	10,901	11,987	10,161	8,068
Total general fund	<u>\$ 10,947</u>	<u>\$ 11,312</u>	<u>\$ 13,224</u>	<u>\$ 12,945</u>	<u>\$ 13,839</u>
All other governmental funds					
Reserved	\$ 1,757	\$ 2,945	\$ 3,959	\$ 2,948	\$ 2,600
Unreserved, reported in:					
Special revenue funds	5,703	5,325	4,356	806	1,217
Capital projects fund	5,801	3,799	2,682	1,839	1,287
	<u>\$ 13,261</u>	<u>\$ 12,069</u>	<u>\$ 10,997</u>	<u>\$ 5,593</u>	<u>\$ 5,104</u>

2006	2007	2008	2009	2010
\$ 9,855	\$ 9,788	\$ 9,606	\$ 11,001	\$ 509
<u>5,784</u>	<u>7,454</u>	<u>5,171</u>	<u>1</u>	<u>12,355</u>
<u>\$ 15,639</u>	<u>\$ 17,242</u>	<u>\$ 14,777</u>	<u>\$ 11,002</u>	<u>\$ 12,864</u>
\$ 1,439	\$ 3,481	\$ 2,695	\$ 1,701	\$ 2,017
2,756	2,864	2,593	4,858	5,973
<u>886</u>	<u>1,383</u>	<u>(5,409)</u>	<u>(5,879)</u>	<u>(4,652)</u>
<u>\$ 5,081</u>	<u>\$ 7,728</u>	<u>\$ (121)</u>	<u>\$ 680</u>	<u>\$ 3,338</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)

	2001	2002	2003	2004
REVENUES:				
Property taxes	\$ 31,883	\$ 32,699	\$ 34,631	\$ 36,019
Other county taxes	2,684	4,131	5,717	2,317
Interest and penalty on taxes	563	566	630	614
Intergovernmental	32,393	33,040	34,973	34,473
Licenses and permits	518	504	594	595
Charges for services	4,951	5,610	6,404	6,385
Use of money and property	3,071	2,068	1,529	1,075
Miscellaneous	1,357	884	704	806
Total revenues	<u>77,420</u>	<u>79,502</u>	<u>85,182</u>	<u>82,284</u>
EXPENDITURES:				
Current:				
Public safety and legal services	13,354	14,094	16,953	17,758
Court services (1)	1,459	1,378	-	-
Physical health and social services	2,633	2,931	12,736	13,600
Mental health	20,147	22,275	21,979	24,278
Social services (1)	9,785	10,239	-	-
County environment and education	3,654	4,713	4,877	5,007
Roads and transportation	9,732	9,323	10,687	10,601
Governmental services to residents	2,680	2,781	2,805	2,948
Administration	7,859	7,520	8,499	8,005
Nonprogram	1	11	3	7
Capital projects	5,371	3,114	5,590	4,365
Debt service:				
Principal	855	895	935	970
Interest	401	361	320	282
Total expenditures	<u>77,931</u>	<u>79,635</u>	<u>85,384</u>	<u>87,821</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(511)	(133)	(202)	(5,537)
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	39	82	85	32
Proceeds from sale of long-term debt	-	-	-	-
Provision for capital leases and installment purchases	381	43	30	62
Transfers in	4,912	6,311	5,858	5,057
Transfers out	(4,912)	(6,311)	(5,683)	(5,057)
Total other financing sources (uses)	<u>420</u>	<u>125</u>	<u>290</u>	<u>94</u>
NET CHANGE IN FUND BALANCES	<u>\$ (91)</u>	<u>\$ (8)</u>	<u>\$ 88</u>	<u>\$ (5,443)</u>
Debt service as a percentage of noncapital expenditures				
	1.67%	1.64%	1.58%	1.60%

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

	2005	2006	2007	2008	2009	2010
\$	38,574	\$ 40,721	\$ 41,701	\$ 43,080	\$ 47,377	\$ 47,240
	2,288	2,468	2,611	2,884	4,349	7,529
	719	616	628	507	1,115	951
	38,417	40,339	43,185	43,325	64,803	58,277
	639	597	630	767	772	836
	6,095	6,321	6,545	6,214	6,361	7,104
	1,341	2,128	3,040	2,333	889	781
	783	704	1,080	1,217	1,093	1,421
	<u>88,856</u>	<u>93,894</u>	<u>99,420</u>	<u>100,327</u>	<u>126,759</u>	<u>124,139</u>
	17,761	19,242	20,327	20,646	22,763	23,218
	-	-	-	-	-	-
	14,629	15,399	16,940	16,961	18,455	21,345
	25,324	25,706	26,829	31,256	31,004	31,067
	-	-	-	-	-	-
	5,125	5,273	5,554	5,503	6,136	8,348
	10,821	10,362	10,504	11,782	12,590	11,706
	3,132	3,165	3,558	3,413	4,043	3,804
	8,371	8,422	9,245	10,925	12,758	10,970
	8	19	14	22	9	26
	2,137	3,240	1,139	8,919	20,765	10,176
	1,010	1,055	1,100	1,145	16,250	-
	241	198	153	104	352	-
	<u>88,559</u>	<u>92,081</u>	<u>95,363</u>	<u>110,676</u>	<u>145,125</u>	<u>120,660</u>
	297	1,813	4,057	(10,349)	(18,366)	3,479
	49	19	28	20	157	119
	-	-	-	-	15,050	1,000
	67	36	117	26	96	53
	5,200	5,469	9,117	10,293	25,499	23,690
	(5,200)	(5,469)	(9,117)	(10,293)	(25,499)	(23,690)
	<u>116</u>	<u>55</u>	<u>145</u>	<u>46</u>	<u>15,303</u>	<u>1,172</u>
\$	<u>413</u>	<u>\$ 1,868</u>	<u>\$ 4,202</u>	<u>\$ (10,303)</u>	<u>\$ (3,063)</u>	<u>\$ 4,651</u>
	1.49%	1.44%	1.40%	1.16%	11.98%	0.00%

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>
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	4,390,133	2,681,617	376,866	537,093	275,489	-
2010	4,705,252	2,680,619	386,639	540,024	287,076	-

(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)
\$ 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%
504,171	23,099	7,733,928	6.14971	13,616,821	60.67%
512,729	22,799	8,064,082	5.95245	13,988,896	61.47%

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
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>	<u>15.28%</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>	<u>17.48%</u>
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>

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
\$ 3.78651	\$ 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
0.19900	0.19900	0.19900	0.19900	0.19900	0.19900	0.19900
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
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
12.75826	12.75826	12.75826	12.98883	9.85935	11.94278	9.04828
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>
14.49%	12.59%	13.22%	14.16%	14.28%	14.04%	16.12%
\$ 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
0.13403	0.13403	0.13403	0.13403	0.13403	0.13403	0.13403
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
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
12.78971	12.78971	12.78971	12.99335	10.32609	12.64935	8.61467
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>
16.47%	14.22%	14.80%	15.65%	16.31%	15.98%	18.95%
\$ 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
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
15.35946	15.35946	16.90663	14.47556	16.36566	14.21345	15.35946
0.66634	0.66634	0.66634	0.66634	0.66634	0.66634	0.66634
0.25234	0.25234	0.25234	0.25234	0.25234	0.25234	0.25234
13.25744	13.25744	13.25744	12.99347	9.61047	12.66835	8.58425
0.04302	0.04302	0.04302	0.04302	0.04302	0.04302	0.04302
<u>\$ 34.83279</u>	<u>\$ 34.83279</u>	<u>\$ 36.37996</u>	<u>\$ 33.68492</u>	<u>\$ 32.19202</u>	<u>\$ 33.09769</u>	<u>\$ 30.15960</u>
15.08%	15.08%	14.44%	15.60%	16.32%	15.87%	17.42%

(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
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>
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		<u>15.91%</u>	<u>15.92%</u>	<u>15.25%</u>	<u>14.78%</u>	<u>16.81%</u>

<u>City of Marion</u>							
<u>Cedar Rapids Schools</u>	<u>Marion Schools</u>	<u>Linn-Mar Schools</u>	<u>City of Mount Vernon</u>	<u>City of Center Point</u>	<u>City of Lisbon</u>	<u>City of Robins</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>	
\$ 4.42446	\$ 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	1.14321
0.16464	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	5.73231
15.25042	16.81459	17.99931	18.18924	17.06225	17.18555	15.25042	15.25042
0.64894	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	0.26716
13.98551	13.98551	13.98551	12.99994	11.29117	12.67694	8.69792	8.69792
0.05492	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>	

(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
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	<u>15.69%</u>	<u>14.70%</u>	<u>14.91%</u>	<u>14.16%</u>	<u>16.61%</u>
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	<u>16.29%</u>	<u>15.05%</u>	<u>15.26%</u>	<u>14.30%</u>	<u>16.84%</u>
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>

<u>City of Marion</u>						
<u>Cedar Rapids Schools</u>	<u>Marion Schools</u>	<u>Linn-Mar Schools</u>	<u>City of Mount Vernon</u>	<u>City of Center Point</u>	<u>City of Lisbon</u>	<u>City of Robins</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>
\$ 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>

(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					City of Hiawatha
		Cedar Rapids Schools	College Community Schools	Marion Schools	Linn-Mar Schools		
2010	Direct County:						
	General	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523
	MH-DD	1.00722	1.00722	1.00722	1.00722	1.00722	1.00722
	Debt service	-	-	-	-	-	-
	Subtotal direct	5.95245	5.95245	5.95245	5.95245	5.95245	5.95245
	School District	13.91816	17.21168	15.31673	20.22951	13.91816	13.91816
	Comm college	0.84042	0.84042	0.84042	0.84042	0.84042	0.84042
	Assessor	0.32845	0.32845	0.32845	0.32845	0.32845	0.55763
	City	15.21621	15.21621	15.21621	15.21621	15.21621	15.31410
	Other (1)	0.05694	0.05694	0.05694	0.05694	0.05694	0.05694
	Total Levy	<u>\$ 36.31263</u>	<u>\$ 39.60615</u>	<u>\$ 37.71120</u>	<u>\$ 42.62398</u>	<u>\$ 36.63970</u>	
Percent of Linn County to totals		<u>16.39%</u>	<u>15.03%</u>	<u>15.78%</u>	<u>13.97%</u>	<u>16.25%</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

<u>City of Marion</u>							
<u>Cedar Rapids Schools</u>	<u>Marion Schools</u>	<u>Linn-Mar Schools</u>	<u>City of Mount Vernon</u>	<u>City of Center Point</u>	<u>City of Lisbon</u>	<u>City of Robins</u>	
\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523
1.00722	1.00722	1.00722	1.00722	1.00722	1.00722	1.00722	1.00722
-	-	-	-	-	-	-	-
5.95245	5.95245	5.95245	5.95245	5.95245	5.95245	5.95245	5.95245
13.91816	15.31673	20.22951	17.51051	18.31907	18.82984	20.22951	20.22951
0.84042	0.84042	0.84042	0.84042	0.84042	0.84042	0.84042	0.84042
0.55763	0.55763	0.55763	0.55763	0.55763	0.55763	0.55763	0.55763
13.86482	13.86482	13.86482	12.99970	14.45520	13.60852	9.28024	9.28024
0.05694	0.05694	0.05694	0.05694	0.05694	0.05694	0.05694	0.05694
<u>\$ 35.19042</u>	<u>\$ 36.58899</u>	<u>\$ 41.50177</u>	<u>\$ 37.91765</u>	<u>\$ 40.18171</u>	<u>\$ 39.84580</u>	<u>\$ 36.91719</u>	
<u>16.91%</u>	<u>16.27%</u>	<u>14.34%</u>	<u>15.70%</u>	<u>14.81%</u>	<u>14.94%</u>	<u>16.12%</u>	

COUNTY OF LINN, IOWA

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

Taxpayer	Type of Business	2010		
		Taxable Value (1)	Rank	Percentage of Taxable Value
Interstate Power /Alliant Energy	Utility Company	\$ 276,060	1	3.42%
Archer-Daniels-Midland	Grain Processors	103,118	2	1.28%
Life Investors/Aegon	Insurance	77,186	3	0.96%
Weyerhaeuser Co	Packaging Materials	49,359	4	0.61%
Qwest	Telecommunications	43,110	5	0.54%
Rockwell Collins International	Aviation/Aerospace	37,858	6	0.47%
SDG Macerich Properties	Shopping Mall/Real Estate	35,215	7	0.44%
Mid-Americian Energy	Utility Company	33,296	8	0.41%
Florida Power & Light	Duane Arnold Nuclear Utility	31,250	9	0.39%
Quaker Manufacturing	Grain Processing/Cereals	29,685	10	0.37%
HNW Associates (Westdale)	Shopping Mall	-	-	0.00%
PMX	Manufacturing	-	-	-
McLeod USA, Inc	Telecommunications	-	-	-
Lindale Mall	Shopping Mall	-	-	-
Total		<u>\$ 716,137</u>		<u>8.88%</u>

(1) As of January 1, 2008
Source: Linn County Auditor's Office

(2) As of January 1, 1999
Source: Linn County Auditor's Office

2001			
	Taxable Value (2)	Rank	Percentage of Taxable Value
\$	394,400	1	6.38%
	65,768	3	1.06%
	48,414	4	0.78%
	-		-
	43,257	7	0.70%
	82,244	2	1.33%
	-		0.00%
	33,397	10	0.54%
	-		0.00%
	-		0.00%
	45,989	6	0.74%
	47,949	5	0.78%
	41,696	8	0.67%
	<u>37,625</u>	9	0.61%
\$	<u>840,739</u>		<u>13.60%</u>

COUNTY OF LINN, IOWA

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

Fiscal Year	Levy	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections (1)
		Amount	Percentage of the Levy	
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
2010	49,336	47,189	95.65%	51

(1) 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	Percentage of the Levy
\$	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%
	47,240	95.75%

COUNTY OF LINN, IOWA

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

Fiscal Year	General Obligation Bonds	Capital Leases	Total	Percentage of Personal Income (1)	Percentage of Taxable Value (2)	Debt Per Capita (1)
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	0.08%	0.08%	29.17
2005	4,500	235	4,735	0.07%	0.07%	23.66
2006	3,445	179	3,624	0.05%	0.05%	17.91
2007	2,345	182	2,527	0.03%	0.03%	12.31
2008	1,200	94	1,294	0.02%	0.02%	6.23
2009	-	131	131	0.00%	0.00%	0.63
2010	1,000	121	1,121	0.01%	0.01%	5.31

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)
2001	\$ 8,310	\$ 94	\$ 8,216	0.13%	\$ 42.28
2002	7,415	87	7,328	0.11%	37.40
2003	6,480	35	6,445	0.10%	32.76
2004	5,510	27	5,483	0.08%	27.68
2005	4,500	26	4,474	0.06%	22.36
2006	3,445	18	3,427	0.05%	16.94
2007	2,345	17	2,328	0.03%	11.34
2008	1,200	3	1,197	0.02%	5.76
2009	-	-	-	0.00%	-
2010	1,000	3	997	0.01%	4.72

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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Debt limit	\$ 454,936	\$ 467,211	\$ 524,228	\$ 538,007	\$ 577,313
Total net debt applicable to limit	<u>(8,310)</u>	<u>(7,415)</u>	<u>(6,480)</u>	<u>(5,510)</u>	<u>(4,500)</u>
Legal debt margin	<u>\$ 446,626</u>	<u>\$ 459,796</u>	<u>\$ 517,748</u>	<u>\$ 532,497</u>	<u>\$ 572,813</u>
Total net debt applicable to limit as a percentage of debt limit	1.83%	1.59%	1.24%	1.02%	0.78%

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

2006	2007	2008	2009	2010
\$ 597,680	\$ 638,851	\$ 664,936	\$ 706,050	\$ 725,055
<u>(3,445)</u>	<u>(2,345)</u>	<u>(1,200)</u>	<u>-</u>	<u>(1,000)</u>
<u>\$ 594,235</u>	<u>\$ 636,506</u>	<u>\$ 663,736</u>	<u>\$ 706,050</u>	<u>\$ 724,055</u>
0.58%	0.37%	0.18%	0.00%	0.14%

Legal Debt Margin Calculation for Fiscal 2010

2008 actual valuation of property	\$14,011,695
Plus: TIF increment	512,205
Less: military exemption	<u>(22,799)</u>
Actual value for debt limit calculations	14,501,101
Multiply by 5%	<u>0.05</u>
Debt limit	725,055
Less: outstanding general obligation debt	<u>(1,000)</u>
Legal debt margin	<u>\$ 724,055</u>

COUNTY OF LINN, IOWA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2010
(AMOUNTS EXPRESSED IN THOUSANDS)

Government Unit	General Obligation Debt Outstanding	Percentage Applicable (1)	Amount Applicable To Linn County
Direct -			
Linn County	\$ 1,000,000	100.00%	\$ 1,000,000
Overlapping:			
School Districts:			
Alburnett	2,580,000	100.00%	2,580,000
Cedar Rapids	30,880,000	100.00%	30,880,000
Center Point-Urbana	6,890,000	100.00%	6,890,000
Central City	4,020,000	100.00%	4,020,000
College Community	67,150,000	100.00%	67,150,000
Linn-Mar	51,215,000	100.00%	51,215,000
Lisbon	2,090,000	100.00%	2,090,000
Marion	2,855,000	100.00%	2,855,000
Monticello	3,800,000	100.00%	3,800,000
Mount Vernon	7,205,000	100.00%	7,205,000
North Linn	1,860,000	100.00%	1,860,000
Solon	6,835,000	100.00%	6,835,000
Springville	3,585,000	100.00%	3,585,000
Kirkwood Community College	15,870,000	45.71%	7,254,177
Cities:			
Alburnett	420,000	100.00%	420,000
Cedar Rapids	122,458,915	100.00%	122,458,915
Center Point	2,072,315	100.00%	2,072,315
Central City	1,485,000	100.00%	1,485,000
Coggon	920,000	100.00%	920,000
Ely	655,000	100.00%	655,000
Fairfax	3,368,000	100.00%	3,368,000
Hiawatha	18,755,000	100.00%	18,755,000
Lisbon	937,000	100.00%	937,000
Marion	19,465,000	100.00%	19,465,000
Mount Vernon	8,405,000	100.00%	8,405,000
Robins	6,685,000	100.00%	6,685,000
Springville	1,038,010	100.00%	1,038,010
Walker	28,000	100.00%	28,000
Fire Districts - Fire district #4	5,822	100.00%	5,822
Subtotal Overlapping Debt			384,917,239
Total Direct and Overlapping Debt			\$ 385,917,239

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>
2001	194,323	\$ 6,703,102	\$ 34,495	35.30	31,075	2,751	2.3%
2002	195,918	6,742,193	34,413	35.38	32,141	2,675	3.8%
2003	196,706	6,774,829	34,441	35.50	32,657	3,020	4.5%
2004	198,108	6,914,032	34,900	35.63	32,857	3,018	4.6%
2005	200,114	7,012,200	35,041	35.77	33,166	3,172	4.6%
2006	202,314	7,269,046	35,930	35.89	33,410	3,246	3.7%
2007	205,283	7,553,155	36,794	35.89	34,076	3,240	3.6%
2008	207,839	7,646,913	36,792	35.91	33,837	3,372	4.5%
2009	209,226	7,603,495	36,341	35.90	34,187	3,298	5.9%
2010	211,217	7,486,021	35,442	35.88	34,519	3,204	6.5%

(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

Employer	Fiscal Year 2010		
	Employees	Rank	Percentage of Total County Employment
Rockwell Collins Inc.	8,425	1	5.60%
AEGON USA, Inc.	3,500	2	2.33%
St. Luke's Hospital	2,700	3	1.79%
Hy Vee Food Stores	2,608	4	1.73%
Cedar Rapids Community Schools	2,569	5	1.71%
Mercy Medical Center	2,300	6	1.53%
Whirlpool Corporation	2,273	7	1.51%
Kirkwood Community College	1,410	8	0.94%
City of Cedar Rapids	1,280	9	0.85%
Wal Mart	1,141	10	0.76%
MCI WorldCom	-		-
Amana Appliances	-		-
McLeodUSA	-		-
	<u>28,206</u>		18.74%

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

Note: Total employment encompasses the Cedar Rapids Metropolitan Statistical Area

Fiscal Year 2001		
Employees	Rank	Percentage of Total County Employment
8,100	1	5.67%
2,300	6	1.61%
2,300	6	1.61%
2,406	5	1.68%
2,726	3	1.91%
1,950	9	1.36%
-		-
-		-
1,507	10	0.01
-		-
2,000	8	1.40%
2,630	4	1.84%
3,880	2	2.72%
<u>29,799</u>		20.85%

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

	2001	2002	2003	2004
Function				
Public Safety and Legal Services:				
Correctional facility inmate bookings	11,595	13,222	12,910	13,099
Correctional facility average daily population	271	344	354	377
Physical Health and Social Services:				
Communicable diseases - children vaccinated	1,856	1,418	1,254	1,409
Child development center - children served	480	624	732	744
Financial assistance - vouchers authorized	4,692	5,440	7,373	5,339
Mental Health:				
Vocational and day service placements	628	615	626	642
Residential placements	158	139	140	159
County Environment and Education:				
Camping permits - days	51,276	52,500	53,462	58,818
Boat rentals	6,988	6,337	6,349	4,064
Roads and Transportation:				
Public transportation - total riders	83,803	82,876	85,040	86,007
Miles of road maintained - paved	278	300	310	310
Miles of road maintained - unpaved	900	860	850	850

Source: Individual county department.

2005	2006	2007	2008	2009	2010
13,589	13,888	13,234	12,327	8,724	12,500
355	394	381	358	202	365
1,461	1,876	1,511	1,517	1,633	1,750
792	756	732	744	756	780
4,657	4,767	5,242	5,027	5,888	6,000
690	707	730	759	747	750
155	118	208	231	218	220
64,591	66,000	51,262	53,980	64,504	65,000
4,215	4,729	5,372	5,587	3,957	6,200
82,532	82,235	82,500	80,429	84,021	87,000
358	358	365	377	384	384
810	810	830	772	763	763

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

	2001	2002	2003	2004
Function				
Public Safety and Legal Services -				
Correctional facility capacity	244	400	400	410
County Environment and Education:				
Park acreage - developed and undeveloped	6,388	6,490	6,503	6,559
Parks	19	19	19	19
Nature center	-	-	1	1
Roads and Transportation:				
Miles of roads - paved	278	300	310	310
Miles of roads - unpaved	900	860	850	850
Bridges	250	246	253	251

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

2005	2006	2007	2008	2009	2010
410	410	410	410	410	410
6,559	6,825	6,895	6,915	6,955	7,035
19	19	19	19	19	19
1	1	1	1	1	1
358	358	365	377	384	384
810	810	830	772	763	763
252	269	262	262	262	263

COMPLIANCE SECTION

COUNTY OF LINN, IOWA
 FULL-TIME EQUIVALENT EMPLOYEES BY DEPARTMENT
 LAST TEN FISCAL YEARS

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Department										
Attorney	34	34	34	32	34	34	36	38	38	38
Auditor	18	19	18	18	17	17	19	18	19	19
Board of Supervisors	6	6	6	6	6	6	6	6	10	10
Child Support Recovery Unit	25	25	23	24	24	24	24	22	22	22
Conservation	37	38	38	38	38	38	39	39	39	39
Engineering	86	88	86	85	85	81	76	74	72	72
Facilities	30	28	31	31	32	32	32	32	32	32
Finance and Budget	4	4	4	4	4	4	4	4	3	3
Human Resources	3	3	3	3	3	3	4	5	5	5
Information Technology	17	17	17	17	17	18	18	19	19	19
LIFTS	23	23	23	23	22	22	22	22	22	22
Linn County Community Services	239	234	231	238	236	234	248	255	255	255
Planning and Development	14	14	14	14	14	14	14	14	14	14
Public Health	41	41	41	44	41	42	42	42	40	42
Purchasing	4	4	4	4	4	4	4	4	4	4
Recorder	14	14	14	14	14	14	14	14	13	14
Risk Management	3	4	4	3	3	3	3	3	3	3
Sheriff	158	168	173	171	166	163	167	173	170	174
Soil Conservation	1	1	1	1	1	1	1	1	1	1
Treasurer	38	37	37	37	34	36	37	37	37	37
Veteran Affairs	3	3	3	3	3	3	3	3	3	3
	<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>821</u>	<u>828</u>

Source: County Office of Finance and Budget.



**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, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 15, 2010. 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 an 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, issued under separate cover, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency in internal control described in Part II of the Schedule of Findings and Questioned Costs, issued under separate cover, as item II-A-10 to be 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, 2010, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County and are reported in 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 15, 2010.

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, and is not intended to be and should not be used by anyone other than these specified parties.



Dubuque, Iowa
December 15, 2010



December 15, 2010

To the Management of the County of Linn, Iowa

In conjunction with our recently completed audit of the County of Linn, Iowa, as of and for the year ended June 30, 2010, we noted the following accounting and operating issues.

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.

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.

Sheriff's Accounts

During the audit, it was noted that the Sheriff's office is currently maintaining multiple bank accounts for various specific activities within the Sheriff's office. All County money was deposited to the County on a regular basis, although this money was tracked and maintained by the Sheriff's office. We recommend that the County review these accounts, consolidate any unnecessary accounts, and remit any balances to the County that are determined to be unnecessarily maintained in the Sheriff's office.

We appreciate the opportunity to present these comments and suggestions. We thank your personnel for the cooperation and many courtesies extended to us during the audit fieldwork.

Sincerely,

EIDE BAILLY LLP
CPAs & Business Advisors

A handwritten signature in cursive script that reads "Eide Bailly LLP".

www.eidebailly.com



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

June 30, 2010

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, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 15, 2010. 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 an 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency in internal control described in Part II of the Schedule of Findings and Questioned Costs as item II-A-10 to be 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*. However, we noted certain immaterial instances of non-compliance or other matters which are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2010, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

We also noted certain additional matters that we reported to management of the County of Linn, Iowa, in a separate letter dated December 15, 2010.

The County's responses to the findings identified in our audit are described in the 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.

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, and 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 15, 2010



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

To the 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 *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2010. 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 grants 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.

As described in items III-A-10 and III-B-10 in the accompanying Schedule of Findings and Questioned Costs, the County did not comply with requirements regarding subrecipient monitoring and allowable costs that are applicable to the programs referenced in those items respectively. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to those programs.

In our opinion, except for the non-compliance described in the preceding paragraph, the County of Linn, Iowa, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

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 grants 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 to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses, and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct non-compliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as Items III-A-10 and III-B-10 to be material weaknesses.

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, 2010, and have issued our report thereon dated December 15, 2010. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City'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.

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

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.

Eide Bailly LLP

Dubuque, Iowa
March 1, 2011

COUNTY OF LINN, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

Grantor/Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture:			
Pass-Through Program From:			
Iowa Department of Education:			
School Breakfast Program	10.553	57-8012	\$ 45,488
School Breakfast Program	10.553	57-8022	10,332
			55,820
ARRA - National School Lunch Program	10.555	57-8022	15,482
			89,157
Iowa Department of Human Services:			
Human Services Administrative			
Reimbursement:			
State Administrative Matching			
Grants for the Supplemental			
Nutrition Assistance Program	10.561		
			89,157
Direct Program:			
Emergency Watershed Protection			
Program	10.923		93,471
Emergency Watershed Protection			
Program	10.923		38,189
			131,660
Total U.S. Department of Agriculture			292,119
U.S. Department of Housing and Urban Development:			
Pass-Through Program From:			
Iowa Department of Economic Development:			
Community Development Block Grants/ State's Program and Non- Entitlement Grants in Hawaii	14.228	08-DRH-005	3,505,623
Community Development Block Grants/ State's Program and Non- Entitlement Grants in Hawaii	14.228	08-DRH-205	344,843
Community Development Block Grants/ State's Program and Non- Entitlement Grants in Hawaii	14.228	08-DRB-210	1,569,039
			5,419,505
City of Cedar Rapids, IA:			
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	IALHB0388-08	131,863
Total U.S. Department of Housing and Urban Development			5,551,368

(continued)

COUNTY OF LINN, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

Grantor/Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Justice:			
Direct Program:			
High Intensity Drug Trafficking Areas	16.000		\$ 138,619
Supervised Visitation, Safe Havens for Children	16.527		<u>34,318</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738		<u>6,431</u>
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to Units of Local Government	16.804		<u>204,413</u>
Total U.S. Department of Justice			<u>383,781</u>
U.S. Department of Transportation:			
Pass-Through Program From:			
East Central Iowa Council of Governments:			
Formula Grants for Other than Urbanized Areas	20.509		<u>89,467</u>
Governor's Traffic Safety Bureau:			
State and Community Highway Safety	20.600	09-410 Task 45	10,738
State and Community Highway Safety	20.600	10-410 Task 45	<u>26,541</u>
			<u>37,279</u>
Total U.S. Department of Transportation			<u>126,746</u>
U.S. Environmental Protection Agency:			
Direct Program:			
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034		61,303
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034		13,876
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034		26,514

(continued)

COUNTY OF LINN, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

Grantor/Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Environmental Protection Agency: (continued)			
Pass-Through Program From:			
Iowa Department of Natural Resources:			
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act			
	66.034	2006-7230-03	\$ 17,500
Iowa Department of Human Services:			
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act			
	66.034	FSA7-08-001	11,630
Iowa Department of Public Health:			
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act			
	66.034	5880RC02	133,065
			263,888
Iowa Department of Natural Resources:			
Performance Partnership Grants			
	66.605	2010-7230-03	123,566
Total U.S. Environmental Protection Agency			387,454
U.S. Department of Education:			
Pass-Through Program From:			
Iowa Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States			
	84.126	11-MO5OLC-28	1,410
Iowa Department of Public Health:			
ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act			
	84.397	5880C057	23,756
Iowa Department of Transportation:			
ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act			
	84.397	S397A090016A	50,715
			74,471
Total U.S. Department of Education			75,881

(continued)

COUNTY OF LINN, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

Grantor/Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services:			
Pass-Through Program From:			
Heritage Area Agency on Aging:			
Special Programs for the Aging - Title IV - and Title II - Discretionary Projects	93.048	1008	\$ 10,785
Iowa Department of Public Health:			
Public Health Emergency Preparedness	93.069	5889BT57	731,882
Medicare Enrollment Assistance Program	93.071	1002	8,039
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	MOU-2009-TB13	1,725
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	MOU-2010-TB03	3,800
			<u>5,525</u>
Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	5880LP06	17,803
State Capacity Building	93.240	5880HH05	1,090
State Capacity Building	93.240	5881HH05	1,690
			<u>2,780</u>
Immunization Grants	93.268	5880I448	11,194
Immunization Grants	93.268	5889I448	15,074
			<u>26,268</u>
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	5880OB12	39,031
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	5880NB16	29,340
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	MOU-2010-ELC05	900
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	MOU-2011-ELC05	220
			<u>69,491</u>

(continued)

COUNTY OF LINN, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

<u>Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services: (continued)			
Pass-Through Program From: (continued)			
Iowa Department of Human Services:			
Human Services Administrative			
Reimbursement:			
Temporary Assistance for Needy Families	93.558		\$ 45,684
Temporary Assistance for Needy Families	93.558	DCAT-7-10-104	<u>9,212</u>
			<u>54,896</u>
Child Support Enforcement	93.563	BOC-10-001	<u>998,301</u>
Refugee and Entrant Assistance - State Administered Programs	93.566		<u>252</u>
Child Care and Development Block Grant	93.575	ACFS-11-034	<u>497,251</u>
Human Services Administrative			
Reimbursement:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		<u>23,445</u>
Hawkeye Area Community Action			
Program:			
Head Start	93.600	07CH6114	<u>139,004</u>
Human Services Administrative			
Reimbursement:			
Foster Care - Title IV-E	93.658		<u>47,645</u>
Adoption Assistance	93.659		<u>11,927</u>
Social Services Block Grant	93.667	5888C057	48,608
Social Services Block Grant	93.667	57-0021/30-57-039	730,458
Social Services Block Grant	93.667	MHDS-09-086	1,057,754
Social Services Block Grant	93.667		<u>47,250</u>
			<u>1,884,070</u>
Children's Health Insurance Program	93.767		<u>533</u>
Medical Assistance Program	93.778		<u>100,669</u>

(continued)

COUNTY OF LINN, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

Grantor/Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services: (continued)			
Direct Program:			
ARRA - Strengthening Communities Fund	93.711		\$ 61,214
Pass-Through Program From:			
Iowa Department of Public Health:			
ARRA - Immunization	93.712	5880I448	7,612
ARRA - Prevention and Wellness Communities Putting Prevention to Work Funding Opportunities Announcement (FOA)	93.724	5880TOB02	62,386
HIV Care Formula Grants	93.917	5880HC08	50,110
HIV Prevention Activities - Health Department Based	93.940	5889AP09	5,122
HIV Prevention Activities - Health Department Based	93.940	5889AP17	12,299
HIV Prevention Activities - Health Department Based	93.940	5880AP09	7,619
			<u>25,040</u>
Block Grants for Community Mental Health Services	93.958	DCFS7-10-076	109,000
Preventive Health and Health Services Block Grant	93.991	5889AP09	3,864
Total U.S. Department of Health and Human Services			<u>4,949,792</u>
Corporation for National and Community Service:			
Pass-Through Program From:			
Iowa Commission on Volunteer Services:			
AmeriCorps	94.006	08-AC-16	23,193
AmeriCorps	94.006	09-AC-16	117,133
Total Corporation for National and Community Service			<u>140,326</u>

(continued)

COUNTY OF LINN, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

Grantor/Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Social Security Administration:			
Pass-Through Program From:			
Iowa Department of Human Services:			
Social Security Disability Insurance	96.001		\$ <u>155</u>
U.S. Department of Homeland Security:			
Pass-Through Program From:			
United Way of America:			
Emergency Food and Shelter National Board Program	97.024	28-2964-00	<u>71,297</u>
Iowa Department of Homeland Security:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-1763	<u>5,624,922</u>
Iowa Department of Public Defense:			
Buffer Zone Protection Program	97.078	2007-BZ-T7-0008	<u>126,119</u>
Direct Program:			
ARRA - Emergency Food and Shelter National Board Program	97.114		<u>53,069</u>
Total U.S. Department of Homeland Security			<u>5,875,407</u>
Total			<u>\$ 17,783,029</u>

COUNTY OF LINN, IOWA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

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 in 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>
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	\$ 5,419,505
Edward Byrne Memorial Justice Assistance Grant Program	16.738	6,431
ARRA – Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	204,413
ARRA – State Fiscal Stabilization Fund (SFSF) – Government Services, Recovery Act	84.397	4,654
Public Health Emergency Preparedness	93.069	352,709
Temporary Assistance for Needy Families	93.558	28,658
Child Care and Development Block Grant	93.575	478,576
HIV Care Formula Grants	93.917	22,812
Block Grants for Community Mental Health Services	93.958	109,000
AmeriCorps	94.006	94,341
Emergency Food and Shelter National Board Program	97.024	69,848
ARRA – Emergency Food and Shelter National Board Program	97.114	23,568

COUNTY OF LINN, IOWA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

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	None reported
Noncompliance material to financial statements noted	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified	Yes
Significant deficiency	None reported
Type of auditor's report issued on compliance for major programs	Qualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	Yes

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
16.804	ARRA – Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government
93.069	Public Health Emergency Preparedness
93.667	Social Services Block Grant
97.036	Disaster Grants-Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between Type A and Type B programs	\$533,491
Auditee qualified as low-risk auditee	No

COUNTY OF LINN, IOWA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

Part II: Findings Related to the Financial Statements:

MATERIAL WEAKNESS

II-A-10 Material Audit Adjustment

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 to record additional accounts payable in the Secondary Roads Fund.

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

Cause – The cause of the adjustment appears to be that staff did not identify certain payments that occurred after year end that should have been accrued for financial statement purposes.

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 ensure completeness of the information received.

Response – All departments and elected offices will be reminded of proper recording of expenditures. Additionally, staff of the Finance and Budget Department will review all significant transactions for proper recording.

Conclusion – Response accepted.

Part III: Findings and Questioned Costs for Federal Awards:

MATERIAL WEAKNESS

CFDA Number 14.228: Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
Pass-Through Agency Numbers: 08-DRH-005, 08-DRH-205, and 08-DRB-210
U.S Department of Housing and Urban Development
Pass-Through the Iowa Department of Economic Development

III-A-10 Subrecipient Monitoring

Criteria – The provisions of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and 31 USC 7502(f)(2)(B) (Single Audit Act Amendments of 1996 (Pub. L. No. 104-156) require the recipient of federal grants to perform certain monitoring functions when passing funds through to a subrecipient in order to ensure that the subrecipient is following all applicable requirements.

Condition – Other than obtaining a signed subrecipient agreement, it appears the County performed no further monitoring procedures of the subrecipient.

COUNTY OF LINN, IOWA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

Part III: Findings and Questioned Costs for Federal Awards: (continued)

Effect – The County may not have knowledge about whether the subrecipient is in compliance with all relevant provisions of the grant agreement and federal regulations surrounding grants. Therefore the funds could potentially be spent inappropriately and provisions of specific grant requirements and federal grant requirements are not being met.

Cause – The County was unaware of their monitoring responsibilities.

Recommendation – The County should review the sources of governing requirements referenced above and begin performing appropriate monitoring procedures.

Management's Response – The County has reviewed governing requirements and will perform necessary monitoring.

Conclusion – Response accepted.

MATERIAL WEAKNESS/QUESTIONED COSTS

CFDA Number 97.036: Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Pass-Through Agency Number: DR-1763
U.S Department of Homeland Security
Pass-Through the Iowa Department of Homeland Security

III-B-10 Allowable Costs

Criteria – The provisions of the grant and the related project worksheets set forth the types of expenditures that are eligible for reimbursement.

Condition – An invoice from Terracon was charged to PW OPE001 in the amount of \$1,750 in error. This expenditure was actually for the Juvenile Justice Center, which is not a project funded by this grant. Also \$32,083 was charged against PW SOE002 in error. This amount was for a down payment on furnishings, and when the final invoice was received the amount was not deducted from the payment. The County subsequently received a credit from the vendor but did not correct the request for reimbursement from the grant.

Questioned Costs – \$33,833

Effect – The County requested reimbursement for expenditures that were not allowable costs under provisions of the grant.

Cause – Both instances resulted from clerical errors on the part of the County

Recommendation – The County should exercise due care in processing all requests for grant reimbursements to verify that they are only requesting reimbursement for eligible costs.

Management's Response – The County will exercise due care in processing requests. Initial processing has been reassigned to the Accounting Analyst position with Finance and Budget.

Conclusion – Response accepted.

COUNTY OF LINN, IOWA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

Part IV: Other Findings Related to Required Statutory Reporting:

IV-A-10 Certified Budget – Disbursements during the year ended June 30, 2010, exceeded the amounts budgeted in the mental health, board of supervisors, and purchasing departments.

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 understands the budget should have been amended prior to disbursement of amounts that exceed budget. An internal report that monitors budget versus actual expenditures is now run throughout the year rather than at year-end only.

Conclusion – Response accepted.

IV-B-10 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.

IV-C-10 Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

IV-D-10 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	\$ 1,198
Jim Houser, Board of Supervisors, spouse was paid as a deputy medical examiner	Medical examiner	\$ 5,187
Steve Tucker, Finance Director, spouse is a court reporter sometimes used by the County to obtain documents on certain cases	Court documents	\$ 1,050
Randall Clapp, Election Tech, wife was paid as an election worker	Election worker	50

COUNTY OF LINN, IOWA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

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

In accordance with Chapter 331.342(4) of the Code of Iowa, the transactions 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.

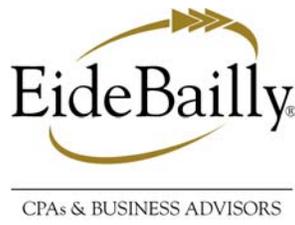
Recommendation – The County should develop a conflict of interest policy and inform all employees of the bidding requirements if transactions exceed the \$1,500 limit imposed by Chapter 331.342 of the Code of Iowa.

Response – A draft conflict of interest policy has been reviewed by the County Attorney. Based on the review, changes to the draft will be made and presented to the Board of Supervisors for consideration.

Conclusion – Response accepted.

- IV-E-10 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.
- IV-F-10 Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- IV-G-10 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.
- IV-H-10 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).
- IV-I-10 County Extension Office – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by 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, 2010, for the County Extension Office did not exceed the amount budgeted.



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, for the year ended June 30, 2010. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 7, 2010. Professional standards also 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 the County of Linn, 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 2010. 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 County's 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 intergovernmental 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 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 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. The information below summarizes uncorrected misstatements of the financial statements. Management has determined that its effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Unrecorded accounts payable	\$	79,207
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In addition, the following misstatements detected as a result of audit procedures were corrected by management.

Adjustment to accounts payable	\$	118,020
Unrecorded prepaid amount	\$	127,200

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 15, 2010.

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.

New Accounting Pronouncement

We have included additional information regarding a new accounting pronouncement.

This information is intended solely for the use of the Board of Supervisors and management of the County of Linn, Iowa, and is not intended to be and should not be used by anyone other than these specified parties.

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 the County of Linn, Iowa.

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

Dubuque, Iowa
December 15, 2010

COUNTY OF LINN, IOWA

YEAR ENDED JUNE 30, 2010

NEW ACCOUNTING PRONOUNCEMENT

Governmental Accounting Standards Board (GASB)

GASB has issued one statement not yet implemented by the County that will affect the County's financial statements, as follows:

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.



To the Officials of the County of Linn, Iowa

In planning and performing our audit of 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, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency in the County's internal control to be a material weakness:

A properly designed system of internal control over financial reporting allows entities to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles. During the course of our engagement, we proposed a material audit adjustment to the financial statements that were not identified as a result of the County's existing internal controls and, therefore, could have resulted in a material misstatement of the County's financial statements. The material audit adjustment was related to accounts payable.

This communication is intended solely for the information and use of management, the Board of Supervisors, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Eide Bailly LLP

Dubuque, Iowa
December 15, 2010