

Johnson County, Iowa

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014**

Johnson County, Iowa
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014

Prepared by
Johnson County Finance Department

INTRODUCTORY SECTION

JOHNSON COUNTY, IOWA

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JOHNSON COUNTY, IOWA

OFFICIALS

BOARD OF SUPERVISORS:



Terrence Neuzil
County Supervisor – Chair
Term expiration: 12/31/2016



Janelle Rettig
County Supervisor
Term expiration: 12/31/2014



John Etheredge
County Supervisor
Term expiration: 12/31/2014



Rod Sullivan
County Supervisor
Term expiration: 12/31/2016



Pat Harney
County Supervisor
Term expiration: 12/31/2016

JOHNSON COUNTY, IOWA

OFFICIALS

ELECTED OFFICIALS:



Tom Kriz
County Treasurer
Term expiration: 12/31/2014



Lonny Pulkrabek
County Sheriff
Term expiration: 12/31/2016



Janet Lyness
County Attorney
Term expiration: 12/31/2014



Travis Weipert
County Auditor
Term expiration: 12/31/2016



Kim Painter
County Recorder
Term expiration: 12/31/2014

JOHNSON COUNTY, IOWA

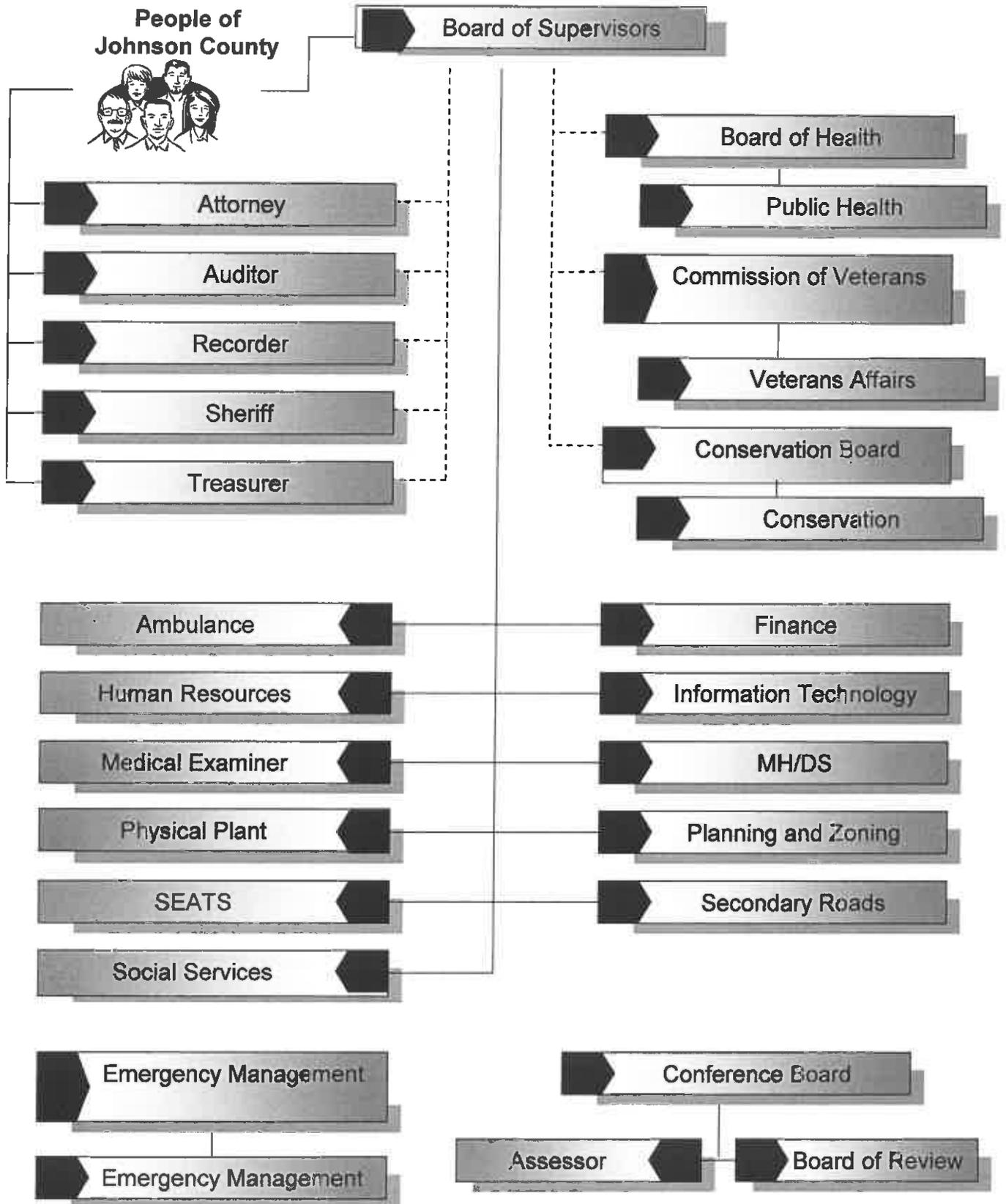
OFFICIALS

DEPARTMENT HEADS:

Name	Department
Steve Spenler	Ambulance
Larry Gullett	Conservation
Dana Aschenbrenner	Finance
Lora Shramek	Human Resources
Jean Schultz	Information Technology
Mike Hensch	Medical Examiner
Kris Artley	Mental Health/Disability Services
Eldon Slaughter	Physical Plant
Rick Dvorak	Planning & Zoning
Doug Beardsley	Public Health
Tom Brase	SEATS
Greg Parker	Secondary Roads
Lynette Jacoby	Social Services
Gary Boseneiler	Veterans Affairs

JOHNSON COUNTY, IOWA

ORGANIZATION CHART



January 28, 2015

Board of Supervisors and Citizens
Johnson County, Iowa

The Comprehensive Annual Financial Report (CAFR) for Johnson County, Iowa for the fiscal year ended June 30, 2014, 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. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal controls. Financial internal controls are established to protect the county's assets from loss, theft, misuse and to ensure that generally acceptable accounting principles (GAAP) are followed. Because the cost of internal controls should not exceed the benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from any material misstatements.

Anderson, Larkin, & Company, a firm of licensed certified public accountants has audited Johnson County, Iowa's financial statements. The goal of the independent audit was to provide a reasonable assurance that the financial statements for the fiscal year ended June 30, 2014 are free of material misstatement. The independent auditor's report is presented at the front of the Financial Section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis to accompany the basic financial statements. The MD&A should be read in conjunction with this letter of transmittal and is located immediately following the independent auditor's report in the Financial Section of this report.

Profile of Johnson County

Johnson County, Iowa was organized in 1837. It currently is governed by a five member Board of Supervisors. Board members serve overlapping four-year terms with elections held every two years. The Board annually adopts a budget and establishes tax rates to support county programs. Also elected to four-year terms are the following officials: Attorney, Auditor, Recorder, Sheriff, and Treasurer. These officials, along with department heads appointed by the Board, are responsible for administration of the programs and policies adopted by the Board of Supervisors.

Johnson County, Iowa provides a full range of services to the residents. These services include public safety and legal services, physical health and social services, services to people with mental health and physical disabilities, county environment and education, construction and maintenance of secondary roads, general services to residents, and administrative services.

The County is required by the State of Iowa to adopt an annual budget for the total operating expenditures of the County by functional area. The budget is required to be adopted by March 15th prior to the beginning of the fiscal year (July 1). This annual budget serves as the foundation for Johnson County's financial planning and control. The budget is prepared by fund (i.e. general, special revenue, debt), function (i.e. public safety & legal services, physical health & social services), and department (i.e. Sheriff, Human Resources, Medical Examiner). Departments can transfer resources (funds) within their department as they see fit, however, they cannot exceed the total amount budgeted to their department. Transfers between departments and funds, in addition to, increasing or reducing a department's budget, requires special approval by the Board of Supervisors in the form of a budget amendment. Budget amendments are typically done in the fall and spring.

Local Economy

Johnson County, Iowa has the fourth largest population of the ninety-nine counties in the state of Iowa. The cities of Iowa City, Coralville, and North Liberty make up 73% of the county population. The balance of the county is made up rural residents and seven smaller towns each with a population under 2,500.

Population of the county has increased by 2,727 from 136,428 in 2012 to 139,155 in 2013, equaling a growth of 1.9% for the year. The 2010 US census shows the county population at 130,882, which equals a 3 year growth of 8,273, or 6.3%. Based on Census Bureau information, household income per capita in 2013 was \$46,592, up \$1,331, or 2.9% from 2012 household income per capita of \$45,261.

The labor force living in Johnson County, Iowa who work in nonfarm employment increased from about 81,100 in July 2013 with an unemployment rate of 3.7% to about 83,200 in June 2014 with an unemployment rate of 2.7% unemployment (Iowa Workforce Development).

The number of housing units in 2013 was 57,710 units, for 2010 it was 56,097. Johnson County, Iowa has added 1613 units in the last 3 years.

There has been major construction in the county for the last several years. The University of Iowa has construction projects totaling \$676.3 million. Included is the replacement for Hancher Auditorium which started May 2013 and has a total project cost of \$176 million; IMU flood mitigation project that was started in November 2013 with a total project cost of \$21.6 million; Petersen Residence Hall, started March 2013 with a project cost of \$53 million; UIHC Children's Hospital started April 2013, with a project cost of \$292 million; Pappajohn Biomedical Building started Aug 2010, finished Aug 2014 at \$133.7 million. In addition to University of Iowa construction, other major construction projects in Johnson County, Iowa are Moen Group, Park@201 retail and apartment building, started July 2012, completed Nov 1, 2013 at a cost of \$10.7 million. For Johnson County, Iowa government, we started work in spring 2014 on a replacement for our Secondary Roads building lost to fire in 2013. The cost of the replacement building will be \$4.1 million and is scheduled to be completed spring 2015. The large amount of construction in the area has led to a shortage in the construction industry labor pool and thus has increased the cost of construction in Johnson County, Iowa.

Long Term Financial Planning

The unassigned fund balance in the general fund equals \$9,039,309 which is greater than the 30% of taxes levied in fiscal year 2014 according to policy guideline set by the Board of Supervisors for budgetary and planning purposes. Fiscal year 2014 ended with an increased general fund balance of \$3,432,412. As the county faces cutbacks in state funding and reduced property tax funding, the need to keep a reserve has never been greater.

Relevant Financial Policies

The county has adopted a practice in the last several years of using debt to access Tax Increment Financing (TIF) districts to lower residential property tax askings. The way TIF works is that the frozen base valuations are set at the level of the year prior to the first filing of TIF debt with the County Auditor. Taxes on the frozen base are collected and distributed as they would be if not in the TIF. Increases in valuation in a TIF district are called the increment. Most of the taxes on the increment go to the city to pay off TIF debt.

Debt service levies for all taxing authorities, as well as school physical plant and equipment levy (PPEL) and instructional support levies are distributed to those agencies. Increments are reduced and shifted back to the base when debt is paid or a city requests a reduction. Counties are allowed to finance certain qualified expenses by borrowing the funds and paying off the resulting loans/bonds through the Debt Service fund tax levy.

The Debt Service levy is the only means available to the County to access the TIF areas via property taxation. The TIF will then be contributing to the cost of County government via the Debt Service levy.

Without the Debt Service tax, TIF areas would contribute very little towards the cost of our county's operations, services or projects. For FY 2015, Johnson County, Iowa has identified \$14.0 million of expenses that qualify for financing via loans/bonding which include:

- \$6.8 million for all county & JECC insurance
- \$3.0 million for rebuilding Secondary Roads garage
- \$1.9 million for capital repairs & improvements
- \$1.35 million for conservation projects
- \$0.90 million for technology and equipment purchases

These identified costs are generally unavoidable and would have been a component of the FY 2015 budgeted expenses, financed through either the General Fund tax levy or through the use of the Debt Service Fund tax levy. By using the Debt Service tax levy for these qualified bonding opportunities in FY 2015, the TIF areas within Johnson County, Iowa will contribute \$1.9 million in taxes. These additional TIF taxes will reduce the cost of the typical residential property's tax bill for these qualified expenses by 12.8% or \$28 per \$100,000 of taxable valuation.

Major Initiatives

In June 2013 the Board of Supervisors established a Finance Department. The purpose of a separate department was to consolidate duties from the Auditor, Treasurer, and Board of Supervisors offices into one unit. Vacant positions were used to establish the staff needed for the department so there was no net increase in County personnel.

A Fleet Management program was established to coordinate the use and maintenance of County vehicles. The goal of fleet management is to reduce maintenance costs and to more effectively coordinate usage of County vehicles.

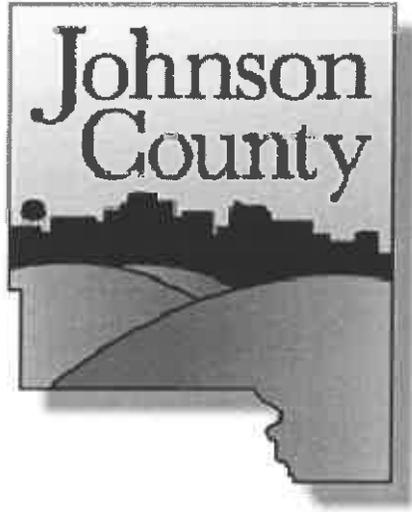
Awards and Acknowledgements

The preparation of the Comprehensive Annual Financial Report could not have been completed without the cooperation and services of the staffs of the Auditor and Treasurer offices. In addition, gratitude is expressed to the independent auditors, Anderson, Larkin & Company, who provided support and assistance in preparing the financial statements. Thank you as well, to the Johnson County Board of Supervisors for their support.

Respectfully submitted,



Dana Aschenbrenner
Finance Administrator



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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Officials of Johnson County, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Johnson County, Iowa as of and for the year ended June 30, 2014, and the related notes to financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Johnson County, Iowa, as of June 30, 2014, and the respective changes in financial position and, where applicable, its cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and the schedule of funding progress for the retiree health plan on pages 12 through 18 and 47 through 50 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Johnson County, Iowa's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the five years ended June 30, 2013 (which are not presented herein) and expressed unmodified opinions on those financial statements. The financial statements for the four years ended June 30, 2008 (which are not presented herein) were audited by other auditors, who expressed unmodified opinions on those financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2015, on our consideration of Johnson County, Iowa'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Johnson County, Iowa's internal control over financial reporting and compliance.

ANDERSON, LARKIN & CO. P.C.

Ottumwa, Iowa
January 28, 2015

Johnson County, Iowa

Management's Discussion and Analysis (MD&A)

June 30, 2014

Johnson County, Iowa provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the year ended June 30, 2014. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2014 FINANCIAL HIGHLIGHTS

- ❑ Total net position was \$114,870,957 at June 30, 2014. This was an increase of \$9,998,763 (9.5%) compared to the prior fiscal year.
- ❑ Overall revenues of governmental activities increased 4.7% or \$3,341,035 from fiscal year 2013. Property tax increased \$2,316,109, operating grants and contributions increased \$4,653,093, charges for services decreased \$1,272,816, and capital grants and contributions decreased \$2,622,652.
- ❑ Program expenses increased 8.2% overall, or \$4,837,789 from fiscal year 2013. Public safety and legal services increased \$1,524,914, physical health and social services increased \$183,748, mental health expenses increased \$1,493,713, county environment and education expenses increased \$206,048, roads and transportation expenses increased \$1,066,539, governmental services to residents decreased \$367,485, administration expense increased \$731,975, non-program expenses increased \$34,667, and interest expense on the County's long-term debt decreased by \$36,330.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of a series of financial statements and other information as follows:

- ❑ **Management's Discussion and Analysis** – Introduces the basic financial statements and provides an analytical overview of the County's activities.
- ❑ **Government-wide Financial Statements** – Comprise the first two statements, providing both short-term and long-term information about Johnson County, Iowa's overall financial position.
- ❑ **Fund Financial Statements** – Focus on reporting how government services were financed in the short term as well as what remains for future spending. Fund financial statements report operations in more detail by providing information about the most significant funds. The remaining statements provide financial information activities for which Johnson County, Iowa acts solely as an agent or custodian for the benefit of those outside of county government (agency funds).
- ❑ **Notes to Financial Statements** – provides additional information essential to a full understanding of the data provided in the basic financial statements.
- ❑ **Required Supplementary Information** – further explains and supports the financial statements with a comparison of the County's budget for the year and details of the County's funding progress of the retiree health plan.
- ❑ **Other Supplementary Information** – provides detailed information about the nonmajor governmental funds and the individual Agency Funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various Federal programs benefitting the County.

Government-Wide Financial Statements

The government-wide financial statements report information about the County as a whole using the accrual basis of accounting and the economic resources measurement focus, which is similar to the accounting used by most private-sector companies. The statement of net position includes all of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements (Statement of Net Position and the Statement of Activities) report the County's net position and how it has changed. Net position, is the difference between assets and liabilities and deferred inflows of resources and is one way to measure the County's financial health.

- ❑ Over time, increases or decreases in the County's net position may serve as an indicator of whether its financial health is improving or deteriorating, respectively.
- ❑ To assess the overall health of the County, one needs to consider additional non-financial factors such as changes in population, changes in the property tax base, and changes in program funding by the Federal and State governments, and condition of facilities.

The government-wide financial statements of the County include governmental activities such as public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, interest on long term debt, and non-program activities. Most of the County's basic services are included here, such as the Sheriff, County Attorney, Recorder, Treasurer, Auditor, Board of Supervisors, Ambulance, Public Health, Medical Examiner, Paratransit Services (SEATS), Planning & Zoning, Conservation, Human Services, Veteran Affairs, Juvenile Court Services, Mental Health/ Developmental Services, rural funding to libraries, Secondary Roads, and Court Services. Property Taxes and state and federal grants fund most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant funds, not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular programs. Some funds are required to be established by state law. The Board of Supervisors establishes other funds to control and manage money for particular purposes or to show that the County is meeting legal responsibilities for using certain revenues. The County has three kinds of funds:

Governmental funds – Most of the County's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for future use. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information following the governmental fund statements that explains the relationship (or differences) between them. Funds included are the General Fund, Debt Service Fund, Capital Projects Fund, and Special Revenue Funds (Rural Services, Mental Health Fund, Secondary Roads Fund). The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures, and changes in fund balances.

Fiduciary funds – the County is the trustee, or fiduciary, for assets that belong to others. Fiduciary funds for Johnson County include the E-911 Fund, the Empowerment Fund, The Iowa City & Johnson County Assessor Funds, the Emergency Management Fund, and the Abandoned Storage Fund. The County is responsible for ensuring that assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the County's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the County-wide financial statements because the County cannot use the assets to finance its operations. The required financial statements for fiduciary funds include a statement of fiduciary assets and liabilities.

Proprietary funds – The County has an internal service fund set up for the administration of its self-funded employee health insurance plans. Funds are paid into the health insurance fund from other County funds for payment of premiums, claims and administration costs. The internal service fund is an accounting device used to accumulate and allocate costs internally among the County's various functions. The required statements include a statement of net position, a statement of revenues, expenses, and changes in fund net position, and a statement of cash flows.

Reconciliations between the government-wide financial statements and the fund financial statements follow the fund financial statements.

FINANCIAL ANALYSIS OF JOHNSON COUNTY -- Net Position

The County's combined net position increased from \$104,872,194 to \$114,870,957. See Table 1. Analysis will focus on changes in net position for governmental activities.

Table 1:
Net Position

	<u>Governmental Activities</u>		<u>Total</u>
	<u>June 30,</u> <u>2014</u>	<u>June 30,</u> <u>2013,</u> <u>As restated</u>	<u>Percentage Change</u> <u>2014-2013</u>
Assets:			
Current assets	\$ 88,828,782	\$ 85,820,157	3.5 %
Capital assets, net of accumulated depreciation	<u>96,896,458</u>	<u>90,374,999</u>	<u>7.2</u>
Total assets	<u>185,725,240</u>	<u>176,195,156</u>	<u>5.4</u>
Liabilities:			
Current liabilities	3,810,949	4,564,893	(16.5)
Long-term liabilities	<u>19,258,629</u>	<u>20,334,645</u>	<u>(5.3)</u>
Total liabilities	<u>23,069,578</u>	<u>24,899,538</u>	<u>(7.3)</u>
Deferred inflows of resources	<u>47,784,705</u>	<u>46,423,424</u>	<u>2.9</u>
Net position:			
Net investment in capital assets	82,451,458	74,684,999	10.4
Restricted	24,495,898	24,635,844	(0.6)
Unrestricted	<u>7,923,601</u>	<u>5,551,352</u>	<u>42.7</u>
Total net position	\$ <u>114,870,957</u>	\$ <u>104,872,194</u>	<u>9.5</u>

Changes in Net Position

The total net position of governmental activities increased by 9.5% compared to fiscal year 2013. The decrease in total liabilities and an increase in current assets are a result of increased capital project activity during the fiscal year, coupled with the County's strategy of reducing the amount of total debt outstanding at year end by financing a larger portion of the newly incurred debt in shorter term notes. The largest portion of the County's net position is invested in capital assets (land, buildings, equipment), net of related debt. The debt related to investment in capital assets is liquidated with sources other than capital assets. Restricted net position represent resources that are subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used. Unrestricted net position increased from \$5,551,351 in fiscal year 2013 to \$7,923,601 in fiscal year 2014, an increase of 42.7%.

**Table 2:
Changes in Net Position**

	<u>Governmental Activities</u>		<u>Total</u>
	<u>June 30,</u> <u>2014</u>	<u>June 30,</u> <u>2013,</u> <u>As restated</u>	<u>Percentage Change</u> <u>2014-2013</u>
Revenues:			
Program revenues:			
Charges for services	\$ 6,896,102	\$ 8,168,918	(15.6) %
Operating grants and contributions	17,493,399	12,840,306	36.2
Capital grants and contribution	1,839,719	4,462,371	(58.8)
Property and other taxes levied for:			
General purpose	34,558,774	38,998,515	(11.4)
Debt service	10,818,217	4,062,367	166.3
Other county taxes	950,917	932,776	1.9
Penalties and Interest on Taxes	408,283	344,982	18.4
State tax credits	1,027,037	823,125	24.8
Unrestricted investment earnings	285,224	263,505	8.2
Loss on disposal of capital assets	(346,498)	(276,882)	(25.1)
Miscellaneous	139,387	109,543	27.2
Total revenues	<u>74,070,561</u>	<u>70,729,526</u>	<u>4.7</u>
Program expenses:			
Public safety and legal services	21,713,703	20,188,789	7.6
Physical health and social services	8,814,694	8,630,946	2.1
Mental health, MR & DD	7,977,750	6,484,037	23.0
County environment and education	3,679,768	3,473,720	5.9
Roads and transportation	10,806,794	9,740,255	11.0
Governmental services to residents	2,124,814	2,492,299	(14.7)
Administration	8,462,602	7,730,627	9.5
Nonprogram current	39,694	5,027	689.6
Interest on long-term debt	451,979	488,309	(7.4)
Total expenses	<u>64,071,798</u>	<u>59,234,009</u>	<u>8.2</u>
Change in net position	9,998,763	11,495,517	(13.0)
Net position beginning of year, as restated	<u>104,872,194</u>	<u>93,376,677</u>	<u>12.3</u>
Net position end of year	\$ <u>114,870,957</u>	\$ <u>104,872,194</u>	<u>9.5</u>

The County increased property taxes levied for 2014 by 5.4%. This increase raised the County's property tax revenue by approximately \$2,316,109. Based on increases in the tax levies and total assessed valuation, property tax revenue is budgeted to increase by an additional \$2.6 million for fiscal year 2015.

The cost of all government services this year was \$64,071,798 compared to \$59,737,768 last year. The amount financed by taxpayers was \$37,842,578 (See Statement of Activities). Some of the cost was paid for by those who benefited from programs or other government grants and contributions. The County's program revenues increased from \$25,471,595 to \$26,229,220 due to substantial increases in operating grants and contributions, but that increase was offset by declines in both charges for services and capital grants and contributions.

MAJOR FUND ANALYSIS

Governmental funds reported a combined fund balance of \$33,535,207 an increase of \$3,071,781 compared to the prior year.

- General Fund revenues had an overall decrease of \$2,655,217 due largely to a decrease in property and other County tax revenue of \$5,046,602, a decrease in miscellaneous revenues of \$416,698, a decrease in license and permit revenue of \$27,781 and a decrease in charges for services of \$27,346. These revenue decreases were offset by an increase in intergovernmental revenue of \$2,786,109, an increase in interest and penalty revenue of \$70,755 and an increase in the use of money and property revenue of \$6,346. Total General Fund expenditures increased \$3,595,296 due largely to new programming for mental health services (targeted case management) in the General Fund of \$2,787,430, an increase in public safety and legal services of \$986,454, an increase in administration expenses of \$243,003, an increase in physical health & social services expenses of \$56,227 and increase in expenses in the other county expense functions.

- ❑ Rural Services Fund revenues increased by \$552,918 largely as a result of an increase in property tax revenue of \$528,762, and an increase in intergovernmental revenue of \$24,156. Expenditures increased \$119,904 and the transfer out to Secondary Roads increased \$271,754 compared to the prior year. The ending fund balance showed an increase of \$138,761 from the prior year to \$314,977.
- ❑ Secondary Roads Fund revenues decreased by \$1,320,773 compared to the prior year. Expenditures increased in the Secondary Roads Fund by \$702,335 due to an increase in capital projects of \$909,717, and a decrease in roads & transportation expenses of \$207,382. Interfund transfers into the Secondary Roads fund increased by \$300,684 compared to the prior fiscal year.
- ❑ Mental Health Fund revenues increased by \$1,264,552 from the prior year, due largely to an increase in intergovernmental revenue of \$1,272,790. Expenditures decreased by \$1,320,049 compared to the prior year largely due to the placement of the County's targeted case management program into the County's General Fund. The Mental Health fund balance increased \$2,021,405 in 2014.
- ❑ Capital Projects Fund revenues and net cash transfers in decreased by \$1,715,071 and expenditures increased by \$3,823,207. During the year the fund balance increased from \$14,150,607 to \$14,995,261 at the fiscal year end. The revenues and expenditures of this class of fund vary depending on the timing of projects.
- ❑ Debt Service Fund revenues increased \$7,018,479 due to an increase in property taxes received and expenses increased \$7,055,329 due additional principal paid on the County's general obligation debt.

General Fund Budgetary Highlights

Johnson County, Iowa amended the budget twice during the 2014 fiscal year. The first amendment occurred in September 2013 and was necessary to adjust budgeted property tax revenues and associated credits, recognize substantial insurance proceeds revenues from our insurers, finalize the County's block grant reallocations, establish sufficient budgetary authority for the fiscal year's planned capital project activity, create budgetary authority for the Targeted Case Management program within the County's General Fund, and expand the budget needed for the County's Poor Farm restoration and preservation. The second amendment occurred in May 2014. Budgetary adjustments were made for capital project expenses, road engineering services, Public Health department programming, adjustments for merit, retirement payouts and other payroll related expenses and for insurance loss deductible expenses.

Amendment and other budgetary information is available in the County Auditor's Office.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

For fiscal year 2014 the County had a net increase of \$6,521,459 in a broad range of capital assets, including land, intangible assets, equipment, vehicles, and infrastructure. Significant expenditures were related to Secondary Roads infrastructure projects, acquisition of technology assets, purchases of vehicles and equipment, the Mehaffey Bridge project and the replacement of the Secondary Roads garage and vehicles that were damaged and lost in the March 2013 fire. See Table 3. More detailed information about the County's capital assets is presented in the notes to the financial statements.

Table 3
Capital Assets

	June 30, 2014	June 30, 2013, As restated	Total Percentage Change 2014 – 2013
Non-Depreciated:			
Land	\$ 12,858,301	\$ 12,707,628	1.2 %
Intangible assets	63,845	-	N/A
Construction in progress	<u>8,527,438</u>	<u>9,105,563</u>	<u>(6.3)</u>
Total not being depreciated	<u>21,449,584</u>	<u>21,813,191</u>	<u>(1.7)</u>
Depreciable:			
Buildings and improvements	38,981,309	39,725,337	(1.9)
Machinery and equipment	15,258,472	14,364,118	6.2
Infrastructure	<u>77,197,637</u>	<u>67,904,042</u>	<u>13.7</u>
Total depreciable assets	<u>131,437,418</u>	<u>121,993,497</u>	<u>7.7</u>
Total Accumulated depreciation	<u>55,990,544</u>	<u>53,431,689</u>	<u>4.8</u>
Net capital assets	\$ <u>96,896,458</u>	\$ <u>90,374,999</u>	<u>7.2</u>

The County had depreciation expense of \$4,193,010 in fiscal year 2014 and total accumulated depreciation of \$55,990,544 on June 30, 2014.

The County's fiscal year 2015 budget projects spending of \$16,545,107 for the Mehaffey Bridge replacement, Mehaffey Bridge Road improvements, other Secondary Roads projects, improvements to the Ambulance facility, the county jail and the courthouse, technology and equipment acquisitions, replacement of the Secondary Roads garage and facility that was damaged in a fire event in March 2013 and conservation related land acquisitions and improvements. The County annually completes a Five Year Road Plan and Capital Improvement Plan (CIP). Both can be viewed by contacting management or are available on the County's web site www.johnson-county.com.

Long-Term Liabilities

At fiscal year end, the County had \$19,258,629 in long-term liabilities, consisting of general obligation capital loan notes, compensated absences and net OPEB liability (Table 4). In 2014, the County issued \$9,900,000 (including \$6,750,000 in short-term debt) in new general obligation capital loan notes and retired \$11,145,000 (including \$6,750,000 in short-term debt). More detailed information about the County's long-term liabilities is presented in the notes to the financial statements.

Table 4
Long-Term Liabilities

	Total Year End Fiscal Year 2014 Long-Term Liabilities		Total Percentage Change
	June 30, 2014	June 30, 2013	2013-2014
General obligation capital loan notes	\$ 14,445,000	\$ 15,690,000	(7.9) %
Compensated absences	2,971,048	2,901,491	2.4
Net OPEB liability	<u>1,842,581</u>	<u>1,743,154</u>	<u>5.7</u>
Total Long-Term Liabilities	\$ <u>19,258,629</u>	\$ <u>20,334,645</u>	<u>(5.3)</u>

The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property with the County's corporate limits. Johnson County, Iowa's outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$546 million. Additional information about the County's long-term debt is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

At the time these financial statements were prepared and audited, the County was aware of several circumstances that could affect its future financial health:

- ❑ Johnson County, Iowa is one of the fastest-growing counties in Iowa. Johnson County Iowa's population grew from 130,882 residents in 2010 to an estimated 139,155 in 2013.
- ❑ Johnson County, Iowa continues to enjoy a strong economy. Johnson County Iowa's October 2014 unemployment rate of 2.7% is the fourth lowest in the State of Iowa.
- ❑ Johnson County Iowa's taxable valuation growth of 4.1% for the FY15 budget year is an indication of the County's overall economic stability and continuing financial viability.
- ❑ Recent legislative changes in the taxation of commercial property will likely cause a significant shift of the property tax burden from commercial properties to residential properties and will present an ongoing challenge to local governmental funding.
- ❑ The use of tax increment financing (TIF) by most cities in Johnson County, Iowa continues to pose challenges to other local governments, including Johnson County, Iowa. Johnson County, Iowa has the ability to tax the incremental growth in the value of these TIF districts only through the use of the debt service levy, which the County has deliberately utilized to lower the tax impact on their County's residential property owners.
- ❑ Reorganization of Mental Health and Disability Services from a county based system to a regional system as proposed by the State of Iowa could significantly impact the provision of services and how they are funded locally.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, stakeholders, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact:

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BASIC FINANCIAL STATEMENTS

JOHNSON COUNTY, IOWA
STATEMENT OF NET POSITION
JUNE 30, 2014

	<u>Governmental Activities</u>
<u>ASSETS:</u>	
Cash, cash equivalents and pooled investments	\$ 37,165,516
Receivables:	
Property tax:	
Delinquent	106,925
Succeeding year	47,784,705
Accounts	1,184,024
Due from other governments	1,813,657
Inventories	158,497
Prepaid expenses	615,458
Land, construction in progress and intangible assets	21,449,584
Other capital assets, net of accumulated depreciation	<u>75,446,874</u>
Total assets	<u>185,725,240</u>
<u>LIABILITIES:</u>	
Accounts payable	2,766,844
Accrued interest payable	27,702
Salaries and benefits payable	679,192
Due to other governments	196,715
Contracts payable	106,280
Unearned revenue	34,216
Long-term liabilities:	
Portion due or payable within one year:	
General obligation bonds	4,515,000
Compensated absences	2,971,048
Portion due or payable after one year:	
General obligation bonds	9,930,000
Net OPEB liability	<u>1,842,581</u>
Total liabilities	<u>23,069,578</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>	
Unavailable property tax revenue	<u>47,784,705</u>
<u>NET POSITION:</u>	
Net investment in capital assets	82,451,458
Restricted for:	
Rural services purposes	314,977
Supplemental levy purposes	1,361,115
Secondary roads purposes	3,254,846
Mental health purposes	3,250,981
Capital projects	14,995,261
Debt service	450,325
Other purposes	868,393
Unrestricted	<u>7,923,601</u>
Total net position	<u>\$ 114,870,957</u>

See Notes to Financial Statements

JOHNSON COUNTY, IOWA

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for Service	Operating Grants, Contributions and Restricted Interest		Capital Grants, Contributions and Restricted Interest
FUNCTIONS/PROGRAMS:					
Governmental activities:					
Public safety and legal services	\$ 21,713,703	\$ 2,800,091	\$ 1,132,430	\$ 53,098	\$ (17,728,084)
Physical health and social services	8,814,694	469,102	3,919,164	-	(4,426,428)
Mental health	7,977,750	3,250	6,541,528	-	(1,432,972)
County environment and education	3,679,768	448,173	92,113	87,310	(3,052,172)
Roads and transportation	10,806,794	90,612	5,573,524	1,684,789	(3,457,869)
Governmental services to residents	2,124,814	1,985,278	109,589	-	(29,947)
Administration	8,462,602	1,099,596	125,051	14,522	(7,223,433)
Non-program	39,694	-	-	-	(39,694)
Interest on long-term debt	451,979	-	-	-	(451,979)
Total	\$ <u>64,071,798</u>	\$ <u>6,896,102</u>	\$ <u>17,493,399</u>	\$ <u>1,839,719</u>	<u>(37,842,578)</u>
GENERAL REVENUES:					
Property and other County tax levied for:					
General purposes					34,558,774
Debt service					10,818,217
Other County taxes					950,917
Penalty and interest on property tax					408,283
State tax credits					1,027,037
Unrestricted investment earnings					285,224
Loss on disposal of capital assets					(346,498)
Miscellaneous					<u>139,387</u>
Total general revenues					<u>47,841,341</u>
CHANGE IN NET POSITION					9,998,763
NET POSITION - Beginning of year, as restated					<u>104,872,194</u>
NET POSITION - End of year					\$ <u>114,870,957</u>

JOHNSON COUNTY, IOWA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

<u>ASSETS</u>	<u>General</u>	<u>Special Revenue</u>		
		<u>Rural Services</u>	<u>Secondary Roads</u>	<u>Mental Health</u>
Cash, cash equivalents and pooled investments	\$ 9,190,691	\$ 325,801	\$ 3,051,748	\$ 3,585,923
Receivables:				
Property tax:				
Delinquent	79,532	11,620	-	3,811
Succeeding year	25,615,134	4,595,043	-	3,006,966
Accounts	1,106,842	-	25,888	58
Due from other governments	1,454,842	-	349,220	7,135
Inventories	-	-	158,497	-
Prepaid expenses	426,916	-	1,698	3,698
TOTAL ASSETS	\$ 37,873,957	\$ 4,932,464	\$ 3,587,051	\$ 6,607,591
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
<u>LIABILITIES:</u>				
Accounts payable	\$ 415,355	\$ -	\$ 181,336	\$ 277,137
Salaries and benefits payable	581,317	1,232	81,046	15,597
Contracts payable	-	-	37,745	-
Due to other governments	136,531	10,802	1,565	43,541
TOTAL LIABILITIES	1,133,203	12,034	301,692	336,275
 <u>DEFERRED INFLOWS OF RESOURCES:</u>				
Unavailable revenues:				
Succeeding year property tax	25,615,134	4,595,043	-	3,006,966
Other	725,196	10,410	30,513	13,369
TOTAL DEFERRED INFLOWS OF RESOURCES	26,340,330	4,605,453	30,513	3,020,335
 <u>FUND BALANCES:</u>				
Nonspendable:				
Inventories	-	-	158,497	-
Prepaid expenses	426,916	-	1,698	3,698
Restricted for:				
Supplemental levy purposes	934,199	-	-	-
Mental health purposes	-	-	-	3,247,283
Rural services purposes	-	314,977	-	-
Secondary roads purposes	-	-	3,094,651	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Other purposes	-	-	-	-
Assigned				
Unassigned	9,039,309	-	-	-
TOTAL FUND BALANCES	10,400,424	314,977	3,254,846	3,250,981
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 \$ 37,873,957	 \$ 4,932,464	 \$ 3,587,051	 \$ 6,607,591

See Notes to Financial Statements

<u>Capital Projects</u>	<u>Debt Service</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total</u>
\$ 15,689,046	\$ 448,923	\$ 875,862	\$ 33,167,994
-	11,962	-	106,925
-	14,567,562	-	47,784,705
-	-	3,120	1,135,908
2,460	-	-	1,813,657
-	-	-	158,497
<u>183,146</u>	<u>-</u>	<u>-</u>	<u>615,458</u>
\$ <u>15,874,652</u>	\$ <u>15,028,447</u>	\$ <u>878,982</u>	\$ <u>84,783,144</u>
\$ 807,196	\$ -	\$ 9,973	\$ 1,690,997
-	-	-	679,192
68,535	-	-	106,280
3,660	-	616	196,715
<u>879,391</u>	<u>-</u>	<u>10,589</u>	<u>2,673,184</u>
-	14,567,562	-	47,784,705
-	10,560	-	790,048
<u>-</u>	<u>14,578,122</u>	<u>-</u>	<u>48,574,753</u>
-	-	-	158,497
183,146	-	-	615,458
-	-	-	934,199
-	-	-	3,247,283
-	-	-	314,977
-	-	-	3,094,651
-	450,325	-	450,325
3,479,984	-	-	3,479,984
-	-	868,393	868,393
11,332,131	-	-	11,332,131
-	-	-	9,039,309
<u>14,995,261</u>	<u>450,325</u>	<u>868,393</u>	<u>33,535,207</u>
\$ <u>15,874,652</u>	\$ <u>15,028,447</u>	\$ <u>878,982</u>	\$ <u>84,783,144</u>

JOHNSON COUNTY, IOWA

RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2014

TOTAL GOVERNMENTAL FUND BALANCES \$ 33,535,207

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of assets is \$143,314,197 and the accumulated depreciation is \$53,445,268.

Land	\$	12,858,301	
Intangible assets		63,845	
Construction in progress		8,527,438	
Infrastructure		44,193,117	
Buildings and improvements		27,404,709	
Machinery and equipment		<u>3,849,048</u>	
Total capital assets, net			96,896,458

Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows in the governmental funds. 755,832

The Internal Service Fund is used by the County to charge the costs of partial self-funding of the County's health insurance benefit plan to the individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position. 2,969,791

Long-term liabilities, including capital loan notes payable, accrued interest payable, compensated absences payable and Net OPEB liability are not due and payable in the current year and, therefore, are not reported in the governmental

General obligation capital loan notes payable	\$	(14,445,000)	
Accrued interest on capital loan notes		(27,702)	
Compensated absences		(2,971,048)	
Net OPEB liability		<u>(1,842,581)</u>	
Total long-term liabilities			<u>(19,286,331)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 114,870,957

JOHNSON COUNTY, IOWA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

	General	Special Revenue		
		Rural Services	Secondary Roads	Mental Health
REVENUES:				
Property and other County tax	\$ 27,716,260	\$ 4,530,860	\$ -	\$ 3,078,892
Interest and penalty on property tax	417,092	-	-	-
Intergovernmental	9,621,535	125,315	5,726,269	4,018,166
Licenses and permits	643,031	-	3,300	-
Charges for service	4,090,603	-	-	-
Use of money and property	247,883	-	852	-
Miscellaneous	653,928	-	90,251	23,351
Total revenues	<u>43,390,332</u>	<u>4,656,175</u>	<u>5,820,672</u>	<u>7,120,409</u>
EXPENDITURES:				
Operating:				
Public safety and legal services	20,504,147	-	-	-
Physical health and social services	8,405,932	5,000	-	-
Mental health	2,787,430	-	-	5,099,808
County environment and education	2,594,746	912,414	-	-
Roads and transportation	-	-	8,528,073	-
Governmental services to residents	1,998,926	-	-	-
Administration	7,384,293	-	-	-
Non-program	37,827	-	-	-
Debt service:				
Principal	355,000	-	-	-
Interest	92,532	-	-	-
Capital projects	-	-	2,084,951	-
Total expenditures	<u>44,160,833</u>	<u>917,414</u>	<u>10,613,024</u>	<u>5,099,808</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(770,501)</u>	<u>3,738,761</u>	<u>(4,792,352)</u>	<u>2,020,601</u>
Other financing sources (uses):				
Proceeds from debt	9,900,000	-	-	-
Sale of capital assets	61,309	-	-	804
Operating transfers in	-	-	4,631,541	-
Operating transfers out	(5,758,396)	(3,600,000)	-	-
Total other financing sources (uses)	<u>4,202,913</u>	<u>(3,600,000)</u>	<u>4,631,541</u>	<u>804</u>
Change in fund balances	3,432,412	138,761	(160,811)	2,021,405
FUND BALANCES - Beginning of year	<u>6,968,012</u>	<u>176,216</u>	<u>3,415,657</u>	<u>1,229,576</u>
FUND BALANCES - End of year	<u>\$ 10,400,424</u>	<u>\$ 314,977</u>	<u>\$ 3,254,846</u>	<u>\$ 3,250,981</u>

<u>Capital Projects</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
\$ -	\$ 11,004,000	\$ -	\$ 46,330,012
-	-	-	417,092
137,097	221,657	87,531	19,937,570
-	-	-	646,331
-	-	27,966	4,118,569
25,264	-	10,732	284,731
678,000	-	36,000	1,481,530
<u>840,361</u>	<u>11,225,657</u>	<u>162,229</u>	<u>73,215,835</u>
-	-	31,869	20,536,016
-	-	-	8,410,932
-	-	-	7,887,238
-	-	-	3,507,160
-	-	-	8,528,073
-	-	19,099	2,018,025
-	-	-	7,384,293
-	-	-	37,827
-	10,790,000	-	11,145,000
-	361,612	-	454,144
<u>8,025,072</u>	<u>-</u>	<u>87,436</u>	<u>10,197,459</u>
<u>8,025,072</u>	<u>11,151,612</u>	<u>138,404</u>	<u>80,106,167</u>
<u>(7,184,711)</u>	<u>74,045</u>	<u>23,825</u>	<u>(6,890,332)</u>
-	-	-	9,900,000
-	-	-	62,113
8,029,365	-	80,304	12,741,210
-	-	(3,382,814)	(12,741,210)
<u>8,029,365</u>	<u>-</u>	<u>(3,302,510)</u>	<u>9,962,113</u>
844,654	74,045	(3,278,685)	3,071,781
<u>14,150,607</u>	<u>376,280</u>	<u>4,147,078</u>	<u>30,463,426</u>
\$ <u>14,995,261</u>	\$ <u>450,325</u>	\$ <u>868,393</u>	\$ <u>33,535,207</u>

JOHNSON COUNTY, IOWA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2014

CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 3,071,781

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capital outlays expenditures and contributed assets exceeded depreciation expense and loss on disposal of capital assets in the current year as follows:

Expenditures for capital assets	\$ 9,594,168	
Capital grants for capital assets	1,544,789	
Depreciation expense	(4,193,010)	
Loss on disposal of capital assets	<u>(424,488)</u>	6,521,459

Proceeds from issuing short-term and long-term debt provide current financial resources to governmental funds, but issuing debt increases liabilities in the Statement of Net Position. Repayment of debt is an expenditure in the governmental funds, but the repayment reduces debt in the Statement of Net Position. Current year issues exceeded repayments, as follows:

Issued	\$ (9,900,000)	
Repaid	<u>11,145,000</u>	1,245,000

Because some revenues will not be collected for several months after the County's year end, they are not considered available revenues and are recognized as deferred inflows in the governmental funds. (334,761)

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	\$ (69,557)	
Interest on long-term debt	2,165	
Net OPEB liability	<u>(99,427)</u>	(166,819)

The Internal Service Fund is used by the County to charge the costs of partial self-funding of the County's health insurance benefit plan to individual funds. The change in net position of the Internal Service Fund is reported with governmental activities.

(337,897)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 9,998,763

JOHNSON COUNTY, IOWA
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2014

	Internal Service - Employee Group <u>Health</u>
<u>CURRENT ASSETS:</u>	
Cash, cash equivalents and pooled investments	\$ 3,997,522
Receivables:	
Accounts	<u>48,116</u>
Total assets	<u>4,045,638</u>
 <u>CURRENT LIABILITIES:</u>	
Accounts payable	112,863
Claims payable	<u>962,984</u>
Total liabilities	<u>1,075,847</u>
 <u>NET POSITION:</u>	
Unrestricted	\$ <u>2,969,791</u>

JOHNSON COUNTY, IOWA

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2014

Internal Service -
Employee
Group Health

OPERATING REVENUES:

Reimbursements from operating funds	\$ 5,393,861
Health fees - Employees	<u>638,865</u>
Total operating revenues	<u>6,032,726</u>

OPERATING EXPENSES:

Medical and health services	5,524,844
Accounting, auditing and clerical	854,912
Miscellaneous	<u>100</u>
Total operating expenses	<u>6,379,856</u>

Operating loss	(347,130)
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NON-OPERATING REVENUES:

Interest income	<u>9,233</u>
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Net loss	(337,897)
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<u>NET POSITION</u> - Beginning of year	<u>3,307,688</u>
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<u>NET POSITION</u> - End of year	\$ <u>2,969,791</u>
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JOHNSON COUNTY, IOWA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2014

Internal Service -
Employee Group
Health

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from operating fund reimbursements	\$ 5,434,197
Cash received from employees and others	638,865
Cash paid for administrative fees and miscellaneous	(872,735)
Cash paid for medical claims and insurance premiums	<u>(5,334,756)</u>

NET CASH USED IN OPERATING ACTIVITIES (134,429)

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest on investments	<u>9,233</u>
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NET DECREASE IN CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS (125,196)

CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS - Beginning of year 4,122,718

CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS - End of year \$ 3,997,522

RECONCILIATION OF OPERATING LOSS TO NETCASH USED IN OPERATING ACTIVITIES:

Operating loss	\$ (347,130)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Decrease in accounts receivable	40,336
Decrease in accounts payable	(17,723)
Increase in claims payable	<u>190,088</u>

Net cash used in operating activities \$ (134,429)

JOHNSON COUNTY, IOWA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES-
AGENCY FUNDS
JUNE 30, 2014

ASSETS

Cash, cash equivalents and pooled investments:		
County Treasurer	\$	5,522,001
Other County officials		458,333
Receivables:		
Accounts receivable		91,171
Property tax:		
Delinquent		169,953
Succeeding year		198,884,502
Special Assessments		47,388
Due from other governments		118,030
Prepaid expenses		51,043
	TOTAL ASSETS	<u>205,342,421</u>

LIABILITIES

Accounts payable		85,879
Salaries and benefits payable		31,542
Compensated absences		163,494
Due to other governments		204,876,896
Trusts payable		184,610
	TOTAL LIABILITIES	<u>205,342,421</u>
	NET POSITION	\$ <u> </u>

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Johnson County, Iowa is a political subdivision of the State of Iowa and operates 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.

The County's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Johnson County, Iowa 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 the 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. The County has no component units which meet the Governmental Accounting Standards Board criteria.

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: Johnson County Assessor's Conference Board, Iowa City Assessor's Conference Board, County Emergency Management Commission, Johnson County Joint E911 Service Board, and County Council of Governments. 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 the Agency Funds of the County, except for the Johnson County Council of Governments.

B. Basis of Presentation

Government-wide Financial Statements – The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by property tax, intergovernmental revenues and other nonexchange transactions.

The Statement of Net Position presents the County's nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following categories.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net position result when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted net position.

Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those 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, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program 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 nonmajor governmental funds.

The County reports the following major governmental funds:

The General Fund is the general operating fund of the County. All general tax revenues and other revenues 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

The Rural Services Fund is used to account for property tax and other revenues to provide services which are primarily intended to benefit those persons residing in the County outside of incorporated city areas.

The Secondary Roads Fund is used to account for the road use tax allocation from the State of Iowa, required transfers from the General Fund and the Special Revenue, Rural Services Fund and other revenues to be used for secondary road construction and maintenance.

The Mental Health Fund is used to account for property tax and other revenues to be used to fund mental health, mental retardation, and developmental disabilities services.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities and other capital assets.

The Debt Service Fund is utilized to account for property tax and other revenues to be used for the payment of interest and principal on the County's general long-term debt.

Additionally, the County reports the following funds:

Proprietary Fund

An Internal Service Fund is utilized to account for the financing of goods or services purchased by one department of the County and provided to other departments or agencies on a cost reimbursement basis.

Fiduciary Funds

Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units and/or other funds.

JOHNSON COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and 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 year or soon enough thereafter to pay liabilities of the current year. 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 cash is received by the County.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long and short-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 and short-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 position 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.

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.

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 are charges to customers for sales and services. Operating expenses for Internal Service Funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating 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.

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Inflows of Resources and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash, Cash Equivalents and Pooled Investments – The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund, unless otherwise provided by law. Investments are stated at fair value except for the investment in the Iowa Public Agency Investment Trust which is valued at amortized cost and non-negotiable certificates of deposit which are stated at cost.

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 the tax asking is certified by the County Board of Supervisors. Delinquent property tax 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 becomes due and collectible in September and March of the fiscal year with a 1.5% per month penalty for delinquent payments; is based on January 1, 2012 assessed property valuations; is for the tax accrual period July 1, 2013 through June 30, 2014 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2013.

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.

Inventories – Inventories are valued at cost using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Prepaid Expenses – Prepaid expenses represent certain payments to vendors that reflect costs applicable to future accounting periods.

JOHNSON COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Inflows of Resources and Fund Equity (Continued)

Capital Assets – Capital assets, which include property, equipment and vehicles and infrastructure assets acquired after July 1, 1980 (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the County), are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable 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.

<u>Asset Class</u>	<u>Amount</u>
Infrastructure	\$ 50,000
Intangibles	25,000
Other capital assets	5,000

Capital assets of the County are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful lives (In Years)</u>
Buildings	15-40
Improvements other than buildings	10-40
Infrastructure	20-65
Intangibles	2-30
Furnishings and equipment	2-30

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.

Trusts Payable – Trusts payable represents amounts due to others which are held by various County officials in fiduciary capacities until the underlying legal matters are resolved.

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. 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, 2014. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

Long-term Liabilities – In the government-wide and 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 Position. Bond and note 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.

JOHNSON COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Inflows of Resources and Fund Equity (Continued)

Deferred Inflows of Resources – Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent 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 year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax receivable and other receivables not collected within sixty days after year end.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax receivables that will not be recognized until the year for which it is levied.

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 or 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 Position – The net position of the Internal Service, Employee Group Health Fund are designated for anticipated future catastrophic losses of the County.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2014, disbursements did not exceed the amounts budgeted.

F. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results could differ from those estimates.

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 2: CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS

The County's deposits in banks at June 30, 2014 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.

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; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The County held no investments as of June 30, 2014.

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) to 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 needs and use of the County.

Credit Risk – The County's investment policy limits investment in commercial paper and other corporate debt to the top two highest classifications. The County did not invest in any commercial paper or other corporate debt during the year.

Concentration of Credit Risk – The County's investment policy does not allow for a prime bankers acceptance or commercial paper and other corporate debt balances to be greater than ten percent of its total deposits and investments. The policy also limits the amount that can be invested in a single issue to five percent of its total deposits and investments. The County held no such investments during the year.

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

NOTE 3: INTERFUND TRANSFERS

The detail of interfund transfers for the year ended June 30, 2014 is as follows:

<u>Transfer To</u>	<u>Transfer from</u>	<u>Amount</u>
Special Revenue: Secondary Roads	General Special Revenue: Rural Basic	\$ 1,031,541 <u>3,600,000</u> <u>4,631,541</u>
Capital Projects	General Special Revenue: Road Construction Escrow	4,646,551 <u>3,382,814</u> <u>8,029,365</u>
Special Revenue: Conservation Trust	General	 <u>80,304</u>
		\$ <u>12,741,210</u>

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

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2014 was as follows:

	<u>Balance Beginning of Year, as Restated</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 12,707,628	\$ 150,673	\$ -	\$ 12,858,301
Intangible assets	-	63,845	-	63,845
Construction in progress	<u>9,105,563</u>	<u>9,352,186</u>	<u>(9,930,311)</u>	<u>8,527,438</u>
Total capital assets not being depreciated	<u>21,813,191</u>	<u>9,566,704</u>	<u>(9,930,311)</u>	<u>21,449,584</u>
Capital assets being depreciated:				
Buildings	38,636,304	604,398	(1,380,745)	37,859,957
Improvements other than buildings	1,089,033	32,319	-	1,121,352
Furnishings and equipment	14,364,118	1,572,252	(677,898)	15,258,472
Infrastructure	<u>67,904,042</u>	<u>9,293,595</u>	<u>-</u>	<u>77,197,637</u>
Total capital assets being depreciated	<u>121,993,497</u>	<u>11,502,564</u>	<u>(2,058,643)</u>	<u>131,437,418</u>
Less accumulated depreciation for:				
Buildings	11,494,227	989,994	(980,574)	11,503,647
Improvements other than buildings	31,830	41,123	-	72,953
Furnishings and equipment	11,041,815	1,021,190	(653,581)	11,409,424
Infrastructure	<u>30,863,817</u>	<u>2,140,703</u>	<u>-</u>	<u>33,004,520</u>
Total accumulated depreciation	<u>53,431,689</u>	<u>4,193,010</u>	<u>(1,634,155)</u>	<u>55,990,544</u>
Total capital assets being depreciated, net	<u>68,561,808</u>	<u>7,309,554</u>	<u>(424,488)</u>	<u>75,446,874</u>
Governmental activities capital assets, net	\$ <u>90,374,999</u>	\$ <u>16,876,258</u>	\$ <u>(10,354,799)</u>	\$ <u>96,896,458</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 624,521
Physical health and social services	305,208
Mental health	82,657
County environment and education	245,376
Roads and transportation	2,566,239
Governmental services to residents	16,710
Administration	350,432
Non-Program	<u>1,867</u>
Total depreciation expense - governmental activities	\$ <u>4,193,010</u>

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 5: DUE TO OTHER GOVERNMENTS

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments at June 30, 2014 is as follows:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
General	Services	\$ 136,531
Special Revenue:		
Rural Services	Services	10,802
Secondary Roads		1,565
Mental Health		43,541
Capital Projects		3,660
Other		616
		<u>60,184</u>
Total for governmental funds		\$ <u>196,715</u>
Agency:		
County Assessor	Collections	\$ 1,451,954
City Assessor		1,061,884
Schools		89,568,451
Community Colleges		6,684,762
Corporations		100,422,619
Townships		851,481
E911 Surcharge		593,639
Auto License and Use Tax		2,919,203
Other		1,322,903
Total for agency funds		\$ <u>204,876,896</u>

NOTE 6: LONG-TERM LIABILITIES

The County issues general obligation capital loan notes to provide funds for the acquisition, improvement, and construction of major capital facilities and for the purchase of technology and related equipment. General obligation capital loan notes have been issued for these types of governmental activities.

General obligation capital loan notes are direct obligations and pledge the full faith and credit of the County. These notes are generally issued as serial notes with varying amounts of principal maturing annually and with interest payable semi-annually. General obligation capital loan notes outstanding at June 30, 2014, are as follows:

General Obligation Capital Loan Notes

<u>Purpose</u>	<u>Date of Issue</u>	<u>Maturity Dates</u>	<u>Interest Rates</u>	<u>Amount Originally Issued</u>	<u>Amount Outstanding End of Year</u>
County Improvements	03/2009	06/2010 - 06/2020	2.00% - 3.85%	\$ 4,100,000	\$ 2,470,000
County Improvements	03/2009	06/2010 - 06/2021	3.00% - 4.00%	11,000,000	7,145,000
County Improvements	03/2009	06/2010 - 06/2016	3.00% - 3.50%	2,200,000	690,000
County Improvements	03/2011	06/2011 - 06/2016	0.75% - 2.09%	6,285,000	340,000
County Improvements	11/2012	06/2013-06/2015	0.35% - 0.50%	5,000,000	1,700,000
County Improvements	12/2013	06/2014-06/2016	0.35% - 0.50%	<u>3,150,000</u>	<u>2,100,000</u>
				\$ <u>31,735,000</u>	\$ <u>14,445,000</u>

JOHNSON COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 6: LONG-TERM LIABILITIES (Continued)

A summary of the County's June 30, 2014 general obligation capital loan notes is as follows:

	<u>General Obligation Capital Loan Notes</u>		
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 4,515,000	\$ 398,517	\$ 4,913,517
2016	2,890,000	332,815	3,222,815
2017	1,370,000	267,558	1,637,558
2018	1,430,000	220,608	1,650,608
2019	1,495,000	167,822	1,662,822
2019-2021	<u>2,745,000</u>	<u>155,910</u>	<u>2,900,910</u>
Total	\$ <u>14,445,000</u>	\$ <u>1,543,230</u>	\$ <u>15,988,230</u>

During the year ended June 30, 2014, the County issued \$3,150,000 and retired \$4,395,000 of general obligation capital loan notes.

A summary of changes in long-term liabilities for the year ended June 30, 2014 is as follows:

	<u>General Obligation Capital Loan Notes</u>	<u>Net OPEB Liability</u>	<u>Compensated Absences</u>	<u>Total</u>
Balance beginning of year	\$ 15,690,000	\$ 1,743,154	\$ 2,901,491	\$ 20,334,645
Increases	3,150,000	99,427	2,971,048	6,220,475
Decreases	<u>4,395,000</u>	-	<u>2,901,491</u>	<u>7,296,491</u>
Balance end of year	\$ <u>14,445,000</u>	\$ <u>1,842,581</u>	\$ <u>2,971,048</u>	\$ <u>19,258,629</u>
Due within one year	\$ <u>4,515,000</u>	-	\$ <u>2,971,048</u>	\$ <u>7,486,048</u>

NOTE 7: SHORT-TERM LIABILITIES

In December 2013, the County issued \$6,750,000 of General Obligation County Purpose Bonds, Series 2013A, a short-term 90 day issue to acquire computer equipment and software to be used in County buildings, and for various County insurance programs. The Series 2013A was repaid on March 1, 2014 for \$6,754,219.

NOTE 8: 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.

Most regular plan members are required to contribute 5.95% of their annual covered salary and the County is required to contribute 8.93% of covered salary. Certain employees in special risk occupations and the County contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2014, 2013, and 2012 were \$2,356,804, \$2,235,527, and \$2,141,091, respectively, equal to the required contributions for each year.

JOHNSON COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 9: RISK MANAGEMENT

Johnson County, Iowa is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 700 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual casualty operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses estimated for the fiscal year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300% of basis rate or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

The Pool also provides property coverage. Members who elect such coverage make annual property operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses, reinsurance premiums, losses and loss expenses for property risks estimated for the fiscal year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's contributions to the Pool for the year ended June 30, 2014 were \$456,904.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$150,000 each occurrence, each location. Property risks exceeding \$150,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim, property loss or series of claims or losses exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event a casualty claim, property loss or series of claims or losses exhausts the Pool's funds and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member against whom the claim was made or the loss was incurred.

The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2014, no liability has been recorded in the County's financial statements. As of June 30, 2014, settled claims have not exceeded the risk pool or reinsurance coverage since the pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Upon withdrawal, a formula set forth in the Pool's intergovernmental contract with its members is applied to determine the amount (if any) to be refunded to the withdrawing member.

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$500,000 and \$100,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

JOHNSON COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 10: EMPLOYEE HEALTH INSURANCE PLAN

The Internal Service, Employee Group Health Fund was established to account for partial self funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Wellmark. Health benefits were self-insured up to a specific stop loss limitation of \$50,000 and an aggregate annual stop-loss amount of approximately \$6,660,068 for 2014. Coverage from a private insurance company is maintained for losses in excess of the aggregate stop-loss amount.

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to Wellmark from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2014 was \$5,393,861.

Amounts payable from the Employee Group Health Fund at June 30, 2014 total \$962,984 which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior-year and current-year claims and to establish a reserve for catastrophic losses. That reserve was \$2,969,791 at June 30, 2014 and is reported as a designation of the Internal Service, Employee Group Health Fund net position. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement Number 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Unpaid claims beginning of year	\$ 772,896
Incurred claims (including claims incurred but not reported at June 30, 2014)	5,524,844
Payments:	
Payment on claims during the fiscal year	<u>(5,334,756)</u>
Unpaid claims end of year	\$ <u>962,984</u>

NOTE 11: 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, 2014, there were two issues of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$2,311,114.

NOTE 12: CONSTRUCTION COMMITMENTS

The County has entered into five contracts totaling \$16,478,609 for building and road construction projects. As of June 30, 2014, costs of \$8,527,438 on the projects have been incurred. The balance remaining on the projects at June 30, 2014, \$7,951,171 will be paid as work on the projects progress.

JOHNSON COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 13: LITIGATION

The County Attorney reported that as of June 30, 2014, various claims and lawsuits were on file against the County. The probability of loss, if any, is undeterminable. In most cases, any losses as a result of these claims and lawsuits would be covered by the County's insurance policies, less their deductible.

NOTE 14: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description – The County operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees, retirees and their spouses. There are 443 active and 39 retired members in the plan. Retired participants must be age 55 or older at retirement.

The medical/prescription drug benefits, are provided through a partially self-funded medical plan 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.

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 which, 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, 2014, the amount actually contributed to the plan and changes in the County's net OPEB obligation:

Annual required contribution	\$ 226,534
Interest on net OPEB obligation	78,442
Adjustment to annual required contribution	<u>(107,014)</u>
Annual OPEB cost	197,962
Contributions made	<u>(98,535)</u>
Increase in net OPEB obligation	99,427
Net OPEB obligation beginning of year	<u>1,743,154</u>
Net OPEB obligation end of year	\$ <u>1,842,581</u>

For calculation of the net OPEB obligation, the actuary has set the transition date as of 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, 2014.

For the year ended June 30, 2014, the County contributed \$98,535 to the medical plan. Plan members eligible for benefits contributed \$218,251 or 68.9% 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 are summarized as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2012	\$ 435,617	36.45 %	\$ 1,636,912
June 30, 2013	199,703	46.80	1,743,154
June 30, 2014	197,962	49.77	1,842,581

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 14: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Funded Status and Funding Progress – As of July 1, 2012, the most recent actuarial valuation date for the period July 1, 2013 through June 30, 2014, the actuarial accrued liability was \$2,248,620, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,248,620. The covered payroll (annual payroll of active employees covered by the plan) was \$23,317,536 and the ratio of the UAAL to covered payroll was 9.64%. As of June 30, 2014, there were no trust 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 for the Retiree Health Plan, presented as Required Supplementary Information in the section following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

As of the July 1, 2012 actuarial valuation date, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.5% discount rate based on the County's funding policy. The projected annual medical trend rate is 5.0%. An inflation rate of 0% is assumed for the purpose of this computation.

Mortality rates are from the RP2000 Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the Actuary's Pension Handbook and applying the termination factors used in Scale T-7.

Projected claim costs of the medical plan are \$479 per month for retirees and \$1,329 per month for retirees electing family coverage. The salary increase rate was assumed to be 3.25% per year. The UAAL is being amortized as a level dollar percentage of projected payroll expense on an open basis over 30 years.

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 15: EARLY CHILDHOOD IOWA AREA BOARD

Johnson County, Iowa is the fiscal agent for the Early Childhood Iowa Area Board, an organization formed pursuant to the provisions of Chapter 256I of the Code of Iowa. The Area Board receives state grants to administer early childhood and school ready programs. Financial transactions of the Area Board are included in the County's financial statements as an Agency Fund (Empowerment Board) because of the County's fiduciary relationship with the organization. The Area Board's financial data is for the year ended June 30, 2014 is as follows:

	<u>Early Childhood Iowa Area Board</u>				
	<u>Early Childhood Fund - Federal</u>	<u>Early Childhood Fund - State</u>	<u>School Ready Fund</u>	<u>Other</u>	<u>Total</u>
Revenues:					
State grants:					
Early childhood	\$ -	\$ 210,978	\$ -	\$ -	\$ 210,978
Family support & parent education	-	-	387,720	-	387,720
Preschool support for low-income families	-	-	170,237	-	170,237
Quality improvement	-	-	58,060	-	58,060
Allocation for administration	-	11,104	20,340	-	31,444
Other program services	-	-	<u>42,314</u>	<u>2,116</u>	<u>44,430</u>
Total state of Iowa grants	-	222,082	678,671	2,116	902,869
Interest on investments	<u>12</u>	<u>151</u>	<u>425</u>	-	<u>588</u>
Total revenues	<u>12</u>	<u>222,233</u>	<u>679,096</u>	<u>2,116</u>	<u>903,457</u>
Expenditures:					
Program services:					
Early childhood	-	202,742	-	-	202,742
Family support & parent education	-	-	380,618	-	380,618
Preschool support for low-income families	-	-	175,800	-	175,800
Quality improvement	3,019	-	58,060	-	61,079
Other program services	-	-	<u>25,051</u>	<u>2,781</u>	<u>27,832</u>
Total program services	<u>3,019</u>	<u>202,742</u>	<u>639,529</u>	<u>2,781</u>	<u>848,071</u>
Administration	<u>2,423</u>	<u>11,105</u>	<u>22,105</u>	-	<u>35,633</u>
Total expenditures	<u>5,442</u>	<u>213,847</u>	<u>661,634</u>	<u>2,781</u>	<u>883,704</u>
Change in fund balances	(5,430)	8,386	17,462	(665)	19,753
Fund balances – beginning of year	<u>5,430</u>	-	<u>24,302</u>	<u>899</u>	<u>30,631</u>
Fund balances – end of year	\$ -	\$ <u>8,386</u>	\$ <u>41,764</u>	\$ <u>234</u>	\$ <u>50,384</u>

NOTE 16: PROSPECTIVE ACCOUNTING CHANGE

The Governmental Accounting Standards Board has issued Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27. This statement will be implemented for the fiscal year ending June 30, 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, the Statement of Net Position is expected to include a significant liability for the government's proportionate share of the employee pension plan.

JOHNSON COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 17: PRIOR PERIOD ADJUSTMENT

During the year ended June 30, 2014, it was determined that certain additions to construction in progress, furnishings and equipment, and buildings had not been properly recorded for the year ended June 30, 2013:

Government Wide net position June 30, 2013, as previously reported	\$	104,366,125
Adjustments to construction in progress		395,824
Adjustments to furnishings and equipment (net of accumulated depreciation)		119,299
Adjustments to buildings (net of accumulated depreciation)		<u>(9,054)</u>
Government Wide net position June 30, 2013, as restated	\$	<u>104,872,194</u>

NOTE 18: RECLASSIFICATIONS

Certain amounts for the year ended June 30, 2013 have been reclassified to conform with June 30, 2014 presentation.

NOTE 19: SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 28, 2015, the date the financial statements were available to be issued.

In December 2014, the County issued \$5,650,000 of General Obligation County Purpose Bonds, Series 2014A, and they issued \$4,000,000 of General Obligation County Purpose Bond, Series 2014B (Taxable), short term bonds both with a maturity date of April 15, 2015. The bonds are to be used for improvements to County buildings, computer equipment and software, various other projects for the construction, reconstruction, improvement and repair of infrastructure, clean up following a disaster, and acquiring vehicles for the County sheriff and emergency services, along with acquiring land and paying engineering costs for various County projects. Additionally, in December 2014, the County issued \$4,350,000 of General Obligation County Purpose Bond, Series 2014C, three year issue to be used for similar projects as listed above.

REQUIRED SUPPLEMENTARY INFORMATION

JOHNSON COUNTY, IOWA

BUDGETARY COMPARISON SCHEDULE OF
RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCES -
BUDGET AND ACTUAL (CASH BASIS) - ALL GOVERNMENTAL FUNDS
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2014

	Governmental Fund Types <u>Actual</u>	<u>Budgeted Amounts</u>		<u>Final to Actual Variance</u>
		<u>Original</u>	<u>Final</u>	
<u>RECEIPTS:</u>				
Property and other County tax	\$ 46,327,954	\$ 46,760,253	\$ 46,185,166	\$ 142,788
Interest and penalty on property tax	330,695	979,319	385,000	(54,305)
Intergovernmental	20,118,454	23,917,835	20,209,838	(91,384)
Licenses and permits	649,116	53,925	518,285	130,831
Charges for service	4,121,731	3,992,575	3,907,575	214,156
Use of money and property	285,134	202,060	168,100	117,034
Miscellaneous	2,210,147	2,893,720	4,072,690	(1,862,543)
Total receipts	<u>74,043,231</u>	<u>78,799,687</u>	<u>75,446,654</u>	<u>(1,403,423)</u>
<u>DISBURSEMENTS:</u>				
Public safety and legal services	20,445,480	22,275,358	22,347,350	1,901,870
Physical health and social services	8,498,656	8,910,290	9,217,734	719,078
Mental health	8,368,750	14,039,463	9,959,625	1,590,875
County environment and education	3,581,434	3,751,808	3,794,762	213,328
Roads and transportation	8,615,818	8,473,632	8,978,716	362,898
Governmental services to residents	2,005,740	2,284,326	2,249,326	243,586
Administration	7,554,452	7,837,712	8,318,238	763,786
Non-program	37,907	3,000	38,000	93
Debt service	11,599,144	11,704,537	11,704,547	105,403
Capital projects	9,757,506	6,381,658	16,640,733	6,883,227
Total disbursements	<u>80,464,887</u>	<u>85,661,784</u>	<u>93,249,031</u>	<u>12,784,144</u>
Excess (deficiency) of receipts over (under) disbursements	(6,421,656)	(6,862,097)	(17,802,377)	11,380,721
Other financing sources, net	<u>9,962,213</u>	<u>8,355,300</u>	<u>9,908,300</u>	<u>53,913</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	3,540,557	1,493,203	(7,894,077)	11,434,634
<u>BALANCE</u> - Beginning of year	<u>29,627,436</u>	<u>22,523,401</u>	<u>29,620,228</u>	<u>(7,208)</u>
<u>BALANCE</u> - End of year	\$ <u>33,167,993</u>	\$ <u>24,016,604</u>	\$ <u>21,726,151</u>	\$ <u>11,441,842</u>

JOHNSON COUNTY, IOWA

BUDGETARY COMPARISON SCHEDULE - BUDGET TO GAAP RECONCILIATION
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2014

	Governmental Fund Types		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 74,043,231	\$ (827,396)	\$ 73,215,835
Expenditures	80,464,887	(358,720)	80,106,167
Net	(6,421,656)	(468,676)	(6,890,332)
Other financing sources, net	9,962,213	(100)	9,962,113
Beginning fund balance	29,627,436	835,990	30,463,426
Ending fund balance	\$ 33,167,993	\$ 367,214	\$ 33,535,207

See Accompanying Independent Auditor's Report.

JOHNSON COUNTY, IOWA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING

YEAR ENDED JUNE 30, 2014

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 following required public notice and hearing for all funds except blended component units, the Internal Service Fund and Agency Funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon ten major classes of expenditures known as functions, not by fund. These ten 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, the Special Revenue Funds, the Debt Service Fund and the 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, two budget amendments increased budgeted disbursements by \$7,587,247. 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.

During the year ended June 30, 2014, disbursements did not exceed the amounts budgeted.

JOHNSON COUNTY, IOWA

SCHEDULE OF FUNDING PROGRESS FOR
THE RETIREE HEALTH PLAN

REQUIRED SUPPLEMENTARY INFORMATION

<u>Year Ended June 30,</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b - a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
2009	July 1, 2008	\$ -	\$ 7,697,775	\$ 7,697,775	0.00%	\$ 19,902,352	38.70%
2010	July 1, 2008	\$ -	\$ 7,697,775	\$ 7,697,775	0.00%	\$ 21,279,121	36.18%
2011	July 1, 2010	\$ -	\$ 4,216,188	\$ 4,216,188	0.00%	\$ 21,084,632	20.00%
2012	July 1, 2010	\$ -	\$ 4,216,188	\$ 4,216,188	0.00%	\$ 21,769,883	19.37%
2013	July 1, 2012	\$ -	\$ 2,248,620	\$ 2,248,620	0.00%	\$ 22,583,570	9.96%
2014	July 1, 2012	\$ -	\$ 2,248,620	\$ 2,248,620	0.00%	\$ 23,317,536	9.64%

See Note 14 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, funded status and funding progress.

SUPPLEMENTARY INFORMATION

JOHNSON COUNTY, IOWA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

	<u>Law Enforcement Proceeds</u>	<u>Prosecutor Forfeiture Proceeds</u>	<u>Special Resource Enhancement</u>	<u>Road Construction Escrow</u>
<u>ASSETS</u>				
Cash, cash equivalents and pooled investments	\$ 28,829	\$ 31,467	\$ 333,877	\$ 35,445
Receivables:				
Accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	\$ <u>28,829</u>	\$ <u>31,467</u>	\$ <u>333,877</u>	\$ <u>35,445</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES:</u>				
Accounts payable	\$ 1,971	\$ -	\$ -	\$ -
Due to other governments	<u>-</u>	<u>616</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>1,971</u>	<u>616</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES:</u>				
Restricted for:				
Other purposes	<u>26,858</u>	<u>30,851</u>	<u>333,877</u>	<u>35,445</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>28,829</u>	\$ <u>31,467</u>	\$ <u>333,877</u>	\$ <u>35,445</u>

<u>Historical Preservation</u>	<u>Recorder's Records Management</u>	<u>Ambulance Fund</u>	<u>Courthouse Centenary Fund</u>	<u>Conservation Trust</u>	<u>Total</u>
\$ 1,569	\$ 77,422	\$ 3,091	\$ 3,330	\$ 360,832	\$ 875,862
<u>-</u>	<u>3,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,120</u>
\$ <u>1,569</u>	\$ <u>80,542</u>	\$ <u>3,091</u>	\$ <u>3,330</u>	\$ <u>360,832</u>	\$ <u>878,982</u>
\$ -	\$ -	\$ -	\$ -	\$ 8,002	\$ 9,973
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>616</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,002</u>	<u>10,589</u>
<u>1,569</u>	<u>80,542</u>	<u>3,091</u>	<u>3,330</u>	<u>352,830</u>	<u>868,393</u>
\$ <u>1,569</u>	\$ <u>80,542</u>	\$ <u>3,091</u>	\$ <u>3,330</u>	\$ <u>360,832</u>	\$ <u>878,982</u>

JOHNSON COUNTY, IOWA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2014

	<u>Law Enforcement Proceeds</u>	<u>Prosecutor Forfeiture Proceeds</u>	<u>Special Resource Enhancement</u>	<u>Road Construction Escrow</u>
<u>REVENUES:</u>				
Intergovernmental	\$ 36,189	\$ -	\$ 51,342	\$ -
Charges for service	-	-	-	-
Use of money and property	66	-	679	9,053
Miscellaneous	-	8,897	-	-
Total revenues	<u>36,255</u>	<u>8,897</u>	<u>52,021</u>	<u>9,053</u>
<u>EXPENDITURES:</u>				
Operating:				
Public safety and legal services	23,830	8,039	-	-
Governmental services to residents	-	-	-	-
Capital projects	-	-	21,170	-
Total expenditures	<u>23,830</u>	<u>8,039</u>	<u>21,170</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	12,425	858	30,851	9,053
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	(3,382,814)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,382,814)</u>
Change in fund balances	12,425	858	30,851	(3,373,761)
<u>FUND BALANCES - Beginning of year</u>	<u>14,433</u>	<u>29,993</u>	<u>303,026</u>	<u>3,409,206</u>
<u>FUND BALANCES - End of year</u>	\$ <u>26,858</u>	\$ <u>30,851</u>	\$ <u>333,877</u>	\$ <u>35,445</u>

<u>Historical Preservation</u>	<u>Recorder's Records Management</u>	<u>Ambulance Fund</u>	<u>Courthouse Centenary Fund</u>	<u>Conservation Trust</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,531
-	27,966	-	-	-	27,966
-	168	6	7	753	10,732
-	-	-	-	27,103	36,000
-	<u>28,134</u>	<u>6</u>	<u>7</u>	<u>27,856</u>	<u>162,229</u>
-	-	-	-	-	31,869
-	19,099	-	-	-	19,099
-	-	-	-	66,266	87,436
-	<u>19,099</u>	<u>-</u>	<u>-</u>	<u>66,266</u>	<u>138,404</u>
-	9,035	6	7	(38,410)	23,825
-	-	-	-	80,304	80,304
-	-	-	-	-	(3,382,814)
-	-	-	-	<u>80,304</u>	<u>(3,302,510)</u>
-	9,035	6	7	41,894	(3,278,685)
<u>1,569</u>	<u>71,507</u>	<u>3,085</u>	<u>3,323</u>	<u>310,936</u>	<u>4,147,078</u>
\$ <u>1,569</u>	\$ <u>80,542</u>	\$ <u>3,091</u>	\$ <u>3,330</u>	\$ <u>352,830</u>	\$ <u>868,393</u>

JOHNSON COUNTY, IOWA

COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2014

<u>ASSETS</u>	County Offices		<u>Agricultural</u>
	<u>County</u>	<u>County</u>	<u>Extension</u>
	<u>Recorder</u>	<u>Sheriff</u>	
Cash, cash equivalents and pooled investments:			
County Treasurer	\$ -	\$ -	\$ 2,295
Other County officials	197,562	260,771	-
Receivables:			
Accounts receivable	6,586	-	-
Property tax:			
Delinquent	-	-	606
Succeeding year	-	-	495,365
Special assessments	-	-	-
Due from other governments	-	-	-
Prepaid expenses	-	-	-
	-	-	-
TOTAL ASSETS	\$ <u>204,148</u>	\$ <u>260,771</u>	\$ <u>498,266</u>
<u>LIABILITIES</u>			
Accounts payable	\$ -	\$ -	\$ -
Salaries and benefits payable	-	-	-
Compensated absences	-	-	-
Due to other governments	204,148	134,371	498,266
Trusts payable	-	126,400	-
	-	126,400	-
TOTAL LIABILITIES	\$ <u>204,148</u>	\$ <u>260,771</u>	\$ <u>498,266</u>

<u>County Assessor</u>	<u>City Assessor</u>	<u>Emergency Management</u>	<u>State Levies</u>	<u>Schools</u>	<u>Community Colleges</u>
\$ 578,137	\$ 434,590	\$ 69,105	\$ 93	\$ 399,267	\$ 30,373
-	-	-	-	-	-
-	-	-	-	-	-
1,510	445	-	25	102,968	7,907
960,139	715,616	-	150,483	89,066,216	6,646,482
-	-	-	-	-	-
-	-	53,123	-	-	-
3,604	4,995	13,609	-	-	-
<u>\$ 1,543,390</u>	<u>\$ 1,155,646</u>	<u>\$ 135,837</u>	<u>\$ 150,601</u>	<u>\$ 89,568,451</u>	<u>\$ 6,684,762</u>
\$ 2,879	\$ 535	\$ 41,427	\$ -	\$ -	\$ -
15,827	12,422	3,293	-	-	-
72,730	80,805	9,959	-	-	-
1,451,954	1,061,884	81,158	150,601	89,568,451	6,684,762
-	-	-	-	-	-
<u>\$ 1,543,390</u>	<u>\$ 1,155,646</u>	<u>\$ 135,837</u>	<u>\$ 150,601</u>	<u>\$ 89,568,451</u>	<u>\$ 6,684,762</u>

JOHNSON COUNTY, IOWA

COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

JUNE 30, 2014

<u>ASSETS</u>	<u>Corporations</u>	<u>Townships</u>	<u>City Special Assessments</u>
Cash, cash equivalents and pooled investments:			
County Treasurer	\$ 362,347	\$ 5,060	\$ 10,822
Other County officials	-	-	-
Receivables:			
Accounts receivable	-	-	-
Property tax:			
Delinquent	55,007	1,485	-
Succeeding year	100,005,265	844,936	-
Special assessments	-	-	47,388
Due from other governments	-	-	-
Prepaid expenses	-	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	\$ <u>100,422,619</u>	\$ <u>851,481</u>	\$ <u>58,210</u>
 <u>LIABILITIES</u>			
Accounts payable	\$ -	\$ -	\$ -
Salaries and benefits payable	-	-	-
Compensated absences	-	-	-
Due to other governments	100,422,619	851,481	-
Trusts payable	-	-	58,210
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	\$ <u>100,422,619</u>	\$ <u>851,481</u>	\$ <u>58,210</u>

Schedule 3
(Continued)

<u>E911 Surcharge</u>	<u>Auto License and Use Tax</u>	<u>Empowerment Board</u>	<u>Tax Sales</u>	<u>Total</u>
\$ 417,323	\$ 2,919,203	\$ 106,881	\$ 186,505	\$ 5,522,001
-	-	-	-	458,333
84,585	-	-	-	91,171
-	-	-	-	169,953
-	-	-	-	198,884,502
-	-	-	-	47,388
64,907	-	-	-	118,030
<u>28,709</u>	<u>-</u>	<u>126</u>	<u>-</u>	<u>51,043</u>
<u>\$ 595,524</u>	<u>\$ 2,919,203</u>	<u>\$ 107,007</u>	<u>\$ 186,505</u>	<u>\$ 205,342,421</u>
\$ 1,885	\$ -	\$ 39,153	\$ -	\$ 85,879
-	-	-	-	31,542
-	-	-	-	163,494
593,639	2,919,203	67,854	186,505	204,876,896
-	-	-	-	184,610
<u>\$ 595,524</u>	<u>\$ 2,919,203</u>	<u>\$ 107,007</u>	<u>\$ 186,505</u>	<u>\$ 205,342,421</u>

JOHNSON COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2014

<u>ASSETS AND LIABILITIES</u>	<u>County Offices</u>		
	<u>County Auditor</u>	<u>County Recorder</u>	<u>County Sheriff</u>
Balances beginning of year	\$ -	\$ 188,842	\$ 255,364
Additions:			
Property and other County tax and state tax credits	-	-	-
E911 surcharge	-	-	-
Office fees and collections	122,559	2,488,988	841,084
Auto licenses, use tax and postage	-	-	-
Trusts	-	-	2,891,673
Miscellaneous	-	-	-
Total additions	<u>122,559</u>	<u>2,488,988</u>	<u>3,732,757</u>
Deductions:			
Agency remittances:			
To other funds	122,559	966,859	800,302
To other governments	-	1,506,823	66,631
Trusts paid out	-	-	2,860,417
Total deductions	<u>122,559</u>	<u>2,473,682</u>	<u>3,727,350</u>
Balances end of year	\$ -	\$ 204,148	\$ 260,771

<u>Agriculture Extension</u>	<u>County Assessor</u>	<u>City Assessor</u>	<u>Emergency Management</u>	<u>State Levies</u>	<u>Schools</u>	<u>Community Colleges</u>
\$ <u>493,614</u>	\$ <u>1,542,317</u>	\$ <u>1,172,271</u>	\$ <u>138,256</u>	\$ <u>125,672</u>	\$ <u>87,424,131</u>	\$ <u>6,608,960</u>
505,105	1,052,676	728,415	-	150,902	90,739,540	6,773,167
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	4,011,943	-	-	-
<u>505,105</u>	<u>1,052,676</u>	<u>728,415</u>	<u>4,011,943</u>	<u>150,902</u>	<u>90,739,540</u>	<u>6,773,167</u>
-	-	-	-	-	-	-
500,453	1,051,603	745,040	4,014,362	125,973	88,595,220	6,697,365
-	-	-	-	-	-	-
<u>500,453</u>	<u>1,051,603</u>	<u>745,040</u>	<u>4,014,362</u>	<u>125,973</u>	<u>88,595,220</u>	<u>6,697,365</u>
\$ <u>498,266</u>	\$ <u>1,543,390</u>	\$ <u>1,155,646</u>	\$ <u>135,837</u>	\$ <u>150,601</u>	\$ <u>89,568,451</u>	\$ <u>6,684,762</u>

JOHNSON COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2014

<u>ASSETS AND LIABILITIES</u>	<u>Corporations</u>	<u>Townships</u>	<u>City Special Assessments</u>
Balances beginning of year	\$ <u>96,014,173</u>	\$ <u>861,637</u>	\$ <u>74,829</u>
Additions:			
Property and other County tax and state tax credits	101,165,237	866,565	-
E911 surcharge	-	-	-
Office fees and collections	-	-	-
Auto licenses, use tax and postage	-	-	-
Trusts	-	-	29,254
Miscellaneous	-	-	-
Total additions	<u>101,165,237</u>	<u>866,565</u>	<u>29,254</u>
Deductions:			
Agency remittances:			
To other funds	-	-	-
To other governments	96,756,791	876,721	-
Trusts paid out	-	-	45,873
Total deductions	<u>96,756,791</u>	<u>876,721</u>	<u>45,873</u>
Balances end of year	\$ <u>100,422,619</u>	\$ <u>851,481</u>	\$ <u>58,210</u>

Schedule 4
(Continued)

<u>E911 Surcharge</u>	<u>Auto License and Use Tax</u>	<u>Empowerment Board</u>	<u>Tax Sales</u>	<u>Flood Control</u>	<u>Total</u>
\$ <u>462,351</u>	\$ <u>2,551,855</u>	\$ <u>89,350</u>	\$ <u>276,789</u>	\$ <u>-</u>	\$ <u>198,280,411</u>
-	-	-	-	-	201,981,607
655,385	-	-	-	-	655,385
-	-	-	-	-	3,452,631
-	33,037,981	-	-	-	33,037,981
-	-	-	-	-	2,920,927
-	-	897,265	1,262,983	49,850	6,222,041
<u>655,385</u>	<u>33,037,981</u>	<u>897,265</u>	<u>1,262,983</u>	<u>49,850</u>	<u>248,270,572</u>
-	-	-	-	-	1,889,720
522,212	32,670,633	879,608	1,353,267	49,850	236,412,552
-	-	-	-	-	2,906,290
<u>522,212</u>	<u>32,670,633</u>	<u>879,608</u>	<u>1,353,267</u>	<u>49,850</u>	<u>241,208,562</u>
\$ <u>595,524</u>	\$ <u>2,919,203</u>	\$ <u>107,007</u>	\$ <u>186,505</u>	\$ <u>-</u>	\$ <u>205,342,421</u>

JOHNSON COUNTY, IOWA

SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION -
ALL GOVERNMENTAL FUNDS
FOR THE LAST TEN YEARS

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
REVENUES:				
Property and other County tax	\$ 46,330,012	\$ 43,994,487	\$ 43,064,225	\$ 42,807,106
Interest and penalty on property tax	417,092	346,337	566,085	395,959
Intergovernmental	19,937,570	18,001,226	24,161,443	20,933,586
Licenses and permits	646,331	676,912	579,650	505,578
Charges for service	4,118,569	4,155,377	4,068,724	3,785,002
Use of money and property	284,731	274,123	280,324	334,429
Miscellaneous	<u>1,481,530</u>	<u>2,232,974</u>	<u>2,128,204</u>	<u>777,200</u>
 Total revenues	 \$ <u>73,215,835</u>	 \$ <u>69,681,436</u>	 \$ <u>74,848,655</u>	 \$ <u>69,538,860</u>
EXPENDITURES:				
Operating:				
Public safety and legal services	\$ 20,536,016	\$ 19,651,404	\$ 19,266,352	\$ 19,737,412
Physical health and social services	8,410,932	8,349,705	8,046,818	8,121,773
Mental health	7,887,238	6,419,857	12,999,800	12,743,965
County environment and education	3,507,160	3,530,073	3,321,442	3,230,084
Roads and transportation	8,528,073	8,735,455	7,592,330	7,212,691
Governmental services to residents	2,018,025	2,450,684	1,932,431	1,892,552
Administration	7,384,293	7,141,290	6,803,964	6,564,119
Non-program	37,827	3,160	3,005	5,400
Debt service	11,599,144	4,537,316	3,926,300	8,007,726
Capital projects	<u>10,197,459</u>	<u>5,728,384</u>	<u>7,716,047</u>	<u>9,814,804</u>
 Total expenditures	 \$ <u>80,106,167</u>	 \$ <u>66,547,328</u>	 \$ <u>71,608,489</u>	 \$ <u>77,330,526</u>

Modified Accrual Basis					
2010	2009	2008	2007	2006	2005
\$ 41,076,815	\$ 39,070,345	\$ 32,672,807	\$ 29,433,991	\$ 27,085,150	\$ 25,643,264
490,122	324,254	432,445	374,642	375,395	278,470
21,216,527	21,999,336	22,164,502	19,528,390	17,668,730	16,583,058
489,658	490,984	596,826	404,730	528,659	478,236
3,581,173	3,480,681	3,250,980	3,031,430	3,035,389	2,913,707
465,921	673,363	1,354,192	1,655,734	1,185,885	734,308
<u>1,019,237</u>	<u>780,778</u>	<u>560,066</u>	<u>1,133,246</u>	<u>885,704</u>	<u>505,562</u>
\$ <u>68,339,453</u>	\$ <u>66,819,741</u>	\$ <u>61,031,818</u>	\$ <u>55,562,163</u>	\$ <u>50,764,912</u>	\$ <u>47,136,605</u>
\$ 25,319,933	\$ 25,195,898	\$ 14,341,229	\$ 13,282,979	\$ 12,797,233	\$ 11,941,799
8,498,353	7,686,737	7,541,627	7,371,545	7,132,324	6,332,194
11,375,172	12,068,767	13,027,696	12,390,697	10,712,349	10,140,316
3,244,086	2,991,567	2,791,688	2,686,185	2,461,700	2,325,169
7,129,285	7,590,893	7,884,688	6,291,001	5,957,011	5,838,452
1,934,739	2,051,121	1,881,126	1,846,463	1,716,886	1,722,204
6,465,719	6,264,547	5,803,518	5,959,893	5,374,237	5,168,099
978	2,320	2,400	-	600	600
6,382,036	5,115,773	792,902	811,802	-	3,995,146
<u>6,935,520</u>	<u>15,657,116</u>	<u>8,312,991</u>	<u>3,310,759</u>	<u>6,491,702</u>	<u>1,449,068</u>
\$ <u>77,285,821</u>	\$ <u>84,624,739</u>	\$ <u>62,379,865</u>	\$ <u>53,951,324</u>	\$ <u>52,644,042</u>	\$ <u>48,913,047</u>

JOHNSON COUNTY, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

	<u>CFDA Number</u>	<u>Program Expenditures</u>
<u>GRANTOR/PROGRAM:</u>		
<u>DIRECT:</u>		
Department of the Interior:		
Payments in Lieu of Taxes	15.226	\$ 62,856
Department of Justice:		
State Criminal Alien Assistance Program	16.606	49,197
Public Safety Partnership and Community Policing Grants	16.710	45,567
Total Direct		<u>157,620</u>
<u>INDIRECT:</u>		
Department of Agriculture:		
Iowa Department of Human Services:		
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	42,084
Iowa Department of Public Health:		
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	530,496
Department of Defense:		
Iowa Treasurer of State:		
Payments to States in Lieu of Real Estate Taxes	12.112	66,467
Department of Health and Human Services:		
Iowa Department of Human Services:		
Promoting Safe and Stable Families	93.556	29,363
Refugee and Entrant Assistance - State Administered Programs	93.566	95
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	12,267
Foster Care - Title IV-E	93.658	16,146
Adoption Assistance	93.659	5,456
Social Services Block Grant	93.667	806,233
Children's Health Insurance Program	93.767	178
Medical Assistance Program	93.778	70,235
Iowa Department of Public Health:		
Public Health Emergency Preparedness	93.069	171,256
Medical Reserve Corps	93.074	3,666
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	13,268
Immunization Cooperative Agreements	93.268	16,330

JOHNSON COUNTY, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

<u>GRANTOR/PROGRAM:</u>	<u>CFDA</u>	<u>Program</u>
<u>INDIRECT: (Continued)</u>	<u>Number</u>	<u>Expenditures</u>
Department of Health and Human Services: (Continued)		
Iowa Department of Public Health: (Continued)		
PPHF 2012: Community Transformation Grants and National Dissemination and Support for Community Transformation Grants	93.531	<u>74,197</u>
Immunization Billing Implementation	93.539	<u>23,840</u>
HIV Prevention Activities - Health Department Based	93.940	<u>19,605</u>
Maternal and Child Health Services Block Grant to the States	93.994	<u>81,776</u>
National Association of County and City Health Officials:		
Medical Reserve Corps Small Grant Program	93.008	<u>3,500</u>
Department of Homeland Security:		
Iowa Homeland Security and Emergency Management:		
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	<u>213,344</u>
Hazard Mitigation Grant	97.039	<u>12,509</u>
Emergency Management Performance Grants	97.042	<u>32,323</u>
Hazardous Materials Emergency Preparedness (HMEP)	20.703	<u>1,172</u>
United Way of America:		
Emergency Food and Shelter National Board Program	97.024	<u>1,000</u>
Department of Justice:		
City of Iowa City:		
AARA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	16.738	<u>106,073</u>
Department of Interior:		
Silos and Smokestacks National Heritage Area:		
National Heritage Area Federal Financial Assistance	15.939	<u>2,460</u>
Department of Transportation:		
East Central Iowa Council of Governemnts:		
Formula Grants for Other Than Urbanized Areas	20.509	<u>62,528</u>
Iowa Department of Transportation:		
Highway Planning and Construction	20.205	<u>75,000</u>
Iowa Department of Public Safety:		
State and Community Highway Safety	20.600	<u>7,298</u>
Department of the Treasury:		
Iowans for Social and Economic Development:		
Volunteer Income Tax Assistance (VITA) Matching Grant Program	21.009	<u>4,818</u>
Total Indirect		<u>2,504,983</u>
Total		<u>\$ 2,662,603</u>

Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the federal grant activity of Johnson County, Iowa and is presented in 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.

STATISTICAL SECTION

JOHNSON COUNTY, IOWA

STATISTICAL SECTION

This part of Johnson County, Iowa'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.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	68-75
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	76-82
Debt Capacity 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.	83-87
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	88-89
Operating Information 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.	90-97

All tables in this section are for the last ten fiscal years unless otherwise noted.

JOHNSON COUNMITY, IOWA

NET POSITION BY COMPONENT
FOR THE LAST TEN FISCAL YEARS
UNAUDITED
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities:				
Net investment in capital assets	\$ 21,641,670	\$ 25,187,820	\$ 47,440,003	\$ 47,337,924
Restricted	5,843,786	5,196,756	4,944,502	5,723,302
Unrestricted	<u>11,283,064</u>	<u>11,022,017</u>	<u>13,445,263</u>	<u>18,987,315</u>
Total governmental activities net position	\$ <u>38,768,520</u>	\$ <u>41,406,593</u>	\$ <u>65,829,768</u>	\$ <u>72,048,541</u>

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$	41,327,037	\$ 56,404,229	\$ 64,703,796	\$ 71,665,882	\$ 74,178,929	\$ 82,451,458
	17,876,926	14,468,481	13,075,522	17,119,728	24,635,844	24,495,898
	<u>11,198,015</u>	<u>5,061,024</u>	<u>6,169,333</u>	<u>4,588,757</u>	<u>5,551,352</u>	<u>7,923,601</u>
\$	<u>70,401,978</u>	\$ <u>75,933,734</u>	\$ <u>83,948,651</u>	\$ <u>93,374,367</u>	\$ <u>104,366,125</u>	\$ <u>114,870,957</u>

JOHNSON COUNTY, IOWA
CHANGES IN NET POSITION
FOR THE LAST TEN FISCAL YEARS
UNAUDITED
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Expenses:				
Governmental activities:				
Public safety and legal services	\$ 12,141,409	\$ 12,913,204	\$ 13,615,598	\$ 14,985,807
Physical health and social services	6,267,711	7,195,810	7,406,393	7,560,966
Mental health	10,104,720	10,684,804	12,356,007	13,025,061
County environment and education	2,448,380	2,658,630	2,725,010	2,899,061
Roads and transportation	6,691,076	7,253,215	7,761,866	10,490,863
Governmental services to residents	1,748,296	2,433,394	1,952,203	2,085,166
Administration	5,729,664	6,192,479	6,516,376	6,667,379
Non-program	-	2,486	1,866	21,899
Interest on long-term debt	40,159	-	11,802	52,015
Total governmental expenses	<u>45,171,415</u>	<u>49,334,022</u>	<u>52,347,121</u>	<u>57,788,217</u>
Program revenues:				
Governmental activities:				
Charges for services:				
Public safety and legal services	1,527,191	1,723,275	1,829,013	2,128,451
Physical health and social services	220,340	227,928	202,970	361,852
Mental health	12,170	7,645	8,092	8,540
County environment and education	367,346	378,343	278,677	421,995
Roads and transportation	47,306	319,566	63,621	50,796
Governmental services to residents	1,774,712	1,762,340	1,697,009	1,660,951
Administration	431,964	458,355	691,127	581,152
Interest on long-term debt	-	-	-	-
Operating grants and contributions	15,338,014	15,994,771	18,038,258	20,902,680
Capital grants and contributions	1,876,422	1,084,659	3,491,230	2,605,031
Total governmental program revenues	<u>21,595,465</u>	<u>21,956,882</u>	<u>26,299,997</u>	<u>28,721,448</u>
Total primary government net expense	<u>\$ (23,575,950)</u>	<u>\$ (27,377,140)</u>	<u>\$ (26,047,124)</u>	<u>\$ (29,066,769)</u>
General revenues and other changes in net position				
Governmental Activities:				
Property and other County taxes	\$ 25,489,331	\$ 26,646,204	\$ 28,714,645	\$ 31,865,731
Other County taxes	224,279	808,127	761,744	845,312
Penalty and interest on property taxes	220,083	366,090	354,254	411,761
State tax credits	671,416	677,010	674,801	697,094
Unrestricted investment earnings	732,299	1,238,270	1,627,222	1,339,621
Gain (loss) on sales of capital assets	8,908	3,339	15,269	15,571
Miscellaneous	222,805	276,173	58,254	110,452
Total governmental activities	<u>27,569,121</u>	<u>30,015,213</u>	<u>32,206,189</u>	<u>35,285,542</u>
Change in net position governmental activities	<u>\$ 3,993,171</u>	<u>\$ 2,638,073</u>	<u>\$ 6,159,065</u>	<u>\$ 6,218,773</u>

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$	25,889,961	\$ 26,287,797	\$ 20,543,834	\$ 19,869,844	\$ 20,188,789	\$ 21,713,703
	7,790,846	8,500,652	8,269,892	8,093,343	8,630,946	8,814,694
	12,115,555	11,402,968	12,768,105	12,976,475	6,484,037	7,977,750
	3,054,765	3,109,458	3,394,472	3,411,529	3,526,150	3,679,768
	12,232,833	10,545,409	10,407,294	10,310,104	10,141,639	10,806,794
	2,108,543	2,128,061	1,964,072	2,056,765	2,492,299	2,124,814
	6,599,152	7,162,914	7,454,214	7,644,148	7,780,572	8,462,602
	4,098	2,845	7,267		5,027	39,694
	369,150	750,027	631,058	536,360	488,309	451,979
	<u>70,164,903</u>	<u>69,890,131</u>	<u>65,440,208</u>	<u>64,898,568</u>	<u>59,737,768</u>	<u>64,071,798</u>
	2,336,386	2,432,821	2,642,627	2,363,822	2,984,302	2,800,091
	283,240	342,012	379,857	392,608	405,637	469,102
	1,660	69,511	25,045	115,816	91	3,250
	326,823	311,537	322,500	424,858	459,684	448,173
	50,651	210,414	58,923	106,711	86,068	90,612
	1,789,628	1,821,457	1,905,298	2,032,933	2,210,050	1,985,278
	623,397	738,297	556,442	661,129	2,023,086	1,099,596
	19,994,108	18,849,113	15,770,350	21,446,809	12,840,306	17,493,399
	2,121,626	7,855,275	6,656,717	2,037,591	4,462,371	1,839,719
	<u>27,527,519</u>	<u>32,630,437</u>	<u>28,317,759</u>	<u>29,582,277</u>	<u>25,471,595</u>	<u>26,229,220</u>
\$	<u>(42,637,384)</u>	<u>(37,259,694)</u>	<u>(37,122,449)</u>	<u>(35,316,291)</u>	<u>(34,266,173)</u>	<u>(37,842,578)</u>
\$	38,143,161	\$ 40,147,711	\$ 41,877,173	\$ 42,106,709	\$ 43,060,882	\$ 45,376,991
	1,023,547	927,481	925,093	962,913	932,776	950,917
	324,254	486,976	394,528	575,376	344,982	408,283
	768,528	747,147	712,382	677,451	823,125	1,027,037
	679,216	435,754	306,885	269,894	263,505	285,224
	166,471	(11,036)	(183,591)	(13,531)	(276,882)	(346,498)
	174,925	150,580	104,896	1,163,195	109,543	139,387
	<u>41,280,102</u>	<u>42,884,613</u>	<u>44,137,366</u>	<u>45,742,007</u>	<u>45,257,931</u>	<u>47,841,341</u>
\$	<u>(1,357,282)</u>	<u>5,624,919</u>	<u>7,014,917</u>	<u>10,425,716</u>	<u>10,991,758</u>	<u>9,998,763</u>

JOHNSON COUNTY, IOWA
FUND BALANCES OF GOVERNMENTAL FUNDS
FOR THE LAST TEN FISCAL YEARS
UNAUDITED
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2005*</u>	<u>2006*</u>	<u>2007*</u>	<u>2008*</u>
General Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	198,030	452,656	568,679	352,581
Unassigned	<u>3,239,000</u>	<u>2,699,139</u>	<u>5,612,879</u>	<u>9,718,164</u>
Total general fund	\$ <u>3,437,030</u>	\$ <u>3,151,795</u>	\$ <u>6,181,558</u>	\$ <u>10,070,745</u>
All other governmental funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	13,482,686	11,379,803	10,832,728	13,107,219
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governemntal funds	\$ <u>13,482,686</u>	\$ <u>11,379,803</u>	\$ <u>10,832,728</u>	\$ <u>13,107,219</u>

* Prior to the year ended June 30, 2011, nonspendable, committed and assigned fund balances were not separated from restricted and inassigned fund balances.

	<u>2009*</u>	<u>2010*</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$	\$	\$	\$	\$	\$	\$
	654,429	1,326,333	365,387	317,072	380,248	426,916
	11,517,043	6,079,241	1,261,820	684,053	760,182	934,199
	<u>12,171,472</u>	<u>7,405,574</u>	<u>5,806,419</u>	<u>5,138,114</u>	<u>5,827,582</u>	<u>9,039,309</u>
\$	\$	\$	\$	\$	\$	\$
	16,597,248	13,142,148	7,433,626	6,139,239	6,968,012	10,400,424
	-	-	393,260	344,283	523,589	347,039
	16,597,248	13,142,148	4,412,155	5,081,094	16,322,720	11,455,613
	-	-	7,008,287	10,749,515	3,239,899	-
	-	-	-	-	-	11,332,131
	-	-	(188,460)	-	-	-
\$	\$	\$	\$	\$	\$	\$
	<u>16,597,248</u>	<u>13,142,148</u>	<u>11,625,242</u>	<u>16,174,892</u>	<u>20,086,208</u>	<u>23,134,783</u>

JOHNSON COUNTY, IOWA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
FOR THE LAST TEN FISCAL YEARS
UNAUDITED
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues:				
Property taxes and other county taxes	\$ 25,643,264	\$ 27,085,150	\$ 29,433,991	\$ 32,672,807
Interest and penalty on taxes	278,470	375,395	374,642	432,445
Intergovernmental	16,583,058	17,668,730	19,528,390	22,164,502
Licenses and permits	478,236	528,659	404,730	596,826
charges for service	2,913,707	3,035,389	3,031,430	3,250,980
Use of money and property	734,308	1,185,885	1,655,734	1,354,192
Miscellaneous	<u>505,562</u>	<u>885,704</u>	<u>1,133,246</u>	<u>560,066</u>
Total revenues	<u>47,136,605</u>	<u>50,764,912</u>	<u>55,562,163</u>	<u>61,031,818</u>
Expenditures:				
Current:				
Public safety and legal services	11,941,799	12,797,233	13,282,979	14,341,229
Physical health and social services	6,332,194	713,234	7,371,545	7,541,627
Mental health	10,140,316	10,712,349	12,390,697	13,027,696
County environment and education	2,325,169	2,461,700	2,686,185	2,791,688
Roads and transportation	5,838,452	5,957,011	6,291,001	7,884,688
Governmental services to residents	1,722,204	1,716,886	1,846,463	1,881,126
Administration	5,168,099	5,374,237	5,959,893	5,803,518
Non-program	600	600	-	2,400
Capital projects	1,449,068	6,491,702	3,310,759	8,312,991
Debt service:				
Principal	3,945,000	-	800,000	755,000
Interest	<u>50,146</u>	<u>-</u>	<u>11,802</u>	<u>37,902</u>
Total expenditures	<u>48,913,047</u>	<u>46,224,952</u>	<u>53,951,324</u>	<u>62,379,865</u>
Excess (deficiency) of revenues over (under) expenditures	(1,776,442)	4,539,960	1,610,839	(1,348,047)
Other financing sources (uses):				
Sale of capital assets	17,254	3,339	15,269	15,571
Proceeds from short and long-term debt	-	-	800,000	7,275,000
Transfers in	-	-	-	11,253,729
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,253,729)</u>
Total other financing sources (uses)	<u>17,254</u>	<u>3,339</u>	<u>815,269</u>	<u>7,290,571</u>
Net change in fund balances	\$ <u>(1,759,188)</u>	\$ <u>4,543,299</u>	\$ <u>2,426,108</u>	\$ <u>5,942,524</u>
Debt Service as a percentage of noncapital expenditures	9.19%	0.00%	1.63%	1.49%

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$	39,070,345	\$ 41,076,815	\$ 42,807,106	\$ 43,064,225	\$ 43,944,487	\$ 46,330,012
	324,254	490,122	395,959	566,085	346,337	417,092
	21,999,336	21,216,527	20,933,586	24,161,443	18,001,226	19,937,570
	490,984	489,658	505,578	579,650	676,912	646,331
	3,480,681	3,581,173	3,785,002	4,068,724	4,155,377	4,118,569
	673,363	465,921	334,429	280,324	274,123	284,731
	780,778	1,019,237	777,200	2,128,204	2,232,974	1,481,530
	<u>66,819,741</u>	<u>68,339,453</u>	<u>69,538,860</u>	<u>74,848,655</u>	<u>69,631,436</u>	<u>73,215,835</u>
	25,195,898	25,319,933	19,737,412	19,266,352	19,651,404	20,536,016
	7,686,737	8,498,353	8,121,773	8,046,818	8,349,705	8,410,932
	12,068,767	11,375,172	12,743,965	12,999,800	6,419,857	7,887,238
	2,991,567	3,244,086	3,230,084	3,321,442	3,530,073	3,507,160
	7,590,893	7,129,285	7,212,691	7,592,330	8,735,455	8,528,073
	2,051,121	1,934,739	1,892,552	1,932,431	2,450,684	2,018,025
	6,264,547	6,465,719	6,564,119	6,803,964	7,141,290	7,384,293
	2,320	978	5,400	3,005	3,160	37,827
	15,657,116	6,935,520	9,814,804	7,716,047	5,728,384	10,197,459
	4,870,000	5,540,000	7,368,000	3,386,000	4,046,000	11,145,000
	245,773	842,036	639,726	540,300	491,316	454,144
	<u>84,624,739</u>	<u>77,285,821</u>	<u>77,330,526</u>	<u>71,608,489</u>	<u>66,547,328</u>	<u>80,106,167</u>
	(17,804,998)	(8,946,368)	(7,791,666)	3,240,166	3,084,108	(6,890,332)
	236,757	19,713	17,812	15,097	15,187	62,113
	23,260,708	-	6,285,000	-	5,000,000	9,900,000
	20,962,962	11,340,449	13,183,733	10,741,317	13,072,326	12,741,210
	(20,962,962)	(11,340,449)	(13,183,733)	(10,741,317)	(13,072,326)	(12,741,210)
	<u>23,497,465</u>	<u>19,713</u>	<u>6,302,812</u>	<u>15,097</u>	<u>5,015,187</u>	<u>9,962,113</u>
\$	<u>5,692,467</u>	<u>(8,926,655)</u>	<u>(1,488,854)</u>	<u>3,255,263</u>	<u>8,099,295</u>	<u>3,071,781</u>
	8.01%	9.98%	13.46%	6.55%	8.06%	19.91%

JOHNSON COUNTY, IOWA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
FOR THE LAST TEN FISCAL YEARS
UNAUDITED
(ACCRUAL BASIS OF ACCOUNTING)

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Other County Taxes</u>	<u>Total</u>
2005	\$ 25,489,331	\$ 224,279	\$ 25,713,610
2006	26,646,204	808,127	27,454,331
2007	28,714,645	761,744	29,476,389
2008	31,865,731	845,312	32,711,043
2009	38,143,161	1,023,547	39,166,708
2010	40,147,711	927,481	41,075,192
2011	41,877,173	925,093	42,802,266
2012	42,106,709	962,913	43,069,622
2013	43,060,882	932,776	43,993,658
2014	45,376,991	950,917	46,327,908

JOHNSON COUNTY, IOWA
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
UNAUDITED
 (Amounts Expressed in Thousands)

<u>Year</u>	<u>Residential</u>	<u>Agriculture</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Railroad</u>	<u>Utility, Incl Gas & Electric</u>
2005	2,235,529	211,116	1,230,764	71,346	7,249	174,353
2006	2,326,448	211,449	1,277,142	69,236	7,274	167,708
2007	2,612,017	212,658	1,339,530	72,089	10,378	164,183
2008	2,704,445	214,239	1,405,591	74,515	16,080	159,731
2009	2,857,798	215,186	1,509,657	86,798	22,933	165,505
2010	3,073,177	217,956	1,604,842	95,839	18,381	167,646
2011	3,243,429	217,052	1,682,951	99,609	13,290	168,066
2012	3,430,150	226,215	1,687,596	98,555	14,878	179,442
2013	3,721,050	216,624	1,704,187	99,326	22,353	184,958
2014	3,944,913	226,308	1,639,062	97,793	27,268	186,503

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

Source: Iowa Department of Management, Taxing District Recap Property Valuation Report (Non TIF, District 52900)

* Rate per \$1,000 of taxable valuation

<u>Military Exemption</u>	<u>Total Taxable Value</u>	<u>TIF Valuation</u>	<u>Total Direct Tax Rate, Urban *</u>
(7,496)	3,922,861	391,410	6.00856
(7,202)	4,052,055	450,938	6.09141
(7,208)	4,403,647	605,420	6.11183
(7,232)	4,567,369	667,489	6.49448
(7,265)	4,850,612	748,490	7.49147
(7,215)	5,170,626	721,632	7.39359
(7,162)	5,417,235	732,609	7.23173
(7,125)	5,629,711	758,896	6.99776
(7,065)	5,941,433	739,098	6.74909
(7,017)	6,114,830	838,664	6.73712

JOHNSON COUNTY, IOWA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
FOR THE LAST TEN FISCAL YEARS
UNAUDITED
(rate per \$1,000 of taxable value)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Countywide service rates:				
General basic	3.50000	3.50000	3.50000	3.50000
General supplemental	0.61189	1.81689	1.73011	2.14864
MH/DS	0.82967	0.77452	0.71247	0.68713
Debt service	<u>0.88364</u>	<u>-</u>	<u>0.16925</u>	<u>0.15870</u>
Johnson County urban rate	5.82520	6.09141	6.11183	6.49447
Johnson County rural rate	<u>3.00141</u>	<u>2.94631</u>	<u>2.84036</u>	<u>3.26207</u>
Total Direct Rate	<u>8.82661</u>	<u>9.03772</u>	<u>8.95219</u>	<u>9.75654</u>
City Rates:				
Coralville	12.51888	12.51888	13.28641	13.28643
Hills	6.13433	5.88457	5.88431	6.36948
Iowa City	17.31394	17.72920	17.30225	17.29662
Lone Tree	10.01769	10.07590	10.90443	10.80003
North Liberty	10.25000	10.12023	10.12460	10.96599
Oxford	10.66891	11.59628	10.85645	10.85241
Shueyville	7.09992	7.10200	6.87557	7.10000
Solon	10.00310	10.09885	10.68204	10.34474
Swisher	7.09997	7.09998	7.09997	7.09995
Tiffin	10.87489	11.00019	10.87535	12.88625
University Heights	10.46292	10.61560	10.39247	10.52988
West Branch	10.38113	10.42570	11.79481	11.37246
School District Rates:				
Clear Creek Amana	13.43771	13.83712	15.74214	16.98860
College Community	15.11410	15.21947	17.33321	17.33832
Iowa City	12.87465	13.58191	13.63155	13.85189
Solon	17.00149	16.88775	17.23124	16.92507
West Branch	13.46215	13.38838	13.44103	13.44012

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
3.50000	3.50000	3.50000	3.50000	3.50000	3.50000
2.99953	2.58982	2.55706	2.46627	2.09274	1.11314
0.64701	0.60697	0.57934	0.55747	0.52822	0.51324
<u>0.34493</u>	<u>0.69680</u>	<u>0.59533</u>	<u>0.47402</u>	<u>0.62813</u>	<u>1.61074</u>
7.49147	7.39359	7.23173	6.99776	6.74909	6.73712
2.79269	2.57634	3.16899	3.08925	3.08914	3.33826
<u>10.28416</u>	<u>9.96993</u>	<u>10.40072</u>	<u>10.08701</u>	<u>9.83823</u>	<u>10.07538</u>
13.41977	13.41766	13.52770	13.52770	13.52767	13.52770
7.00899	8.10000	8.10000	8.10000	8.10000	8.10000
17.71674	17.85262	17.75655	17.84150	17.26864	16.80522
9.44575	9.58125	9.49379	9.40564	9.31760	9.27730
11.33731	10.90993	11.20264	11.03264	11.03264	11.03264
10.85061	10.80329	11.40053	11.03538	10.93746	10.84265
7.10000	7.10000	6.44673	7.09995	7.10000	7.09994
10.65204	10.66992	10.76817	10.71202	10.71190	10.88627
8.10000	8.10000	8.10000	8.10000	8.10000	8.10000
12.88590	12.05957	10.35130	11.97391	11.97391	10.62359
11.08593	10.94654	11.04972	11.06390	10.94865	10.90073
12.13993	11.90420	12.04382	12.04382	12.04382	12.04382
15.79090	15.67097	15.71002	15.54876	15.31063	15.11055
16.84626	17.21168	17.20361	16.55788	15.80308	15.08387
14.19219	14.19136	14.68972	14.59055	14.07327	13.68792
16.97473	16.99654	17.18631	16.97452	16.95781	15.99708
14.02275	13.96421	14.30683	14.05544	13.96841	13.97611

JOHNSON COUNTY, IOWA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND NINE YEARS AGO
UNAUDITED

<u>Taxpayers</u>	<u>Type of Business</u>	<u>2014</u>			<u>2005</u>		
		<u>Taxable Value (1)</u>	<u>Rank</u>	<u>Percentage of Taxable Value</u>	<u>Taxable Value (1)</u>	<u>Rank</u>	<u>Percentage of Taxable Value</u>
Coral Ridge Mall LLC.	Retail Property	\$ 162,381,823	1	2.43 %	\$ -	-	- %
ACT Inc.	Standardized Testing	46,484,032	2	0.70	-	-	-
City of Coralville, Iowa	City	40,328,687	3	0.60	-	-	-
Gerdin, Ann S; Trustee	Commercial/Industrial Leasing	35,669,043	4	0.53	-	-	-
University of Iowa Community Credit Union	Financial Institution	32,225,955	5	0.48	11,620,572	8	0.27
TKG Coral North LLC.	Commerical Property Leasing	30,247,145	6	0.45	-	-	-
Wal-Mart Real Estate Business Trust	Retailer	29,977,269	7	0.45	19,568,440	5	0.45
Costco Wholesale Corp.	Retailer	19,950,000	8	0.30	-	-	-
Integrated DNA Technologies	Research	17,755,975	9	0.27	-	-	-
ARC LLC.	Manufacturing	17,527,799	10	0.26	-	-	-
GGP Limited Partnership	Mall Owner	-	-	-	82,497,856	1	1.91
Mid American Energy	Utility	-	-	-	78,592,115	2	1.82
James A Clark	Property Management	-	-	-	25,731,368	3	0.60
Qwest	Utility	-	-	-	24,015,802	4	0.56
National Computer Systems Inc.	Standarized Testing	-	-	-	15,360,070	6	0.36
MIP Iowa City LLC.	Manufacturing	-	-	-	12,113,250	7	0.28
Interstate Power & Light Company	Utility	-	-	-	11,154,557	9	0.26
Ambrose Properties L.C.	Property Management	-	-	-	10,784,310	10	0.25
		<u>\$ 432,547,728</u>		<u>6.47 %</u>	<u>\$ 291,438,340</u>		<u>6.76 %</u>
Total Taxable Value		\$ 6,680,500,908			\$ 4,314,270,577		

JOHNSON COUNTY, IOWA
PROPERTY TAX LEVIES AND COLLECTIONS
FOR THE LAST TEN FISCAL YEARS
UNAUDITED

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Year</u>	<u>Property Taxes Collected in the Fiscal Year</u>	<u>% of Levy</u>	<u>Delinquent Tax Collections</u>	<u>Property Taxes Collected to Date</u>	<u>% of Levy</u>
2005	\$ 141,113,697	\$ 138,492,960	98.14 %	\$ 86,796	\$ 138,579,756	98.20 %
2006	151,881,536	149,438,172	98.39	124,182	149,562,354	98.47
2007	171,136,059	168,945,154	98.72	78,761	169,023,915	98.77
2008	183,648,925	181,022,444	98.57	56,559	181,079,003	98.60
2009	204,014,342	201,119,977	98.58	69,918	201,189,895	98.62
2010	213,709,328	211,462,878	98.95	50,316	211,513,194	98.97
2011	225,676,348	223,034,146	98.83	97,707	223,131,853	98.87
2012	232,467,081	229,574,883	98.76	99,491	229,674,374	98.80
2013	237,360,406	234,276,345	98.70	75,783	234,352,128	98.73
2014	242,485,620	237,667,339	98.01	25,413	237,692,752	98.02

Includes all taxing governments for which Johnson County, Iowa serves as an agent for tax collections. The year for which delinquent payments relate is not readily available information.

JOHNSON COUNTY, IOWA
RATIO OF OUTSTANDING DEBT BY TYPE
FOR THE LAST TEN CALENDAR YEARS
UNAUDITED

<u>Fiscal Year</u>	<u>General Obligation Capital Loan Notes</u>	<u>Percentage of Personal Income</u>	<u>Debt Per Capita</u>
2005	\$ -	- %	\$ -
2006	-	-	-
2007	-	-	-
2008	6,520,000	0.125	50.88
2009	24,745,000	0.464	188.89
2010	19,205,000	0.354	146.28
2011	18,122,000	0.311	135.70
2012	14,736,000	0.239	108.10
2013	15,690,000	0.242	115.52
2014	14,445,000	0.223	106.35

Source: Johnson County Finance Department
Use of Genreal Obligation debt started in 2008.

JOHNSON COUNTY, IOWA
RATIOS OF GENERAL OBLIGATION DEBT OUTSTANDING
FOR THE LAST TEN FISCAL YEARS
UNAUDITED

<u>Fiscal Year</u>	<u>General Obligation Capital Loan Notes Outstanding</u>	<u>Pecent Debt to Assessed Value</u>	<u>Outstanding Debt Per Capita*</u>
2005	\$ -	- %	\$ -
2006	-	-	-
2007	-	-	-
2008	6,520,000	0.08	50.88
2009	24,745,000	0.26	188.89
2010	19,205,000	0.20	146.28
2011	18,122,000	0.18	135.70
2012	14,736,000	0.14	108.10
2013	15,690,000	0.15	115.52
2014	14,445,000	0.13	106.35

*Population from State Data Center of Iowa and US Census Bureau

Source: Johnson County Finance Department
 Use of General Obligation debt started in 2008

JOHNSON COUNTY, IOWA
LEGAL DEBT MARGIN
FOR THE LAST TEN FISCAL YEARS
UNAUDITED

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt limit	\$ 338,907,679	\$ 356,536,590	\$ 411,482,392	\$ 431,695,113
Total Net Debt Applicable to the limit	<u>(3,945,000)</u>	<u>-</u>	<u>(800,000)</u>	<u>-</u>
Legal Debt Margin	\$ <u>334,962,679</u>	\$ <u>356,536,590</u>	\$ <u>410,682,392</u>	\$ <u>431,695,113</u>

% of Debt Limit to Total Net Debt

Legal Debt Margin Calculation for Fiscal Year 2014:

2014 actual valuation	\$	10,927,768,244
Multiply by 5%		<u>5 %</u>
Debt Limit		546,388,412
Less: Outstanding GO Debt		<u>(15,690,000)</u>
Legal Debt Margin	\$	<u>530,698,412</u>

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$	472,773,450	\$ 489,943,369	\$ 508,645,689	\$ 520,003,745	\$ 535,586,818	\$ 546,388,412
	<u>(6,520,000)</u>	<u>(24,745,000)</u>	<u>(19,205,000)</u>	<u>(18,122,000)</u>	<u>(14,736,000)</u>	<u>(15,690,000)</u> ?
\$	<u>466,253,450</u>	\$ <u>465,198,369</u>	\$ <u>489,440,689</u>	\$ <u>501,881,745</u>	\$ <u>520,850,818</u>	\$ <u>530,698,412</u>

JOHNSON COUNTY, IOWA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2014
UNAUDITED

<u>Governmental Unit</u>	<u>Debt</u> <u>Outstanding</u>	<u>Percent</u> <u>Applicable</u>	<u>Amount</u> <u>Applicable to</u> <u>Johnson County</u>
Direct Debt:			
Johnson County	\$ 14,445,000	100.00 %	\$ 14,445,000
Overlapping Debt:			
School Districts:			
Clear Creek-Amana School (Clear Creek)	18,925,000	83.65	15,831,081
College Community School	66,895,000	12.48	8,348,192
Highland School	1,725,000	3.84	66,174
Iowa City School	12,280,000	100.00	12,280,000
Lisbon School	1,560,000	4.34	67,677
Lone Tree School	1,770,000	97.97	1,734,047
Mid-Prairie School	810,000	23.68	191,791
Mt. Vernon School	5,560,000	0.14	7,700
Solon School	5,120,000	99.52	5,095,557
West Branch School	1,455,000	26.80	389,907
West Liberty School	3,490,000	1.84	64,350
Williamsburg School	2,365,000	0.96	22,621
Eastern Iowa Community College	17,420,000	0.04	6,213
Kirkwood Community College	101,985,000	31.67	32,301,338
Cities:			
Coralville	210,909,374	100.00	210,909,374
Hills	-	100.00	-
Iowa City	64,346,000	100.00	64,346,000
Lone Tree	1,007,000	100.00	1,007,000
North Liberty	25,938,000	100.00	25,938,000
Oxford	195,000	100.00	195,000
Shueyville	2,180,000	100.00	2,180,000
Solon	5,011,000	100.00	5,011,000
Swisher	1,622,000	100.00	1,622,000
Tiffin	5,392,000	100.00	5,392,000
University Heights	89,000	100.00	89,000
West Branch	2,554,682	3.21	82,078
Subtotal Overlapping Debt			<u>393,178,100</u>
Total Direct and Overlapping Debt			<u>\$ 407,623,100</u>

Source: Johnson County Auditor (Current Debt Summary for all Taxing Districts)

JOHNSON COUNTY, IOWA
DEMOGRAPHIC AND ECONOMIC STATISTICS
FOR THE LAST TEN CALENDAR YEARS
UNAUDITED

<u>Year</u>	<u>County Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment (3)</u>	<u>Labor Force (4)</u>	<u>Unemployment Rate (4)</u>
2004	116,097	\$ 4,080,814,000	\$ 35,150.04	14,332	72,800	3.4 %
2005	121,191	4,220,583,000	34,825.88	14,578	73,700	3.2
2006	123,171	4,515,031,000	36,656.61	14,717	75,600	2.6
2007	125,536	4,885,138,000	38,914.24	14,980	77,800	2.8
2008	128,145	5,209,921,000	40,656.45	15,428	79,200	2.9
2009	131,005	5,336,817,000	40,737.51	15,506	80,300	4.3
2010	130,882	5,427,364,000	41,467.61	15,732	80,300	4.4
2011	133,477	5,828,783,000	43,668.82	15,907	80,500	4.2
2012	139,428	6,174,890,000	45,261.16	16,420	79,700	3.8
2013	139,155	6,483,635,000	46,592.90	16,879	83,600	3.3

- (1) Population from State Data Center of Iowa and US Census Bureau
- (2) Personal Income from US Bureau of Economic Analysis
- (3) School enrollment from Iowa Department of Education
- (4) Unemployment/Labor Force data from Iowa Workforce Development

JOHNSON COUNTY, IOWA
PRINCIPAL EMPLOYERS
FOR THE CURRENT FISCAL YEAR AND NINE YEARS AGO
UNAUDITED

Employer:	Fiscal Year 2014			Fiscal Year 2005		
	<u>Number of Employees</u>	<u>Rank</u>	<u>% of Total County Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>% of Total County Employment</u>
University of Iowa	18,650	1	22.3 %	24,627	1	33.2 %
University of Iowa Hospital and Clinics	12,154	2	14.5	-	-	-
Iowa City Community School District	1,700	3	2.0	1,600	2	2.2
Veterans Health Administration	1,562	4	1.9	1,241	3	1.7
ACT, Inc.	1,243	5	1.5	1,200	4	1.6
City of Iowa City, Iowa	1,216	6	1.5	986	8	1.3
Mercy Iowa City	1,208	7	1.4	-	-	-
Pearson Educational Measurement	1,200	8	1.4	-	-	-
Hy-Vee	1,166	9	1.4	1,153	6	1.6
International Automotive Components	980	10	1.2	-	-	-
Mercy Hospital	-	-	-	1,250	5	1.7
NCS Pearson	-	-	-	1,050	7	1.4
Lear Corp.	-	-	-	930	9	1.3
Gillette Canada (Oral B Laboratories)	-	-	-	500	10	0.7
Total Employees in Johnson County	<u>41,079</u>		<u>49.1 %</u>	<u>34,537</u>		<u>46.7 %</u>
Total Employees in Johnson County	<u>83,600</u>			<u>74,243</u>		

Source: Iowa Areas Development Group and Iowa City Iowa CAFR, Iowa Workforce Development

JOHNSON COUNTY, IOWA
COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/DEPARTMENT (FTE)
FOR THE LAST TEN FISCAL YEARS
UNAUDITED

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Function/Department:					
Public Safety and Legal Services:					
Ambulance	36.0	36.0	36.0	36.5	38.5
County Attorney	33.0	33.0	33.0	33.6	33.6
Sheriff	87.7	89.7	91.3	96.9	101.0
Physical Health and Social Services:					
Medical Examiner	0.7	1.1	1.5	2.5	2.4
Health	36.3	36.3	36.3	37.3	38.4
SEATS	25.5	25.5	25.5	28.2	29.8
Human Services	7.0	7.0	7.0	9.3	9.3
Veterans Affairs	0.6	0.6	0.6	0.6	0.6
Mental Health:					
MH/DS	28.0	33.0	33.0	37.5	40.5
County Environment and Education:					
Zoning	10.7	10.7	10.7	10.5	10.2
Conservation	16.2	16.2	16.2	16.5	16.2
Roads and Transportation:					
Secondary Roads	52.4	52.4	52.4	50.7	50.5
Government Services:					
Recorder	9.0	9.0	9.0	9.0	9.0
Auditor/Elections	10.3	13.8	13.8	15.9	16.6
Treasurer	20.5	20.5	20.5	16.0	16.0
Administration:					
Auditor/Accounting	17.3	18.3	18.3	18.5	18.5
Board of Supervisors	8.2	8.2	8.2	8.0	8.0
Human Resources	2.5	2.6	2.6	3.6	3.6
Information Services	9.6	10.6	10.6	12.0	11.6
Finance	-	-	-	-	-
Physical Plant	6.0	6.0	6.0	6.0	8.0
Total	<u>417.5</u>	<u>430.5</u>	<u>432.5</u>	<u>449.1</u>	<u>462.3</u>

Source: County Budget

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Change</u>
37.9	39.9	40.0	39.9	40.3	0.4
33.6	33.1	34.1	33.8	29.1	(4.7)
101.0	103.2	91.2	92.1	92.1	-
3.0	3.0	4.6	4.6	5.0	0.4
38.1	38.9	36.5	37.5	37.5	-
31.2	29.9	32.3	34.9	34.8	(0.1)
9.3	9.6	9.6	8.5	8.5	-
0.6	1.0	0.8	0.8	1.0	0.2
40.5	41.0	35.5	37.0	36.0	(1.0)
9.0	9.2	10.0	11.5	11.5	-
16.9	17.4	17.7	18.8	18.8	-
49.5	49.8	48.8	48.8	48.8	-
9.0	9.0	9.0	8.0	8.0	-
14.8	14.0	13.9	18.9	12.9	(6.0)
16.0	15.0	15.0	15.0	14.1	(0.9)
18.5	18.5	19.0	19.1	17.6	(1.5)
6.8	6.8	7.3	7.3	6.8	(0.5)
3.6	3.6	3.6	3.7	3.7	-
11.6	11.6	11.6	11.6	11.1	(0.5)
-	-	-	-	3.0	3.0
8.0	8.0	8.0	8.0	8.0	-
<u>458.9</u>	<u>462.5</u>	<u>448.5</u>	<u>459.8</u>	<u>448.6</u>	<u>(11.2)</u>

JOHNSON COUNTY, IOWA
OPERATING INDICATORS BY FUNCTION/PROGRAM
FOR THE LAST TEN FISCAL YEARS
UNAUDITED

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Function/Program:				
Public Safety and Legal Services:				
Ambulance:				
# of service calls	5,504	5,803	6,618	7,276
County Attorney:				
# of felonies and aggravated misdemeanor cases	1,250	1,693	1,731	1,769
County Sheriff:				
# of jail booking	N/A	6,848	6,996	7,363
# of service calls	N/A	N/A	N/A	12,411
Medical Examiner (Department started in 2009):				
# of cases investigated	N/A	N/A	N/A	N/A
Physical Health and Social Services:				
Public Health:				
# children receiving health services	N/A	N/A	N/A	10,234
# of hours spent on disease investigation	N/A	N/A	N/A	212
# of food inspections	744	911	728	1,001
SEATS:				
# of trips	91,190	95,082	99,105	99,605
Social Services:				
# of applications for general assistance	573	694	819	942
Veteran Affairs:				
# of local assistance claims	196	201	211	230
Mental Health/Disability Services:				
# of clients served	1,996	1,464	1,527	1,684
County Environment and Education:				
Planning and Zoning:				
# of building permits issued	292	300	205	213
Conservation:				
# of camper nights	3,484	4,085	4,260	4,488
# of acres managed	1,474	1,474	1,474	1,474
Roads and Transportation:				
Secondary roads:				
# miles of roads plowed	N/A	55,229	52,256	61,655
# of structures repaired	N/A	N/A	N/A	29
Governmental Services to Residents:				
Recorder:				
# of documents recorded	34,559	35,173	32,528	32,843
Treasurer:				
# of titles issued	30,747	30,552	30,736	30,152
Elections:				
# of registered voters	81,407	79,141	82,977	92,222
Administration:				
Auditor:				
# of claims processed	28,932	30,085	30,900	30,087
Information Technology:				
# of PC's	333	370	402	468

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
7,347	7,124	7,379	7,785	8,718	9,210
1,795	1,693	1,906	1,776	1,709	944
7,242	6,681	7,043	6,972	6,455	6,222
13,829	14,519	15,756	18,160	19,374	25,515
558	576	584	625	699	663
13,921	7,309	10,083	13,132	10,457	10,999
585	450	860	2,073	2,001	1,004
1,269	1,077	1,132	1,522	1,786	1,803
103,543	104,312	112,558	124,368	133,037	133,379
1,355	1,373	1,503	1,366	1,330	1,168
233	243	244	235	171	128
2,054	1,948	2,224	2,115	2,559	1,333
249	238	210	295	317	245
4,879	5,270	4,929	5,259	5,472	4,679
1,474	1,561	1,561	1,561	1,642	1,642
67,735	72,855	52,078	35,113	39,494	71,223
33	56	33	47	16	47
31,076	31,315	32,726	31,957	37,617	28,674
29,758	28,701	29,642	31,657	31,761	32,507
88,086	92,610	92,260	91,383	91,682	86,966
32,353	31,911	31,402	30,986	30,131	28,919
504	600	571	667	690	694

JOHNSON COUNTY, IOWA
CAPITAL ASSET STATISTICS BY ACTIVITY
FOR THE LAST TEN FISCAL YEARS
UNAUDITED

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,804,032	\$ 5,859,070	\$ 8,184,568	\$ 8,184,568
Intangible assets	-	-	-	-
Construction in progress	<u>616,312</u>	<u>678,147</u>	<u>589,184</u>	<u>6,500,079</u>
Total capital assets not being depreciated	<u>3,420,344</u>	<u>6,537,217</u>	<u>8,773,752</u>	<u>14,684,647</u>
Capital assets being depreciated:				
Buildings	13,622,081	13,622,081	14,149,149	14,244,494
Improvements other than buildings	-	-	-	-
Furnishings and equipment	12,057,723	12,651,073	12,973,014	13,221,591
Infrastructure	<u>9,682,896</u>	<u>11,223,593</u>	<u>47,891,520</u>	<u>51,042,302</u>
Total capital assets being depreciated	<u>35,362,700</u>	<u>37,496,747</u>	<u>75,013,683</u>	<u>78,508,387</u>
Less accumulated depreciation for:				
Buildings	8,208,504	8,487,869	8,761,534	9,047,616
Improvements other than buildings	-	-	-	-
Furnishings and equipment	7,203,535	7,829,797	8,031,254	8,821,611
Infrastructure	<u>1,713,925</u>	<u>2,522,696</u>	<u>19,552,810</u>	<u>21,465,883</u>
Total accumulated depreciation	<u>17,125,964</u>	<u>18,840,362</u>	<u>36,345,598</u>	<u>39,335,110</u>
Total capital assets being depreciated, net	<u>18,236,736</u>	<u>18,656,385</u>	<u>38,668,085</u>	<u>39,173,277</u>
Governmental activities capital assets, net	\$ <u>21,657,080</u>	\$ <u>25,193,602</u>	\$ <u>47,441,837</u>	\$ <u>53,857,924</u>

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 8,750,607	\$ 9,069,933	\$ 12,187,273	\$ 12,770,898	\$ 12,707,628	\$ 12,858,301
					63,845
<u>17,639,607</u>	<u>28,347,067</u>	<u>26,383,357</u>	<u>12,149,802</u>	<u>9,105,563</u>	<u>8,527,438</u>
<u>26,390,214</u>	<u>37,417,000</u>	<u>38,570,630</u>	<u>24,920,700</u>	<u>21,813,191</u>	<u>21,449,584</u>
14,944,068	15,043,550	22,177,093	38,181,220	38,636,304	37,859,957
-	-	-	60,204	1,089,033	1,121,352
13,611,863	13,868,340	14,206,099	14,241,701	14,364,118	15,258,472
<u>53,458,245</u>	<u>54,342,496</u>	<u>55,766,584</u>	<u>59,598,105</u>	<u>67,904,042</u>	<u>77,197,637</u>
<u>82,014,176</u>	<u>83,254,386</u>	<u>92,149,776</u>	<u>112,081,230</u>	<u>121,993,497</u>	<u>131,437,418</u>
9,309,260	9,622,401	10,056,015	10,837,082	11,494,227	11,503,647
-	-	-	3,558	31,830	72,953
9,519,646	10,188,983	10,760,151	10,983,123	11,041,815	11,409,424
<u>23,214,166</u>	<u>25,157,610</u>	<u>27,078,445</u>	<u>28,776,284</u>	<u>30,863,817</u>	<u>33,004,520</u>
<u>42,043,072</u>	<u>44,968,994</u>	<u>47,894,611</u>	<u>50,600,047</u>	<u>53,431,689</u>	<u>55,990,544</u>
<u>39,971,104</u>	<u>38,285,392</u>	<u>44,255,165</u>	<u>61,481,183</u>	<u>68,561,808</u>	<u>75,446,874</u>
\$ <u>66,361,318</u>	\$ <u>75,702,392</u>	\$ <u>82,825,795</u>	\$ <u>86,401,883</u>	\$ <u>90,374,999</u>	\$ <u>96,896,458</u>

JOHNSON COUNTY, IOWA
CAPITAL ASSET STATISTICS BY FUNCTION/DEPARTMENT
LAST TEN FISCAL YEARS
UNAUDITED

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Function/Department:					
Public Safety and Legal Services:					
Ambulance:					
# vehicles	N/A	N/A	6	6	7
# buildings	N/A	N/A	1	1	1
Sheriff:					
# vehicles	N/A	N/A	43	43	52
# buildings	N/A	N/A	1	1	1
Medical Examiner:					
# vehicles	N/A	N/A	-	-	-
Physical Health and Social Services:					
Public Health:					
# vehicles	N/A	N/A	9	9	9
SEATS:					
# vehicles	N/A	N/A	20	20	27
# buildings	N/A	N/A	1	1	1
Mental Health:					
MH/DS:					
# vehicles	N/A	N/A	3	3	3
County Environment and Education:					
Planning and Zoning:					
# vehicles	N/A	N/A	5	5	5
Conservation:					
# vehicles	N/A	N/A	18	18	15
# buildings	N/A	N/A	22	22	23
Roads and Transportation:					
Secondary Roads:					
# vehicles	N/A	N/A	83	83	87
# buildings	N/A	N/A	18	18	18
Government Services:					
Auditor/Elections:					
# vehicles	N/A	N/A	2	2	3
Administration:					
Information Services:					
# vehicles	N/A	N/A	1	1	1
Physical Plant					
# vehicles	N/A	N/A	4	4	3
# buildings	N/A	N/A	11	11	10

2005, 2006 no data available.

Source: Johnson County Finance Department

2010

2011

2012

2013

2014

9	7	8	8	8
1	1	1	1	1
54	48	52	60	51
1	1	1	1	1
-	2	2	2	2
9	9	9	9	9
23	24	24	24	24
1	1	1	1	1
4	4	4	3	3
5	5	5	5	5
15	17	19	21	21
23	26	27	27	27
85	87	87	89	88
19	19	18	18	21
3	3	3	3	3
1	1	1	1	1
3	3	4	5	5
13	19	18	17	17

COMPLIANCE SECTION

INDEPENDENT AUDITOR'S 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 Johnson County, Iowa

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Johnson County, Iowa, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Johnson County, Iowa's basic financial statements and have issued our report thereon dated January 28, 2015

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Johnson County, Iowa's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Johnson County, Iowa's internal control. Accordingly, we do not express an opinion on the effectiveness of Johnson County, Iowa's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 14-II-A to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2014 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.

Johnson County, Iowa's Response to Findings

Johnson County, Iowa's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Johnson County, Iowa's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

ANDERSON, LARKIN & CO. P.C.

Ottumwa, Iowa
January 28, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Officials of Johnson County, Iowa

Report on Compliance for Each Major Federal Program

We have audited Johnson County, Iowa's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Johnson County, Iowa's major federal programs for the year ended June 30, 2014. Johnson County, Iowa's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants agreements applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Johnson County, Iowa's major federal programs based on our audit of the types of compliance requirements referred to above. 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 Johnson County, Iowa's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Johnson County, Iowa's compliance.

Opinion on Each Major Federal Program

In our opinion, Johnson County, Iowa, complied, in all material respects, with the types of 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, 2014.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133.

Report on Internal Control over Compliance

Management of Johnson County, Iowa is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Johnson County, Iowa's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 Johnson County, Iowa'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. *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.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

ANDERSON, LARKIN & CO. P.C.

Ottumwa, Iowa
January 28, 2015

JOHNSON COUNTY, IOWA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014

Part I: Summary of the Independent Auditor's Results

- a. Unmodified opinions were issued on the financial statements.
- b. Material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- c. The audit did not disclose any non-compliance which is material to the financial statements.
- d. No material weaknesses in internal control over major programs were disclosed by the audit of the financial statements.
- e. An unmodified opinion was issued on compliance with requirements applicable to each major program.
- f. The audit disclosed no audit findings which are required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- g. The major programs were CFDA Numbers:
 - 10.557 Special Supplemental Nutrition Program for Woman, Infants and Children
 - 97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)
 - 93.074 Public Health Emergency Preparedness
 - 93.994 Material and Child Health Services Block Grants to the States
 - 93.667 Social Services Block Grant
- h. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- i. Johnson County, Iowa did not qualify as a low-risk auditee.

Part II: Findings Related to the Financial Statements

INTERNAL CONTROL DEFICIENCIES:

14-II-A Financial Reporting – During the year ended June 30, 2014, it was determined that certain capital asset's transactions from prior to July 1, 2013 were mistakenly omitted from the capital assets listing. The effects of these omissions are shown in Note 17 of the current year financial statements.

Recommendation – The County should maintain an updated listing of capital assets that reconciles to the audited financial statements.

Response – The County will review its process for Capital Assets and ensure in the future that it maintains an updated Capital Asset listing and that it reconciles to the audited financial statements.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Part III: Findings and Questioned Costs For Federal Awards:

INTERNAL CONTROL DEFICIENCIES:

No matters were noted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

JOHNSON COUNTY, IOWA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014

Part IV: Other Findings Related to Required Statutory Reporting

- 14-IV-A Certified Budget – Disbursements for the year ended June 30, 2014 did not exceed the amounts budgeted
- 14-IV-B Questionable Expenditures – We noted 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.
- 14-IV-C Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- 14-IV-D Business Transactions – No business transactions between the County and County officials or employees were noted.
- 14-IV-E Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions.
- 14-IV-F Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- 14-IV-G Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the County's investment policy were noted.
- 14-IV-H Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- 14-IV-I 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 Exhibits A or B.
- Disbursements during the year ended June 30, 2014 for the County Extension Office did not exceed the amount budgeted.
- 14-IV-J Early Childhood Iowa Area Board – Johnson County, Iowa is the fiscal agent for the Early Childhood Iowa Area Board, an organization formed pursuant to the provisions of Chapter 256I of the Code of Iowa. Financial transactions of the Area Board are included in the County's financial statements as part of the Agency Funds because of the County's fiduciary relationship with the organization.

No instances of non-compliance were noted as a result of the audit procedures performed.