



COUNTY OF LINN, IOWA
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011

COUNTY OF LINN, IOWA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

PREPARED BY OFFICE OF FINANCE AND BUDGET

COUNTY OF LINN, IOWA

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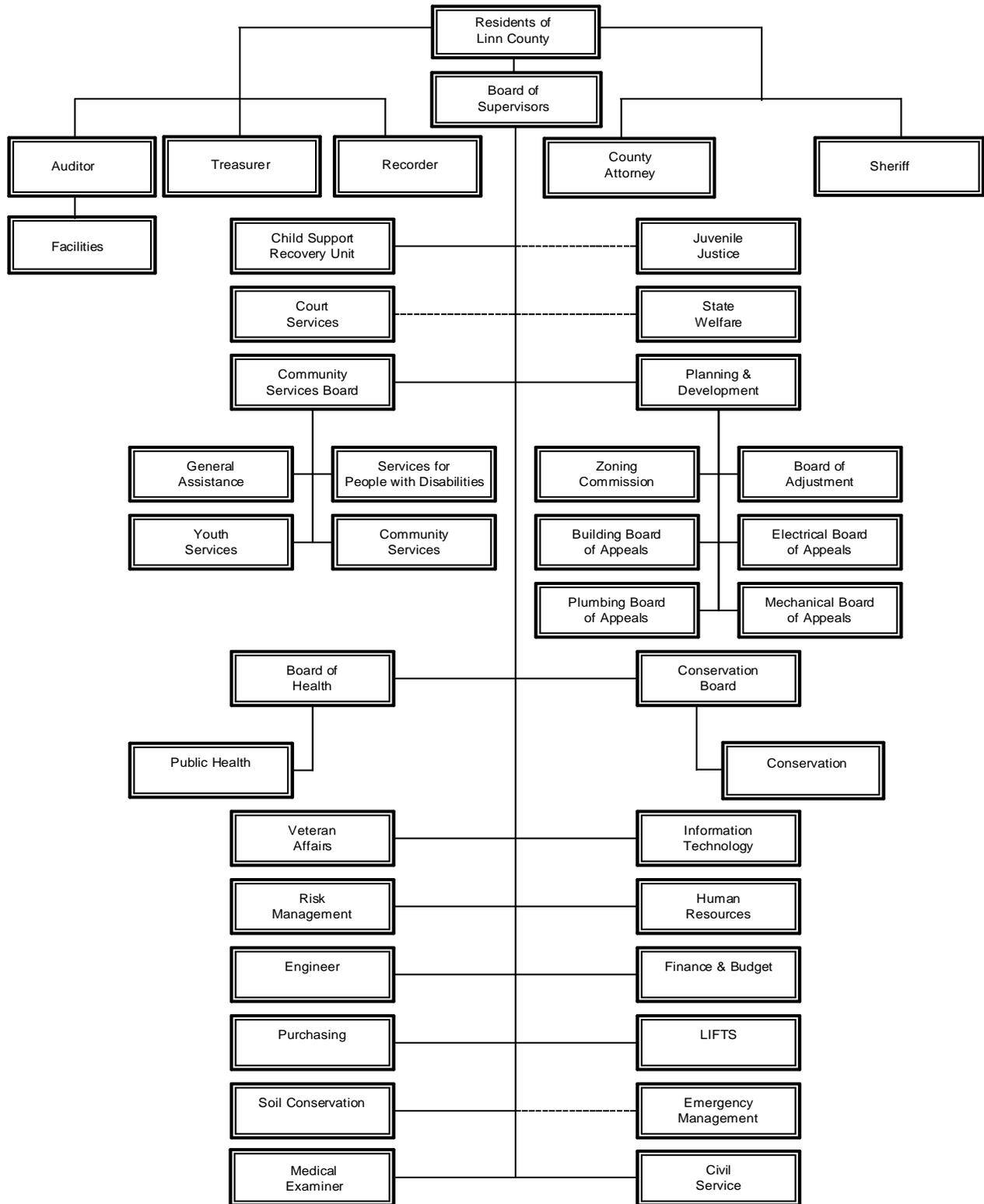
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FINANCIAL SECTION

COUNTY OF LINN, IOWA

COUNTY OFFICIALS

<u>NAME</u>	<u>TITLE</u>	<u>TERM EXPIRES</u>
Lu Barron	Board of Supervisors	2014
Linda Langston	Board of Supervisors	2012
Ben Rogers	Board of Supervisors	2014
Brent Oleson	Board of Supervisors	2012
John Harris	Board of Supervisors	2014
Jerry Vander Sanden	Attorney	2014
Joel Miller	Auditor	2012
Joan McCalmant	Recorder	2014
Brian Gardner	Sheriff	2012
Sharon Gonzalez	Treasurer	2014





**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 16, 2011

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, 2011, 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, 2011 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, 2011 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

phone 319.892.5010 • fax 319.892.5009



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 2011 population of Linn County is estimated at 213,207 – an increase of 0.9 percent from 2010. The local unemployment rate dropped to 6.0 percent at the end of fiscal year 2011, compared to 6.5 percent in the prior year. The national average was 9.2 percent at the end of fiscal year 2011.

Several new construction projects are planned in downtown Cedar Rapids, including a new two-story, 78,000 square-foot design and test center for Intermec, an innovative and growing technology company employing more than 2,300 people worldwide. The new facility will replace the company's existing building and will receive state and local incentives to help finance the project.

Construction has already begun on the new Cedar Rapids Convention Complex downtown. The project is projected to bring more than 375,000 visitors annually, resulting in \$22.8 million of direct spending each year. The new complex will be approximately 475,000 square feet and includes a renovated arena, new convention center, and renovated hotel space at a cost of \$120 million. The facility is expected to open in the spring of 2013.

Rockwell Collins, a Cedar Rapids aircraft electronics manufacturer, has reported that its earnings per share are up 20 percent and net income is up 17 percent in the final quarter of its fiscal year, despite lower sales of defense products, due to strong revenue growth in the commercial division. Commercial Systems continued to realize strong revenue growth and rapidly expanding operating margins, while Government Systems sustained its robust operating margins in the face of modestly declining sales.

GoDaddy.com, the world's largest web-hosting Internet company, has hired 300 employees in its first year in Hiawatha, with plans to add at least 300 more by the end of 2011. The business purchased a 55,000 square-foot building in Hiawatha and has become Eastern Iowa's largest Internet company. Go Daddy announced in July that it has agreed to sell equity in the company to three major investment firms – KKR, Silver Lake, and Technology Crossover Ventures. Bob Parson, founder of the company, will remain the largest stakeholder in the company. The sale will accelerate growth in promising international markets.

In July, *Kiplinger's Personal Finance* named Cedar Rapids as one of its top ten cities that provide the best value – with value defined as low living cost, strong economy, and great amenities. The cities on the list were profiled in the September issue of *Kiplinger's* magazine. Kiplinger wrote, "From grains to planes, a diverse economy attracts a high-tech workforce and cushions the city from downturns. The nearby University of Iowa provides Cedar Rapids residents with access to Big Ten sports, and the city itself is laced with parks, bike trails, and various entertainment options. The city has recovered nicely from the 2008 Cedar River flood, and housing costs and property taxes remain extremely affordable." Forbes magazine also recognized Cedar Rapids

on its list of “Best Places for Business and Careers” as number 11 out of the two hundred largest metropolitan statistical areas. Forbes creates their rankings using community metrics such as educational attainment, projected job growth, unemployment, and cost of living. Cedar Rapids was ranked first for projected economic growth and saw gains in the categories of education attainment, income growth, job growth, and cost of doing business.

Long-Term Financial Planning

Following the flood of 2008, Linn County has designed and constructed several new or improved buildings to replace those damaged in the flood. The new buildings are LEED-certified designs to provide residents with energy efficient, green buildings. Construction of the new Options/LCCS building to house human services and sheltered workshop programs was complete in August. In September, construction of a new Juvenile Justice Center was finished. The Correctional Facility and the Courthouse are also nearing completion, with the final building project, the Public Service Center, expected to be finished in the spring of 2012.

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 2012. 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, 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 passed a Conflict of Interest Policy during the fiscal year. The purpose of this policy is to require employees to avoid any action that would result in or create the impression of using public office for private gain, giving preferential treatment to any person, or losing impartiality in conducting county business.

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, 2010. This was the 22nd 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.

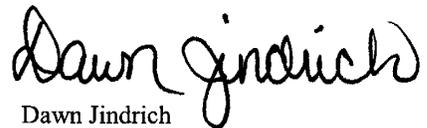
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget for fiscal year 2012. 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, 2010

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



Linda C. Danison

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION



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, 2011, 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, 2011, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the financial statements, the County adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in 2011. As discussed in Note 14 to the financial statements, the County has recorded prior period adjustments to implement the new standard.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2011, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the other postemployment benefits schedule of funding progress, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the financial statements of the County of Linn, Iowa, as a whole. 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 financial statements of the County of Linn, Iowa. The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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 do not express an opinion or provide any assurance on them.

The image shows a handwritten signature in cursive script that reads "Eric Sully LLP". The signature is written in dark ink and is positioned above the typed name and date.

Dubuque, Iowa
December 15, 2011

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, 2011. 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 \$146,678,054 (net assets). Of this amount, \$37,663,274 (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 \$36,600,172
- As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$22,243,102, an increase of \$5,981,695 in comparison with the prior year
- At the end of the current fiscal year, the fund balance for the general fund was \$16,234,439, or 24 percent of total general fund expenditures
- Total general obligation bonded debt increased by \$13,230,000 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 11 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 – 52 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 – 68 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 \$146,678,054 at the close of the most recent fiscal year.

The largest portion of the County's net assets, 70 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

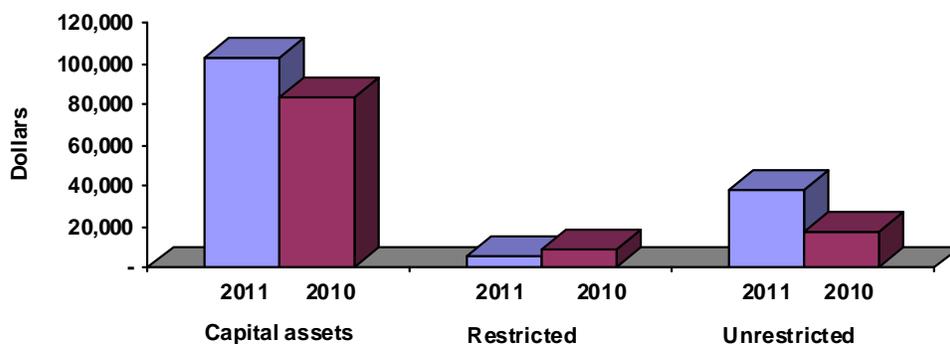
outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt 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, 2011

The County's combined net assets increased to \$146,678,000 for fiscal year 2011. A condensed version of the Statement of Net Assets as of June 30, 2011 and June 30, 2010 follows:

County of Linn Net Assets						
(in thousands)						
	Governmental Activities		Business-Type Activities		Total Government	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 131,667	\$ 98,997	\$ 526	\$ 444	\$ 132,193	\$ 99,441
Capital assets	<u>117,302</u>	<u>84,747</u>	<u>48</u>	<u>61</u>	<u>117,350</u>	<u>84,808</u>
Total assets	<u>248,969</u>	<u>183,744</u>	<u>574</u>	<u>505</u>	<u>249,543</u>	<u>184,249</u>
Long-term debt outstanding	20,145	6,490	-	-	20,145	6,490
Other liabilities	<u>82,674</u>	<u>67,641</u>	<u>46</u>	<u>40</u>	<u>82,720</u>	<u>67,681</u>
Total liabilities	<u>102,819</u>	<u>74,131</u>	<u>46</u>	<u>40</u>	<u>102,865</u>	<u>74,171</u>
Net assets:						
Invested in capital assets, net of related debt	102,976	83,626	48	61	103,024	83,687
Restricted	5,990	8,649	-	-	5,990	8,649
Unrestricted	<u>37,184</u>	<u>17,338</u>	<u>480</u>	<u>404</u>	<u>37,664</u>	<u>17,742</u>
Total net assets	<u>\$ 146,150</u>	<u>\$ 109,613</u>	<u>\$ 528</u>	<u>\$ 465</u>	<u>\$ 146,678</u>	<u>\$ 110,078</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 \$19,337,000 increase includes a \$32,542,000 increase in capital assets and a \$13,230,000 increase in general obligation bonds. 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 \$19,922,000 at June 30, 2011.

Current and other assets increased \$32,752,000 to \$132,193,000. Included is an increase of \$16,486,000 or 63 percent in pooled cash and investments and an increase in succeeding year property tax receivable of \$3,603,000 or 7 percent. The increase in pooled cash includes \$11,111,000 in the capital projects funds as a result of issuance of juvenile courthouse and building improvement general obligation bonds and \$6,998,000 in the general fund as a result of Correctional Center post-flood occupancy increasing to pre-flood levels and receipt of FEMA flood-related

reimbursements. The increase in succeeding year property taxes is for the general fund to support fiscal year 2011 operational increases.

Statement of Activities for the Fiscal Year Ended June 30, 2011

A condensed version of the Statement of Activities as of June 30, 2011 and June 30, 2010 follows:

County of Linn Changes in Net Assets								Total Percent- age Change
(in thousands)								
Governmental Activities		Business-type Activities		Total				
2011		2010		2011		2010		2010-2011
Revenues:								
Program revenues:								
Charges for services	\$ 21,779	\$ 22,845	\$ 561	\$ 630	\$ 22,340	\$ 23,475		-4.8%
Operating grants and contributions	53,404	41,271	-	-	53,404	41,271		29.4%
Capital grants and contributions	23,914	4,941	-	-	23,914	4,941		384.0%
General revenues and transfers:								
Property taxes	51,074	47,121	-	-	51,074	47,121		8.4%
Other county taxes	2,797	6,651	-	-	2,797	6,651		-57.9%
State replacements and credits	1,259	1,341	-	-	1,259	1,341		-6.1%
Investment income	1,002	673	1	1	1,003	674		48.8%
Other general revenue	1,154	1,303	-	-	1,154	1,303		-11.4%
Total revenues	<u>156,383</u>	<u>126,146</u>	<u>562</u>	<u>631</u>	<u>156,945</u>	<u>126,777</u>		23.8%
Expenses:								
Public safety and legal services	23,474	23,420	-	-	23,474	23,420		0.2%
Physical health and social services	22,964	21,284	-	-	22,964	21,284		7.9%
Mental health	33,032	30,971	499	503	33,531	31,474		6.5%
County environment and education	6,543	8,490	-	-	6,543	8,490		-22.9%
Roads and transportation	16,905	14,046	-	-	16,905	14,046		20.4%
Governmental services to residents	5,046	3,769	-	-	5,046	3,769		33.9%
Administration	11,526	11,173	-	-	11,526	11,173		3.2%
Nonprogram current	30	26	-	-	30	26		15.4%
Interest on long-term debt	326	27	-	-	326	27		1107.4%
Total expenses	<u>119,846</u>	<u>113,206</u>	<u>499</u>	<u>503</u>	<u>120,345</u>	<u>113,709</u>		5.8%
Change in net assets	36,537	12,940	63	128	36,600	13,068		180.1%
Beginning 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%
Ending net assets	<u>\$ 146,150</u>	<u>\$ 109,613</u>	<u>\$ 528</u>	<u>\$ 465</u>	<u>\$ 146,678</u>	<u>\$ 110,078</u>		33.2%

Governmental activities

Revenues for the County's governmental activities increased \$30,237,000 or 24.0% while total expenses increased \$6,640,000 or 5.9%. Key elements include:

- The \$3,953,000 or 8.4% increase in County property taxes represented an overall valuation growth of 4.0% and a 12-cent increase in the countywide levy rate.
- The \$12,133,000 increase in operating grants and contributions included a \$2,424,000 increase in flood-related Jump-Start grants to individuals and businesses and \$5,526,000 in local options sales taxes for road and conservation projects.
- Capital grants of \$23,914,000 were for infrastructure additions financed with federal grants and state farm-to-market funds.
- The \$3,854,000 decrease in other county taxes was a result of one-time funding of a 1-cent local option in FY 10 to reimburse the general fund for revenue lost during the 2008 flood.

- Mental health increased \$2,061,000 as a result of additional services provided to clients from federal funding. The State of Iowa determines the amount of funding for mental health services annually, with increases or decreases in services determined annually to avoid funding reductions when fund balance exceeds the State of Iowa maximum of 5% in that fund.
- Demolition and buyout grants of flooded properties in FY 10 were the primary reason for the \$1,947,000 decrease in county environment and education expenses in FY 11.
- Use of local option sales tax revenue resulted in additional funding used by roads and transportation for projects included in the County's five-year road plan.
- The increase in governmental services to residents expenses of \$1,277,000 was a result of expenses related to building construction on properties damaged by the flood of 2008.
- All functional activities were impacted by wage and benefit increases. These costs, comprising slightly more than half of total expenses, include wage increases of \$1,496,000 or 3.9% for the existing 823 County employees and included a reduction of \$324,000 resulting from eliminating six positions. Health and dental expenses increased 0.9% or \$76,000.

Business-type activities

Options of Linn County, the County's sole business-type activity, increased net assets by \$63,000. Operating revenues decreased 11.0% to \$561,000, while operating expenses decreased slightly to \$499,000 resulting in operating income of \$63,000 compared to an operating income of \$128,000 for FY 10. 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. 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 \$446,000 in client wages, compared to \$451,000 in FY 10. Operations have stabilized after the flood losses experienced in FY 09.

Individual Major Fund Analysis

As the County completed the year, its governmental funds reported a combined fund balance of \$22,243,000, \$5,982,000 more than last year. The nonspendable fund balance of \$1,902,000 is for inventories and prepaid expenses while all the restricted fund balances relate to fund balances of a number of restricted funds. Total unassigned fund balance at year-end was \$14,755,000.

General fund - General fund revenues increased by \$2,117,000 while expenditures decreased \$237,000 or 0.3%. The County received an additional \$2,420,000 in Jumpstart Iowa Recovery grants related to the June of 2008 flood.

Mental health fund – The County continues to evaluate alternatives to effectively manage mental health services. Mental health revenues increased \$289,000 while expenditures increased \$1,919,000. Total fund balance decreased \$1,548,000. The County received \$11,195,000 in property tax relief and state allowable growth funding, an increase of \$1,008,000 over the amount received in FY 10.

Secondary roads fund – The secondary roads fund balance decreased \$180,000 for FY 11. The slight increase in revenue and \$1,192,000 increase in expenditures is a combination of a small increase in Road Use Tax Funds and increased road construction.

Capital projects fund – The \$4,420,000 increase in fund balance is associated with FY 10 deferred flood-related revenue received in FY 11, receipts of general obligation bond proceeds of \$12,894,000, and additional FEMA revenue offset by capital expenditures of \$35,728,000 related primarily to construction and reconstruction of buildings damaged by the flood.

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 three times. The first amendment was made in November 2010 and resulted in an increase to the general fund expenditure budget of \$5,180,000 for an amended total of \$65,398,000. The amendment increased revenue and expenditures due to a number of Public Health grants.

The second amendment in February of 2011 increased revenue and expenditures related to the Jump Start CDBG grant by \$7,000,000 along with a \$5,000 increase in county farm and expenditures.

The final amendment in May 2011 increased expenditures by \$728,000 for an amended expenditure budget of \$73,131,000. The increase was primarily from 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	
	2011	2010	2011	2010	2011	2010
Land	\$ 8,151	\$ 8,355	\$ -	\$ -	\$ 8,151	\$ 8,355
Buildings	19,642	20,728	-	-	19,642	20,728
Improvements other than buildings	365	397	-	-	365	397
Machinery and equipment	5,516	5,746	48	61	5,564	5,807
Infrastructure	41,124	35,869	-	-	41,124	35,869
Construction in progress	42,504	13,652	-	-	42,504	13,652
Total	<u>\$ 117,302</u>	<u>\$ 84,747</u>	<u>\$ 48</u>	<u>\$ 61</u>	<u>\$ 117,350</u>	<u>\$ 84,808</u>

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2011 was \$117,350,000 (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 37.7%. Major capital asset events during the fiscal year included the following:

- Construction in progress costs increased \$28,852,000 related to six county buildings damaged by the June 2008 flood
- Hoover Trail construction in progress costs increased by \$660,000 to \$939,000
- Sale of the Witwer building and demolition of the Options building decreased assets by \$1,466,000
- Completion of \$7,482,000 in roadway and bridge projects
- Machinery and equipment acquisitions of \$1,292,000 including \$549,000 in secondary roads and \$341,000 in public safety additions

Additional information on the County's capital assets can be found in note 4 pages 44 – 45 of this report.

Long-Term Debt

At the end of the current fiscal year, the County had total outstanding debt of \$14,230,000. The full faith and credit of the County back all the debt.

County of Linn's Outstanding Debt (in thousands)

	2010	Additions	Payments	2011
Governmental - General obligation bonds	\$ 1,000	\$ 13,255	\$ 25	\$ 14,230

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 45 and 46 of this report.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the County was 6.0 percent at the end of fiscal year 2011, below the national average of 9.2 percent. Total employment increased 3,500 in fiscal year 2011 to 153,973. Personal income increased 2.4 percent to \$7.67 billion while per capita personal income increased \$537 to \$35,979.

Property taxes levied will increase \$3,405,000 or 6.5 percent from the fiscal 2011 budget. This increase represents overall valuation growth of 5.9 percent combined with a 4-cent increase in the countywide levy rate. The 2012 countywide levy rate is \$6.11 per thousand dollars of taxable value. Net property tax revenue represents 47.6 percent of total revenues compared to 42.7 percent for fiscal 2011. Rural residents will pay \$9.83 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, 2011

ASSETS:	Governmental Activities	Business-Type Activities	Total
Pooled cash and investments	\$ 42,055,155	\$ 402,521	\$ 42,457,676
Receivables:			
Accounts	296,589	115,539	412,128
Property taxes:			
Delinquent	184,363	-	184,363
Succeeding year	58,691,728	-	58,691,728
Interest and penalties on property taxes	321,887	-	321,887
Accrued interest	25,129	113	25,242
Due from other governments	23,985,712	-	23,985,712
Due from individuals and private entities	200,565	-	200,565
Inventories and prepaid expenses	1,901,913	7,927	1,909,840
Investment in joint venture	4,004,000	-	4,004,000
Capital assets:			
Land and construction in progress	50,654,957	-	50,654,957
Other capital assets net of accumulated depreciation	66,646,917	48,323	66,695,240
Total capital assets	117,301,874	48,323	117,350,197
TOTAL ASSETS	248,968,915	574,423	249,543,338
LIABILITIES:			
Accounts payable	17,290,628	187	17,290,815
Salaries and benefits payable	1,542,193	46,220	1,588,413
Unearned revenue:			
Succeeding year property tax	58,691,728	-	58,691,728
Other	5,104,818	-	5,104,818
Accrued interest payable	44,664	-	44,664
Long-term liabilities:			
Portion due or payable within one year:			
General obligation bonds payable	640,000	-	640,000
Capital lease obligations	49,642	-	49,642
Compensated absences	4,418,017	-	4,418,017
Portion due or payable after one year:			
General obligation bonds payable	13,590,000	-	13,590,000
Capital lease obligations	46,721	-	46,721
Other post employment benefits	770,908	-	770,908
Compensated absences	629,558	-	629,558
Total long-term liabilities	20,144,846	-	20,144,846
TOTAL LIABILITIES	102,818,877	46,407	102,865,284
NET ASSETS:			
Invested in capital assets net of related debt	102,975,511	48,323	103,023,834
Restricted for:			
Supplemental levy purposes	981,412	-	981,412
MH-DD services	1,367,671	-	1,367,671
Secondary roads	2,577,929	-	2,577,929
Other purposes	1,057,713	-	1,057,713
Debt service	6,221	-	6,221
Unrestricted	37,183,581	479,693	37,663,274
TOTAL NET ASSETS	\$ 146,150,038	\$ 528,016	\$ 146,678,054

See notes to financial statements.



COUNTY OF LINN, IOWA

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Public safety and legal services	\$ 23,474,286	\$ 6,467,081	\$ 2,073,250	\$ -
Physical health and social services	22,964,394	(482,344)	13,839,780	-
Mental health	33,031,968	8,685,099	14,508,892	-
County environment and education	6,542,798	1,387,861	2,785,318	-
Roads and transportation	16,905,383	1,324,625	10,442,384	2,782,751
Governmental services to residents	5,045,928	3,532,700	107,016	-
Administration	11,526,073	863,959	9,648,009	21,131,023
Nonprogram	30,371	-	-	-
Interest on long-term debt	326,367	-	-	-
Total governmental activities	<u>119,847,568</u>	<u>21,778,981</u>	<u>53,404,649</u>	<u>23,913,774</u>
Business-type activities -				
Options of Linn County	499,126	561,157	-	-
Total	<u>\$ 120,346,694</u>	<u>\$ 22,340,138</u>	<u>\$ 53,404,649</u>	<u>\$ 23,913,774</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
\$ (14,933,955)	\$ -	\$ (14,933,955)
(9,606,958)	-	(9,606,958)
(9,837,977)	-	(9,837,977)
(2,369,619)	-	(2,369,619)
(2,355,623)	-	(2,355,623)
(1,406,212)	-	(1,406,212)
20,116,918	-	20,116,918
(30,371)	-	(30,371)
(326,367)	-	(326,367)
(20,750,164)	-	(20,750,164)
-	62,031	62,031
(20,750,164)	62,031	(20,688,133)
51,007,778	-	51,007,778
66,042	-	66,042
696,797	-	696,797
2,657,258	-	2,657,258
140,317	-	140,317
1,259,053	-	1,259,053
1,002,236	1,270	1,003,506
457,554	-	457,554
57,287,035	1,270	57,288,305
36,536,871	63,301	36,600,172
109,613,167	464,715	110,077,882
\$ 146,150,038	\$ 528,016	\$ 146,678,054

COUNTY OF LINN, IOWA

BALANCE SHEET – GOVERNMENTAL FUNDS
 JUNE 30, 2011

	General	Special Revenue Funds	
		MH-DD Services	Secondary Roads
ASSETS:			
Cash and investments:			
Pooled cash and investments	\$ 14,525,432	\$ 4,493,708	\$ 1,563,182
Other county officials	600,456	500	1,328
Receivables:			
Accounts	162,779	110,555	23,255
Property taxes:			
Delinquent	148,436	26,717	-
Succeeding year	45,096,329	8,116,917	-
Interest and penalties on property taxes	321,887	-	-
Accrued interest	25,072	-	-
Due from other governments	3,871,374	1,026,571	491,758
Due from individuals and private entities	200,565	-	-
Inventories	192,165	-	940,621
Prepaid Items	388,141	283,497	-
TOTAL ASSETS	\$ 65,532,636	\$ 14,058,465	\$ 3,020,144
LIABILITIES AND FUND BALANCES:			
LIABILITIES:			
Accounts payable	\$ 2,054,914	\$ 4,292,375	\$ 319,248
Salaries and benefits payable	1,126,434	281,502	122,967
Deferred revenue:			
Succeeding year property tax	45,096,329	8,116,917	-
Other	1,020,520	129,505	22,293
Total liabilities	49,298,197	12,820,299	464,508
FUND BALANCES:			
Nonspendable	580,306	283,497	940,621
Restricted	899,418	954,669	1,615,015
Unassigned	14,754,715	-	-
Total fund balances	16,234,439	1,238,166	2,555,636
TOTAL LIABILITIES AND FUND BALANCES	\$ 65,532,636	\$ 14,058,465	\$ 3,020,144

See notes to financial statements.

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 11,111,434	\$ 1,071,939	\$ 32,765,695
-	11,587	613,871
-	-	296,589
-	9,210	184,363
-	5,478,482	58,691,728
-	-	321,887
-	48	25,120
18,596,009	-	23,985,712
-	-	200,565
-	34,875	1,167,661
62,614	-	734,252
<u>\$ 29,770,057</u>	<u>\$ 6,606,141</u>	<u>\$ 118,987,443</u>
\$ 8,807,315	\$ 46,757	\$ 15,520,609
-	11,290	1,542,193
-	5,478,482	58,691,728
19,808,579	8,914	20,989,811
<u>28,615,894</u>	<u>5,545,443</u>	<u>96,744,341</u>
62,614	34,875	1,901,913
1,091,549	1,025,823	5,586,474
-	-	14,754,715
<u>1,154,163</u>	<u>1,060,698</u>	<u>22,243,102</u>
<u>\$ 29,770,057</u>	<u>\$ 6,606,141</u>	<u>\$ 118,987,443</u>

COUNTY OF LINN, IOWA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011

Total fund balances for governmental funds \$ 22,243,102

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. 117,301,874

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. 4,004,000

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. 6,905,579

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. 15,884,993

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities:

Accrued interest on bonds	\$ (44,664)	
Bonds payable	(14,230,000)	
Capital leases	(96,363)	
Other post employment benefits	(770,908)	
Compensated absences	(5,047,575)	
Total long-term debt liabilities		<u>(20,189,510)</u>

Total net assets of governmental activities \$ 146,150,038

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, 2011

	General	Special Revenue Funds	
		MH-DD Services	Secondary Roads
REVENUES:			
Property taxes	\$ 39,648,091	\$ 7,539,021	\$ -
Other county taxes	2,096,560	394,477	-
Interest and penalty on taxes	739,709	-	-
Intergovernmental	23,195,514	22,671,403	6,017,822
Licenses and permits	1,113,952	-	38,818
Charges for services	6,341,930	826,994	159,249
Use of money and property	898,655	3,600	-
Miscellaneous	753,490	3,353	98,371
Total revenues	<u>74,787,901</u>	<u>31,438,848</u>	<u>6,314,260</u>
EXPENDITURES:			
Current:			
Public safety and legal services	22,941,674	-	-
Physical health and social services	22,743,594	-	-
Mental health	-	32,986,495	-
County environment and education	5,680,220	-	-
Roads and transportation	1,665,438	-	9,955,048
Governmental services to residents	3,940,392	-	-
Administration	11,232,585	-	-
Nonprogram	30,371	-	-
Capital projects	24,182	-	1,465,200
Debt service	-	-	-
Total expenditures	<u>68,258,456</u>	<u>32,986,495</u>	<u>11,420,248</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>6,529,445</u>	<u>(1,547,647)</u>	<u>(5,105,988)</u>
OTHER FINANCING SOURCES (USES):			
Sale of capital assets	737	-	114,267
Issuance of long-term debt	205,409	-	-
Provision for capital leases and installment purchases	40,454	-	-
Transfers in	8,627,769	-	4,811,302
Transfers out	(12,020,105)	-	-
Total other financing sources (uses)	<u>(3,145,736)</u>	<u>-</u>	<u>4,925,569</u>
NET CHANGE IN FUND BALANCES	3,383,709	(1,547,647)	(180,419)
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	12,864,089	2,785,813	2,690,362
INCREASE (DECREASE) IN INVENTORY RESERVES	<u>(13,359)</u>	<u>-</u>	<u>45,693</u>
FUND BALANCES AT END OF YEAR	<u>\$ 16,234,439</u>	<u>\$ 1,238,166</u>	<u>\$ 2,555,636</u>

See notes to financial statements.

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 3,934,985	\$ 51,122,097
5,233,648	303,946	8,028,631
-	-	739,709
19,361,937	313,015	71,559,691
-	-	1,152,770
30,243	326,669	7,685,085
18,674	1,418	922,347
68,292	560	924,066
<u>24,712,794</u>	<u>4,880,593</u>	<u>142,134,396</u>
-	278,451	23,220,125
-	-	22,743,594
-	-	32,986,495
28,233	555,334	6,263,787
-	370,729	11,991,215
-	41,613	3,982,005
-	-	11,232,585
-	-	30,371
35,727,895	132,275	37,349,552
-	333,434	333,434
<u>35,756,128</u>	<u>1,711,836</u>	<u>150,133,163</u>
<u>(11,043,334)</u>	<u>3,168,757</u>	<u>(7,998,767)</u>
570,004	-	685,008
12,893,788	155,803	13,255,000
-	-	40,454
1,999,831	-	15,438,902
-	(3,418,797)	(15,438,902)
<u>15,463,623</u>	<u>(3,262,994)</u>	<u>13,980,462</u>
4,420,289	(94,237)	5,981,695
(3,266,126)	1,127,502	16,201,640
-	27,433	59,767
<u>\$ 1,154,163</u>	<u>\$ 1,060,698</u>	<u>\$ 22,243,102</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, 2011

Net change in fund balances - total governmental funds		\$ 5,981,695
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	\$ 37,626,327	
Depreciation	<u>(4,388,086)</u>	33,238,241
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		(683,450)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		11,552,636
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	(13,255,000)	
General obligation bonds principal repayment	<u>25,000</u>	(13,230,000)
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.		24,338
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.		59,767
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	(143,759)	
Other post employment benefits annual required contribution	(304,992)	
Interest on long-term debt	<u>(17,933)</u>	(466,684)
Internal service funds are used by management to charge costs of insurance to individual funds. The net revenue (expenses) of certain activities of internal service funds is reported with governmental activities.		<u>60,328</u>
Change in net assets of governmental activities		<u>\$ 36,536,871</u>

See notes to financial statements

COUNTY OF LINN, IOWA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	Nonmajor Enterprise Fund - Options	Internal Service Funds
	<u> </u>	<u> </u>
ASSETS:		
Current assets:		
Pooled cash and investments	\$ 396,294	\$ 8,675,589
Cash - Other county officials	6,227	-
Receivables:		
Accounts	115,539	-
Accrued interest	113	9
Inventories and prepaid expenses	<u>7,927</u>	<u>-</u>
Total current assets	526,100	8,675,598
Noncurrent assets - capital assets net of accumulated depreciation	<u>48,323</u>	<u>-</u>
TOTAL ASSETS	<u>574,423</u>	<u>8,675,598</u>
 LIABILITIES:		
Current liabilities:		
Accounts payable	187	1,770,019
Salaries and benefits payable	<u>46,220</u>	<u>-</u>
Total current liabilities	<u>46,407</u>	<u>1,770,019</u>
 NET ASSETS:		
Invested in capital assets	48,323	-
Unrestricted	<u>479,693</u>	<u>6,905,579</u>
TOTAL NET ASSETS	<u>\$ 528,016</u>	<u>\$ 6,905,579</u>

See notes to financial statements.

COUNTY OF LINN, IOWA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2011

	Nonmajor Enterprise Fund - Options	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 529,295	\$ -
Cash received from other funds	-	10,829,487
Cash received from insurance claims	-	36,281
Cash received from employees	-	329,913
Cash paid to suppliers	(40,801)	-
Cash paid to employees	(438,776)	(38,941)
Cash paid for insurance claims and premiums	-	(10,213,573)
Cash paid for services	-	(795,877)
NET CASH FROM OPERATING ACTIVITIES	<u>49,718</u>	<u>147,290</u>
CASH FLOWS FROM INVESTING ACTIVITIES - Interest on investments	<u>1,249</u>	<u>2,386</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	50,967	149,676
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	351,554	8,525,913
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 402,521</u>	<u>\$ 8,675,589</u>
 RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES:		
OPERATING INCOME	<u>\$ 62,031</u>	<u>\$ 58,217</u>
 ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES:		
Depreciation	12,426	-
Decrease in accounts receivable	(31,862)	54
Increase in inventories and prepaid expenses	1,131	-
Increase (decrease) in accounts payable	(2,400)	89,019
Decrease in salaries and benefits payable	8,392	-
Total adjustments	<u>(12,313)</u>	<u>89,073</u>
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 49,718</u>	<u>\$ 147,290</u>

See notes to financial statements.

COUNTY OF LINN, IOWA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
YEAR ENDED JUNE 30, 2011

	<u>Deferred Compensation Trust Fund</u>
ADDITIONS:	
Employee contributions	\$ 50,177
Net increase in the fair value of investments	<u>284,752</u>
Total additions	334,929
DEDUCTIONS - Redemption of contributions to employee or beneficiaries	<u>384,236</u>
CHANGE IN NET ASSETS	(49,307)
TOTAL NET ASSETS - BEGINNING	<u>1,749,078</u>
TOTAL NET ASSETS - ENDING	<u><u>\$ 1,699,771</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 funds:

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 an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the County's policy is to pay the expenditure from restricted fund balance and then from less-restrictive classifications – committed, assigned and then unassigned fund balances.

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, 2009 assessed property valuations; is for the tax accrual period July 1, 2010 through June 30, 2011 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2010.

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, 2011, 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, 2011. 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, fund balances are classified as follows:

Nonspendable – amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors, state or federal laws, or are imposed by law through constitutional provisions or enabling legislation.

Committed – amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Board of Supervisors through ordinance or resolution approved prior to year end. Committed amounts cannot be used for any other purpose unless the Board of Supervisors removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned – amounts the Board of Supervisors intend to use for specific purposes.

Unassigned – all amounts not included in other classifications.

Net Assets – the net assets of the Internal Service, Employee Group Health Fund is designated for anticipated future catastrophic losses of the County.

As of June 30, 2011, fund balances are composed of the following:

	General	Major			Other Governmental	Total
		MH-DD Services	Secondary Roads	Capital Projects		
Fund balances:						
Nonspendable:						
Inventories	\$ 192,165	\$ -	\$ 940,621	\$ -	\$ 34,875	\$ 1,167,661
Prepaid insurance	388,141	283,497	-	62,614	-	734,252
Subtotal nonspendable	<u>580,306</u>	<u>283,497</u>	<u>940,621</u>	<u>62,614</u>	<u>34,875</u>	<u>1,901,913</u>
Restricted:						
Supplemental levy purposes	899,418	-	-	-	-	899,418
Mental health purposes	-	954,669	-	-	-	954,669
Secondary roads	-	-	1,615,015	-	-	1,615,015
Capital projects	-	-	-	1,091,549	-	1,091,549
Other purposes	-	-	-	-	1,025,823	1,025,823
Subtotal restricted	<u>899,418</u>	<u>954,669</u>	<u>1,615,015</u>	<u>1,091,549</u>	<u>1,025,823</u>	<u>5,586,474</u>
Unassigned	<u>14,754,715</u>	-	-	-	-	<u>14,754,715</u>
Total fund balance	<u>\$ 16,234,439</u>	<u>\$ 1,238,166</u>	<u>\$ 2,555,636</u>	<u>\$ 1,154,163</u>	<u>\$ 1,060,698</u>	<u>\$ 22,243,102</u>

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, 2011 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, 2011, the carrying amount of the County's deposits with financial institutions, which include certificates of deposit, was \$56,409,262, and the bank balances were \$61,346,853.

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 \$684,210 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 \$1,699,771 at June 30, 2011.

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, 2011. 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, 2011.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 8,355,487	\$ -	\$ 204,564	\$ 8,150,923
Construction in progress	<u>13,651,514</u>	<u>36,334,671</u>	<u>7,482,151</u>	<u>42,504,034</u>
Total capital assets not being depreciated	<u>22,007,001</u>	<u>36,334,671</u>	<u>7,686,715</u>	<u>50,654,957</u>
Capital assets being depreciated:				
Infrastructure	55,948,849	7,482,151	-	63,431,000
Buildings	33,889,039	-	1,465,942	32,423,097
Improvements other than buildings	778,045	-	-	778,045
Machinery and equipment	<u>20,478,948</u>	<u>1,291,656</u>	<u>2,094,218</u>	<u>19,676,386</u>
Total capital assets being depreciated	<u>111,094,881</u>	<u>8,773,807</u>	<u>3,560,160</u>	<u>116,308,528</u>
Less accumulated depreciation for:				
Infrastructure	20,079,573	2,227,241	-	22,306,814
Buildings	13,161,175	803,628	1,183,324	12,781,479
Improvements other than buildings	381,130	32,123	-	413,253
Machinery and equipment	<u>14,732,921</u>	<u>1,325,094</u>	<u>1,897,950</u>	<u>14,160,065</u>
Total accumulated depreciation	<u>48,354,799</u>	<u>4,388,086</u>	<u>3,081,274</u>	<u>49,661,611</u>
Total capital assets being depreciated, net	<u>62,740,082</u>	<u>4,385,721</u>	<u>478,886</u>	<u>66,646,917</u>
Governmental activities capital assets, net	<u>\$ 84,747,083</u>	<u>\$ 40,720,392</u>	<u>\$ 8,165,601</u>	<u>\$ 117,301,874</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets being depreciated -				
Machinery and equipment	\$ 120,578	\$ -	\$ -	\$ 120,578
Less accumulated depreciation for -				
Machinery and equipment	<u>59,829</u>	<u>12,426</u>	<u>-</u>	<u>72,255</u>
Business-type activities capital assets, net	<u>\$ 60,749</u>	<u>\$ (12,426)</u>	<u>\$ -</u>	<u>\$ 48,323</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 482,029
Physical health and social services	187,402
Mental health	42,825
County environment and education	342,761
Roads and transportation	2,841,403
Governmental services to residents	30,328
Administration	<u>461,338</u>
Total depreciation expense - governmental activities	<u>\$ 4,388,086</u>
Business-type activities - Options of Linn County	<u>\$ 12,426</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
Conservation trails and bridges	\$ 2,758,733	\$ 697,017	\$ 2,061,716
Building projects	47,303,378	31,737,954	15,565,424
Road construction projects	1,426,839	1,068,663	358,176
	<u>\$ 51,488,950</u>	<u>\$ 33,503,634</u>	<u>\$ 17,985,316</u>

5. LONG-TERM OBLIGATION ACTIVITY

Changes in long-term obligations for the year ended June 30, 2011 are as follows:

	Balance June 30, 2010	Increases	Decreases	Balance June 30, 2011	Due Within One Year
General obligation bonds	\$ 1,000,000	\$ 13,255,000	\$ 25,000	\$ 14,230,000	\$ 640,000
Capital lease obligations	120,701	40,454	64,792	96,363	49,642
Compensated absences	4,903,816	4,216,932	4,073,173	5,047,575	4,418,017
Net OPEB liability	465,916	399,354	94,362	770,908	-
	<u>\$ 6,490,433</u>	<u>\$ 17,911,740</u>	<u>\$ 4,257,327</u>	<u>\$ 20,144,846</u>	<u>\$ 5,107,659</u>

General Obligation Bonds

General obligation bonds totaling \$14,230,000 are outstanding as of June 30, 2011. For these issues, 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 0.85 percent to 5.75 percent and mature in varying annual amounts ranging from \$640,000 to \$895,000 per year with final maturities due in the year ended June 30, 2030. 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, 2011, are comprised of the following individual issues:

	Date of Issue	Amount Issued	Interest Rates	Outstanding June 30, 2011
General Obligation Bonds:				
Elections Depot	December, 2009	\$ 1,000,000	1.50 - 5.75 %	\$ 975,000
Juvenile Courthouse	September, 2010	2,995,000	1.50 - 5.75%	2,995,000
Building Improvements	December, 2010	10,260,000	0.85 - 5.50%	10,260,000
				<u>\$ 14,230,000</u>

Summary of Principal and Interest Maturities

Annual debt service requirements to service all outstanding general obligation bonds as of June 30, 2011 are as follows:

Year Ending June 30	Principal	Interest	IRS Credit	Total
2012	\$ 640,000	\$ 535,968	\$ (187,589)	\$ 988,379
2013	640,000	530,135	(185,547)	984,588
2014	645,000	521,775	(182,621)	984,154
2015	650,000	511,425	(178,999)	982,426
2016	660,000	498,130	(174,346)	983,784
2017-2021	3,485,000	2,203,418	(771,196)	4,917,222
2022-2026	3,950,000	1,483,080	(519,078)	4,914,002
2027-2030	3,560,000	468,373	(163,930)	3,864,443
	<u>\$ 14,230,000</u>	<u>\$ 6,752,304</u>	<u>\$ (2,363,306)</u>	<u>\$ 18,618,998</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, 2011, the statutory limit for the County was \$744,879,358, providing a legal debt margin of \$730,649,358.

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, 2011, there were 25 series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$59,562,583.

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 4.50 percent of their annual covered salary and the County is required to contribute 6.95 percent of annual covered payroll. For law enforcement employees the percentages are 8.94 percent and 8.94 percent, while the percentages for conservation peace officers are 6.64 percent and 9.95 percent. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2011, 2010, and 2009 were \$3,073,088, \$2,773,046, and \$2,613,834 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 795 active and 27 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, 2011, the amount actually contributed to the plan and changes in the County’s net OPEB obligation:

Annual required contribution	\$	395,792
Interest on net OPEB obligation		17,943
Adjustment to annual required contribution		<u>(14,381)</u>
Annual OPEB cost		399,354
Contributions made		<u>(94,362)</u>
Increase in net OPEB obligation		304,992
Net OPEB obligation - beginning of year		<u>465,916</u>
Net OPEB obligation - end of year	\$	<u><u>770,908</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, 2011.

For the year ended June 30, 2011, the County contributed \$94,362 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, 2011 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
June 30, 2011	395,792	23.8%	770,908

Funded Status and Funding Progress. As of July 1, 2010, the most recent actuarial valuation date for the period July 1, 2009 through June 30, 2011, the actuarial accrued liability was \$3,838,127 with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,838,127. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$39,452,221 and the ratio of the UAAL to covered payroll was 9.7%. As of June 30, 2011, 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.

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.

Inflation Rate Assumption. As of the July 1, 2010 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.

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, 2011	Year ended June 30, 2010
Accounts payable - beginning of year	\$ 1,442,000	\$ 1,348,000
Incurred claims	8,813,768	8,737,917
Claim payments	<u>(8,849,749)</u>	<u>(8,643,917)</u>
Accounts payable - end of year	<u>\$ 1,406,019</u>	<u>\$ 1,442,000</u>

Self-insurance is in effect up to a calculated rating period aggregate deductible of \$10,388,477 for 2011. 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, 2011, the Employee Health and Dental Fund held \$8,131,750 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, 2011	Year ended June 30, 2010
Accounts payable - beginning of year	\$ -	\$ -
Incurred claims	72,169	37,207
Claim payments	<u>(72,169)</u>	<u>(37,207)</u>
Accounts payable - 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, 2011	Year ended June 30, 2010
Accounts payable - beginning of year	\$ 239,000	\$ 239,000
Incurred claims	2,287,415	1,199,488
Claim payments	<u>(2,162,415)</u>	<u>(1,199,488)</u>
Accounts payable - end of year	<u>\$ 364,000</u>	<u>\$ 239,000</u>

At June 30, 2011, the Self-Insurance Fund held \$543,848 in pooled cash and investments available for payment of these claims.

10. INTERFUND TRANSFERS

Interfund Transfers Reconciliation

The detail of interfund transfers for the year ended June 30, 2011 is as follows:

	Interfund Transfers In	Interfund Transfers Out
General fund	\$ 8,627,769	\$ 12,020,105
Secondary roads fund	4,811,302	-
Capital projects fund	1,999,831	-
Nonmajor governmental funds	-	3,418,797
Total	<u>\$ 15,438,902</u>	<u>\$ 15,438,902</u>

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, 2011, 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.

11. 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 2016. 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 \$27,727 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, 2011:

Year Ending June 30	Capital Leases	Operating Leases
2012	\$ 50,159	\$ 309,728
2013	22,760	310,902
2014	10,419	244,882
2015	8,221	44,034
2016	5,294	45,502
Total minimum lease payments	96,853	<u>\$ 955,048</u>
Less amounts representing interest	(490)	
Present value of minimum lease payments	<u>\$ 96,363</u>	

Lease expenditures for the year ended June 30, 2011, for all operating leases were \$309,728.

12. 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.

13. 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 borne 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, 2011, the agency's equity was \$40.9 million of which 9.8 percent or \$4,004,000 was the County's equity interest. The previous year, the equity interest for the County was \$3,329,000. 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.

14. ACCOUNTING CHANGE/RESTATEMENT

Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, was implemented during the year ended June 30, 2011. The effect of fund type reclassification is as follows:

	Fund Balance As Previously Reported		Fund Balance As Restated
	June 30, 2010	Restatement	June 30, 2010
Capital projects fund	\$ (4,652,247)	\$ 1,386,121	\$ (3,266,126)
Other governmental funds	2,513,623	(1,386,121)	1,127,502
Total	<u>\$ (2,138,624)</u>	<u>\$ -</u>	<u>\$ (2,138,624)</u>

15. SUBSEQUENT EVENTS

On October 6, 2011, the County issued \$7,650,000 General Obligation Bonds to finance the County's portion of a joint communications system for emergency services. The bonds mature on June 1 in each of the respective years and in principal amounts between \$465,000 and \$595,000 and bear interest at rates ranging from 1.0% and 2.7% commencing June 1, 2012 and ending June 1, 2026. Bonds maturing on June 1, 2020 and thereafter are subject to redemption prior to maturity at times and on the terms specified in the Bonds.

16. NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STANDARDS

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

Statement No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, issued December 2009, will be effective for the fiscal year ending June 30, 2012. 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. 60, Accounting and Financial Reporting for Service Concession Arrangements; issued November 2010 will be effective for the fiscal year ending June 30, 2013. The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements.

Statement No. 61, The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34; issued November 2010, will be effective for the fiscal year ending June 30, 2013. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity.

Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements; issued December 2010 will be effective for the fiscal year ending June 30, 2013. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance.

Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, issued June 2011, will be effective for the fiscal year ending June 30, 2013. This Statement amends the net asset reporting requirements in Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

Statement No. 64, Derivative Instruments: Application of Hedge Accounting Termination Provision- an amendment to GASB Statement No. 53, issued June 2011, will be effective for the fiscal year ending June 30, 2012. The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider

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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 50,900,638	\$ 51,069,912	\$ 51,148,625	\$ 78,713
Other county taxes	7,834,960	7,636,496	7,643,547	7,051
Interest and penalty on taxes	565,000	565,000	763,857	198,857
Intergovernmental	51,022,188	65,527,693	74,706,572	9,178,879
Licenses and permits	795,275	954,269	1,009,884	55,615
Charges for services	6,619,815	7,349,792	7,850,243	500,451
Use of money and property	688,115	808,587	923,179	114,592
Miscellaneous	774,040	1,157,560	1,285,036	127,476
Total revenues	<u>119,200,031</u>	<u>135,069,309</u>	<u>145,330,943</u>	<u>10,261,634</u>
EXPENDITURES:				
Operating:				
Public safety and legal services	22,851,635	23,547,112	23,459,578	87,534
Physical health and social services	14,855,758	26,440,954	22,733,319	3,707,635
Mental health	32,597,256	32,507,241	32,457,453	49,788
County environment and education	6,962,248	6,552,915	6,312,279	240,636
Roads and transportation	11,750,540	12,461,757	12,054,848	406,909
Governmental services to residents	3,944,523	4,123,023	3,981,800	141,223
Administration	11,159,357	11,513,549	11,392,117	121,432
Nonprogram	20,108	30,108	28,303	1,805
Debt service	70,615	483,544	333,434	150,110
Capital projects	16,438,800	30,311,686	29,959,608	352,078
Total expenditures	<u>120,650,840</u>	<u>147,971,889</u>	<u>142,712,739</u>	<u>5,259,150</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,450,809)</u>	<u>(12,902,580)</u>	<u>2,618,204</u>	<u>15,520,784</u>
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	28,150	56,775	676,329	619,554
General long-term debt proceeds	-	13,255,001	13,255,000	(1)
Transfers in	14,729,071	14,729,071	15,438,902	709,831
Transfers out	<u>(14,729,071)</u>	<u>(14,729,071)</u>	<u>(15,438,902)</u>	<u>(709,831)</u>
Total other financing sources (uses)	<u>28,150</u>	<u>13,311,776</u>	<u>13,931,329</u>	<u>619,553</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(1,422,659)</u>	<u>409,196</u>	<u>16,549,533</u>	<u>16,140,337</u>
FUND BALANCES - BEGINNING	<u>17,076,750</u>	<u>17,076,750</u>	<u>17,076,750</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 15,654,091</u>	<u>\$ 17,485,946</u>	<u>\$ 33,626,283</u>	<u>\$ 16,140,337</u>

See accompanying independent auditor's report.

COUNTY OF LINN, IOWA
 BUDGETARY COMPARISON SCHEDULE
 BUDGET TO GAAP RECONCILIATION
 YEAR ENDED JUNE 30, 2011

	Governmental Fund Types		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 145,330,943	\$ (3,196,547)	\$ 142,134,396
Expenditures	142,712,739	7,420,424	150,133,163
Net	2,618,204	(10,616,971)	(7,998,767)
Total other financing sources	13,931,329	49,133	13,980,462
Beginning fund balances	17,076,750	(875,110)	16,201,640
Increase in reserve for inventories	-	59,767	59,767
Ending fund balances	<u>\$ 33,626,283</u>	<u>\$ (11,383,181)</u>	<u>\$ 22,243,102</u>

See accompanying independent auditor's report.

COUNTY OF LINN, IOWA

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION –
BUDGETARY REPORTING
YEAR ENDED JUNE 30, 2011

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.

Formal and legal budgetary control is based upon 10 major classes of expenditures known as functions, not by fund or fund type. These 10 functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service, and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, three budget amendments increased budgeted expenditures by \$27,321,049. 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	-	37,934,828	9.3%
07/01/10	-	3,838,127	3,838,127	-	39,452,221	9.7%

See accompanying independent auditor's report.

COMBINING FUND FINANCIAL STATEMENTS AND OTHER SUPPLEMENTAL INFORMATION

COUNTY OF LINN, IOWA

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

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, 2011

ASSETS	Special		
	Rural Services	Inmate Commissary	Gifts and Donations
Cash and investments:			
Pooled cash and investments	\$ 417,004	\$ 164,898	\$ 207,780
Other county officials	-	-	-
Receivables:			
Property taxes:			
Delinquent	5,883	-	-
Succeeding year	4,497,841	-	-
Accrued interest	-	-	-
Inventories	34,875	-	-
TOTAL ASSETS	\$ 4,955,603	\$ 164,898	\$ 207,780
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 29,208	\$ 7,253	\$ -
Salaries and benefits payable	9,107	2,183	-
Deferred revenue:			
Succeeding year property tax	4,497,841	-	-
Other	5,678	-	-
Total liabilities	4,541,834	9,436	-
FUND BALANCES:			
Nonspendable	34,875	-	-
Restricted	378,894	155,462	207,780
Total fund balances	413,769	155,462	207,780
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,955,603	\$ 164,898	\$ 207,780

Revenue Funds

Recorder's Records Management	Conservation REAP	Air Pollution Title V	Debt Service	Total
\$ 66,742	\$ 142,535	\$ 70,086	\$ 2,894	\$ 1,071,939
11,587	-	-	-	11,587
-	-	-	3,327	9,210
-	-	-	980,641	5,478,482
-	48	-	-	48
-	-	-	-	34,875
<u>\$ 78,329</u>	<u>\$ 142,583</u>	<u>\$ 70,086</u>	<u>\$ 986,862</u>	<u>\$ 6,606,141</u>
\$ -	\$ 10,296	\$ -	\$ -	\$ 46,757
-	-	-	-	11,290
-	-	-	980,641	5,478,482
-	-	-	3,236	8,914
-	<u>10,296</u>	-	<u>983,877</u>	<u>5,545,443</u>
-	-	-	-	34,875
<u>78,329</u>	<u>132,287</u>	<u>70,086</u>	<u>2,985</u>	<u>1,025,823</u>
<u>78,329</u>	<u>132,287</u>	<u>70,086</u>	<u>2,985</u>	<u>1,060,698</u>
<u>\$ 78,329</u>	<u>\$ 142,583</u>	<u>\$ 70,086</u>	<u>\$ 986,862</u>	<u>\$ 6,606,141</u>

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2011

	Special			
	Rural Services	Inmate Commissary	Gifts and Donations	Recorder's Records Management
REVENUES:				
Property taxes	\$ 3,868,943	\$ -	\$ -	\$ -
Other county taxes	300,632	-	-	-
Intergovernmental	133,227	-	-	-
Charges for services	-	274,213	-	52,456
Use of money and property	-	-	725	7
Miscellaneous	-	560	-	-
Total revenues	<u>4,302,802</u>	<u>274,773</u>	<u>725</u>	<u>52,463</u>
EXPENDITURES:				
Current:				
Public safety and legal services	-	278,451	-	-
County environment and education	544,491	-	-	-
Roads and transportation	370,729	-	-	-
Governmental services to residents	-	-	-	41,613
Capital projects	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>915,220</u>	<u>278,451</u>	<u>-</u>	<u>41,613</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,387,582</u>	<u>(3,678)</u>	<u>725</u>	<u>10,850</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from long-term debt	-	-	-	-
Transfers out	<u>(3,418,797)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,418,797)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(31,215)	(3,678)	725	10,850
FUND BALANCES AT BEGINNING OF YEAR	417,551	159,140	207,055	67,479
DECREASE IN INVENTORY RESERVES	<u>27,433</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 413,769</u>	<u>\$ 155,462</u>	<u>\$ 207,780</u>	<u>\$ 78,329</u>

Revenue Funds

<u>Conservation REAP</u>	<u>Air Pollution Title V</u>	<u>Debt Service</u>	<u>Total</u>
\$ -	\$ -	\$ 66,042	\$ 3,934,985
-	-	3,314	303,946
71,241	-	108,547	313,015
-	-	-	326,669
686	-	-	1,418
-	-	-	560
<u>71,927</u>	<u>-</u>	<u>177,903</u>	<u>4,880,593</u>
-	-	-	278,451
-	10,843	-	555,334
-	-	-	370,729
-	-	-	41,613
132,275	-	-	132,275
-	-	333,434	333,434
<u>132,275</u>	<u>10,843</u>	<u>333,434</u>	<u>1,711,836</u>
<u>(60,348)</u>	<u>(10,843)</u>	<u>(155,531)</u>	<u>3,168,757</u>
-	-	155,803	155,803
-	-	-	(3,418,797)
-	-	155,803	(3,262,994)
(60,348)	(10,843)	272	(94,237)
192,635	80,929	2,713	1,127,502
-	-	-	27,433
<u>\$ 132,287</u>	<u>\$ 70,086</u>	<u>\$ 2,985</u>	<u>\$ 1,060,698</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, 2011

	Employee Health and Dental Fund	Self- Insurance Fund	Total
ASSETS:			
Pooled cash and investments	\$ 8,131,750	\$ 543,839	\$ 8,675,589
Receivables - accrued interest	-	9	9
TOTAL ASSETS	<u>8,131,750</u>	<u>543,848</u>	<u>8,675,598</u>
LIABILITIES:			
Current liabilities - accounts payable	<u>1,406,019</u>	<u>364,000</u>	<u>1,770,019</u>
Total current liabilities	<u>1,406,019</u>	<u>364,000</u>	<u>1,770,019</u>
NET ASSETS - Unrestricted	<u>\$ 6,725,731</u>	<u>\$ 179,848</u>	<u>\$ 6,905,579</u>

COUNTY OF LINN, IOWA
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET
 ASSETS – INTERNAL SERVICE FUNDS
 YEAR ENDED JUNE 30, 2011

	Employee Health and Dental Fund	Self- Insurance Fund	Total
OPERATING REVENUES - Charges for services	\$ 10,158,587	\$ 1,000,813	\$ 11,159,400
OPERATING EXPENSES - Claims and administrative expenses	<u>8,813,768</u>	<u>2,287,415</u>	<u>11,101,183</u>
OPERATING INCOME (LOSS)	1,344,819	(1,286,602)	58,217
NON-OPERATING REVENUES - Interest income	<u>-</u>	<u>2,111</u>	<u>2,111</u>
CHANGE IN NET ASSETS	1,344,819	(1,284,491)	60,328
TOTAL NET ASSETS - BEGINNING	<u>5,380,912</u>	<u>1,464,339</u>	<u>6,845,251</u>
TOTAL NET ASSETS - ENDING	<u>\$ 6,725,731</u>	<u>\$ 179,848</u>	<u>\$ 6,905,579</u>

COUNTY OF LINN, IOWA
 COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS
 YEAR ENDED JUNE 30, 2011

	Employee Health and Dental Fund	Self- Insurance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from other funds	\$ 9,828,674	\$ 1,000,813	\$ 10,829,487
Cash received from insurance claims	36,281	-	36,281
Cash received from employees	329,913	-	329,913
Cash paid to employees	(38,941)	-	(38,941)
Cash paid for insurance claims and premiums	(8,305,346)	(1,908,227)	(10,213,573)
Cash paid for services	(541,689)	(254,188)	(795,877)
NET CASH FROM (FOR) OPERATING ACTIVITIES	1,308,892	(1,161,602)	147,290
CASH FLOWS FROM INVESTING ACTIVITIES - Interest on investments			
	-	2,386	2,386
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,308,892	(1,159,216)	149,676
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	6,822,858	1,703,055	8,525,913
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 8,131,750	\$ 543,839	\$ 8,675,589
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM (FOR) OPERATING ACTIVITIES:			
OPERATING INCOME (LOSS)	\$ 1,344,819	\$ (1,286,602)	\$ 58,217
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH FROM (FOR) OPERATING ACTIVITIES:			
Decrease in accounts receivable	54	-	54
Increase (decrease) in accounts payable	(35,981)	125,000	89,019
Total adjustments	(35,927)	125,000	89,073
NET CASH FROM (FOR) OPERATING ACTIVITIES	\$ 1,308,892	\$ (1,161,602)	\$ 147,290

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, 2011

AGRICULTURAL EXTENSION SERVICE FUND	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
ASSETS:				
Pooled cash and investments	\$ 6,115	\$ 450,731	\$ 451,885	\$ 4,961
Receivables - Property taxes:				
Delinquent	2,149	440,756	441,375	1,530
Succeeding year	449,972	465,027	449,972	465,027
Due from other governments	-	9,975	9,975	-
TOTAL ASSETS	<u>\$ 458,236</u>	<u>\$ 1,366,489</u>	<u>\$ 1,353,207</u>	<u>\$ 471,518</u>
LIABILITIES - Due to other governments	<u>\$ 458,236</u>	<u>\$ 917,288</u>	<u>\$ 904,006</u>	<u>\$ 471,518</u>
<u>MOTOR VEHICLE LICENSE AND USE TAX FUND</u>				
ASSETS - Pooled cash and investments	<u>\$ 4,273,915</u>	<u>\$ 52,506,618</u>	<u>\$ 52,474,814</u>	<u>\$ 4,305,719</u>
LIABILITIES - Due to other governments	<u>\$ 4,273,915</u>	<u>\$ 52,506,618</u>	<u>\$ 52,474,814</u>	<u>\$ 4,305,719</u>
<u>MONIES AND CREDITS FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 2,343	\$ 54,852	\$ 54,602	\$ 2,593
Receivables - Property taxes - delinquent	-	54,852	54,852	-
TOTAL ASSETS	<u>\$ 2,343</u>	<u>\$ 109,704</u>	<u>\$ 109,454</u>	<u>\$ 2,593</u>
LIABILITIES - Due to other governments	<u>\$ 2,343</u>	<u>\$ 54,852</u>	<u>\$ 54,602</u>	<u>\$ 2,593</u>

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2011 (CONTINUED)

COMMUNITY COLLEGE TAXING DISTRICT FUND	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
ASSETS:				
Pooled cash and investments	\$ 96,047	\$ 9,212,190	\$ 9,222,192	\$ 86,045
Receivables - Property taxes:				
Delinquent	37,484	7,657,571	7,665,535	29,520
Succeeding year	7,818,862	7,078,650	7,818,862	7,078,650
Due from other governments	-	1,554,619	1,554,619	-
TOTAL ASSETS	\$ 7,952,393	\$ 25,503,030	\$ 26,261,208	\$ 7,194,215
LIABILITIES - Due to other governments	\$ 7,952,393	\$ 16,320,360	\$ 17,078,538	\$ 7,194,215
 CITY TAXING DISTRICTS FUND				
ASSETS:				
Pooled cash and investments	\$ 1,584,910	\$ 106,547,038	\$ 106,902,954	\$ 1,228,994
Receivables:				
Property taxes:				
Delinquent	546,231	104,251,852	104,388,126	409,957
Succeeding year	106,197,861	112,370,460	106,197,861	112,370,460
Special assessments	46,061	100,566	65,316	81,311
Due from other governments	-	2,194,620	2,194,620	-
TOTAL ASSETS	\$ 108,375,063	\$ 325,464,536	\$ 319,748,877	\$ 114,090,722
LIABILITIES - Due to other governments	\$ 108,375,063	\$ 219,408,766	\$ 213,693,107	\$ 114,090,722
 SCHOOL TAXING DISTRICTS FUND				
ASSETS:				
Pooled cash and investments	\$ 1,735,589	\$ 140,488,433	\$ 140,706,700	\$ 1,517,322
Receivables - Property taxes:				
Delinquent	639,302	137,393,851	137,562,518	470,635
Succeeding year	140,251,808	145,591,721	140,251,808	145,591,721
Due from other governments	-	3,094,582	3,094,582	-
TOTAL ASSETS	\$ 142,626,699	\$ 426,568,587	\$ 421,615,608	\$ 147,579,678
LIABILITIES - Due to other governments	\$ 142,626,699	\$ 286,550,789	\$ 281,597,810	\$ 147,579,678

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2011 (CONTINUED)

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
<u>TAX SALE REDEMPTION FUND</u>				
ASSETS - Pooled cash and investments	\$ 303,243	\$ 5,211,698	\$ 4,789,060	\$ 725,881
LIABILITIES - Due to individuals and private entities	\$ 303,243	\$ 5,211,698	\$ 4,789,060	\$ 725,881
<u>MENTAL HEALTH AGENCY FUND</u>				
ASSETS - Cash - Other county officials	\$ 318,682	\$ 3,429,907	\$ 3,457,968	\$ 290,621
LIABILITIES - Due to individuals and private entities	\$ 318,682	\$ 3,429,907	\$ 3,457,968	\$ 290,621
<u>COUNTY RECORDER AGENCY FUND</u>				
ASSETS:				
Cash - Other county officials	\$ 249,263	\$ 3,389,677	\$ 3,428,440	\$ 210,500
Due from individuals and private entities	3,981	2,534	3,981	2,534
TOTAL ASSETS	\$ 253,244	\$ 3,392,211	\$ 3,432,421	\$ 213,034
LIABILITIES:				
Due to other governments	\$ 253,223	\$ 3,392,211	\$ 3,432,400	\$ 213,034
Due to individuals and private entities	21	-	21	-
TOTAL LIABILITIES	\$ 253,244	\$ 3,392,211	\$ 3,432,421	\$ 213,034
<u>COUNTY SHERIFF AGENCY FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 15,420	\$ -	\$ -	\$ 15,420
Cash - Other county officials	1,134,646	10,397,700	10,711,955	820,391
TOTAL ASSETS	\$ 1,150,066	\$ 10,397,700	\$ 10,711,955	\$ 835,811
LIABILITIES:				
Due to other governments	\$ 1,102,141	\$ 1,800,444	\$ 2,178,151	\$ 724,434
Due to individuals and private entities	47,925	8,597,256	8,533,804	111,377
TOTAL LIABILITIES	\$ 1,150,066	\$ 10,397,700	\$ 10,711,955	\$ 835,811

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2011 (CONTINUED)

FIRE TAXING DISTRICTS FUND	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
ASSETS:				
Pooled cash and investments	\$ 2,398	\$ 257,241	\$ 257,290	\$ 2,349
Receivables - Property taxes:				
Delinquent	1,105	249,610	250,107	608
Succeeding year	258,152	265,976	258,152	265,976
Due from other governments	-	7,631	7,631	-
TOTAL ASSETS	\$ 261,655	\$ 780,458	\$ 773,180	\$ 268,933
LIABILITIES - Due to other governments	\$ 261,655	\$ 523,825	\$ 516,547	\$ 268,933
<u>TAX FINANCING FUNDS</u>				
ASSETS:				
Pooled cash and investments	\$ 159,480	\$ 13,401,313	\$ 13,445,456	\$ 115,337
Receivables - Property taxes:				
Delinquent	103,423	13,264,312	13,292,520	75,215
Succeeding year	13,041,345	10,214,917	13,041,345	10,214,917
Due from other governments	-	137,001	137,001	-
TOTAL ASSETS	\$ 13,304,248	\$ 37,017,543	\$ 39,916,322	\$ 10,405,469
LIABILITIES - Due to other governments	\$ 13,304,248	\$ 23,691,445	\$ 26,590,224	\$ 10,405,469
<u>TOWNSHIP TAXING DISTRICTS FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 5,623	\$ 607,216	\$ 606,487	\$ 6,352
Receivables - Property taxes:				
Delinquent	1,596	586,272	587,210	658
Succeeding year	605,035	633,182	605,035	633,182
Due from other governments	-	20,944	20,944	-
TOTAL ASSETS	\$ 612,254	\$ 1,847,614	\$ 1,819,676	\$ 640,192
LIABILITIES - Due to other governments	\$ 612,254	\$ 1,241,056	\$ 1,213,118	\$ 640,192

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2011 (CONTINUED)

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
<u>EMERGENCY MANAGEMENT FUND</u>				
ASSETS - Pooled cash and investments	\$ 140,891	\$ 763,270	\$ 571,788	\$ 332,373
LIABILITIES - Due to other governments	\$ 140,891	\$ 763,270	\$ 571,788	\$ 332,373
<u>COUNTY ASSESSOR FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 322,925	\$ 703,484	\$ 752,374	\$ 274,035
Receivables - Property taxes:				
Delinquent	2,336	688,778	688,330	2,784
Succeeding year	706,878	-	(169,040)	875,918
Due from other governments	-	14,706	14,706	-
TOTAL ASSETS	\$ 1,032,139	\$ 1,406,968	\$ 1,286,370	\$ 1,152,737
LIABILITIES - Due to other governments	\$ 1,032,139	\$ 2,043,361	\$ 1,922,763	\$ 1,152,737
<u>COUNTY ASSESSOR SPECIAL FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 1,596,104	\$ 926,854	\$ 581,879	\$ 1,941,079
Receivables - Property taxes:				
Delinquent	3,045	875,578	875,762	2,861
Succeeding year	921,148	900,007	921,148	900,007
Due from other governments	-	51,276	51,276	-
TOTAL ASSETS	\$ 2,520,297	\$ 2,753,715	\$ 2,430,065	\$ 2,843,947
LIABILITIES - Due to other governments	\$ 2,520,297	\$ 1,829,722	\$ 1,506,072	\$ 2,843,947

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2011 (CONTINUED)

CITY ASSESSOR FUND	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
ASSETS:				
Pooled cash and investments	\$ 383,928	\$ 1,220,078	\$ 1,123,580	\$ 480,426
Receivables - Property taxes:				
Delinquent	6,858	1,188,913	1,192,010	3,761
Succeeding year	1,210,001	1,119,977	1,210,001	1,119,977
Due from other governments	-	31,165	31,165	-
TOTAL ASSETS	\$ 1,600,787	\$ 3,560,133	\$ 3,556,756	\$ 1,604,164
LIABILITIES - Due to other governments	\$ 1,600,787	\$ 2,343,816	\$ 2,340,439	\$ 1,604,164
<u>CITY ASSESSOR SPECIAL FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 1,454,629	\$ 260,323	\$ 475,668	\$ 1,239,284
Receivables - Property taxes:				
Delinquent	1,473	255,367	256,068	772
Succeeding year	260,018	230,010	260,018	230,010
Due from other governments	-	4,956	4,956	-
TOTAL ASSETS	\$ 1,716,120	\$ 750,656	\$ 996,710	\$ 1,470,066
LIABILITIES - Due to other governments	\$ 1,716,120	\$ 491,105	\$ 737,159	\$ 1,470,066

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2011 (CONTINUED)

OTHER AGENCY FUNDS	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
ASSETS:				
Cash and investments:				
Pooled cash and investments	\$ 998,342	\$ 1,159,610	\$ 1,101,468	\$ 1,056,484
Cash - Other county officials	16,864	211,980	174,181	54,663
Receivables:				
Property taxes:				
Delinquent	136	27,861	27,904	93
Succeeding year	28,453	28,361	28,453	28,361
Special assessments	74,927	229,572	232,490	72,009
Due from other governments	-	631	631	-
TOTAL ASSETS	<u>\$ 1,118,722</u>	<u>\$ 1,658,015</u>	<u>\$ 1,565,127</u>	<u>\$ 1,211,610</u>
LIABILITIES:				
Due to other governments	\$ 1,038,272	\$ 963,742	\$ 943,669	\$ 1,014,096
Due to individuals and private entities	80,450	508,311	435,496	197,514
TOTAL LIABILITIES	<u>\$ 1,118,722</u>	<u>\$ 1,472,053</u>	<u>\$ 1,379,165</u>	<u>\$ 1,211,610</u>
TOTAL ALL AGENCY FUNDS				
ASSETS:				
Cash and investments:				
Pooled cash and investments	\$ 13,081,902	\$ 333,770,949	\$ 333,518,197	\$ 13,334,654
Cash - Other county officials	1,719,455	17,429,264	17,772,544	1,376,175
Receivables:				
Property taxes:				
Delinquent	1,345,138	266,935,573	267,282,317	998,394
Succeeding year	271,749,533	278,898,288	270,873,615	279,774,206
Special assessments	120,988	330,138	297,806	153,320
Due from other governments	-	7,122,106	7,122,106	-
Due from individuals and private entities	3,981	2,534	3,981	2,534
TOTAL ASSETS	<u>\$ 288,020,997</u>	<u>\$ 904,488,852</u>	<u>\$ 896,870,566</u>	<u>\$ 295,639,283</u>
LIABILITIES:				
Due to other governments	\$ 287,270,676	\$ 614,842,670	\$ 607,755,207	\$ 294,313,890
Due to individuals and private entities	750,321	17,747,172	17,216,349	1,325,393
TOTAL LIABILITIES	<u>\$ 288,020,997</u>	<u>\$ 632,589,842</u>	<u>\$ 624,971,556</u>	<u>\$ 295,639,283</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.....	79
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.....	89
These schedules contain information to help the reader assess the County’s most significant local revenue source, the property tax.	
Debt Capacity.....	103
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.....	108
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	111
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 TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

	2002	2003	2004	2005
Governmental Activities				
Investment in capital assets net of related debt	\$ 62,807	\$ 66,456	\$ 70,163	\$ 72,538
Restricted	8,554	9,392	6,718	9,750
Unrestricted	16,148	14,972	13,690	11,742
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	467	356	342	356
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	16,615	15,328	14,032	12,098
Total primary government net assets	<u>\$ 88,007</u>	<u>\$ 91,185</u>	<u>\$ 90,973</u>	<u>\$ 94,438</u>

2006	2007	2008	2009	2010	2011
\$ 74,357	\$ 77,058	\$ 70,030	\$ 73,306	\$ 83,626	\$ 102,976
14,115	16,087	15,681	17,812	8,649	5,991
10,035	11,491	11,808	5,555	17,338	37,183
<u>\$ 98,507</u>	<u>\$ 104,636</u>	<u>\$ 97,519</u>	<u>\$ 96,673</u>	<u>\$ 109,613</u>	<u>\$ 146,150</u>
\$ 45	\$ 38	\$ 16	\$ 77	\$ 61	\$ 48
311	359	388	260	404	480
<u>\$ 356</u>	<u>\$ 397</u>	<u>\$ 404</u>	<u>\$ 337</u>	<u>\$ 465</u>	<u>\$ 528</u>
\$ 74,402	\$ 77,096	\$ 70,046	\$ 73,383	\$ 83,687	\$ 103,024
14,115	16,087	15,681	17,812	8,649	5,991
10,346	11,850	12,196	5,815	17,742	37,663
<u>\$ 98,863</u>	<u>\$ 105,033</u>	<u>\$ 97,923</u>	<u>\$ 97,010</u>	<u>\$ 110,078</u>	<u>\$ 146,678</u>

COUNTY OF LINN, IOWA
CHANGES IN NET ASSETS
LAST NINE 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	2011
\$	20,419	\$ 20,851	\$ 21,637	\$ 23,419	\$ 23,474
	17,135	17,116	18,389	21,284	22,964
	26,863	31,232	30,850	30,971	33,032
	5,341	4,948	6,143	8,490	6,543
	13,348	22,954	16,169	14,046	16,906
	3,630	3,413	4,007	3,769	5,046
	9,937	17,782	29,376	11,173	11,526
	14	22	9	26	30
	148	100	348	27	326
	<u>96,835</u>	<u>118,418</u>	<u>126,928</u>	<u>113,205</u>	<u>119,847</u>
	676	692	621	503	499
\$	<u>97,511</u>	<u>119,110</u>	<u>127,549</u>	<u>113,708</u>	<u>120,346</u>
\$	5,795	\$ 5,263	\$ 2,419	\$ 4,654	\$ 6,467
	9,005	9,076	9,686	9,532	8,685
	3,274	3,044	3,277	2,928	3,533
	3,860	4,030	4,378	5,731	3,093
	27,314	38,300	48,442	41,271	53,405
	4,156	1,295	2,470	4,941	23,914
	<u>53,404</u>	<u>61,008</u>	<u>70,672</u>	<u>69,057</u>	<u>99,097</u>
	708	689	550	630	561
\$	<u>54,112</u>	<u>61,697</u>	<u>71,222</u>	<u>69,687</u>	<u>99,658</u>
\$	(43,431)	\$ (57,410)	\$ (56,256)	\$ (44,148)	\$ (20,750)
	32	(3)	(71)	127	62
\$	<u>(43,399)</u>	<u>(57,413)</u>	<u>(56,327)</u>	<u>(44,021)</u>	<u>(20,688)</u>
\$	41,667	\$ 43,402	\$ 47,282	\$ 47,121	\$ 51,074
	2,610	2,891	4,348	6,651	2,798
	1,369	1,370	1,412	1,341	1,259
	2,957	1,815	832	673	1,002
	957	815	1,536	1,302	1,154
	<u>49,560</u>	<u>50,293</u>	<u>55,410</u>	<u>57,088</u>	<u>57,287</u>
	9	10	4	1	1
	-	-	-	-	-
	<u>9</u>	<u>10</u>	<u>4</u>	<u>1</u>	<u>1</u>
\$	<u>49,569</u>	<u>50,303</u>	<u>55,414</u>	<u>57,089</u>	<u>57,288</u>
\$	6,129	\$ (7,117)	\$ (846)	\$ 12,940	\$ 36,537
	41	7	(67)	128	63
\$	<u>6,170</u>	<u>(7,110)</u>	<u>(913)</u>	<u>13,068</u>	<u>36,600</u>

COUNTY OF LINN, IOWA
 GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
 LAST NINE 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
2011	51,074	2,798	53,872

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))

	2002	2003	2004	2005	2006
General fund					
Nonspendable	\$ 129	\$ 101	\$ 104	\$ 85	\$ 154
Restricted	282	1,136	2,680	5,686	9,701
Unassigned	10,901	11,987	10,161	8,068	5,784
Total general fund	<u>\$ 11,312</u>	<u>\$ 13,224</u>	<u>\$ 12,945</u>	<u>\$ 13,839</u>	<u>\$ 15,639</u>
All other government funds					
Nonspendable	\$ 1,164	\$ 1,351	\$ 1,109	\$ 1,119	\$ 958
Restricted	10,905	9,646	4,485	3,985	4,123
Unassigned	-	-	-	-	-
	<u>\$ 12,069</u>	<u>\$ 10,997</u>	<u>\$ 5,594</u>	<u>\$ 5,104</u>	<u>\$ 5,081</u>

2007	2008	2009	2010	2011
\$ 119	\$ 95	\$ 306	\$ 333	\$ 580
9,669	9,511	10,695	303	899
<u>7,454</u>	<u>5,171</u>	<u>1</u>	<u>12,228</u>	<u>14,755</u>
<u>\$ 17,242</u>	<u>\$ 14,777</u>	<u>\$ 11,002</u>	<u>\$ 12,864</u>	<u>\$ 16,234</u>
\$ 1,042	\$ 1,248	\$ 1,370	\$ 1,115	\$ 1,322
6,308	4,040	3,731	6,875	4,687
<u>-</u>	<u>(5,409)</u>	<u>(4,421)</u>	<u>(4,652)</u>	<u>-</u>
<u>\$ 7,350</u>	<u>\$ (121)</u>	<u>\$ 680</u>	<u>\$ 3,338</u>	<u>\$ 6,009</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)

	2002	2003	2004	2005
REVENUES:				
Property taxes	\$ 32,699	\$ 34,631	\$ 36,019	\$ 38,574
Other county taxes	4,131	5,717	2,317	2,288
Interest and penalty on taxes	566	630	614	719
Intergovernmental	33,040	34,973	34,473	38,417
Licenses and permits	504	594	595	639
Charges for services	5,610	6,404	6,385	6,095
Use of money and property	2,068	1,529	1,075	1,341
Miscellaneous	884	704	806	783
Total revenues	<u>79,502</u>	<u>85,182</u>	<u>82,284</u>	<u>88,856</u>
EXPENDITURES:				
Current:				
Public safety and legal services	14,094	16,953	17,758	17,761
Court services (1)	1,378	-	-	-
Physical health and social services	2,931	12,736	13,600	14,629
Mental health	22,275	21,979	24,278	25,324
Social services (1)	10,239	-	-	-
County environment and education	4,713	4,877	5,007	5,125
Roads and transportation	9,323	10,687	10,601	10,821
Governmental services to residents	2,781	2,805	2,948	3,132
Administration	7,520	8,499	8,005	8,371
Nonprogram	11	3	7	8
Capital projects	3,114	5,590	4,365	2,137
Debt service:				
Principal	895	935	970	1,010
Interest	361	320	282	241
Total expenditures	<u>79,635</u>	<u>85,384</u>	<u>87,821</u>	<u>88,559</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(133)	(202)	(5,537)	297
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	82	85	32	49
Proceeds from sale of long-term debt	-	-	-	-
Provision for capital leases and installment purchases	43	30	62	67
Transfers in	6,311	5,858	5,057	5,200
Transfers out	(6,311)	(5,683)	(5,057)	(5,200)
Total other financing sources (uses)	<u>125</u>	<u>290</u>	<u>94</u>	<u>116</u>
NET CHANGE IN FUND BALANCES	<u>\$ (8)</u>	<u>\$ 88</u>	<u>\$ (5,443)</u>	<u>\$ 413</u>
Debt service as a percentage of noncapital expenditures				
	1.64%	1.58%	1.60%	1.49%

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

	2006	2007	2008	2009	2010	2011
\$	40,721	\$ 41,701	\$ 43,080	\$ 47,377	\$ 47,240	\$ 51,122
	2,468	2,611	2,884	4,349	7,529	8,029
	616	628	507	1,115	951	740
	40,339	43,185	43,325	64,803	58,277	71,560
	597	630	767	772	836	1,153
	6,321	6,545	6,214	6,361	7,104	7,685
	2,128	3,040	2,333	889	781	922
	704	1,080	1,217	1,093	1,421	924
	<u>93,894</u>	<u>99,420</u>	<u>100,327</u>	<u>126,759</u>	<u>124,139</u>	<u>142,135</u>
	19,242	20,327	20,646	22,763	23,218	23,220
	-	-	-	-	-	-
	15,399	16,940	16,961	18,455	21,345	22,744
	25,706	26,829	31,256	31,004	31,067	32,986
	-	-	-	-	-	-
	5,273	5,554	5,503	6,136	8,348	6,264
	10,362	10,504	11,782	12,590	11,706	11,991
	3,165	3,558	3,413	4,043	3,804	3,982
	8,422	9,245	10,925	12,758	10,970	11,233
	19	14	22	9	26	30
	3,240	1,139	8,919	20,765	10,176	37,350
	1,055	1,100	1,145	16,250	-	25
	198	153	104	352	-	308
	<u>92,081</u>	<u>95,363</u>	<u>110,676</u>	<u>145,125</u>	<u>120,660</u>	<u>150,133</u>
	1,813	4,057	(10,349)	(18,366)	3,479	(7,998)
	19	28	20	157	119	685
	-	-	-	15,050	1,000	13,255
	36	117	26	96	53	40
	5,469	9,117	10,293	25,499	23,690	15,439
	<u>(5,469)</u>	<u>(9,117)</u>	<u>(10,293)</u>	<u>(25,499)</u>	<u>(23,690)</u>	<u>(15,439)</u>
	<u>55</u>	<u>145</u>	<u>46</u>	<u>15,303</u>	<u>1,172</u>	<u>13,980</u>
\$	<u>1,868</u>	<u>\$ 4,202</u>	<u>\$ (10,303)</u>	<u>\$ (3,063)</u>	<u>\$ 4,651</u>	<u>\$ 5,982</u>
	1.44%	1.40%	1.16%	11.98%	0.00%	0.30%

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>
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	-
2011	4,899,007	2,680,973	399,175	508,730	293,773	-

(1) Per \$1,000 of taxable value. For detail of components of direct rate, see pages 91-98.

(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)
\$	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%
	390,703	22,500	8,368,455	6.06829	14,897,587	58.95%

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
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>
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>
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>

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
\$ 3.82965	\$ 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>
<u>16.47%</u>	<u>14.22%</u>	<u>14.80%</u>	<u>15.65%</u>	<u>16.31%</u>	<u>15.98%</u>	<u>18.95%</u>
\$ 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>
<u>15.08%</u>	<u>15.08%</u>	<u>14.44%</u>	<u>15.60%</u>	<u>16.32%</u>	<u>15.87%</u>	<u>17.42%</u>
\$ 4.03719	\$ 4.03719	\$ 4.03719	\$ 4.03719	\$ 4.03719	\$ 4.03719	\$ 4.03719
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
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
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
13.46667	13.46667	13.46667	12.99347	9.82809	12.67468	8.55126
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>

(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
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>
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>
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>

City of Marion						
Cedar Rapids Schools	Marion Schools	Linn-Mar Schools	City of Mount Vernon	City of Center Point	City of Lisbon	City of Robins
\$ 4.27477	\$ 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
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
15.74784	16.82045	17.76825	17.94000	18.16832	15.82366	15.74784
0.66276	0.66276	0.66276	0.66276	0.66276	0.66276	0.66276
0.26125	0.26125	0.26125	0.26125	0.26125	0.26125	0.26125
13.65104	13.65104	13.65104	12.99346	9.92352	12.67785	8.54268
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
1.14321	1.14321	1.14321	1.14321	1.14321	1.14321	1.14321
0.16464	0.16464	0.16464	0.16464	0.16464	0.16464	0.16464
5.73231	5.73231	5.73231	5.73231	5.73231	5.73231	5.73231
15.25042	16.81459	17.99931	18.18924	17.06225	17.18555	15.25042
0.64894	0.64894	0.64894	0.64894	0.64894	0.64894	0.64894
0.26716	0.26716	0.26716	0.26716	0.26716	0.26716	0.26716
13.98551	13.98551	13.98551	12.99994	11.29117	12.67694	8.69792
0.05492	0.05492	0.05492	0.05492	0.05492	0.05492	0.05492
<u>\$ 35.93926</u>	<u>\$ 37.50343</u>	<u>\$ 38.68815</u>	<u>\$ 37.89251</u>	<u>\$ 35.05675</u>	<u>\$ 36.56582</u>	<u>\$ 30.65167</u>
<u>15.95%</u>	<u>15.28%</u>	<u>14.82%</u>	<u>15.13%</u>	<u>16.35%</u>	<u>15.68%</u>	<u>18.70%</u>
\$ 4.40999	\$ 4.40999	\$ 4.40999	\$ 4.40999	\$ 4.40999	\$ 4.40999	\$ 4.40999
1.12036	1.12036	1.12036	1.12036	1.12036	1.12036	1.12036
0.15979	0.15979	0.15979	0.15979	0.15979	0.15979	0.15979
5.69014	5.69014	5.69014	5.69014	5.69014	5.69014	5.69014
14.90212	16.80183	18.81657	17.85267	17.92625	17.48988	14.90212
0.87249	0.87249	0.87249	0.87249	0.87249	0.87249	0.87249
0.30872	0.30872	0.30872	0.30872	0.30872	0.30872	0.30872
13.95525	13.95525	13.95525	12.99985	11.27967	12.65313	9.32643
0.05732	0.05732	0.05732	0.05732	0.05732	0.05732	0.05732
<u>\$ 35.78604</u>	<u>\$ 37.68575</u>	<u>\$ 39.70049</u>	<u>\$ 37.78119</u>	<u>\$ 36.13459</u>	<u>\$ 37.07168</u>	<u>\$ 31.15722</u>
<u>15.90%</u>	<u>15.10%</u>	<u>14.33%</u>	<u>15.06%</u>	<u>15.75%</u>	<u>15.35%</u>	<u>18.26%</u>

(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
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>
2010	Direct County:					
	General	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523
	MH-DD	1.00722	1.00722	1.00722	1.00722	1.00722
	Debt service	-	-	-	-	-
	Subtotal direct	5.95245	5.95245	5.95245	5.95245	5.95245
	School District	13.91816	17.21168	15.31673	20.22951	13.91816
	Comm college	0.84042	0.84042	0.84042	0.84042	0.84042
	Assessor	0.32845	0.32845	0.32845	0.32845	0.55763
	City	15.21621	15.21621	15.21621	15.21621	15.31410
	Other (1)	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>

City of Marion							
Cedar Rapids Schools	Marion Schools	Linn-Mar Schools	City of Mount Vernon	City of Center Point	City of Lisbon	City of Robins	
\$ 4.62831	\$ 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	1.10117
0.15681	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	5.88629
14.37481	16.80516	19.39588	17.65642	17.74919	17.69514	14.37481	14.37481
0.85526	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	0.31711
13.78572	13.78572	13.78572	12.99986	9.97409	12.64942	9.33124	9.33124
0.05792	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	\$ 4.94523
1.05415	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	0.15033
6.14971	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	20.40133
0.85162	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	0.57050
14.13850	14.13850	14.13850	12.99970	13.21838	13.61361	9.18340	9.18340
0.05778	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>	
\$ 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>	

(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
2011	Direct County:					
	General	\$ 5.09197	\$ 5.09197	\$ 5.09197	\$ 5.09197	\$ 5.09197
	MH-DD	0.96824	0.96824	0.96824	0.96824	0.96824
	Debt service	0.00808	0.00808	0.00808	0.00808	0.00808
	Subtotal direct	6.06829	6.06829	6.06829	6.06829	6.06829
	School District	15.17046	17.20361	16.30509	19.73839	15.17046
	Comm college	0.92566	0.92566	0.92566	0.92566	0.92566
	Assessor	0.28228	0.28228	0.28228	0.28228	0.51507
	City	15.21621	15.21621	15.21621	15.21621	15.31001
	Other (1)	0.05717	0.05717	0.05717	0.05717	0.05717
	Total Levy	<u>\$ 37.72007</u>	<u>\$ 39.75322</u>	<u>\$ 38.85470</u>	<u>\$ 42.28800</u>	<u>\$ 38.04666</u>
Percent of Linn County to totals		<u>16.09%</u>	<u>15.26%</u>	<u>15.62%</u>	<u>14.35%</u>	<u>15.95%</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>
\$ 5.09197	\$ 5.09197	\$ 5.09197	\$ 5.09197	\$ 5.09197	\$ 5.09197	\$ 5.09197
0.96824	0.96824	0.96824	0.96824	0.96824	0.96824	0.96824
0.00808	0.00808	0.00808	0.00808	0.00808	0.00808	0.00808
<u>6.06829</u>	<u>6.06829</u>	<u>6.06829</u>	<u>6.06829</u>	<u>6.06829</u>	<u>6.06829</u>	<u>6.06829</u>
15.17046	16.30509	19.73839	19.25608	18.56470	18.83771	19.73839
0.92566	0.92566	0.92566	0.92566	0.92566	0.92566	0.92566
0.51507	0.51507	0.51507	0.51507	0.51507	0.51507	0.51507
16.63603	16.63603	13.63603	12.99703	12.62257	13.02786	9.01063
0.05717	0.05717	0.05717	0.05717	0.05717	0.05717	0.05717
<u>\$ 39.37268</u>	<u>\$ 40.50731</u>	<u>\$ 40.94061</u>	<u>\$ 39.81930</u>	<u>\$ 38.75346</u>	<u>\$ 39.43176</u>	<u>\$ 36.31521</u>
<u>15.41%</u>	<u>14.98%</u>	<u>14.82%</u>	<u>15.24%</u>	<u>15.66%</u>	<u>15.39%</u>	<u>16.71%</u>

COUNTY OF LINN, IOWA

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

Taxpayer	Type of Business	2011		
		Taxable Value (1)	Rank	Percentage of Taxable Value
Interstate Power /Alliant Energy	Utility Company	\$ 250,499	1	2.99%
Archer-Daniels-Midland	Grain Processors	107,530	2	1.29%
Life Investors/Aegon	Insurance	80,403	3	0.96%
International Paper Company (We	Packaging Materials	49,150	4	0.59%
Qwest	Telecommunications	42,836	5	0.51%
Rockwell Collins International	Aviation/Aerospace	39,053	6	0.47%
SDG Macerich Properties	Shopping Mall/Real Estate	34,400	7	0.41%
Mid-Americian Energy	Utility Company	31,374	8	0.38%
Florida Power & Light	Duane Arnold Nuclear Utility	31,314	9	0.37%
Robert K Miell	Housing/Residential	28,042	10	0.34%
HNW Associates (Westdale)	Shopping Mall	-	-	-
PMX	Manufacturing	-	-	-
McLeod USA, Inc	Telecommunications	-	-	-
Lindale Mall	Shopping Mall	-	-	-
Total		<u>\$ 694,601</u>		<u>8.30%</u>

(1) As of January 1, 2009
Source: Linn County Auditor's Office

(2) As of January 1, 2000
Source: Linn County Auditor's Office

2002		
Taxable Value (2)	Rank	Percentage of Taxable Value
\$ 394,400	1	6.18%
65,768	3	1.03%
48,414	4	0.76%
-	-	-
43,257	7	0.68%
82,244	2	1.29%
-	-	0.00%
33,397	10	0.52%
-	-	0.00%
-	-	0.00%
45,989	6	0.72%
47,949	5	0.75%
41,696	8	0.65%
<u>37,625</u>	9	0.59%
<u>\$ 840,739</u>		<u>13.16%</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	
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
2011	52,397	51,004	97.34%	118

(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
\$	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%
	51,122	97.57%

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)
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
2011	14,230	96	14,326	0.19%	0.16%	67.19

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 108 for personal income and population data.

(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on pages 89-90.

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)
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
2011	14,230	3	14,227	0.16%	66.73

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 89-90.

(2) Population data can be found in the Schedule of Demographics and Economic Statistics on page 108.

COUNTY OF LINN, IOWA

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Debt limit	\$ 467,211	\$ 524,228	\$ 538,007	\$ 577,313	\$ 597,680
Total net debt applicable to limit	<u>(7,415)</u>	<u>(6,480)</u>	<u>(5,510)</u>	<u>(4,500)</u>	<u>(3,445)</u>
Legal debt margin	<u>\$ 459,796</u>	<u>\$ 517,748</u>	<u>\$ 532,497</u>	<u>\$ 572,813</u>	<u>\$ 594,235</u>
Total net debt applicable to limit as a percentage of debt limit	1.59%	1.24%	1.02%	0.78%	0.58%

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

2007	2008	2009	2010	2011
\$ 638,851	\$ 664,936	\$ 706,050	\$ 725,055	\$ 744,879
<u>(2,345)</u>	<u>(1,200)</u>	<u>-</u>	<u>(1,000)</u>	<u>(14,230)</u>
<u>\$ 636,506</u>	<u>\$ 663,736</u>	<u>\$ 706,050</u>	<u>\$ 724,055</u>	<u>\$ 730,649</u>
0.37%	0.18%	0.00%	0.14%	1.91%

Legal Debt Margin Calculation for Fiscal 2011

2009 actual valuation of property	\$14,529,384
Plus: TIF increment	390,703
Less: military exemption	<u>(22,500)</u>
Actual value for debt limit calculations	14,897,587
Multiply by 5%	<u>0.05</u>
Debt limit	744,879
Less: outstanding general obligation debt	<u>(14,230)</u>
Legal debt margin	<u>\$ 730,649</u>

COUNTY OF LINN, IOWA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2011
(AMOUNTS EXPRESSED IN THOUSANDS)

Government Unit	General Obligation Debt Outstanding	Percentage Applicable (1)	Amount Applicable To Linn County
Direct -			
Linn County	\$ 14,230,000	100.00%	\$ 14,230,000
Overlapping:			
School Districts:			
Alburnett	2,480,000	100.00%	2,480,000
Cedar Rapids	28,490,000	100.00%	28,490,000
Center Point-Urbana	6,520,000	61.58%	4,015,016
Central City	3,855,000	100.00%	3,855,000
College Community	61,240,000	85.65%	52,452,060
Linn-Mar	48,440,000	100.00%	48,440,000
Lisbon	1,965,000	65.00%	1,277,250
Marion	11,295,000	100.00%	11,295,000
Monticello	3,220,000	1.95%	62,790
Mount Vernon	6,585,000	97.55%	6,423,668
North Linn	4,320,000	67.77%	2,927,664
Solon	6,060,000	0.50%	30,300
Springville	3,260,000	100.00%	3,260,000
Kirkwood Community College	12,585,000	45.38%	5,711,073
Cities:			
Alburnett	810,000	100.00%	810,000
Cedar Rapids	138,633,583	100.00%	138,633,583
Center Point	2,902,000	100.00%	2,902,000
Central City	2,165,000	100.00%	2,165,000
Coggon	845,000	100.00%	845,000
Ely	780,000	100.00%	780,000
Fairfax	3,672,000	100.00%	3,672,000
Hiawatha	18,280,000	100.00%	18,280,000
Lisbon	4,430,000	100.00%	4,430,000
Marion	17,085,000	100.00%	17,085,000
Mount Vernon	8,180,000	100.00%	8,180,000
Robins	8,305,000	100.00%	8,305,000
Springville	952,000	100.00%	952,000
Walker	969,000	100.00%	969,000
Fire Districts - Fire District #4	2,969	100.00%	2,969
Subtotal Overlapping Debt			378,731,373
Total Direct and Overlapping Debt			\$ 392,961,373

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>
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%
2011	213,207	7,670,896	35,979	35.96	34,652	3,097	6.0%

(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 2011		
	Employees	Rank	Percentage of Total County Employment
Rockwell Collins Inc.	8,600	1	5.59%
AEGON USA, Inc.	3,987	2	2.59%
Cedar Rapids Community Schools	2,843	3	1.85%
Whirlpool Corporation	2,300	4	1.49%
Hy Vee Food Stores	2,044	5	1.33%
Mercy Medical Center	1,724	6	1.12%
St. Luke's Hospital	1,644	7	1.07%
City of Cedar Rapids	1,444	8	0.94%
Pepsico	1,058	9	0.69%
Linn Mar Community Schools	929	10	0.60%
MCI WorldCom	-		-
Amana Appliances	-		-
McLeodUSA	-		-
	<u>26,573</u>		<u>17.26%</u>

Sources: City of Cedar Rapids Official Statement

Note: Total employment encompasses the Cedar Rapids Metropolitan Statistical Area

Fiscal Year 2002		
Employees	Rank	Percentage of Total County Employment
7,150	1	5.11%
2,435	4	1.74%
2,775	3	1.98%
-		0.00%
2,406	6	1.72%
1,973	8	1.41%
2,409	5	-
-		-
1,275	10	0.01
-		-
2,900	2	2.07%
2,288	7	1.64%
1,650	9	1.18%
<u>27,261</u>		<u>19.48%</u>

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

Function	2002	2003	2004	2005
Public Safety and Legal Services:				
Correctional facility inmate bookings	13,222	12,910	13,099	13,589
Correctional facility average daily population	344	354	377	355
Physical Health and Social Services:				
Communicable diseases - children vaccinated	1,418	1,254	1,409	1,461
Child development center - children served	624	732	744	792
Financial assistance - vouchers authorized	5,440	7,373	5,339	4,657
Mental Health:				
Vocational and day service placements	615	626	642	690
Residential placements	139	140	159	155
County Environment and Education:				
Camping permits - days	52,500	53,462	58,818	64,591
Boat rentals	6,337	6,349	4,064	4,215
Roads and Transportation:				
Public transportation - total riders	82,876	85,040	86,007	82,532
Miles of road maintained - paved	300	310	310	358
Miles of road maintained - unpaved	860	850	850	810

Source: Individual county department.

2006	2007	2008	2009	2010	2011
13,888	13,234	12,327	8,724	12,319	11,750
394	381	358	202	308	302
1,876	1,511	1,517	1,633	1,750	1,750
756	732	744	756	744	744
4,767	5,242	5,027	5,888	6,157	6,100
707	730	759	747	746	750
118	208	231	218	192	100
66,000	51,262	53,980	64,504	56,096	60,000
4,729	5,372	5,587	3,957	4,127	4,500
82,235	82,500	80,429	84,021	88,277	89,236
358	365	377	377	379	384
810	830	772	772	796	791

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

	2002	2003	2004	2005
Function				
Public Safety and Legal Services -				
Correctional facility capacity	400	400	410	410
County Environment and Education:				
Park acreage - developed and undeveloped	6,490	6,503	6,559	6,559
Parks	19	19	19	19
Nature center	-	1	1	1
Roads and Transportation:				
Miles of roads - paved	300	310	310	358
Miles of roads - unpaved	860	850	850	810
Bridges	246	253	251	252

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

2006	2007	2008	2009	2010	2011
410	410	410	410	410	410
6,825	6,895	6,915	6,955	7,030	7,200
19	19	19	19	19	19
1	1	1	1	1	1
358	365	377	377	379	384
810	830	772	772	796	791
269	262	262	262	263	263

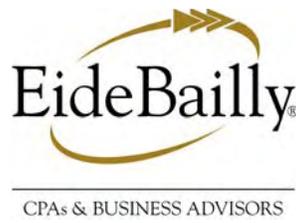
COUNTY OF LINN, IOWA

FULL-TIME EQUIVALENT EMPLOYEES BY DEPARTMENT
LAST TEN FISCAL YEARS

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Department										
Attorney	34	34	32	34	34	36	38	38	36	38
Auditor	19	18	18	17	17	19	18	19	18	18
Board of Supervisors	6	6	6	6	6	6	6	10	10	10
Child Support Recovery Unit	25	23	24	24	24	24	22	22	22	22
Conservation	38	38	38	38	38	39	39	39	39	40
Engineering	88	86	85	85	81	76	74	72	71	71
Facilities	28	31	31	32	32	32	32	32	31	31
Finance and Budget	4	4	4	4	4	4	4	3	3	3
Human Resources	3	3	3	3	3	4	5	5	5	5
Information Technology	17	17	17	17	18	18	19	19	17	19
LIFTS	23	23	23	22	22	22	22	22	22	22
Linn County Community Services	234	231	238	236	234	248	255	255	214	239
Planning and Development	14	14	14	14	14	14	14	14	14	14
Public Health	41	41	44	41	42	42	42	40	53	51
Purchasing	4	4	4	4	4	4	4	4	4	4
Recorder	14	14	14	14	14	14	14	13	13	13
Risk Management	4	4	3	3	3	3	3	3	3	3
Sheriff	168	173	171	166	163	167	173	170	174	175
Soil Conservation	1	1	1	1	1	1	1	1	1	1
Treasurer	37	37	37	34	36	37	37	37	36	38
Veteran Affairs	3	3	3	3	3	3	3	3	3	3
	<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>789</u>	<u>820</u>

Source: County Office of Finance and Budget.

COMPLIANCE SECTION



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, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 15, 2011. 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 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-11 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, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance or other matters which are described in the Schedule of Findings and Questioned Costs, issued under separate cover.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2011, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. 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.

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, 2011



Information to Comply with Government Auditing Standards
and OMB Circular A-133, Audits of States, Local
Governments, and Non-Profit Organizations
June 30, 2011

County of Linn, Iowa

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of
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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, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 15, 2011. 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 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-11 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, 2011, 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.

The County's response to the finding identified in our audit is described in the Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the County's response, we did not audit the County's response, and accordingly, we express no opinion on it.

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, 2011



Independent Auditor’s 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, 2011. 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 noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County’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 of the County’s compliance with those requirements.

In our opinion, 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, 2011.

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 the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying Schedule of Findings and Questioned Costs as item III-A-11. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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, 2011, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 15, 2011, which contained unqualified opinions on those financial statements. Our audit was conducted for the purpose of forming our opinions on the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements 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, and is not intended to be and should not be used by anyone other than these specified parties.

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

Dubuque, Iowa
February 8, 2012

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

<u>Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture:			
Food and Nutrition Service Cluster			
Pass-Through Program From:			
Iowa Department of Education:			
School Breakfast Program	10.553	57-8022	\$ 9,944
ARRA - National School Lunch Program	10.555	57-8022	15,426
Child and Adult Care Food Program	10.558	57-8012	51,957
Summer Food Service Program for Children	10.559	073211	400
Total Food and Nutrition Service Cluster			<u>25,770</u>
Pass-Through Program From:			
Iowa Department of Human Services:			
Human Services Administrative			
Reimbursement:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		114,630
Total U.S. Department of Agriculture			<u>192,357</u>
U.S. Department of Housing and Urban Development:			
Pass-Through Program From:			
Iowa Department of Economic Development:			
Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii	14.228	08-DRH-205	1,174,216
Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii	14.228	08-DRH-005	1,357,912
Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii	14.228	08-DRB-210	3,739,408
Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii	14.228	08-DRMH-036	3,765
			<u>6,275,301</u>

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

<u>Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development: (continued)			
Pass-Through Program From: (continued)			
City of Cedar Rapids, IA:			
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	IALHB0388-08	\$ 120,520
Total U.S. Department of Housing and Urban Development			<u>6,395,821</u>
U.S. Department of Justice:			
Direct Program:			
Supervised Visitation, Safe Havens for Children	16.527		<u>33,280</u>
Pass-Through Program From:			
Iowa Department of Human Rights Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	06-JD09-10F	<u>12,220</u>
Enforcing Underage Drinking Laws Program	16.727	JJYD-F10-11	<u>6,600</u>
JAG Cluster			
Direct Program:			
Edward Byrne Memorial Justice Assistance Grant	16.738		<u>79,458</u>
ARRA - Edward Byrne Memorial Justice Assistance Grant Program/Grants to Units of Local Government	16.804		<u>134,091</u>
Total JAG Cluster			<u>213,549</u>
Total U.S. Department of Justice			<u>265,649</u>
U.S. Department of Transportation:			
Pass-Through Program From:			
Iowa Department of Transportation Highway Planning and Construction	20.205	EDP-0006 (091)-7Y-57	<u>708,781</u>
East Central Iowa Council of Governments:			
Formula Grants for Other than Urbanized Areas	20.509	18-0029-100-11	<u>83,093</u>

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

<u>Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Transportation: (continued)			
Pass-Through Program From: (continued)			
City of CR Five Season's Transportation & Parking New Freedom Program	20.521	57-x001-118-09	\$ 22,530
Governor's Traffic Safety Bureau			
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	10-410 Task 45	13,302
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	11-410 Task 47	38,931
			<u>52,233</u>
Total U.S. Department of Transportation			<u>866,637</u>
U.S. Environmental Protection Agency:			
Pass-Through Program From:			
Iowa Department of Public Health State Indoor Radon Grants	66.032	5881RC02	93,346
Direct Program:			
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034		74,267
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034		10,511
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034		22,744
Pass-Through Program From:			
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	14,446

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

Grantor/Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Environmental Protection Agency: (continued)			
Pass-Through Program From: (continued)			
Iowa Department of Natural Resources:			
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act			
	66.034	ESD7230 Claims110001	\$ 17,500
			<u>139,468</u>
State Clean Diesel Grant Program			
	66.040	ESD7270 Claims100143	82,657
Capitalization Grants for Drinking Water State Revolving Funds			
	66.468	ESD7159CHE NDE100001	6,750
Performance Partnership Grants			
	66.605	ESD7230 Claims110001	66,255
Total U.S. Environmental Protection Agency			<u>388,476</u>
U.S. Department of Energy:			
Pass-Through Program From:			
Iowa Economic Development Authority ARRA - State Energy Program			
	81.041	SEP10-5778	21,020
U.S. Department of Education:			
Pass-Through Program From:			
Iowa Department of Human Services: Rehabilitation Services - Vocational Rehabilitation Grants to States			
	84.126	11-MOSOLC-28	704
U.S. Department of Health and Human Services:			
Pass-Through Program From:			
Heritage Area Agency on Aging: Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers			
	93.044		5,513
Special Programs for the Aging - Title IV - and Title II - Discretionary Projects			
	93.048	1008	23,138
Special Programs for the Aging - Title IV - and Title II - Discretionary Projects			
	93.048	IDA#1008	40,626
			<u>63,764</u>

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

<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 Public Health:			
Public Health Emergency Preparedness	93.069	5880BT57	\$ 69,577
Public Health Emergency Preparedness	93.069	5881BT357	67,915
Public Health Emergency Preparedness	93.069	5881BT57	60,005
			<u>197,497</u>
Medicare Enrollment Assistance Program	93.071	1002	7,778
Medicare Enrollment Assistance Program	93.071	IDA#1114	1,150
			<u>8,928</u>
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	MOU-2011-TB04	<u>5,675</u>
Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	5881LP06	<u>17,799</u>
State Capacity Building	93.240	5881HH05	<u>4,646</u>
Immunization Grants	93.268	5880I448	11,105
Immunization Grants	93.268	5881I448	11,919
			<u>23,024</u>
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	5881CRC03	2,140
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	5U38HM000449-03	4,000
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	5881OB12	19,566

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

<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 Public Health: (continued)			
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	5881NB16	\$ 20,620
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	MOU-2011-ELC05	900
			<u>47,226</u>
Iowa Department of Human Services:			
Child Support Enforcement	93.563	BOC-11-001	<u>1,027,484</u>
Refugee and Entrant Assistance - State Administered Programs	93.566		<u>78</u>
Child Care Cluster			
Pass-Through Program From:			
Iowa Department of Human Services:			
Child Care and Development Block Grant Human Services Administrative Reimbursement:	93.575	ACFS-11-034	<u>407,887</u>
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		<u>27,795</u>
ARRA - Child Care and Development Block Grant	93.713	ACFS-11-070	<u>18,186</u>
Total Child Care Cluster			<u>453,868</u>
Pass-Through Program From:			
Hawkeye Area Community Action Program:			
Head Start	93.600	07CH6114	<u>137,580</u>

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

<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:			
Foster Care - Title IV-E	93.658		\$ 45,300
Adoption Assistance	93.659		11,023
Social Services Block Grant	93.667	MHDS-09-086	31,586
Social Services Block Grant	93.667	57-0021/30-57-039	746,451
Social Services Block Grant	93.667		39,034
			<u>817,071</u>
Direct Program:			
ARRA - Strengthening Communities Fund	93.711		<u>63,658</u>
Pass-Through Program From:			
Iowa Department of Public Health:			
ARRA - Immunization	93.712	5880I448	<u>7,551</u>
ARRA - Prevention and Wellness			
Communities Putting Prevention to Work Funding Opportunities Announcement (FOA)	93.724	5880TOB02	<u>1,002,306</u>
Iowa Department of Human Services:			
Children's Health Insurance Program	93.767		<u>515</u>
Human Services Administrative			
Reimbursement:			
Medical Assistance Program	93.778		<u>109,927</u>
Iowa Department of Public Health:			
HIV Care Formula Grants	93.917	5881HC08	<u>64,587</u>
HIV Prevention Activities - Health			
Department Based	93.940	5881AP09	8,412
HIV Prevention Activities - Health	93.940	5880AP09	<u>8,395</u>
Department Based			<u>16,807</u>

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

<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: (continued)			
Block Grants for Community Mental Health Services	93.958	DCFS7-10-076	\$ 9,998
Block Grants for Community Mental Health Services	93.958	MHDS 11-049	<u>62,500</u>
			<u>72,498</u>
Total U.S. Department of Health and Human Services			<u>4,204,325</u>
U.S. Corporation for National and Community Service:			
Pass-Through Program From:			
Iowa Commission on Volunteer Services: AmeriCorps	94.006	09-AC-16	<u>28,696</u>
U.S. Executive Office of the President			
Direct Program:			
High Intensity Drug Trafficking Areas	95.001		<u>203,342</u>
U.S. Social Security Administration:			
Pass-Through Program From:			
Iowa Department of Human Services: Social Security - Disability Insurance	96.001		<u>35</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>5,000</u>
Iowa Department of Homeland Security: Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-1763	<u>18,274,441</u>
Iowa Department of Public Defense: Hazard Mitigation Grant	97.039	HMGP-DR- 1763-0036-1	<u>18,080</u>
Total U.S. Department of Homeland Security			<u>18,297,521</u>
Total Expenditures of Federal Awards			<u>\$ 30,864,583</u>

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:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	\$ 6,271,536
Edward Byrne Memorial Justice Assistance Grant Program	16.738	26,497
ARRA – Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	98,263
Public Health Emergency Preparedness	93.069	21,000
Child Care and Development Block Grant	93.575	407,887
ARRA – Child Care and Development Block Grant	93.713	18,186
HIV Care Formula Grants	93.917	63,103
Block Grants for Community Mental Health Services	93.958	72,498
AmeriCorps	94.006	16,567
Emergency Food and Shelter National Board Program	97.024	5,000

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	No
Significant deficiency	Yes
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	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
Cluster: 93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.713	ARRA – Child Care and Development Block Grant
93.724	ARRA – Prevention and Wellness – Communities Putting Prevention to Work Funding Opportunities Announcement (FOA)
97.036	Disaster Grants-Public Assistance (Presidentially Declared Disasters)
Dollar threshold used to distinguish between Type A and Type B programs	\$925,937
Auditee qualified as low-risk auditee	No

Part II: Findings Related to the Financial Statements:

Material Weakness

II-A-11 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 material adjustments to record additional accounts receivable in the Capital Projects 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 receipts 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:

Significant Deficiency

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

Passed through the Iowa Department of Economic Development

III-A-11 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.

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

Condition – The County substantially improved its subrecipient monitoring procedures from fiscal year 2010, but still had a deficiency related to reviewing the subrecipient’s audit. Although the county received the audit report they did not perform review procedures related to the federal program to verify whether the audit reported any findings for the program.

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 relating to reviewing the subrecipient’s audit.

Recommendation – The County should again review the sources of governing requirements referenced above and begin performing appropriate monitoring procedures related to the subrecipient’s audit.

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

Conclusion – Response accepted.

Part IV: Other Findings Related to Required Statutory Reporting:

IV-A-11 **Certified Budget** – Disbursements during the year ended June 30, 2011, exceeded the amounts budgeted in the board of supervisors department and for capital projects.

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-11 **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-11 **Travel Expense** – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

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

IV-D-11 **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	\$ 2,235
Judy Commings, Options employee, spouse is owner of Aqua Technologies	Maintenance/Service Contract	\$ 18,211
Jim Houser, Board of Supervisors, spouse was paid as a deputy medical examiner	Medical examiner	\$ 1,985
Steve Tucker, Finance Director, spouse is a court reporter sometimes used by the County to obtain documents on certain cases	Court documents	\$ 772
Ilene Wright, Supervisor Board Receptionist, spouse is Robert Wright, landlord	Rent	\$ 700

In accordance with Chapter 331.342(4) of the Code of Iowa, the transactions with Barron Motor Supplies do not appear to represent conflicts of interest since they were entered into through competitive bidding. The transactions with Aqua Technologies may represent a conflict of interest since they were not entered into through competitive bidding in accordance with Chapter 331.342(4) of the Code of Iowa. The transactions with Jim Houser may 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 Ilene Wright do not appear to represent a conflict 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 continue to inform all employees of the bidding requirements if transactions exceed the \$1,500 limit imposed by Chapter 331.342 of the Code of Iowa and abide by its conflict of interest policy.

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

Response – Subsequent to the potential conflicts of interests cited, the County passed a conflict of interest policy. The County’s intranet site includes this and all other financial policies. The conflict of interest policy is also included in the County’s Employee Handbook.

Conclusion – Response accepted.

IV-E-11 **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-11 **Board Minutes** – No transactions were found that we believe should have been approved in the Board minutes but were not.

IV-G-11 **Deposits and Investments** – No instances of noncompliance 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-11 **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-11 **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, 2011, 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, 2011. 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 April 28, 2011. 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. As described in Note 1, the County changed accounting policies related to the classification of certain funds in accordance with Governmental Accounting Standards Board Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classification that can be more consistently applied and by clarifying the existing governmental fund type definitions. Accordingly, the accounting change has been applied to the beginning fund balance of those funds, as required. 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 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.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements, detected as a result of audit procedures, were corrected by management:

	<u>Equity Increase (Decrease)</u>	
	<u>Fund Statements</u>	<u>Governmental Activities</u>
Capital Projects Fund		
To increase receivable for intergovernmental revenue	\$ 449,952	\$ 449,952

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, 2011.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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.

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

Dubuque, Iowa
December 15, 2011

COUNTY OF LINN, IOWA

YEAR ENDED JUNE 30, 2011
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.



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, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 15, 2011. 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 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-11 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, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance or other matters which are described in the Schedule of Findings and Questioned Costs, issued under separate cover.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2011, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. 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.

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, 2011