



COUNTY OF LINN, IOWA
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014

COUNTY OF LINN, IOWA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

PREPARED BY OFFICE OF FINANCE AND BUDGET

COUNTY OF LINN, IOWA

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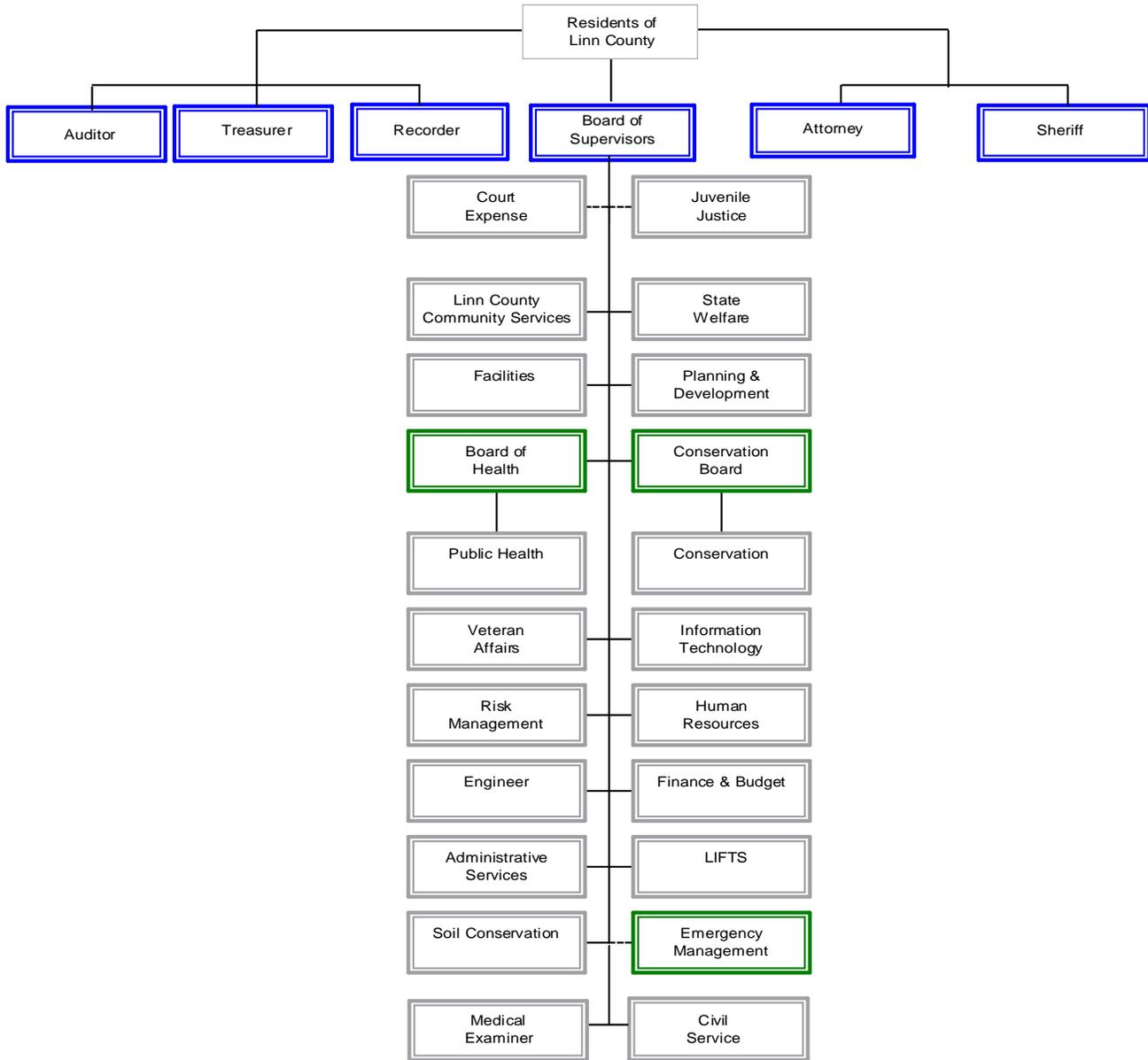
INTRODUCTORY SECTION

COUNTY OF LINN, IOWA

COUNTY OFFICIALS

<u>NAME</u>	<u>TITLE</u>	<u>TERM EXPIRES</u>
Lu Barron	Board of Supervisors	2014
Linda Langston	Board of Supervisors	2016
Ben Rogers	Board of Supervisors	2016
Brent Oleson	Board of Supervisors	2016
John Harris	Board of Supervisors	2014
Jerry Vander Sanden	Attorney	2014
Joel Miller	Auditor	2016
Joan McCalmant	Recorder	2014
Brian Gardner	Sheriff	2016
Sharon Gonzalez	Treasurer	2014

COUNTY ORGANIZATIONAL CHART



Blue = Elected Official

Green = Board or Commission

Grey = Department



**Finance & Budget
Linn County, Iowa**

Steve Tucker, CPA - Finance Director
Dawn Jindrich, CPA - Budget Director

Public Service Center
935 Second Street Southwest
Cedar Rapids, Iowa 52404-2100

December 5, 2014

Board of Supervisors and Citizens
County of Linn, Iowa

The Comprehensive Annual Financial Report (CAFR) for the County of Linn, Iowa (the "County") for the fiscal year ended June 30, 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. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Eide Bailly LLP, a firm of licensed certified public accountants, has audited the County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2014 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2014 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

www.linncounty.org

phone 319.892.5010 • fax 319.892.5009



PROFILE OF LINN COUNTY

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

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

Significant Financial Policies

Linn County did not implement any new financial policies that had a significant impact on the current period's financial statements.

Local Economy

Linn County is the second largest population center in the state of Iowa. The adjoining metropolitan areas of Cedar Rapids, Marion, Hiawatha, and Robins include approximately 80 percent of the County's population, with the remainder living in small towns and rural areas. The fiscal year 2014 population of Linn County is estimated at 219,065 ó an increase of 0.7 percent from 2013. The local unemployment rate remained at 4.4 percent for September, the most recent quarter of 2014, significantly less than the national average of 5.9 percent.

Early this year, the Iowa Economic Development Authority approved \$3.2 million in tax credits and a \$200,000 forgivable loan for a \$60 million renovation and expansion at the General Mills facility in Cedar Rapids. The expansion will create at least 40 new jobs paying more than \$22 an hour. The project will involve the conversion of approximately 10,000 square feet of warehouse space in the facility to food grade manufacturing space. The project will be complete in early 2015. General Mills currently employs about 650 people in Cedar Rapids.

The Cedar Rapids medical district (MedQuarter) recently presented the new Master Development Plan to the Cedar Rapids City Council. The MedQuarter will have anchor institutions including Mercy Medical Center, Physiciansø Clinic of Iowa, UnityPoint Health-St. Lukes Hospital, as well as primary care physicians and specialists. In addition, retail businesses, cultural institutions and churches will be located in the district. The Cedar Rapids MedQuarter is intended to create jobs, fuel economic development, improve the tax base and enhance the quality of life within the community. Cedar Rapids was recently recognized as a top ten city in the nation that delivers high-quality, low-cost healthcare by the Institute for Health Care Improvement.

This summer, a new three-story brick office building was completed in the New Bohemia arts and entertainment district that will be the home of Geonetric Inc., a growing local health care software and services company. The building is located across from the former Iowa Iron Works site. The city council will seek proposals for a plan to develop the entire 4.83 acre parcel that was home to both Iowa Steel and Iowa Iron Works more than a decade ago. The City is in the process of purchasing an abandoned rail line on the property. The removal of the abandoned rail line will allow development to proceed, including additional parking for both the new development and the New Bo City Market.

Marion recently announced that two companies are scheduled to break ground on large projects in the Marion Enterprise Center, a new 180 acre business park located on the east side of the city. ELPAST, based in Poland, is opening its North American headquarters in Marion. The 33,000-square-foot facility will create 30-35 jobs, but the operation could grow to as many as 80 jobs eventually. Legacy Manufacturing is also moving into the Marion Enterprise Center. The longtime Marion company makes lubrication equipment, water and air hoses, and other products. The company is building a \$10.4 million, 125,000-square-foot building, to allow the company to make more parts for their products locally.

Long-Term Financial Planning

In October, residents met with city staff and engineering consultant HR Green Inc. to provide input into the final plan for flood protection near the Time Check neighborhood. The current plan calls for much of the west-side protection in the area below Ellis Park to Interstate 380 to be earthen levees. This plan was developed with input from the Army Corps of Engineers and the public. Additional meetings are scheduled in December to determine the final alignment of the flood protection system. The Iowa Flood Mitigation Board approved \$264 million in state funds over 20 years, along with federal dollars, to build a flood protection system on both sides of the Cedar River. Cedar Rapids officials have said that the state funds will cover 46 percent of the total flood protection cost of \$570 million for both sides of the river. The city has already received \$117 million in federal funds and expects to receive another \$78 million.

The Cedar Rapids/Linn County Solid Waste Agency permanently closed landfill site #1 two years ago, with all solid waste transported to site #2, the former Linn County landfill, for disposal. Site #1 was reopened in June of 2008 to accept flood debris from Cedar Rapids. New cells are being added at site #2, extending the estimated life of the landfill by another 20 to 30 years. The first of the new cells has been in use since 2008. Another cell was opened in 2010, providing sufficient landfill capacity for 3 to 4 years. Construction of a new cell is currently underway. Board members will continue exploring new technological advances in solid waste disposal to avoid the necessity of siting another landfill in 20 years. The Solid Waste Agency's Board is comprised of five members from the Cedar Rapids City Council, the city's solid waste director, two of the Linn County Board of Supervisors, and a member from an "at-large" member community.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. This was the 25th consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

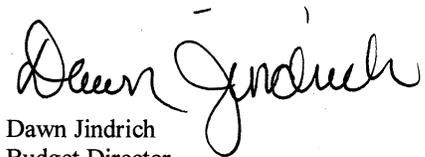
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget for fiscal year 2015. In order to qualify for the Distinguished Budget Presentation Award, the County's budget document was judged to be proficient in several categories including as a policy document, a financial plan, an operations guide, and a communication device. Preparation of the Comprehensive Annual Financial Report could not have been accomplished without the services of the entire staff of the Office of Finance and Budget. The excellent services provided by the County's independent auditors, Eide Bailly LLP, are greatly appreciated. We would also like to thank the Board of Supervisors for their leadership and support without which preparation of this report would not have been possible.

Respectfully submitted,



Steve Tucker
Finance Director



Dawn Jindrich
Budget Director





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**County of Linn
Iowa**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

FINANCIAL SECTION



Independent Auditor's Report

To the Officials of the County of Linn, Iowa:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Linn, Iowa, (County) as of and for the year ended June 30, 2014, and the related notes to the 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, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Linn, Iowa, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Adoption of New Accounting Standard

During the year ended June 30, 2014, the County adopted GASB 65, *Items Previously Reported as Assets and Liabilities*. The adoption of this statement resulted in the reclassification of items previously reported in liabilities as deferred revenues. These items are now reported in deferred inflows of resources as unavailable revenues. Our opinions are not modified with respect to this matter.

Restatement Due to Correction of an Error

As discussed in Note 15 to the financial statements, the County has corrected the beginning balance of construction in progress, and accordingly, has restated the related net position as of June 30, 2013. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Linn, Iowa's financial statements. The introductory section, combining nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 combining nonmajor fund financial statements are 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 a report dated December 5, 2014, on our consideration of the County of Linn, Iowa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

Dubuque, Iowa
December 5, 2014

Management's Discussion and Analysis

As management of the County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal which can be found on pages 5 ó 7 of this report.

Financial Highlights

- The assets of the County exceeded the liabilities at the close of the most recent fiscal year by \$190,284,047 (net position). Of this amount, \$26,622,432 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors
- The County's total net position increased by \$7,476,910
- As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$35,267,534, an increase of \$1,275,432 in comparison with the prior year
- At the end of the current fiscal year, the fund balance for the general fund was \$19,894,416, or 31 percent of total general fund expenditures
- Total general obligation bonded debt decreased by \$1,105,000 during the current fiscal year

Overview of the Financial Statements

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

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

The *statement of net position* presents information on all of the County's assets, liabilities, and deferred inflows/outflows of resources with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type*) activities. The government activities of the County include public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, and administration. Options of Linn County is the sole business-type activity of the County.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 13 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the mental health fund, the secondary roads fund, and the capital projects fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for all governmental funds by fund and by ten major classes of expenditures. These ten classes are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, nonprogram services, debt service, and capital projects. The ultimate legal level of control is by function for all governmental funds.

The basic governmental fund financial statements can be found on pages 25 to 31 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 32 to 34 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 35 to 36 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37 to 54 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information. Combining fund statements can be found on pages 60 to 70 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Linn County, assets exceeded liabilities and deferred inflows of resources by \$190,284,000 at the close of the most recent fiscal year.

The largest portion of the County's net position, 78 percent, reflects its investment in capital assets (e.g., infrastructure, land, buildings, and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

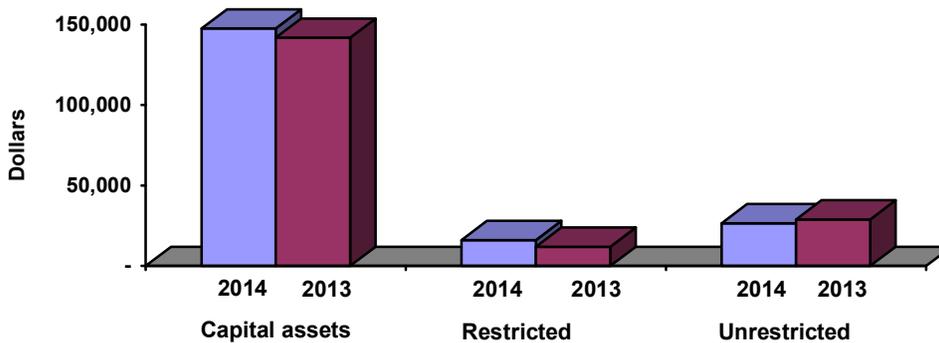
Statement of Net Position for the Fiscal Year Ended June 30, 2014

The County's combined net position increased to \$190,284,000 for fiscal year 2014. A condensed version of the Statement of Net Position as of June 30, 2014 and June 30, 2013 follows:

County of Linn Net Position
(in thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 120,391	\$ 118,857	\$ 582	\$ 553	\$ 120,973	\$ 119,410
Capital assets	166,180	160,212	33	45	166,213	160,257
Total assets	286,571	279,069	615	598	287,186	279,667
Long-term debt outstanding	25,804	26,776	-	-	25,804	26,776
Other liabilities	7,230	7,128	33	31	7,263	7,159
Total liabilities	33,034	33,904	33	31	33,067	33,935
Deferred inflows of resources	63,835	62,925	-	-	63,835	62,925
Net position:						
Net investment in capital assets	147,507	141,823	33	45	147,540	141,868
Restricted	16,122	11,953	-	-	16,122	11,953
Unrestricted	26,073	28,464	549	522	26,622	28,986
Total net position	\$ 189,702	\$ 182,240	\$ 582	\$ 567	\$ 190,284	\$ 182,807

Comparison of Net Position



The largest portion of the County's net position is the Net Investment in Capital Assets (e.g., land, infrastructure, buildings, and machinery and equipment). The debt related to the Investment in Capital Assets is liquidated with sources other than capital assets. The \$5,672,000 increase includes a \$5,956,000 increase in capital assets and a \$1,105,000 decrease in general obligation bonds. Unrestricted net position ó the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements ó decreased \$2,364,000 at June 30, 2014.

Current and other assets increased \$1,563,000 to \$120,973,000. Included was an increase of \$2,460,000 or 6 percent in pooled cash and investments, an increase in unavailable property tax receivable of \$1,104,000 or 2 percent, and a

decrease in due from other governments of \$2,270,000. The increase in pooled cash includes a \$2,252,000 decrease in the general fund and a \$3,430,000 increase in the MH-DD fund. The general fund decrease was a result of additional workers compensation expenses. The MH-DD increase is a result of program reductions in accordance with regionalization. Fiscal year 2015 will be the first year for the new mental health regions in Iowa and counties will be expected to reimburse the State for outstanding Medicaid balances. The increase in unavailable property taxes is to support fiscal year 2015 operational increases. The due from other governments decrease was a result of a decrease in flood-related FEMA expenses as projects were completed.

Statement of Activities for the Fiscal Year Ended June 30, 2014

A condensed version of the Statement of Activities as of June 30, 2014 and June 30, 2013 follows:

County of Linn Changes in Net Position							
(in thousands)							
	Governmental Activities		Business-type Activities		Total		Total Percent- age Change
	2014	2013	2014	2013	2014	2013	2013-2014
Revenues:							
Program revenues:							
Charges for services	\$ 19,584	\$ 21,409	\$ 313	\$ 360	\$ 19,897	\$ 21,769	-8.6%
Operating grants and contributions	20,480	24,604	-	-	20,480	24,604	-16.8%
Capital grants and contributions	2,082	7,507	-	-	2,082	7,507	-72.3%
General revenues and transfers:							
Property taxes	58,003	56,263	-	-	58,003	56,263	3.1%
Other county taxes	3,023	3,001	-	-	3,023	3,001	0.7%
State replacements and credits	1,853	1,505	-	-	1,853	1,505	23.1%
Investment income	358	50	-	-	358	50	616.0%
Other general revenue	793	801	-	-	793	801	-1.0%
Total revenues	<u>106,176</u>	<u>115,140</u>	<u>313</u>	<u>360</u>	<u>106,489</u>	<u>115,500</u>	-7.8%
Expenses:							
Public safety and legal services	25,074	24,646	-	-	25,074	24,646	1.7%
Physical health and social services	13,645	15,611	-	-	13,645	15,611	-12.6%
Mental health	14,727	20,668	298	338	15,025	21,006	-28.5%
County environment and education	7,167	7,061	-	-	7,167	7,061	1.5%
Roads and transportation	17,065	17,755	-	-	17,065	17,755	-3.9%
Governmental services to residents	4,076	4,556	-	-	4,076	4,556	-10.5%
Administration	16,311	14,398	-	-	16,311	14,398	13.3%
Interest on long-term debt	649	662	-	-	649	662	-2.0%
Total expenses	<u>98,714</u>	<u>105,357</u>	<u>298</u>	<u>338</u>	<u>99,012</u>	<u>105,695</u>	-6.3%
Change in net position	7,462	9,783	15	22	7,477	9,805	-23.7%
Beginning net position	<u>182,240</u>	<u>172,457</u>	<u>567</u>	<u>545</u>	<u>182,807</u>	<u>173,002</u>	5.7%
Ending net position	<u>\$ 189,702</u>	<u>\$ 182,240</u>	<u>\$ 582</u>	<u>\$ 567</u>	<u>\$ 190,284</u>	<u>\$ 182,807</u>	4.1%

Governmental activities

Revenues for the County's governmental activities decreased \$8,964,000 or 7.8% while total expenses decreased \$6,643,000 or 6.3%. Key elements include:

- The \$1,740,000 or 3.1% increase in County property taxes represented overall valuation growth of 3.2% and no change in the countywide levy rate.
- The \$1,825,000 decrease in charges for services included \$1,459,000 in revenue for Linn County Community Services. That reduction is a result of lost Medicaid match for services no longer provided by Linn County for mental health services.
- Operating grants and contributions decreased \$4,124,000 in FY 14. FY 13 revenue included one-time transition funding from the state of Iowa for non-Medicaid MHDS services of \$2,219,000. That decrease was partially offset by the inflation factor adjustment of \$1,917,000 received from the State in FY 14.

The County did not receive the adjustment in FY 13. As the County continues to recover from the Flood of 2008, flood-related Jump-Start grants to individuals and businesses decreased \$3,765,000 in FY 14.

- Capital grants of \$2,082,000 financed three road construction project additions. Unlike prior years, there was no revenue recognized from FEMA for flood-related building projects.
- The \$1,966,000 decrease in physical health and social services expenses resulted from the significant reduction of costs associated with the Jump Start grants mentioned above.
- The move toward regionalization and the loss of Medicaid match and state assistance resulted in significant service-delivery reductions of mental health services. Included in the \$5.9 million expense reduction was \$3,139,000 in mental retardation and \$887,000 in direct county-provided services.
- The \$1,913,000 increase in administration expenses included a \$729,000 increase in workers compensation claims, an \$87,000 increase in depreciation expense and \$119,000 in wages and benefits paid to five members of the Board of Supervisors. The workers compensation increase is related to a number of small cases rather than any large claims or settlements, the depreciation expense was associated with capitalization of flood-related buildings, and the compensation increase was a result of returning to full-time from part-time status of the Board of Supervisors.
- All functional activities were impacted by wage and benefit increases. These costs, comprising slightly more than half of total expenses, included a wage increase of \$1,049,000 or 2.6% for the current 753 employees and a decrease of \$684,000 from elimination of 13 positions. Since the end of fiscal 2011, 20 Child Support Recovery positions were assumed by the State of Iowa and 33 Community Services positions, primarily mental health, were eliminated. Health and dental expenses increased 0.1% or \$70,000.

Business-type activities

Options of Linn County, the County's sole business-type activity, increased net position by \$16,000. Operating revenues decreased 12.8% to \$313,000, while operating expenses decreased 11.7% to \$298,000 resulting in operating income of \$15,000 compared to operating income of \$21,000 for FY 13. Factors contributing to this include:

- The trend of transitioning clients who had been receiving Medicaid funded vocational services to Medicaid funded day habilitation services continued in FY 14. Clients in day habilitation services do not earn paychecks or participate in contract work, resulting in decreased revenue.
- Revenue decreased by a larger amount than did expenses, due to increased competition for securing contract work. Contracts are negotiated annually; reimbursement rates are lower than were previously negotiated.

Individual Major Fund Analysis

As the County completed the year, its governmental funds reported a combined fund balance of \$35,268,000, \$1,322,000 more than last year. The nonspendable fund balance of \$1,802,000 is for inventories and prepaid expenses while all of the restricted fund balances relate to fund balances of a number of restricted funds. Total unassigned fund balance at year end was \$19,263,000.

General fund ó General fund revenues decreased \$1,486,000 or 2.2% while expenditures decreased \$1,403,000 or 2.2%. The revenue decrease was a combination of a \$1,510,000 increase in property tax revenue and a \$2,541,240 decrease in intergovernmental revenue. The property tax increase was the result valuation growth of 3.2% and no change in the levy rate. The intergovernmental revenue decrease was primarily the result of reduction in Jump Start grants as the County continues to recover from the Flood of 2008. The expenditure decrease included reductions in costs associated with Jump Start grants as well as workers compensation cost increases and wages and benefits paid to the County Supervisors.

Mental health fund ó County operated mental health service programs were moved to a special revenue fund in FY14. These county operated programs are primarily funded by Medicaid. Removal of these programs from the mental health fund accounted for a decrease in revenues and expenditures of approximately \$7 million each. FY14 funding decisions were impacted by the Redesign Legislation, which outlined "core services" that each region must provide in FY15. Transition from more traditional services, such as 24 hour residential care, to community based services, resulted in savings. Implementation of the Affordable Care Act lowered FY14 county cost by \$600,000. Mental health revenues decreased \$7,187,000 while expenditures decreased \$11,341,000. Total fund balance increased \$3,070,000.

Secondary roads fund ó A \$417,000 increase in revenue and a \$1,307,000 increase in expenditures resulted in a fund balance decrease of \$514,000 for FY 14. The expenditures included an increase included of \$600,000 for new equipment and a decrease in equipment operations of \$137,000.

Capital projects fund 6 The \$6,768,000 decrease in revenue, primarily from a reduction in FEMA-related project reimbursements was offset by an \$8,569,000 reduction in expenditures. The expenditure reductions related to significant completion of a number of projects including Wickiup Hill, the Radio System Upgrade, the Public Service Center, and Phase II of the Courthouse Project. Additionally, secondary road projects funded with Local Option Sales Taxes increased \$3,102,000.

General Fund Budgetary Highlights

In accordance with the Code of Iowa, the Board of Supervisors annually adopts a budget following required public notice and hearing for all governmental funds. The County budget is prepared on the cash basis. Over the course of the year, the County amended its general fund budget twice. The first amendment was made in December 2013 and resulted in an increase to the general fund expenditure budget of \$1,104,000 for an amended budget of \$63,992,000. The amendment included \$495,000 in deferred revenues from grants and fiscal year 2013 carryforward of \$443,000 for LCCS and \$138,000 for Conservation equipment and maintenance.

The second amendment in May of 2013 increased general fund expenditures \$1,776,000. The increase included \$1,300,000 for self-retained insurance fund chargebacks to the general fund related to prior-year increased workers compensation costs. Expenditures increased \$420,000 for Board of Supervisor and Sheriff reimbursable grants while Real estate administration increased \$65,000 as a result of costs associated with software implementation.

Capital Assets and Debt Administration

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

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land	\$ 9,773	\$ 9,773	\$ -	\$ -	\$ 9,773	\$ 9,773
Buildings	60,638	52,465	-	-	60,638	52,465
Improvements other than buildings	5,643	4,599	-	-	5,643	4,599
Machinery and equipment	7,681	6,867	33	45	7,714	6,912
Infrastructure	58,224	52,325	-	-	58,224	52,325
Construction in progress	24,221	34,183	-	-	24,221	34,183
Total	\$ 166,180	\$160,212	\$ 33	\$ 45	\$ 166,213	\$ 160,257

Capital Assets

The County’s investment in capital assets for its governmental and business-type activities as of June 30, 2014 was \$166,180,000 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, and infrastructure. The net increase in the County’s investment in capital assets for the current fiscal year was 3.7%. Major capital asset events during the fiscal year included the following:

- The post-flood improvements of \$10,073,000 in the correctional center were put in service during FY 14
- Completion of \$9,128,000 in roadway and bridge projects
- Machinery and equipment acquisitions of \$2,353,000 including \$1,421,000 in secondary roads and \$479,000 in county environment

Additional information on the County’s capital assets can be found in note 4 pages 44 6 45 of this report.

Long-Term Debt

At the end of the current fiscal year, the County had total outstanding debt of \$18,525,000. The full faith and credit of the County back all the debt.

County of Linn's Outstanding Debt (in thousands)

	2013	Additions	Payments	2014
Governmental - General obligation bonds	\$ 19,630	\$ -	\$ 1,105	\$ 18,525

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

For more detailed information on the County's debt and amortization terms, please refer to note 5 on pages 45 ó 46 of this report.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the County was 4.5 percent at the end of fiscal year 2014, below the national average of 6.1 percent. Total estimated employment increased 1,787 in fiscal year 2014 to 158,165. Personal income increased 1.7 percent to \$9.37 billion while per capita personal income increased \$1,321 to \$46,803.

Property taxes levied will increase \$1,077,000 or 1.8 percent from the fiscal 2014 budget. The 2014 countywide levy rate will increase \$0.03 to \$6.11 per thousand dollars of taxable value. Net property tax revenue remains 53.6 percent of total revenues for fiscal 2015. As a result of Local Options Sales Tax funding, rural residents will pay \$0.90 less per thousand or \$8.92 per thousand dollars of taxable value, including the rural services levy rate of \$2.78.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Linn County Office of Finance and Budget, 935 Second Street, SW, Cedar Rapids Iowa 52404-2161.

BASIC FINANCIAL STATEMENTS

COUNTY OF LINN, IOWA

STATEMENT OF NET POSITION
JUNE 30, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Pooled cash and investments	\$ 42,427,913	\$ 513,130	\$ 42,941,043
Receivables:			
Accounts	221,575	62,219	283,794
Property taxes:			
Delinquent	148,827	-	148,827
Succeeding year	63,835,286	-	63,835,286
Interest and penalties on property taxes	182,691	-	182,691
Accrued interest	14,433	63	14,496
Due from other governments	7,063,095	-	7,063,095
Due from individuals and private entities	190,708	-	190,708
Inventories and prepaid expenses	1,802,124	7,064	1,809,188
Investment in joint venture	4,504,000	-	4,504,000
Capital assets:			
Land and construction in progress	33,994,497	-	33,994,497
Other capital assets net of accumulated depreciation	132,185,324	32,688	132,218,012
Total capital assets	166,179,821	32,688	166,212,509
TOTAL ASSETS	286,570,473	615,164	287,185,637
LIABILITIES:			
Accounts payable	5,255,348	1,774	5,257,122
Salaries and benefits payable	1,921,278	30,957	1,952,235
Accrued interest payable	52,960	-	52,960
Long-term liabilities:			
Portion due or payable within one year:			
General obligation bonds payable	1,115,000	-	1,115,000
Capital lease obligations	64,496	-	64,496
Compensated absences	4,011,083	-	4,011,083
Portion due or payable after one year:			
General obligation bonds payable	17,410,000	-	17,410,000
Capital lease obligations	83,464	-	83,464
Other post employment benefits	1,569,390	-	1,569,390
Compensated absences	1,550,554	-	1,550,554
Total long-term liabilities	25,803,987	-	25,803,987
TOTAL LIABILITIES	33,033,573	32,731	33,066,304
DEFERRED INFLOWS OF RESOURCES -			
Unavailable property tax revenue	63,835,286	-	63,835,286
NET POSITION:			
Net investment in capital assets	147,506,861	32,688	147,539,549
Restricted for:			
Supplemental levy purposes	35,987	-	35,987
MH-DD services	5,027,963	-	5,027,963
Secondary roads	2,833,832	-	2,833,832
Capital projects	5,429,030	-	5,429,030
Other purposes	2,744,415	-	2,744,415
Debt service	50,839	-	50,839
Unrestricted	26,072,687	549,745	26,622,432
TOTAL NET POSITION	\$ 189,701,614	\$ 582,433	\$ 190,284,047

See notes to financial statements.



COUNTY OF LINN, IOWA

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Public safety and legal services	\$ 25,073,670	\$ 4,906,209	\$ -	\$ -
Physical health and social services	13,644,706	662,460	5,298,831	-
Mental health	14,726,567	6,492,976	3,157,675	-
County environment and education	7,167,439	1,335,156	1,328,776	-
Roads and transportation	17,065,480	1,687,480	10,440,053	1,912,020
Governmental services to residents	4,075,613	3,599,811	-	169,472
Administration	16,310,808	899,959	254,395	-
Interest on long-term debt	649,217	-	-	-
Total governmental activities	<u>98,713,500</u>	<u>19,584,051</u>	<u>20,479,730</u>	<u>2,081,492</u>
Business-type activities -				
Options of Linn County	298,273	313,188	-	-
Total	<u>\$ 99,011,773</u>	<u>\$ 19,897,239</u>	<u>\$ 20,479,730</u>	<u>\$ 2,081,492</u>

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

See notes to financial statements.

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (20,167,461)	\$ -	\$ (20,167,461)
(7,683,415)	-	(7,683,415)
(5,075,916)	-	(5,075,916)
(4,503,507)	-	(4,503,507)
(3,025,927)	-	(3,025,927)
(306,330)	-	(306,330)
(15,156,454)	-	(15,156,454)
(649,217)	-	(649,217)
<u>(56,568,227)</u>	<u>-</u>	<u>(56,568,227)</u>
-	14,915	14,915
<u>(56,568,227)</u>	<u>14,915</u>	<u>(56,553,312)</u>
56,479,419	-	56,479,419
1,522,868	-	1,522,868
618,171	-	618,171
2,872,654	-	2,872,654
150,158	-	150,158
1,852,514	-	1,852,514
358,434	741	359,175
175,263	-	175,263
<u>64,029,481</u>	<u>741</u>	<u>64,030,222</u>
7,461,254	15,656	7,476,910
<u>182,240,360</u>	<u>566,777</u>	<u>182,807,137</u>
<u>\$ 189,701,614</u>	<u>\$ 582,433</u>	<u>\$ 190,284,047</u>

COUNTY OF LINN, IOWA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	Special Revenue Funds		
	General	MH-DD Services	Secondary Roads
ASSETS:			
Cash and investments:			
Pooled cash and investments	\$ 19,163,256	\$ 5,781,113	\$ 1,836,641
Other county officials	704,893	5,673	420
Receivables:			
Accounts	109,227	2,427	23,601
Property taxes:			
Delinquent	117,638	20,098	-
Succeeding year	50,159,626	8,065,959	-
Interest and penalties on property taxes	182,691	-	-
Accrued interest	14,399	-	-
Due from other governments	1,884,643	15,287	936,945
Due from individuals and private entities	190,708	-	-
Inventories	262,799	-	1,080,675
Prepaid items	368,507	63,434	-
TOTAL ASSETS	\$ 73,158,387	\$ 13,953,991	\$ 3,878,282
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:			
Liabilities:			
Accounts payable	\$ 986,177	\$ 841,308	\$ 900,291
Salaries and benefits payable	1,507,702	18,761	144,159
Total liabilities	2,493,879	860,069	1,044,450
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	50,159,626	8,065,959	-
Other	610,466	34,531	408,271
Total deferred inflows of resources	50,770,092	8,100,490	408,271
Fund balances:			
Nonspendable	631,306	63,434	1,080,675
Restricted	-	4,929,998	1,344,886
Unassigned	19,263,110	-	-
Total fund balances	19,894,416	4,993,432	2,425,561
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 73,158,387	\$ 13,953,991	\$ 3,878,282

See notes to financial statements.

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 5,340,211	\$ 1,579,602	\$ 33,700,823
227	102,214	813,427
19,740	66,580	221,575
-	11,091	148,827
-	5,609,701	63,835,286
-	-	182,691
-	31	14,430
2,843,092	1,383,128	7,063,095
-	-	190,708
-	6,933	1,350,407
-	19,776	451,717
<u>\$ 8,203,270</u>	<u>\$ 8,779,056</u>	<u>\$ 107,972,986</u>
\$ 974,108	\$ 123,445	\$ 3,825,329
-	250,656	1,921,278
<u>974,108</u>	<u>374,101</u>	<u>5,746,607</u>
-	5,609,701	63,835,286
2,047,160	23,131	3,123,559
<u>2,047,160</u>	<u>5,632,832</u>	<u>66,958,845</u>
-	26,709	1,802,124
5,182,002	2,745,414	14,202,300
-	-	19,263,110
<u>5,182,002</u>	<u>2,772,123</u>	<u>35,267,534</u>
<u>\$ 8,203,270</u>	<u>\$ 8,779,056</u>	<u>\$ 107,972,986</u>

COUNTY OF LINN, IOWA

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

Total fund balances for governmental funds		\$	35,267,534
Total net position reported for governmental activities in the statement of net position is different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			166,179,821
The County has an equity interest in a joint venture. This investment is not a current financial resource and, therefore, is not reported in the funds.			4,504,000
Internal service funds are used by the County to charge the cost of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.			6,483,647
Some of the County's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures. Therefore, they are reported as deferred inflows in the funds.			3,123,559
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities:			
Accrued interest on bonds	\$	(52,960)	
Bonds payable		(18,525,000)	
Capital leases		(147,960)	
Other post employment benefits		(1,569,390)	
Compensated absences		<u>(5,561,637)</u>	
Total long-term debt liabilities			<u>(25,856,947)</u>
Total net position of governmental activities	\$		<u>189,701,614</u>

See notes to the financial statements.



COUNTY OF LINN, IOWA

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

	General	Special Revenue Funds	
		MH-DD Services	Secondary Roads
REVENUES:			
Property taxes	\$ 44,454,977	\$ 7,595,027	\$ -
Other county taxes	2,246,074	379,410	-
Interest and penalty on taxes	624,129	-	-
Intergovernmental	11,262,278	3,122,778	6,176,396
Licenses and permits	951,248	-	57,120
Charges for services	6,014,947	-	189,909
Use of money and property	457,633	-	-
Miscellaneous	1,386,686	409	185,161
Total revenues	<u>67,397,972</u>	<u>11,097,624</u>	<u>6,608,586</u>
EXPENDITURES:			
Current:			
Public safety and legal services	24,513,507	-	-
Physical health and social services	13,528,357	-	-
Mental health	-	8,027,894	-
County environment and education	6,493,409	-	-
Roads and transportation	1,735,552	-	10,647,264
Governmental services to residents	4,037,406	-	-
Administration	14,730,059	-	-
Capital projects	8,117	-	2,107,934
Debt service	-	-	-
Total expenditures	<u>65,046,407</u>	<u>8,027,894</u>	<u>12,755,198</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,351,565</u>	<u>3,069,730</u>	<u>(6,146,612)</u>
OTHER FINANCING SOURCES (USES):			
Sale of capital assets	78,606	-	147,852
Provision for capital leases and installment purchases	48,375	-	-
Transfers in	9,463,124	-	5,484,367
Transfers out	(14,373,875)	-	-
Total other financing sources (uses)	<u>(4,783,770)</u>	<u>-</u>	<u>5,632,219</u>
NET CHANGE IN FUND BALANCES	(2,432,205)	3,069,730	(514,393)
FUND BALANCES - BEGINNING OF YEAR	22,304,077	1,923,702	2,916,303
INCREASE IN INVENTORY RESERVES	<u>22,544</u>	<u>-</u>	<u>23,651</u>
FUND BALANCES - END OF YEAR	<u>\$ 19,894,416</u>	<u>\$ 4,993,432</u>	<u>\$ 2,425,561</u>

See notes to financial statements.

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 5,954,905	\$ 58,004,909
4,911,641	390,357	7,927,482
-	-	624,129
1,105,472	6,505,615	28,172,539
-	-	1,008,368
146,245	1,110,566	7,461,667
40,825	11,208	509,666
65,048	33,208	1,670,512
<u>6,269,231</u>	<u>14,005,859</u>	<u>105,379,272</u>
-	264,833	24,778,340
-	-	13,528,357
-	6,844,832	14,872,726
17,399	590,005	7,100,813
-	391,991	12,774,807
-	8,677	4,046,083
-	9,371	14,739,430
8,585,698	85,541	10,787,290
-	1,755,463	1,755,463
<u>8,603,097</u>	<u>9,950,713</u>	<u>104,383,309</u>
<u>(2,333,866)</u>	<u>4,055,146</u>	<u>995,963</u>
-	4,636	231,094
-	-	48,375
3,343,901	-	18,291,392
-	(3,917,517)	(18,291,392)
<u>3,343,901</u>	<u>(3,912,881)</u>	<u>279,469</u>
1,010,035	142,265	1,275,432
4,171,967	2,629,573	33,945,622
-	285	46,480
<u>\$ 5,182,002</u>	<u>\$ 2,772,123</u>	<u>\$ 35,267,534</u>

COUNTY OF LINN, IOWA

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

Net change in fund balances - total governmental funds		\$ 1,275,432
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay	\$ 13,021,708	
Depreciation	<u>(6,847,913)</u>	6,173,795
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(206,276)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(1,081,598)
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:		
General obligation bonds principal repayment	<u>1,105,000</u>	1,105,000
Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net position, the lease obligation is reported as a liability.		39,297
Inventories in the governmental funds have been recorded as expenditures when paid. However, the statement of activities will report these as expenditures in the period that the corresponding asset is exhausted.		46,480
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	(69,545)	
Other post employment benefits annual required contribution	(102,694)	
Interest on long-term debt	<u>1,246</u>	(170,993)
Internal service funds are used by management to charge costs of insurance to individual funds. The net revenue (expenses) of certain activities of internal service funds is reported with governmental activities.		<u>280,117</u>
Change in net position of governmental activities		<u>\$ 7,461,254</u>

See notes to financial statements

COUNTY OF LINN, IOWA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	Nonmajor Enterprise Fund - Options	Internal Service Funds
	<u> </u>	<u> </u>
ASSETS:		
Current assets:		
Pooled cash and investments	\$ 513,036	\$ 7,913,663
Cash - Other county officials	94	-
Receivables:		
Accounts	62,219	-
Accrued interest	63	3
Inventories and prepaid expenses	<u>7,064</u>	<u>-</u>
Total current assets	582,476	7,913,666
Noncurrent assets - capital assets net of accumulated depreciation	<u>32,688</u>	<u>-</u>
TOTAL ASSETS	<u>615,164</u>	<u>7,913,666</u>
LIABILITIES:		
Current liabilities:		
Accounts payable	1,774	1,430,019
Salaries and benefits payable	<u>30,957</u>	<u>-</u>
Total current liabilities	<u>32,731</u>	<u>1,430,019</u>
NET POSITION:		
Invested in capital assets	32,688	-
Unrestricted	<u>549,745</u>	<u>6,483,647</u>
TOTAL NET POSITION	<u>\$ 582,433</u>	<u>\$ 6,483,647</u>

See notes to financial statements.

COUNTY OF LINN, IOWA

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

	<u>Nonmajor Enterprise Fund - Options</u>	<u>Internal Service Funds</u>
CASH FLOWS FROM (FOR) OPERATING ACTIVITIES:		
Cash received from customers	\$ 306,907	\$ -
Cash received from other funds	-	12,308,178
Cash received from insurance claims	-	601,482
Cash received from employees	-	384,586
Cash paid to suppliers	(44,292)	-
Cash paid to employees	(239,468)	(36,501)
Cash paid for insurance claims and premiums	-	(12,263,637)
Cash paid for services	-	(770,152)
NET CASH FROM (FOR) OPERATING ACTIVITIES	<u>23,147</u>	<u>223,956</u>
 CASH FLOWS FROM INVESTING ACTIVITIES - Interest on investments	<u>737</u>	<u>164</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	23,884	224,120
 CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>489,246</u>	<u>7,689,543</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 513,130</u>	<u>\$ 7,913,663</u>
 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:		
 OPERATING INCOME	<u>\$ 14,915</u>	<u>\$ 279,956</u>
 ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH FROM (FOR) OPERATING ACTIVITIES:		
Depreciation	12,321	-
Increase in accounts receivable	(6,281)	-
Decrease in inventories and prepaid expenses	769	-
Increase (decrease) in accounts payable	1,368	(56,000)
Increase in salaries and benefits payable	55	-
Total adjustments	<u>8,232</u>	<u>(56,000)</u>
NET CASH FROM (FOR) OPERATING ACTIVITIES	<u>\$ 23,147</u>	<u>\$ 223,956</u>

See notes to financial statements.

COUNTY OF LINN, IOWA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2014

	Deferred Compensation Trust Fund
ADDITIONS:	
Employee contributions	\$ 61,019
Net increase in the fair value of investments	158,742
Total additions	<u>219,761</u>
DEDUCTIONS - Redemption of contributions to employee or beneficiaries	<u>298,106</u>
CHANGE IN NET POSITION	(78,345)
TOTAL NET POSITION - BEGINNING	<u>1,794,417</u>
TOTAL NET POSITION - ENDING	<u>\$ 1,716,072</u>

See notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

For financial reporting purposes, Linn County has included all funds, organizations, agencies, boards, commissions, and authorities. The County has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County.

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

B. Basis of Presentation

Government-wide Financial Statements ó 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 except for interfund services provided and used which are not eliminated in the process of consolidation. Property tax, intergovernmental revenues, and other nonexchange transactions support governmental activities.

The statement of net 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 three categories:

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

Restricted net position ó results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position ó consist of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources that are imposed by management, but can be removed or modified.

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

Fund Financial Statements ó Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other nonmajor governmental funds.

The County reports the following major governmental funds:

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

Special Revenue Funds ó The MH-DD Services Fund is used to account for property taxes and other revenues designated to be used to fund mental health, mental retardation, and developmental disabilities services. The Secondary Roads Fund is used to account for secondary road construction and maintenance. The primary source of revenue for the Secondary Roads Fund is state road use tax funds (RUTF).

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

Additionally, the County reports the following funds:

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

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

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

Agency Funds ó Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, other governmental units, and/or other funds. The County's agency funds are used primarily for the collection and remittance of property taxes for other local governments. Agency funds are also used for funds received by various County offices which have been remitted to the County Treasurer. Agency Funds are custodial in nature and do not involve the measurement of results of operations.

C. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days after year end.

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

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

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's internal service fund is charges to customers for sales and services. Operating expenses for internal service funds include the cost of service and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

D. Assets, Liabilities, Deferred Inflows, and Net Position/Fund Balance

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

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

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

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

Property Tax Receivable ó Property tax in Governmental Funds is accounted for using the modified accrual basis of accounting. Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the County Board of Supervisors certifies the tax asking. Delinquent property taxes receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½ percent per month penalty for delinquent payments; is based on January 1, 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 and Due to Other Funds ó During the course of its operations, the County has numerous transactions between funds. To the extent that certain transactions between funds had not been paid or received as of June 30, 2014, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

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

Infrastructure	\$75,000
Intangibles	50,000
Land, buildings, and improvements	50,000
Equipment and vehicles	5,000

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

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

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The consumption method is used to account for prepaid items.

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

Compensated Absences ó Generally, County employees accumulate sick leave days for subsequent use. The County does not recognize this accumulation as a disbursement until it is paid since sick leave does not vest. County employees also accumulate vacation days for subsequent use. A liability is recorded when incurred in the government-wide, proprietary fund, and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2014. The compensated absences liability attributable to the governmental activities will be paid primarily by the General fund and the MH-DD Services, Rural Services, and Secondary Roads Special Revenue funds as statutorily required.

Long-term Liabilities ó In the government-wide and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund statement of net position.

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.

Deferred Inflow of Resources ó 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 ó In the governmental fund financial statements, fund balances are classified as follows:

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

Committed ó amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Board of Supervisors through ordinance 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 ó amounts the Board of Supervisors intend to use for specific purposes.

Unassigned ó all amounts not included in other classifications.

Net Position ó Net position equals assets plus deferred outflows less liabilities less deferred inflows on the accrual basis of accounting. The net position of the Internal Service Self-Retained Insurance fund is designated for anticipated future catastrophic losses of the County.

Fund Balance Policy

The Board of Supervisors has the authority to establish assignments in any and all funds. The Board further delegates this same authority to the Office of Finance and Budget.

Fund balances of the County may be committed for a specific source by Resolution of the Board of Supervisors. Amendments, modifications, or the discontinuance of the committed fund balance must also be approved by resolution of the Board.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications within the same fund, the order in which resources will be expended is as follows: restricted, followed by committed, assigned and lastly, unassigned fund balance.

For cash flow purposes, the County will maintain General Fund cash reserves at a level determined sufficient to provide working capital for general governmental operation at 25% of General Fund annual cash basis expenditures. Governmental funds, except for the General Fund, will have reserves based on a review of working capital needs. All internal service funds will be expected to maintain revenue sufficient to cover all direct and indirect costs, including an allowance for depreciation.

As of June 30, 2014, fund balances are composed of the following:

	General	Major			Other Governmental	Total
		MH-DD Services	Secondary Roads	Capital Projects		
Fund balances:						
Nonspendable:						
Inventories	\$ 262,799	\$ -	\$ 1,080,675	\$ -	\$ 6,933	\$ 1,350,407
Prepaid insurance	368,507	63,434	-	-	19,776	451,717
Subtotal nonspendable	<u>631,306</u>	<u>63,434</u>	<u>1,080,675</u>	<u>-</u>	<u>26,709</u>	<u>1,802,124</u>
Restricted:						
Mental health purposes	-	4,929,998	-	-	-	4,929,998
Secondary roads	-	-	1,344,886	-	-	1,344,886
Capital projects	-	-	-	5,182,002	-	5,182,002
Other purposes:						
Rural services	-	-	-	-	572,437	572,437
County direct services	-	-	-	-	1,467,953	1,467,953
Other	-	-	-	-	705,024	705,024
Subtotal restricted	<u>-</u>	<u>4,929,998</u>	<u>1,344,886</u>	<u>5,182,002</u>	<u>2,745,414</u>	<u>14,202,300</u>
Unassigned	19,263,110	-	-	-	-	19,263,110
Total fund balance	<u>\$ 19,894,416</u>	<u>\$ 4,993,432</u>	<u>\$ 2,425,561</u>	<u>\$ 5,182,002</u>	<u>\$ 2,772,123</u>	<u>\$ 35,267,534</u>

E. Budgets and Budgetary Accounting

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

2. CASH AND INVESTMENTS

The County's deposits in banks at June 30, 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. As of June 30, 2014, the carrying amount of the County's deposits with financial institutions, which include certificates of deposit, was \$53,705,863, and the bank balances were \$54,519,010.

The County is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Supervisors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; and certain joint investment trusts. The County is also authorized to invest deferred compensation balances in money market, bond, and equity mutual funds under the terms of the County's Deferred Compensation Plan (See Note 8).

Investments are stated at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. In addition, the County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$684,502 pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Interest rate risk. The County's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the need and use of the County.

Credit risk. The County's investment in the Iowa Public Agency Investment Trust is unrated. The investments in mutual funds held by the County Employees' Deferred Compensation Trust Fund are not rated and had a carrying value and fair value of \$1,716,072 at June 30, 2014.

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

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

3. PROPERTY TAXES

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

The County is permitted by the State Code of Iowa to levy taxes up to \$3.50 per \$1,000 of assessed valuation for general services. The County levied the maximum \$3.50 levy for general governmental services for the year ended June 30, 2014. The Code provides for a levy of an unlimited amount for restricted supplemental and debt service expenditures. In addition, the Code provides for a levy of up to \$3.95 per \$1,000 of assessed valuation for rural services, of which the County levied \$3.71 for the year ended June 30, 2014.

4. CAPITAL ASSETS

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

	Beginning Balances Restated	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 9,773,344	\$ -	\$ -	\$ 9,773,344
Construction in progress	<u>34,183,385</u>	<u>11,068,836</u>	<u>21,031,068</u>	<u>24,221,153</u>
Total capital assets not being depreciated	<u>43,956,729</u>	<u>11,068,836</u>	<u>21,031,068</u>	<u>33,994,497</u>
Capital assets being depreciated:		-		
Infrastructure	80,041,810	9,127,695	-	89,169,505
Buildings	67,844,290	10,073,297	-	77,917,587
Improvements other than buildings	5,459,338	1,429,502	-	6,888,840
Machinery and equipment	<u>21,461,688</u>	<u>2,353,446</u>	<u>1,324,398</u>	<u>22,490,736</u>
Total capital assets being depreciated	<u>174,807,126</u>	<u>22,983,940</u>	<u>1,324,398</u>	<u>196,466,668</u>
Less accumulated depreciation for:				
Infrastructure	27,717,365	3,228,749	-	30,946,114
Buildings	15,379,245	1,900,489	-	17,279,734
Improvements other than buildings	859,760	386,279	-	1,246,039
Machinery and equipment	<u>14,595,183</u>	<u>1,332,396</u>	<u>1,118,122</u>	<u>14,809,457</u>
Total accumulated depreciation	<u>58,551,553</u>	<u>6,847,913</u>	<u>1,118,122</u>	<u>64,281,344</u>
Total capital assets being depreciated, net	<u>116,255,573</u>	<u>16,136,027</u>	<u>206,276</u>	<u>132,185,324</u>
Governmental activities capital assets, net	<u>\$ 160,212,302</u>	<u>\$ 27,204,863</u>	<u>\$ 21,237,344</u>	<u>\$ 166,179,821</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business - type activities:				
Capital assets being depreciated -				
Machinery and equipment	\$ 136,214	\$ -	\$ -	\$ 136,214
Less accumulated depreciation for -				
Machinery and equipment	<u>91,205</u>	<u>12,321</u>	<u>-</u>	<u>103,526</u>
Business-type activities capital assets, net	<u>\$ 45,009</u>	<u>\$ 12,321</u>	<u>\$ -</u>	<u>\$ 32,688</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 475,187
Physical health and social services	177,158
Mental health	34,104
County environment and education	570,420
Roads and transportation	3,799,106
Governmental services to residents	52,248
Administration	<u>1,739,690</u>
Total depreciation expense - governmental activities	<u>\$ 6,847,913</u>
Business-type activities - Mental health	<u>\$ 12,321</u>

The County has entered into contracts for the following capital assets:

	<u>Contract Amount</u>	<u>Expended To Date</u>	<u>Remaining Commitment</u>
Software	\$ 2,646,575	\$ 2,098,400	\$ 548,175
Conservation trails and bridges	8,527,559	3,759,876	4,767,683
Building projects	30,527,804	30,501,283	26,521
Road construction projects	<u>12,440,576</u>	<u>7,505,011</u>	<u>4,935,565</u>
	<u>\$ 54,142,514</u>	<u>\$ 43,864,570</u>	<u>\$ 10,277,944</u>

5. LONG-TERM OBLIGATION ACTIVITY

Changes in long-term obligations for the year ended June 30, 2014 are as follows:

	Balance			Balance	Due Within
	June 30, 2013	Increases	Decreases	June 30, 2014	One Year
General obligation bonds	\$19,630,000	\$ -	\$ 1,105,000	\$ 18,525,000	\$ 1,115,000
Capital lease obligations	187,257	48,375	87,672	147,960	64,496
Compensated absences	5,492,092	3,914,061	3,844,516	5,561,637	4,011,083
Net OPEB liability	<u>1,466,696</u>	<u>417,850</u>	<u>315,156</u>	<u>1,569,390</u>	<u>-</u>
	<u>\$26,776,045</u>	<u>\$ 4,380,286</u>	<u>\$ 5,352,344</u>	<u>\$ 25,803,987</u>	<u>\$ 5,190,579</u>

Compensated absences and claims payable attributable to governmental activities are generally liquidated by the General Fund. Net OPEB liability claims are generally liquidated by the Health Insurance Fund.

General Obligation Bonds

General obligation bonds totaling \$18,525,000 are outstanding as of June 30, 2014. For some of the issues, the County elected to issue the bonds as Build America Bonds and qualified bonds for which the County will receive a credit from the federal government in the amount of 35% of the interest payable on each interest payment date. The bonds have interest rates ranging from 0.85 percent to 5.75 percent and mature in varying annual amounts ranging from \$640,000 to \$895,000 per year with final maturities due in the year ended June 30, 2030. Interest and principal payments on all general obligation bonds are accounted for through the Debt Service Fund.

Summary of Bond Issues

General obligation bonds payable at June 30, 2014, are comprised of the following individual issues:

	Date of Issue	Amount Issued	Interest Rates	Outstanding June 30, 2014
General Obligation Bonds:				
Elections Depot	December, 2009	\$ 1,000,000	1.50 - 5.75 %	\$ 845,000
Juvenile Courthouse	September, 2010	2,995,000	1.50 - 5.75%	2,590,000
Building Improvements	December, 2010	10,260,000	0.85 - 5.50%	8,870,000
Joint Communications	October, 2011	7,650,000	1.00 - 2.70%	6,220,000
				<u>\$ 18,525,000</u>

Summary of Principal and Interest Maturities

Annual debt service requirements to service all outstanding general obligation bonds as of June 30, 2014 are as follows:

Year Ending June 30	Principal	Interest	IRS Credit	Total
2015	\$ 1,115,000	\$ 635,513	\$ (178,999)	\$ 1,571,514
2016	1,130,000	617,568	(174,346)	1,573,222
2017	1,140,000	594,880	(168,872)	1,566,008
2018	1,170,000	570,315	(162,768)	1,577,547
2019	1,190,000	541,885	(155,364)	1,576,521
2020-2024	6,395,000	2,141,055	(632,254)	7,903,801
2025-2029	5,510,000	956,952	(318,511)	6,148,441
2030	875,000	46,955	(16,434)	905,521
	<u>\$ 18,525,000</u>	<u>\$ 6,105,123</u>	<u>\$ (1,807,548)</u>	<u>\$ 22,822,575</u>

Debt Legal Compliance

In order to limit the liability of taxpayers, the State constitution of Iowa imposes a limit on the amount of debt local governments may incur. The County's debt limitation is five percent of its estimated actual valuation. This limitation applies only to general obligation indebtedness. At June 30, 2014, the statutory limit for the County was \$806,859,000, providing a legal debt margin of \$788,334,000.

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 27 series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$76,397,433.

6. PENSION AND RETIREMENT BENEFITS

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

Plan members are required to contribute 5.95 percent of their annual covered salary and the County is required to contribute 8.93 percent of annual covered payroll. For law enforcement employees the percentages are 9.88 percent and 9.88 percent, while the percentages for conservation peace officers are 6.76 percent and 10.14 percent. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2014, 2013, and 2012 were \$3,908,773, \$3,644,701, and \$3,583,547 respectively, equal to the required contributions for each year.

7. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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

Plan Description – The County operates a single-employer retiree benefit plan which provides medical/prescription drug benefits for retirees and their spouses. There are 729 active and 38 retired members in the plan. Participants must be age 55 or older at retirement. The medical/prescription drug coverage, which is a partially self-funded medical plan, is administered by Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability. The plan does not issue a stand-alone report.

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

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

The following table shows the components of the County's annual OPEB cost for the year ended June 30, 2014, the amount actually contributed to the plan and changes in the County's net OPEB obligation:

Annual required contribution	\$	403,289
Interest on net OPEB obligation		73,335
Adjustment to annual required contribution		<u>(58,774)</u>
Annual OPEB cost		417,850
Contributions made		<u>(315,156)</u>
Increase in net OPEB obligation		102,694
Net OPEB obligation - beginning of year		<u>1,466,696</u>
Net OPEB obligation - end of year	\$	<u>1,569,390</u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2014.

For the year ended June 30, 2014, the County contributed \$315,156 to the medical plan. Plan members eligible for benefits contributed \$351,027, or 52.7% of the premium costs.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2014 are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2012	\$ 414,732	5.5%	\$ 1,162,782
June 30, 2013	404,563	24.9%	1,466,696
June 30, 2014	417,850	75.4%	1,569,390

Funded Status and Funding Progress – As of July 1, 2013, the most recent actuarial valuation date for the period July 1, 2013 through June 2014, the actuarial accrued liability was \$4,160,440 with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,160,440. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$39,595,586 and the ratio of the UAAL to covered payroll was 10.5%. As of June 30, 2014, there were no trust fund assets.

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

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

Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2007 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2008. The monthly expected claim cost is \$975. The final claim cost is set to reflect an average age of 60 for pre-65 retirees. Costs at all other ages vary based on an assumed age slope. The salary increase rate was assumed to be 4% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

Inflation Rate Assumption – As of the July 1, 2013 actuarial valuation date, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 5.0% discount rate based on the County's funding policy. The projected annual medical trend rate is 9.0%. The ultimate medical trend rate is 5.0%. The medical trend rate is reduced 0.5% each year until reaching the 5.0% ultimate trend rate. An inflation rate of 3.0% is assumed for the purpose of this computation.

8. DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with and intended to comply with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Effective January 1, 1999, the revised Linn County Deferred Compensation Plan required assets of the plan to be held in insurance annuity and custodial account contracts that meet the exclusive benefit and other requirements of Section 457(g) and 401(f) of the Internal Revenue Code. The terms of the insurance annuity and custodial contracts make it impossible, prior to the satisfaction of all liabilities with respect to the participants and beneficiaries, for any part of the assets and income of the contracts to be used for, or diverted to, any purpose other than for the exclusive benefit of the participants or beneficiaries.

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

9. RISK MANAGEMENT

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

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

The estimated claims liabilities do not include any allocated or unallocated claim adjustment expenses. Changes in the balances of employee health and dental claims liabilities during the past year are as follows:

	Year Ended June 30, 2014	Year Ended June 30, 2013
Accounts payable - beginning of year	\$ 707,019	\$ 1,669,019
Incurred claims	10,423,491	9,081,148
Claim payments	<u>(10,444,491)</u>	<u>(10,043,148)</u>
Accounts payable - end of year	<u>\$ 686,019</u>	<u>\$ 707,019</u>

Self-insurance is in effect up to a calculated rating period aggregate deductible of \$10,853,449 for 2014. In addition, there is a stop loss amount of \$125,000 per individual covered. Coverage from a private insurance company is maintained for losses in excess of the stop loss amounts. There was no significant change in insurance coverage from the prior fiscal year. In each of the past three fiscal years, insurance coverage exceeded settlements. At June 30, 2014, the Employee Health and Dental Fund held \$7,137,747 in pooled cash and investments available for payment of these claims.

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

	<u>Year Ended June 30, 2014</u>	<u>Year Ended June 30, 2013</u>
Accounts payable - beginning of year	\$ -	\$ -
Incurred claims	67,287	128,338
Claim payments	<u>(67,287)</u>	<u>(128,338)</u>
Accounts payable - end of year	<u>\$ -</u>	<u>\$ -</u>

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

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

	<u>Year Ended June 30, 2014</u>	<u>Year Ended June 30, 2013</u>
Accounts payable - beginning of year	\$ 779,000	\$ 474,000
Incurred claims	1,989,317	2,376,125
Claim payments	<u>(2,024,317)</u>	<u>(2,071,125)</u>
Accounts payable - end of year	<u>\$ 744,000</u>	<u>\$ 779,000</u>

At June 30, 2014, the Self-Insurance Fund had \$775,916 pooled cash and investments available for payment of these claims.

10. INTERFUND TRANSFERS

Interfund Transfers Reconciliation

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

	Interfund Transfers In	Interfund Transfers Out
General fund	\$ 9,463,124	\$ 14,373,875
Secondary roads fund	5,484,367	-
Capital projects fund	3,343,901	-
Nonmajor governmental funds	-	3,917,517
Total	<u>\$ 18,291,392</u>	<u>\$ 18,291,392</u>

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

In the year ended June 30, 2014, there were no significant individual transfers that did not occur on a routine basis or were inconsistent with the activities of the fund making the transfer.

11. LEASE COMMITMENTS

The County is committed under various leases for office equipment. These leases have been classified as operating leases as defined by Financial Accounting Standards Board Statement No. 13, "Accounting for Leases," and, accordingly, all rents are charged to expenditures as incurred. The leases expire at various dates through 2019. The County has also entered into lease agreements to finance machinery and equipment classified as capital leases under Statement No. 13.

The following is a schedule, by year, of future minimum rental payments required under capital leases and noncancelable operating leases that have initial or remaining lease terms in excess of one year at June 30, 2014:

<u>Year Ending June 30</u>	Capital Leases	Operating Leases
2015	\$ 65,152	\$ 373,528
2016	46,146	375,993
2017	25,324	327,226
2018	8,194	291,975
2019	4,166	194,650
Total minimum lease payments	148,982	<u>\$ 1,563,372</u>
Less amounts representing interest	(1,022)	
Present value of minimum lease payments	<u>\$ 147,960</u>	

Lease expenditures for the year ended June 30, 2014, for all operating leases were \$383,901.

12. EARLY CHILDHOOD IOWA AREA BOARD

The County 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 part of the Other Agency Funds because of the County's fiduciary relationship with the organization. The Area Board's financial data for the year ended June 30, 2014 is as follows:

	Early Childhood		School	Total
	Federal	State	Ready	
Revenues:				
State of Iowa grants:				
Early childhood	\$ -	\$ 397,628	\$ -	\$ 397,628
Family support and parent education	-	-	616,014	616,014
Preschool support for low-income families	-	-	270,475	270,475
Quality improvement	-	-	74,172	74,172
Allocation for administration	-	20,928	31,775	52,703
Other grant programs	-	850	69,422	70,272
Total state of Iowa grants	-	419,406	1,061,858	1,481,264
Interest on investments	21	367	1,217	1,605
Total revenue	21	419,773	1,063,075	1,482,869
Expenditures:				
Program services:				
Early childhood	19,298	356,623	-	375,921
Family support & parent education	-	-	634,193	634,193
Preschool support for low income families	-	-	281,723	281,723
Quality improvement	-	-	39,009	39,009
Other program services	-	-	98,299	98,299
Total program services	19,298	356,623	1,053,224	1,429,145
Administration	9,173	14,304	28,197	51,674
Total expenditures	28,471	370,927	1,081,421	1,480,819
Net change in fund balance	(28,450)	48,846	(18,346)	2,050
Fund balance at beginning of year	28,450	-	154,499	182,949
Fund balance at end of year	\$ -	\$ 48,846	\$ 136,153	\$ 184,999

13. CONTINGENCIES

Litigation

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

14. INVESTMENT IN JOINT VENTURE

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

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

The agreement with the City of Cedar Rapids became fully operative July 1, 1994, and continues until June 30, 2044. At the termination of this agreement, the assets and liabilities of the Cedar Rapids/Linn County Solid Waste Agency shall be divided based on the proportion of the City and County's population. At June 30, 2014, the agency's equity was \$46.0 million of which 9.8% or \$4,504,000 was the County's equity interest. The previous year, the equity interest for the County was \$4,334,000. Complete separate financial statements for the Agency may be obtained from the administrative offices of the agency at 1954 County Home Road, Marion, Iowa 52302.

15. RESTATEMENT

The beginning net position was restated to reflect corrections of capital assets.

	Net Position As Previously Reported		Net Position As Restated	
	June 30, 2013	Restatement	June 30, 2013	
Governmental activities	\$ 185,878,314	\$ (3,637,954)	\$ 182,240,360	

16. SUBSEQUENT EVENTS

On July 2, 2014, the County approved a resolution authorizing a loan agreement and providing for the issuance of a \$550,000 Monroe Township Fire Station note. The note and the loan agreement are not general obligations of the County, but are payable only from taxes levied on property located within Monroe Township without constitutional limitation as to rate or amount. The bonds mature on June 1 in each of the respective years and in principal amounts between \$20,000 and \$35,000 and bear interest at rates ranging from 1.75% and 4.00% commencing June 1, 2015 and ending June 1, 2034.

On August 20, 2014, the County approved issuance of \$1,750,000 General Obligation Bonds for the purpose of constructing, furnishing and equipping park maintenance shops in Morgan Creek Park and in Pinicon Ridge Park. The bonds mature on June 1 in each of the respective years and in principal amounts between \$105,000 and \$270,000 and bear interest at rates ranging from 2.00% and 3.50% commencing June 1, 2016 and ending June 1, 2030. Bonds maturing on June 1, 2024 and thereafter are subject to redemption prior to maturity at times and on the terms specified in the Bonds.

16. NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STANDARDS

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

Statement No. 68, Accounting and Financial Reporting for Pensions ó an amendment of GASB Statement No. 27, issued June 2012, will be effective for the fiscal year ending June 30, 2015. The objective of this Statement is to improve information provided by state and local governmental employers about financial support for pensions that is provided by other entities.

Statement No. 69, Government Combinations and Disposals of Government Operations, issued January 2013, will be effective for the fiscal year ending June 30, 2015. The objective of this statement is to improve financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operations.

The term government combinations is used in this Statement to refer to a variety of arrangements including mergers and acquisitions.

Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date ó an Amendment of GASB Statement No. 68, issued November 2013, will be effective for the fiscal year ending June 30, 2015. The objective of this statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions.

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

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF LINN, IOWA

BUDGETARY COMPARISON SCHEDULE
 ALL GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 58,243,384	\$ 58,243,384	\$ 58,052,943	\$ (190,441)
Other county taxes	7,745,759	7,756,759	7,925,758	168,999
Interest and penalty on taxes	812,216	812,216	630,259	(181,957)
Intergovernmental	31,383,156	30,376,980	28,966,976	(1,410,004)
Licenses and permits	960,930	988,618	1,011,297	22,679
Charges for services	7,411,385	7,333,096	7,512,603	179,507
Use of money and property	609,322	656,787	514,056	(142,731)
Miscellaneous	1,343,522	1,536,267	1,667,964	131,697
Total revenues	<u>108,509,674</u>	<u>107,704,107</u>	<u>106,281,856</u>	<u>(1,422,251)</u>
EXPENDITURES:				
Operating:				
Public safety and legal services	24,329,540	24,751,488	24,700,172	51,316
Physical health and social services	15,575,915	15,788,339	13,653,340	2,134,999
Mental health	21,414,579	14,992,316	14,716,860	275,456
County environment and education	6,970,137	7,257,216	7,063,481	193,735
Roads and transportation	12,204,452	13,120,965	12,552,471	568,494
Governmental services to residents	4,127,626	4,196,133	4,057,642	138,491
Administration	13,649,631	15,630,442	14,750,357	880,085
Debt service	1,755,463	1,755,463	1,755,463	-
Capital projects	8,383,082	13,313,004	11,089,978	2,223,026
Total expenditures	<u>108,410,425</u>	<u>110,805,366</u>	<u>104,339,764</u>	<u>6,465,602</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>99,249</u>	<u>(3,101,259)</u>	<u>1,942,092</u>	<u>5,043,351</u>
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	35,150	148,239	226,197	77,958
Transfers in	16,937,491	18,291,392	18,291,392	-
Transfers out	<u>(16,937,491)</u>	<u>(18,291,392)</u>	<u>(18,291,392)</u>	<u>-</u>
Total other financing sources (uses)	<u>35,150</u>	<u>148,239</u>	<u>226,197</u>	<u>77,958</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	134,399	(2,953,020)	2,168,289	5,121,309
FUND BALANCES - BEGINNING	<u>31,372,477</u>	<u>31,372,477</u>	<u>31,372,477</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 31,506,876</u>	<u>\$ 28,419,457</u>	<u>\$ 33,540,766</u>	<u>\$ 5,121,309</u>

See accompanying independent auditor's report.

COUNTY OF LINN, IOWA

BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
YEAR ENDED JUNE 30, 2014

	Governmental Fund Types		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 106,281,856	\$ (902,584)	\$ 105,379,272
Expenditures	104,339,764	43,545	104,383,309
Net	1,942,092	(946,129)	995,963
Total other financing sources	226,197	53,272	279,469
Beginning fund balances	31,372,477	2,573,145	33,945,622
Increase in reserve for inventories	-	46,480	46,480
Ending fund balances	<u>\$ 33,540,766</u>	<u>\$ 1,726,768</u>	<u>\$ 35,267,534</u>

See accompanying independent auditor's report.

COUNTY OF LINN, IOWA

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION 6
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 for governmental funds following required public notice and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon 10 major classes of expenditures known as functions, not by fund or fund type. These 10 functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service, and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, three budget amendments increased budgeted expenditures by \$2,394,941. The budget amendments are reflected in the final budgeted amounts.

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

COUNTY OF LINN, IOWA

SCHEDULE OF FUNDING PROGRESS FOR THE
RETIREE HEALTH PLAN

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
07/01/11	-	4,007,970	4,007,970	-	39,607,311	10.1%
07/01/12	-	3,950,937	3,950,937	-	41,191,603	9.6%
07/01/13	-	4,160,440	4,160,440	-	39,595,586	10.5%

See accompanying independent auditor's report.

COMBINING FUND FINANCIAL STATEMENTS AND OTHER SUPPLEMENTAL INFORMATION



COUNTY OF LINN, IOWA

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

County Direct Services Fund ó To account for mental health services provided directly by Linn County staff.

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

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

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

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

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

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

Debt Service Fund

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

COUNTY OF LINN, IOWA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	Special			
	Rural Services	County Direct Services	Inmate Commissary	Gifts and Donations
ASSETS:				
Cash and investments:				
Pooled cash and investments	\$ 657,822	\$ 190,750	\$ 144,313	\$ 173,704
Other county officials	-	88,853	-	-
Receivables:				
Accounts	-	66,580	-	-
Property taxes:				
Delinquent	7,026	-	-	-
Succeeding year	3,944,764	-	-	-
Accrued interest	-	-	-	21
Due from other governments	-	1,383,128	-	-
Inventories	6,933	-	-	-
Prepaid items	-	19,776	-	-
TOTAL ASSETS	<u>\$ 4,616,545</u>	<u>\$ 1,749,087</u>	<u>\$ 144,313</u>	<u>\$ 173,725</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 72,229	\$ 14,664	\$ 28,800	\$ -
Salaries and benefits payable	13,476	234,278	2,902	-
Total liabilities	<u>85,705</u>	<u>248,942</u>	<u>31,702</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	3,944,764	-	-	-
Other	6,706	12,416	-	-
Total deferred inflows of resources	<u>3,951,470</u>	<u>12,416</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	6,933	19,776	-	-
Restricted	572,437	1,467,953	112,611	173,725
Total fund balances	<u>579,370</u>	<u>1,487,729</u>	<u>112,611</u>	<u>173,725</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 4,616,545</u>	<u>\$ 1,749,087</u>	<u>\$ 144,313</u>	<u>\$ 173,725</u>

Revenue Funds

Sheriff Gifts and Donations	Recorder's Records Management	Conservation REAP	Air Pollution Title V	Debt Service	Total
\$ 45,259	\$ 90,835	\$ 74,143	\$ 156,002	\$ 46,774	\$ 1,579,602
2,500	10,861	-	-	-	102,214
-	-	-	-	-	66,580
-	-	-	-	4,065	11,091
-	-	-	-	1,664,937	5,609,701
-	1	9	-	-	31
-	-	-	-	-	1,383,128
-	-	-	-	-	6,933
-	-	-	-	-	19,776
<u>\$ 47,759</u>	<u>\$ 101,697</u>	<u>\$ 74,152</u>	<u>\$ 156,002</u>	<u>\$ 1,715,776</u>	<u>\$ 8,779,056</u>
\$ -	\$ -	\$ 6,823	\$ 929	\$ -	\$ 123,445
-	-	-	-	-	250,656
-	-	6,823	929	-	374,101
-	-	-	-	1,664,937	5,609,701
-	-	-	-	4,009	23,131
-	-	-	-	1,668,946	5,632,832
-	-	-	-	-	26,709
47,759	101,697	67,329	155,073	46,830	2,745,414
47,759	101,697	67,329	155,073	46,830	2,772,123
<u>\$ 47,759</u>	<u>\$ 101,697</u>	<u>\$ 74,152</u>	<u>\$ 156,002</u>	<u>\$ 1,715,776</u>	<u>\$ 8,779,056</u>

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2014

	Rural Services	County Direct Services	Inmate Commissary	Gifts and Donations
REVENUES:				
Property taxes	\$ 4,432,037	\$ -	\$ -	\$ -
Other county taxes	318,663	-	-	-
Intergovernmental	189,319	6,023,164	-	-
Charges for services	-	790,358	268,129	-
Use of money and property	-	-	-	273
Miscellaneous	2,100	-	23	-
Total revenues	<u>4,942,119</u>	<u>6,813,522</u>	<u>268,152</u>	<u>273</u>
EXPENDITURES:				
Current:				
Public safety and legal services	-	-	264,833	-
Mental health	-	6,844,832	-	-
County environment and education	533,176	-	-	-
Roads and transportation	391,991	-	-	-
Governmental services to residents	-	-	-	-
Administration	-	-	-	9,371
Capital projects	69,663	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>994,830</u>	<u>6,844,832</u>	<u>264,833</u>	<u>9,371</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,947,289</u>	<u>(31,310)</u>	<u>3,319</u>	<u>(9,098)</u>
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	-	4,636	-	-
Transfers out	<u>(3,917,517)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,917,517)</u>	<u>4,636</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	29,772	(26,674)	3,319	(9,098)
FUND BALANCES - BEGINNING OF YEAR	549,313	1,514,403	109,292	182,823
INCREASE IN INVENTORY RESERVES	<u>285</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 579,370</u>	<u>\$ 1,487,729</u>	<u>\$ 112,611</u>	<u>\$ 173,725</u>

<u>Special Revenue Funds</u>					
<u>Sheriff</u>					
<u>Gifts and Donations</u>	<u>Recorder's Records Management</u>	<u>Conservation REAP</u>	<u>Air Pollution Title V</u>	<u>Debt Service</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,522,868	\$ 5,954,905
-	-	-	-	71,694	390,357
-	-	76,815	-	216,317	6,505,615
-	47,515	-	4,564	-	1,110,566
-	10,870	65	-	-	11,208
<u>31,085</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,208</u>
<u>31,085</u>	<u>58,385</u>	<u>76,880</u>	<u>4,564</u>	<u>1,810,879</u>	<u>14,005,859</u>
-	-	-	-	-	264,833
-	-	-	-	-	6,844,832
-	-	-	56,829	-	590,005
-	-	-	-	-	391,991
-	8,677	-	-	-	8,677
-	-	-	-	-	9,371
-	-	15,878	-	-	85,541
-	-	-	-	1,755,463	1,755,463
<u>-</u>	<u>8,677</u>	<u>15,878</u>	<u>56,829</u>	<u>1,755,463</u>	<u>9,950,713</u>
<u>31,085</u>	<u>49,708</u>	<u>61,002</u>	<u>(52,265)</u>	<u>55,416</u>	<u>4,055,146</u>
-	-	-	-	-	4,636
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,917,517)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,912,881)</u>
31,085	49,708	61,002	(52,265)	55,416	142,265
16,674	51,989	6,327	207,338	(8,586)	2,629,573
-	-	-	-	-	285
<u>\$ 47,759</u>	<u>\$ 101,697</u>	<u>\$ 67,329</u>	<u>\$ 155,073</u>	<u>\$ 46,830</u>	<u>\$ 2,772,123</u>

COUNTY OF LINN, IOWA

INTERNAL SERVICE FUNDS

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

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

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

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2014

	Employee Health and Dental Fund	Self- Insurance Fund	Total
ASSETS:			
Pooled cash and investments	\$ 7,137,747	\$ 775,916	\$ 7,913,663
Receivables - accrued interest	-	3	3
TOTAL ASSETS	<u>7,137,747</u>	<u>775,919</u>	<u>7,913,666</u>
LIABILITIES:			
Current liabilities - accounts payable	<u>686,019</u>	<u>744,000</u>	<u>1,430,019</u>
Total current liabilities	<u>686,019</u>	<u>744,000</u>	<u>1,430,019</u>
NET POSITION - Unrestricted	<u>\$ 6,451,728</u>	<u>\$ 31,919</u>	<u>\$ 6,483,647</u>

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2014

	Employee Health and Dental Fund	Self- Insurance Fund	Total
OPERATING REVENUES - Charges for services	\$ 9,892,695	\$ 2,800,069	\$ 12,692,764
OPERATING EXPENSES - Claims and administrative expenses	<u>10,423,491</u>	<u>1,989,317</u>	<u>12,412,808</u>
OPERATING INCOME (LOSS)	(530,796)	810,752	279,956
NON-OPERATING REVENUES - Interest income	<u>-</u>	<u>161</u>	<u>161</u>
CHANGE IN NET POSITION	(530,796)	810,913	280,117
TOTAL NET POSITION - BEGINNING	<u>6,982,524</u>	<u>(778,994)</u>	<u>6,203,530</u>
TOTAL NET POSITION - ENDING	<u>\$ 6,451,728</u>	<u>\$ 31,919</u>	<u>\$ 6,483,647</u>

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2014

	Employee Health and Dental Fund	Self- Insurance Fund	Total
CASH FLOWS FOR OPERATING ACTIVITIES:			
Cash received from other funds	\$ 9,508,110	\$ 2,800,068	\$ 12,308,178
Cash received from insurance claims	601,482	-	601,482
Cash received from employees	384,586	-	384,586
Cash paid to employees	(36,501)	-	(36,501)
Cash paid for insurance claims and premiums	(10,474,682)	(1,788,955)	(12,263,637)
Cash paid for services	<u>(534,791)</u>	<u>(235,361)</u>	<u>(770,152)</u>
NET CASH FOR OPERATING ACTIVITIES	(551,796)	775,752	223,956
CASH FLOWS FROM INVESTING ACTIVITIES - Interest on investments			
	<u>-</u>	<u>164</u>	<u>164</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(551,796)	775,916	224,120
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>7,689,543</u>	<u>-</u>	<u>7,689,543</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 7,137,747</u>	<u>\$ 775,916</u>	<u>\$ 7,913,663</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FOR OPERATING ACTIVITIES:			
OPERATING INCOME (LOSS)	<u>\$ (530,796)</u>	<u>\$ 810,752</u>	<u>\$ 279,956</u>
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH FOR OPERATING ACTIVITIES:			
Decrease in accounts payable	<u>(21,000)</u>	<u>(35,000)</u>	<u>(56,000)</u>
Total adjustments	<u>(21,000)</u>	<u>(35,000)</u>	<u>(56,000)</u>
NET CASH FOR OPERATING ACTIVITIES	<u>\$ (551,796)</u>	<u>\$ 775,752</u>	<u>\$ 223,956</u>

COUNTY OF LINN, IOWA

AGENCY FUNDS

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

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

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

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

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

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

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

(Continued)

COUNTY OF LINN, IOWA

AGENCY FUNDS (CONTINUED)

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

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

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

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES 6
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2014

AGRICULTURAL EXTENSION SERVICE FUND	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
ASSETS:				
Pooled cash and investments	\$ 3,923	\$ 473,563	\$ 474,276	\$ 3,210
Receivables - Property taxes:				
Delinquent	1,520	459,724	460,086	1,158
Succeeding year	472,058	489,278	472,058	489,278
Due from other governments	-	13,839	13,839	-
TOTAL ASSETS	<u>\$ 477,501</u>	<u>\$ 1,436,404</u>	<u>\$ 1,420,259</u>	<u>\$ 493,646</u>
LIABILITIES - Due to other governments	<u>\$ 477,501</u>	<u>\$ 963,999</u>	<u>\$ 947,854</u>	<u>\$ 493,646</u>
MOTOR VEHICLE LICENSE AND USE TAX FUND				
ASSETS - Pooled cash and investments	<u>\$ 4,359,093</u>	<u>\$ 59,060,958</u>	<u>\$ 58,377,258</u>	<u>\$ 5,042,793</u>
LIABILITIES - Due to other governments	<u>\$ 4,359,093</u>	<u>\$ 59,060,958</u>	<u>\$ 58,377,258</u>	<u>\$ 5,042,793</u>
MONIES AND CREDITS FUND				
ASSETS:				
Pooled cash and investments	\$ -	\$ 63,191	\$ 63,191	\$ -
Receivables - Property taxes - delinquent	-	63,191	63,191	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 126,382</u>	<u>\$ 126,382</u>	<u>\$ -</u>
LIABILITIES - Due to other governments	<u>\$ -</u>	<u>\$ 63,191</u>	<u>\$ 63,191</u>	<u>\$ -</u>

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES 6
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2014 (CONTINUED)

COMMUNITY COLLEGE TAXING DISTRICT FUND	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
ASSETS:				
Pooled cash and investments	\$ 84,955	\$ 10,196,831	\$ 10,212,807	\$ 68,979
Receivables - Property taxes:				
Delinquent	32,898	9,900,263	9,908,172	24,989
Succeeding year	10,164,434	10,426,391	10,164,434	10,426,391
Due from other governments	-	296,568	296,568	-
TOTAL ASSETS	\$ 10,282,287	\$ 30,820,053	\$ 30,581,981	\$ 10,520,359
LIABILITIES - Due to other governments	\$ 10,282,287	\$ 20,648,211	\$ 20,410,139	\$ 10,520,359
 CITY TAXING DISTRICTS FUND				
ASSETS:				
Pooled cash and investments	\$ 1,008,735	\$ 119,292,352	\$ 119,476,534	\$ 824,553
Receivables:				
Property taxes:				
Delinquent	422,168	115,869,994	115,973,695	318,467
Succeeding year	118,702,533	117,231,215	118,702,533	117,231,215
Special assessments	67,309	139,041	23,306	183,044
Due from other governments	-	3,283,317	3,283,317	-
TOTAL ASSETS	\$ 120,200,745	\$ 355,815,919	\$ 357,459,385	\$ 118,557,279
LIABILITIES - Due to other governments	\$ 120,200,745	\$ 237,025,078	\$ 238,668,544	\$ 118,557,279
 SCHOOL TAXING DISTRICTS FUND				
ASSETS:				
Pooled cash and investments	\$ 1,244,892	\$ 153,069,489	\$ 153,288,963	\$ 1,025,418
Receivables - Property taxes:				
Delinquent	477,139	148,598,284	148,704,344	371,079
Succeeding year	152,601,176	163,245,893	152,601,176	163,245,893
Due from other governments	-	4,471,205	4,471,205	-
TOTAL ASSETS	\$ 154,323,207	\$ 469,384,871	\$ 459,065,688	\$ 164,642,390
LIABILITIES - Due to other governments	\$ 154,323,207	\$ 316,686,461	\$ 306,367,278	\$ 164,642,390

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES 6
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2014 (CONTINUED)

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<u>TAX SALE REDEMPTION FUND</u>				
ASSETS - Pooled cash and investments	\$ 540,013	\$ 2,763,110	\$ 2,796,622	\$ 506,501
LIABILITIES - Due to individuals and private entities	\$ 540,013	\$ 2,763,110	\$ 2,796,622	\$ 506,501
<u>COUNTY RECORDER AGENCY FUND</u>				
ASSETS:				
Cash - Other county officials	\$ 177,407	\$ 3,383,273	\$ 3,365,795	\$ 194,885
Due from individuals and private entities	1,781	1,727	1,781	1,727
TOTAL ASSETS	\$ 179,188	\$ 3,385,000	\$ 3,367,576	\$ 196,612
LIABILITIES - Due to other governments	\$ 179,188	\$ 3,385,000	\$ 3,367,576	\$ 196,612
<u>COUNTY SHERIFF AGENCY FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 20,623	\$ 5,720	\$ -	\$ 26,343
Cash - Other county officials	761,544	14,549,233	14,812,809	497,968
TOTAL ASSETS	\$ 782,167	\$ 14,554,953	\$ 14,812,809	\$ 524,311
LIABILITIES:				
Due to other governments	\$ 737,445	\$ 1,188,583	\$ 1,437,349	\$ 488,679
Due to individuals and private entities	44,722	13,366,370	13,375,460	35,632
TOTAL LIABILITIES	\$ 782,167	\$ 14,554,953	\$ 14,812,809	\$ 524,311

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES 6
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2014 (CONTINUED)

FIRE TAXING DISTRICTS FUND	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
ASSETS:				
Pooled cash and investments	\$ 2,748	\$ 287,256	\$ 287,143	\$ 2,861
Receivables - Property taxes:				
Delinquent	799	276,714	276,932	581
Succeeding year	287,254	303,604	287,254	303,604
Due from other governments	-	10,542	10,542	-
TOTAL ASSETS	\$ 290,801	\$ 878,116	\$ 861,871	\$ 307,046
LIABILITIES - Due to other governments	\$ 290,801	\$ 591,441	\$ 575,196	\$ 307,046
 TAX FINANCING FUNDS				
ASSETS:				
Pooled cash and investments	\$ 145,874	\$ 18,108,426	\$ 18,126,416	\$ 127,884
Receivables - Property taxes:				
Delinquent	36,918	17,819,931	17,801,131	55,718
Succeeding year	17,998,744	21,212,350	17,998,744	21,212,350
Due from other governments	-	288,495	288,495	-
TOTAL ASSETS	\$ 18,181,536	\$ 57,429,202	\$ 54,214,786	\$ 21,395,952
LIABILITIES - Due to other governments	\$ 18,181,536	\$ 39,376,494	\$ 36,162,078	\$ 21,395,952
 TOWNSHIP TAXING DISTRICTS FUND				
ASSETS:				
Pooled cash and investments	\$ 9,649	\$ 673,660	\$ 675,910	\$ 7,399
Receivables - Property taxes:				
Delinquent	932	646,185	646,165	952
Succeeding year	672,137	723,990	672,137	723,990
Due from other governments	-	27,475	27,475	-
TOTAL ASSETS	\$ 682,718	\$ 2,071,310	\$ 2,021,687	\$ 732,341
LIABILITIES - Due to other governments	\$ 682,718	\$ 1,398,602	\$ 1,348,979	\$ 732,341

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES 6
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2014 (CONTINUED)

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<u>EMERGENCY MANAGEMENT FUND</u>				
ASSETS - Pooled cash and investments	\$ 385,458	\$ 738,059	\$ 698,738	\$ 424,779
LIABILITIES - Due to other governments	\$ 385,458	\$ 738,059	\$ 698,738	\$ 424,779
<u>COUNTY ASSESSOR FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 979,368	\$ 849,454	\$ 1,047,621	\$ 781,201
Receivables - Property taxes:				
Delinquent	3,823	724,876	727,169	1,530
Succeeding year	749,987	1,418,906	749,987	1,418,906
Due from other governments	-	124,578	124,578	-
TOTAL ASSETS	\$ 1,733,178	\$ 3,117,814	\$ 2,649,355	\$ 2,201,637
LIABILITIES - Due to other governments	\$ 1,733,178	\$ 3,745,121	\$ 3,276,662	\$ 2,201,637
<u>CITY ASSESSOR FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 862,143	\$ 1,991,712	\$ 1,820,789	\$ 1,033,066
Receivables - Property taxes:				
Delinquent	4,985	1,932,486	1,932,110	5,361
Succeeding year	1,974,700	1,900,000	1,974,700	1,900,000
Due from other governments	-	59,226	59,226	-
TOTAL ASSETS	\$ 2,841,828	\$ 5,883,424	\$ 5,786,825	\$ 2,938,427
LIABILITIES - Due to other governments	\$ 2,841,828	\$ 3,897,073	\$ 3,800,474	\$ 2,938,427

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES 6
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2014 (CONTINUED)

OTHER AGENCY FUNDS	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
ASSETS:				
Cash and investments:				
Pooled cash and investments	\$ 626,718	\$ 3,518,883	\$ 3,243,654	\$ 901,947
Cash - Other county officials	5,595	208,739	214,334	-
Receivables:				
Property taxes:				
Delinquent	100	30,316	30,340	76
Succeeding year	31,156	32,123	31,156	32,123
Special assessments	7,540	768,359	767,333	8,566
Due from other governments	-	912	912	-
Due from individuals and private entities	405	-	405	-
TOTAL ASSETS	<u>\$ 671,514</u>	<u>\$ 4,559,332</u>	<u>\$ 4,288,134</u>	<u>\$ 942,712</u>
LIABILITIES:				
Due to other governments	\$ 412,085	\$ 2,001,245	\$ 1,716,470	\$ 696,860
Due to individuals and private entities	259,429	1,767,142	1,780,719	245,852
TOTAL LIABILITIES	<u>\$ 671,514</u>	<u>\$ 3,768,387</u>	<u>\$ 3,497,189</u>	<u>\$ 942,712</u>
TOTAL ALL AGENCY FUNDS				
ASSETS:				
Cash and investments:				
Pooled cash and investments	\$ 10,274,192	\$ 371,092,664	\$ 370,589,922	\$ 10,776,934
Cash - Other county officials	944,546	18,141,245	18,392,938	692,853
Receivables:				
Property taxes:				
Delinquent	981,282	296,321,964	296,523,335	779,911
Succeeding year	303,654,179	316,983,750	303,654,179	316,983,750
Special assessments	74,849	907,400	790,639	191,610
Due from other governments	-	8,576,157	8,576,157	-
Due from individuals and private entities	2,186	1,727	2,186	1,727
TOTAL ASSETS	<u>\$ 315,931,234</u>	<u>\$ 1,012,024,907</u>	<u>\$ 998,529,356</u>	<u>\$ 329,426,785</u>
LIABILITIES:				
Due to other governments	\$ 315,087,070	\$ 690,769,516	\$ 677,217,786	\$ 328,638,800
Due to individuals and private entities	844,164	17,896,622	17,952,801	787,985
TOTAL LIABILITIES	<u>\$ 315,931,234</u>	<u>\$ 708,666,138</u>	<u>\$ 695,170,587</u>	<u>\$ 329,426,785</u>



STATISTICAL SECTION

COUNTY OF LINN, IOWA

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities				
Net investment in capital assets	\$ 72,538	\$ 74,357	\$ 77,058	\$ 70,030
Restricted	9,750	14,115	16,087	15,681
Unrestricted	<u>11,742</u>	<u>10,035</u>	<u>11,491</u>	<u>11,808</u>
Total governmental activities net position	<u>\$ 94,030</u>	<u>\$ 98,507</u>	<u>\$ 104,636</u>	<u>\$ 97,519</u>
Business-type activities				
Net investment in capital assets	\$ 52	\$ 45	\$ 38	\$ 16
Unrestricted	<u>356</u>	<u>311</u>	<u>359</u>	<u>388</u>
Total business-type activities net position	<u>\$ 408</u>	<u>\$ 356</u>	<u>\$ 397</u>	<u>\$ 404</u>
Primary government				
Net investment in capital assets	\$ 72,590	\$ 74,402	\$ 77,096	\$ 70,046
Restricted	9,750	14,115	16,087	15,681
Unrestricted	<u>12,098</u>	<u>10,346</u>	<u>11,850</u>	<u>12,196</u>
Total primary government net position	<u>\$ 94,438</u>	<u>\$ 98,863</u>	<u>\$ 105,033</u>	<u>\$ 97,923</u>

2009	2010	2011	2012	2013	2014
\$ 73,306	\$ 83,626	\$ 102,976	\$ 124,818	\$ 141,823	\$ 147,507
17,812	8,649	5,991	13,872	11,953	16,122
<u>5,555</u>	<u>17,338</u>	<u>37,183</u>	<u>33,767</u>	<u>28,464</u>	<u>26,073</u>
<u>\$ 96,673</u>	<u>\$ 109,613</u>	<u>\$ 146,150</u>	<u>\$ 172,457</u>	<u>\$ 182,240</u>	<u>\$ 189,702</u>
\$ 77	\$ 61	\$ 48	\$ 57	\$ 45	\$ 33
260	404	480	488	522	549
<u>\$ 337</u>	<u>\$ 465</u>	<u>\$ 528</u>	<u>\$ 545</u>	<u>\$ 567</u>	<u>\$ 582</u>
\$ 73,383	\$ 83,687	\$ 103,024	\$ 124,875	\$ 141,868	\$ 147,540
17,812	8,649	5,991	13,872	11,953	16,122
<u>5,815</u>	<u>17,742</u>	<u>37,663</u>	<u>34,255</u>	<u>28,986</u>	<u>26,622</u>
<u>\$ 97,010</u>	<u>\$ 110,078</u>	<u>\$ 146,678</u>	<u>\$ 173,002</u>	<u>\$ 182,807</u>	<u>\$ 190,284</u>

COUNTY OF LINN, IOWA

CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (AMOUNTS EXPRESSED IN THOUSANDS)

Expenses	2005	2006	2007	2008
Governmental activities:				
Public safety and legal services	\$ 17,955	\$ 19,315	\$ 20,419	\$ 20,851
Physical health and social services	14,622	15,552	17,135	17,116
Mental health	25,244	25,708	26,863	31,232
County environment and education	5,152	4,937	5,341	4,948
Roads and transportation	14,244	15,146	13,348	22,954
Governmental services to residents	3,170	2,198	3,630	3,413
Administration	9,142	9,013	9,937	17,782
Nonprogram	8	19	14	22
Interest on long-term debt	238	195	148	100
Total governmental activities	<u>89,775</u>	<u>92,083</u>	<u>96,835</u>	<u>118,418</u>
Business-type activities -				
Mental health	710	713	676	692
Total primary government expenses	<u>\$ 90,485</u>	<u>\$ 92,796</u>	<u>\$ 97,511</u>	<u>\$ 119,110</u>
Program Revenues				
Governmental activities:				
Charges for services:				
Public safety and legal services	\$ 5,021	\$ 5,880	\$ 5,795	\$ 5,263
Mental health	8,702	10,380	9,005	9,076
Government services to residents	3,167	3,388	3,274	3,044
Other activities	3,499	3,681	3,860	4,030
Operating grants and contributions	24,219	23,333	27,314	38,300
Capital grants and contributions	3,799	2,611	4,156	1,295
Total governmental activities program revenues	<u>48,407</u>	<u>49,273</u>	<u>53,404</u>	<u>61,008</u>
Business-type activities -				
Charges for services	712	653	708	689
Total primary government program revenues	<u>\$ 49,119</u>	<u>\$ 49,926</u>	<u>\$ 54,112</u>	<u>\$ 61,697</u>
Net (expense)/revenue				
Governmental activities	\$ (41,368)	\$ (42,810)	\$ (43,431)	\$ (57,410)
Business-type activities	2	(60)	32	(3)
Total primary government net expense	<u>\$ (41,366)</u>	<u>\$ (42,870)</u>	<u>\$ (43,399)</u>	<u>\$ (57,413)</u>
General Revenues and Other Changes in				
Net Position				
Governmental activities:				
Property and other county taxes	\$ 38,588	\$ 40,661	\$ 41,667	\$ 43,402
Other county taxes	2,288	2,468	2,610	2,891
State replacements and credits	1,382	1,393	1,369	1,370
Investment income	847	1,785	2,957	1,815
Other general revenue	915	980	957	815
Total governmental activities	<u>44,020</u>	<u>47,287</u>	<u>49,560</u>	<u>50,293</u>
Business-type activities - interest income	4	8	9	10
Total business-type activities	<u>4</u>	<u>8</u>	<u>9</u>	<u>10</u>
Total primary government	<u>\$ 44,024</u>	<u>\$ 47,295</u>	<u>\$ 49,569</u>	<u>\$ 50,303</u>
Change in Net Position:				
Governmental activities	\$ 2,652	\$ 4,477	\$ 6,129	\$ (7,117)
Business-type activities	6	(52)	41	7
Total primary government	<u>\$ 2,658</u>	<u>\$ 4,425</u>	<u>\$ 6,170</u>	<u>\$ (7,110)</u>

2009	2010	2011	2012	2013	2014
\$ 21,637	\$ 23,419	\$ 23,474	\$ 24,807	\$ 24,646	\$ 25,074
18,389	21,284	22,964	22,122	15,611	13,645
30,850	30,971	33,032	31,599	20,668	14,727
6,143	8,490	6,543	6,994	7,061	7,167
16,169	14,046	16,906	16,235	17,755	17,065
4,007	3,769	5,046	4,065	4,556	4,076
29,376	11,173	11,526	12,900	14,398	16,311
9	26	30	12	-	-
348	27	326	639	662	649
<u>126,928</u>	<u>113,205</u>	<u>119,847</u>	<u>119,373</u>	<u>105,357</u>	<u>98,714</u>
621	503	499	374	338	298
<u>\$ 127,549</u>	<u>\$ 113,708</u>	<u>\$ 120,346</u>	<u>\$ 119,747</u>	<u>\$ 105,695</u>	<u>\$ 99,012</u>
\$ 2,419	\$ 4,654	\$ 6,467	\$ 6,028	\$ 5,900	\$ 4,906
9,686	9,532	8,685	9,218	7,817	6,493
3,277	2,928	3,533	4,135	3,702	3,600
4,378	5,731	3,093	4,725	3,989	4,585
48,442	41,271	53,405	44,552	24,604	20,480
2,470	4,941	23,914	16,374	7,507	2,082
<u>70,672</u>	<u>69,057</u>	<u>99,097</u>	<u>85,032</u>	<u>53,519</u>	<u>42,146</u>
550	630	561	390	359	313
<u>\$ 71,222</u>	<u>\$ 69,687</u>	<u>\$ 99,658</u>	<u>\$ 85,422</u>	<u>\$ 53,878</u>	<u>\$ 42,459</u>
\$ (56,256)	\$ (44,148)	\$ (20,750)	\$ (34,341)	\$ (51,838)	\$ (56,568)
(71)	127	62	16	21	15
<u>\$ (56,327)</u>	<u>\$ (44,021)</u>	<u>\$ (20,688)</u>	<u>\$ (34,325)</u>	<u>\$ (51,817)</u>	<u>\$ (56,553)</u>
\$ 47,282	\$ 47,121	\$ 51,074	\$ 54,637	\$ 56,263	\$ 58,003
4,348	6,651	2,798	2,959	3,001	3,023
1,412	1,341	1,259	1,262	1,505	1,853
832	673	1,002	780	50	358
1,536	1,302	1,154	1,238	802	793
<u>55,410</u>	<u>57,088</u>	<u>57,287</u>	<u>60,876</u>	<u>61,621</u>	<u>64,030</u>
4	1	1	1	1	-
<u>4</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
<u>\$ 55,414</u>	<u>\$ 57,089</u>	<u>\$ 57,288</u>	<u>\$ 60,877</u>	<u>\$ 61,622</u>	<u>\$ 64,030</u>
\$ (846)	\$ 12,940	\$ 36,537	\$ 26,535	\$ 9,783	\$ 7,462
(67)	128	63	17	22	15
<u>\$ (913)</u>	<u>\$ 13,068</u>	<u>\$ 36,600</u>	<u>\$ 26,552</u>	<u>\$ 9,805</u>	<u>\$ 7,477</u>

COUNTY OF LINN, IOWA

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Other County Taxes</u>	<u>Total</u>
2005	\$ 38,588	\$ 2,288	\$ 40,876
2006	40,661	2,468	43,129
2007	41,667	2,610	44,277
2008	43,402	2,891	46,293
2009	47,282	4,348	51,630
2010	47,121	6,651	53,772
2011	51,074	2,798	53,872
2012	54,637	2,959	57,596
2013	56,263	3,001	59,264
2014	58,002	3,023	61,025



COUNTY OF LINN, IOWA

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General fund					
Nonspendable	\$ 85	\$ 154	\$ 119	\$ 95	\$ 306
Restricted	5,686	9,701	9,669	9,511	10,695
Unassigned	<u>8,068</u>	<u>5,784</u>	<u>7,454</u>	<u>5,171</u>	<u>1</u>
Total general fund	<u>\$ 13,839</u>	<u>\$ 15,639</u>	<u>\$ 17,242</u>	<u>\$ 14,777</u>	<u>\$ 11,002</u>
All other government funds					
Nonspendable	\$ 1,119	\$ 958	\$ 1,042	\$ 1,248	\$ 1,370
Restricted	3,985	4,123	6,308	4,040	3,731
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,409)</u>	<u>(4,421)</u>
Total all other governmental funds	<u>\$ 5,104</u>	<u>\$ 5,081</u>	<u>\$ 7,350</u>	<u>\$ (121)</u>	<u>\$ 680</u>

2010	2011	2012	2013	2014
\$ 333	\$ 580	\$ 462	\$ 518	\$ 631
303	899	1,776	770	-
<u>12,228</u>	<u>14,527</u>	<u>17,489</u>	<u>21,016</u>	<u>19,263</u>
<u>\$ 12,864</u>	<u>\$ 16,006</u>	<u>\$ 19,727</u>	<u>\$ 22,304</u>	<u>\$ 19,894</u>
\$ 1,115	\$ 1,322	\$ 1,217	\$ 1,073	\$ 1,171
6,875	4,687	15,348	10,577	14,202
(4,652)	-	-	(8)	-
<u>\$ 3,338</u>	<u>\$ 6,009</u>	<u>\$ 16,565</u>	<u>\$ 11,642</u>	<u>\$ 15,373</u>

COUNTY OF LINN, IOWA

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
REVENUES:				
Property taxes	\$ 38,574	\$ 40,721	\$ 41,701	\$ 43,080
Other county taxes	2,288	2,468	2,611	2,884
Interest and penalty on taxes	719	616	628	507
Intergovernmental	38,417	40,339	43,185	43,325
Licenses and permits	639	597	630	767
Charges for services	6,095	6,321	6,545	6,214
Use of money and property	1,341	2,128	3,040	2,333
Miscellaneous	783	704	1,080	1,217
Total revenues	<u>88,856</u>	<u>93,894</u>	<u>99,420</u>	<u>100,327</u>
EXPENDITURES:				
Current:				
Public safety and legal services	17,761	19,242	20,327	20,646
Physical health and social services	14,629	15,399	16,940	16,961
Mental health	25,324	25,706	26,829	31,256
County environment and education	5,125	5,273	5,554	5,503
Roads and transportation	10,821	10,362	10,504	11,782
Governmental services to residents	3,132	3,165	3,558	3,413
Administration	8,371	8,422	9,245	10,925
Nonprogram	8	19	14	22
Capital projects	2,137	3,240	1,139	8,919
Debt service:				
Principal	1,010	1,055	1,100	1,145
Interest	241	198	153	104
Total expenditures	<u>88,559</u>	<u>92,081</u>	<u>95,363</u>	<u>110,676</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	297	1,813	4,057	(10,349)
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	49	19	28	20
Proceeds from sale of long-term debt	-	-	-	-
Provision for capital leases and installment purchases	67	36	117	26
Transfers in	5,200	5,469	9,117	10,293
Transfers out	(5,200)	(5,469)	(9,117)	(10,293)
Total other financing sources (uses)	<u>116</u>	<u>55</u>	<u>145</u>	<u>46</u>
NET CHANGE IN FUND BALANCES	<u>\$ 413</u>	<u>\$ 1,868</u>	<u>\$ 4,202</u>	<u>\$ (10,303)</u>
Debt service as a percentage of noncapital expenditures	1.49%	1.44%	1.40%	1.16%

	2009	2010	2011	2012	2013	2014
\$	47,377	\$ 47,240	\$ 51,122	\$ 54,679	\$ 56,265	\$ 58,005
	4,349	7,529	8,029	7,718	7,781	7,927
	1,115	951	740	760	667	624
	64,803	58,277	71,560	77,054	39,063	28,173
	772	836	1,153	867	1,139	1,008
	6,361	7,104	7,685	8,180	7,602	7,462
	889	781	922	861	621	510
	1,093	1,421	924	2,548	1,942	1,670
	<u>126,759</u>	<u>124,139</u>	<u>142,135</u>	<u>152,667</u>	<u>115,080</u>	<u>105,379</u>
	22,763	23,218	23,220	24,452	24,567	24,778
	18,455	21,345	22,744	21,731	15,578	13,528
	31,004	31,067	32,986	31,371	20,648	14,873
	6,136	8,348	6,264	6,857	6,765	7,101
	12,590	11,706	11,991	11,790	11,815	12,775
	4,043	3,804	3,982	4,062	4,485	4,046
	12,758	10,970	11,233	12,271	13,239	14,740
	9	26	30	12	-	-
	20,765	10,176	37,350	32,077	19,041	10,787
	16,250	-	25	1,150	1,100	1,105
	352	-	308	628	663	650
	<u>145,125</u>	<u>120,660</u>	<u>150,133</u>	<u>146,401</u>	<u>117,901</u>	<u>104,383</u>
	(18,366)	3,479	(7,998)	6,266	(2,821)	996
	157	119	685	169	301	231
	15,050	1,000	13,255	7,650	-	-
	96	53	40	129	100	48
	25,499	23,690	15,439	15,811	18,611	18,291
	<u>(25,499)</u>	<u>(23,690)</u>	<u>(15,439)</u>	<u>(15,811)</u>	<u>(18,611)</u>	<u>(18,291)</u>
	<u>15,303</u>	<u>1,172</u>	<u>13,980</u>	<u>7,948</u>	<u>401</u>	<u>279</u>
\$	<u>(3,063)</u>	<u>4,651</u>	<u>5,982</u>	<u>14,214</u>	<u>(2,420)</u>	<u>1,275</u>
	11.98%	0.00%	0.30%	1.57%	1.82%	1.90%

COUNTY OF LINN, IOWA

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

<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Utility Property</u>	<u>Agricultural Property</u>
2005	\$ 3,751,299	\$ 2,543,207	\$ 443,000	\$ 484,708	\$ 255,051
2006	3,864,415	2,584,199	443,702	490,181	254,498
2007	4,055,625	2,584,353	435,247	492,447	266,977
2008	4,178,207	2,633,134	369,663	527,031	266,328
2009	4,390,133	2,681,617	376,866	537,093	275,489
2010	4,705,252	2,680,619	386,639	540,024	287,076
2011	4,899,007	2,680,973	399,175	508,730	293,773
2012	5,280,919	2,668,027	409,611	522,436	305,843
2013	5,623,830	2,760,625	426,142	536,483	308,214
2014	5,908,664	2,817,372	437,556	538,360	321,629

(1) Per \$1,000 of taxable value. For detail of components of direct rate, see pages 93-100.

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

	Less: Tax Incremental Financing Value	Less: Military Exemption	Total Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value (2)
\$	432,714	\$ 24,268	\$ 7,020,283	\$ 5.51347	\$ 11,113,542	67.28%
	444,488	23,985	7,168,522	5.73231	11,509,112	66.36%
	496,226	23,654	7,314,769	5.69014	12,280,788	63.80%
	508,771	23,387	7,442,205	5.88629	12,789,950	62.35%
	504,171	23,099	7,733,928	6.14971	13,616,821	60.67%
	512,729	22,799	8,064,082	5.95245	13,988,896	61.47%
	390,703	22,500	8,368,455	6.06829	14,897,587	58.95%
	302,160	21,961	8,862,715	6.11117	15,467,922	59.39%
	484,490	21,362	9,149,442	6.11191	15,885,282	60.78%
	560,703	20,796	9,442,082	6.11191	16,137,186	62.11%

COUNTY OF LINN, IOWA

PROPERTY TAX RATES PER \$1,000 TAXABLE VALUE 6 ALL DIRECT AND OVERLAPPING
GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	Taxing Body	City of Cedar Rapids					City of Hiawatha
		Cedar Rapids Schools	College Community Schools	Marion Schools	Linn-Mar Schools		
2005	Direct County:						
	General	\$ 4.27477	\$ 4.27477	\$ 4.27477	\$ 4.27477	\$ 4.27477	\$ 4.27477
	MH-DD	1.16735	1.16735	1.16735	1.16735	1.16735	1.16735
	Debt service	0.07135	0.07135	0.07135	0.07135	0.07135	0.07135
	Subtotal direct	5.51347	5.51347	5.51347	5.51347	5.51347	5.51347
	School District	15.74784	15.11410	16.82045	17.76825	15.74784	15.74784
	Comm college	0.66276	0.66276	0.66276	0.66276	0.66276	0.66276
	Assessor	0.36120	0.36120	0.36120	0.36120	0.26125	0.26125
	City	13.11797	13.11797	13.11797	13.11797	12.01697	12.01697
	Other (1)	0.05129	0.05129	0.05129	0.05129	0.05129	0.05129
	Total Levy	<u>\$ 35.45453</u>	<u>\$ 34.82079</u>	<u>\$ 36.52714</u>	<u>\$ 37.47494</u>	<u>\$ 34.25358</u>	
	Percent of Linn County to totals		<u>15.55%</u>	<u>15.83%</u>	<u>15.09%</u>	<u>14.71%</u>	<u>16.10%</u>
2006	Direct County:						
	General	\$ 4.42446	\$ 4.42446	\$ 4.42446	\$ 4.42446	\$ 4.42446	\$ 4.42446
	MH-DD	1.14321	1.14321	1.14321	1.14321	1.14321	1.14321
	Debt service	0.16464	0.16464	0.16464	0.16464	0.16464	0.16464
	Subtotal direct	5.73231	5.73231	5.73231	5.73231	5.73231	5.73231
	School District	15.25042	15.21947	16.81459	17.99931	15.25042	15.25042
	Comm college	0.64894	0.64894	0.64894	0.64894	0.64894	0.64894
	Assessor	0.35819	0.35819	0.35819	0.35819	0.26716	0.26716
	City	13.98997	13.98997	13.98997	13.98997	12.14137	12.14137
	Other (1)	0.05492	0.05492	0.05492	0.05492	0.05492	0.05492
	Total Levy	<u>\$ 36.03475</u>	<u>\$ 36.00380</u>	<u>\$ 37.59892</u>	<u>\$ 38.78364</u>	<u>\$ 34.09512</u>	
	Percent of Linn County to totals		<u>15.91%</u>	<u>15.92%</u>	<u>15.25%</u>	<u>14.78%</u>	<u>16.81%</u>
2007	Direct County:						
	General	\$ 4.40999	\$ 4.40999	\$ 4.40999	\$ 4.40999	\$ 4.40999	\$ 4.40999
	MH-DD	1.12036	1.12036	1.12036	1.12036	1.12036	1.12036
	Debt service	0.15979	0.15979	0.15979	0.15979	0.15979	0.15979
	Subtotal direct	5.69014	5.69014	5.69014	5.69014	5.69014	5.69014
	School District	14.90212	17.33321	16.80183	18.81657	14.90212	14.90212
	Comm college	0.87249	0.87249	0.87249	0.87249	0.87249	0.87249
	Assessor	0.35819	0.35819	0.35819	0.35819	0.30872	0.30872
	City	14.38608	14.38608	14.38608	14.38608	12.43336	12.43336
	Other (1)	0.05732	0.05732	0.05732	0.05732	0.05732	0.05732
	Total Levy	<u>\$ 36.26634</u>	<u>\$ 38.69743</u>	<u>\$ 38.16605</u>	<u>\$ 40.18079</u>	<u>\$ 34.26415</u>	
	Percent of Linn County to totals		<u>15.69%</u>	<u>14.70%</u>	<u>14.91%</u>	<u>14.16%</u>	<u>16.61%</u>

City of Marion						
Cedar Rapids Schools	Marion Schools	Linn-Mar Schools	City of Mount Vernon	City of Center Point	City of Lisbon	City of Robins
\$ 4.27477	\$ 4.27477	\$ 4.27477	\$ 4.27477	\$ 4.27477	\$ 4.27477	\$ 4.27477
1.16735	1.16735	1.16735	1.16735	1.16735	1.16735	1.16735
0.07135	0.07135	0.07135	0.07135	0.07135	0.07135	0.07135
5.51347	5.51347	5.51347	5.51347	5.51347	5.51347	5.51347
15.74784	16.82045	17.76825	17.94000	18.16832	15.82366	15.74784
0.66276	0.66276	0.66276	0.66276	0.66276	0.66276	0.66276
0.26125	0.26125	0.26125	0.26125	0.26125	0.26125	0.26125
13.65104	13.65104	13.65104	12.99346	9.92352	12.67785	8.54268
0.05129	0.05129	0.05129	0.05129	0.05129	0.05129	0.05129
<u>\$ 35.88765</u>	<u>\$ 36.96026</u>	<u>\$ 37.90806</u>	<u>\$ 37.42223</u>	<u>\$ 34.58061</u>	<u>\$ 34.99028</u>	<u>\$ 30.77929</u>
<u>15.36%</u>	<u>14.92%</u>	<u>14.54%</u>	<u>14.73%</u>	<u>15.94%</u>	<u>15.76%</u>	<u>17.91%</u>
\$ 4.42446	\$ 4.42446	\$ 4.42446	\$ 4.42446	\$ 4.42446	\$ 4.42446	\$ 4.42446
1.14321	1.14321	1.14321	1.14321	1.14321	1.14321	1.14321
0.16464	0.16464	0.16464	0.16464	0.16464	0.16464	0.16464
5.73231	5.73231	5.73231	5.73231	5.73231	5.73231	5.73231
15.25042	16.81459	17.99931	18.18924	17.06225	17.18555	15.25042
0.64894	0.64894	0.64894	0.64894	0.64894	0.64894	0.64894
0.26716	0.26716	0.26716	0.26716	0.26716	0.26716	0.26716
13.98551	13.98551	13.98551	12.99994	11.29117	12.67694	8.69792
0.05492	0.05492	0.05492	0.05492	0.05492	0.05492	0.05492
<u>\$ 35.93926</u>	<u>\$ 37.50343</u>	<u>\$ 38.68815</u>	<u>\$ 37.89251</u>	<u>\$ 35.05675</u>	<u>\$ 36.56582</u>	<u>\$ 30.65167</u>
<u>15.95%</u>	<u>15.28%</u>	<u>14.82%</u>	<u>15.13%</u>	<u>16.35%</u>	<u>15.68%</u>	<u>18.70%</u>
\$ 4.40999	\$ 4.40999	\$ 4.40999	\$ 4.40999	\$ 4.40999	\$ 4.40999	\$ 4.40999
1.12036	1.12036	1.12036	1.12036	1.12036	1.12036	1.12036
0.15979	0.15979	0.15979	0.15979	0.15979	0.15979	0.15979
5.69014	5.69014	5.69014	5.69014	5.69014	5.69014	5.69014
14.90212	16.80183	18.81657	17.85267	17.92625	17.48988	14.90212
0.87249	0.87249	0.87249	0.87249	0.87249	0.87249	0.87249
0.30872	0.30872	0.30872	0.30872	0.30872	0.30872	0.30872
13.95525	13.95525	13.95525	12.99985	11.27967	12.65313	9.32643
0.05732	0.05732	0.05732	0.05732	0.05732	0.05732	0.05732
<u>\$ 35.78604</u>	<u>\$ 37.68575</u>	<u>\$ 39.70049</u>	<u>\$ 37.78119</u>	<u>\$ 36.13459</u>	<u>\$ 37.07168</u>	<u>\$ 31.15722</u>
<u>15.90%</u>	<u>15.10%</u>	<u>14.33%</u>	<u>15.06%</u>	<u>15.75%</u>	<u>15.35%</u>	<u>18.26%</u>

(Continued)

COUNTY OF LINN, IOWA

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

Fiscal Year	Taxing Body	City of Cedar Rapids				
		Cedar Rapids Schools	College Community Schools	Marion Schools	Linn-Mar Schools	City of Hiawatha
2008	Direct County:					
	General	\$ 4.62831	\$ 4.62831	\$ 4.62831	\$ 4.62831	\$ 4.62831
	MH-DD	1.10117	1.10117	1.10117	1.10117	1.10117
	Debt service	0.15681	0.15681	0.15681	0.15681	0.15681
	Subtotal direct	5.88629	5.88629	5.88629	5.88629	5.88629
	School District	14.37481	17.33832	16.80516	19.39588	14.37481
	Comm college	0.85526	0.85526	0.85526	0.85526	0.85526
	Assessor	0.35009	0.35009	0.35009	0.35009	0.31711
	City	14.61610	14.61610	14.61610	14.61610	13.46518
	Other (1)	0.05792	0.05792	0.05792	0.05792	0.05792
	Total Levy	<u>\$ 36.14047</u>	<u>\$ 39.10398</u>	<u>\$ 38.57082</u>	<u>\$ 41.16154</u>	<u>\$ 34.95657</u>
	Percent of Linn County to totals		<u>16.29%</u>	<u>15.05%</u>	<u>15.26%</u>	<u>14.30%</u>
2009	Direct County:					
	General	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523
	MH-DD	1.05415	1.05415	1.05415	1.05415	1.05415
	Debt service	0.15033	0.15033	0.15033	0.15033	0.15033
	Subtotal direct	6.14971	6.14971	6.14971	6.14971	6.14971
	School District	13.78107	16.84626	15.31689	20.40133	13.78107
	Comm college	0.85162	0.85162	0.85162	0.85162	0.85162
	Assessor	0.34518	0.34518	0.34518	0.34518	0.57050
	City	15.07076	15.07076	15.07076	15.07076	15.31391
	Other (1)	0.05778	0.05778	0.05778	0.05778	0.05778
	Total Levy	<u>\$ 36.25612</u>	<u>\$ 39.32131</u>	<u>\$ 37.79194</u>	<u>\$ 42.87638</u>	<u>\$ 36.72459</u>
	Percent of Linn County to totals		<u>16.96%</u>	<u>15.64%</u>	<u>16.27%</u>	<u>14.34%</u>
2010	Direct County:					
	General	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523
	MH-DD	1.00722	1.00722	1.00722	1.00722	1.00722
	Debt service	-	-	-	-	-
	Subtotal direct	5.95245	5.95245	5.95245	5.95245	5.95245
	School District	13.91816	17.21168	15.31673	20.22951	13.91816
	Comm college	0.84042	0.84042	0.84042	0.84042	0.84042
	Assessor	0.32845	0.32845	0.32845	0.32845	0.55763
	City	15.21621	15.21621	15.21621	15.21621	15.31410
	Other (1)	0.05694	0.05694	0.05694	0.05694	0.05694
	Total Levy	<u>\$ 36.31263</u>	<u>\$ 39.60615</u>	<u>\$ 37.71120</u>	<u>\$ 42.62398</u>	<u>\$ 36.63970</u>
	Percent of Linn County to totals		<u>16.39%</u>	<u>15.03%</u>	<u>15.78%</u>	<u>13.97%</u>

<u>City of Marion</u>							
<u>Cedar Rapids Schools</u>	<u>Marion Schools</u>	<u>Linn-Mar Schools</u>	<u>City of Mount Vernon</u>	<u>City of Center Point</u>	<u>City of Lisbon</u>	<u>City of Robins</u>	
\$ 4.62831	\$ 4.62831	\$ 4.62831	\$ 4.62831	\$ 4.62831	\$ 4.62831	\$ 4.62831	\$ 4.62831
1.10117	1.10117	1.10117	1.10117	1.10117	1.10117	1.10117	1.10117
0.15681	0.15681	0.15681	0.15681	0.15681	0.15681	0.15681	0.15681
5.88629	5.88629	5.88629	5.88629	5.88629	5.88629	5.88629	5.88629
14.37481	16.80516	19.39588	17.65642	17.74919	17.69514	14.37481	14.37481
0.85526	0.85526	0.85526	0.85526	0.85526	0.85526	0.85526	0.85526
0.31711	0.31711	0.31711	0.31711	0.31711	0.31711	0.31711	0.31711
13.78572	13.78572	13.78572	12.99986	9.97409	12.64942	9.33124	9.33124
0.05792	0.05792	0.05792	0.05792	0.05792	0.05792	0.05792	0.05792
<u>\$ 35.27711</u>	<u>\$ 37.70746</u>	<u>\$ 40.29818</u>	<u>\$ 37.77286</u>	<u>\$ 34.83986</u>	<u>\$ 37.46114</u>	<u>\$ 30.82263</u>	
<u>16.69%</u>	<u>15.61%</u>	<u>14.61%</u>	<u>15.58%</u>	<u>16.90%</u>	<u>15.71%</u>	<u>19.10%</u>	
\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523
1.05415	1.05415	1.05415	1.05415	1.05415	1.05415	1.05415	1.05415
0.15033	0.15033	0.15033	0.15033	0.15033	0.15033	0.15033	0.15033
6.14971	6.14971	6.14971	6.14971	6.14971	6.14971	6.14971	6.14971
13.78107	15.31689	20.40133	17.51051	17.78247	17.88402	20.40133	20.40133
0.85162	0.85162	0.85162	0.85162	0.85162	0.85162	0.85162	0.85162
0.57050	0.57050	0.57050	0.57050	0.57050	0.57050	0.57050	0.57050
14.13850	14.13850	14.13850	12.99970	13.21838	13.61361	9.18340	9.18340
0.05778	0.05778	0.05778	0.05778	0.05778	0.05778	0.05778	0.05778
<u>\$ 35.54918</u>	<u>\$ 37.08500</u>	<u>\$ 42.16944</u>	<u>\$ 38.13982</u>	<u>\$ 38.63046</u>	<u>\$ 39.12724</u>	<u>\$ 37.21434</u>	
<u>17.30%</u>	<u>16.58%</u>	<u>14.58%</u>	<u>16.12%</u>	<u>15.92%</u>	<u>15.72%</u>	<u>16.53%</u>	
\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523
1.00722	1.00722	1.00722	1.00722	1.00722	1.00722	1.00722	1.00722
-	-	-	-	-	-	-	-
5.95245	5.95245	5.95245	5.95245	5.95245	5.95245	5.95245	5.95245
13.91816	15.31673	20.22951	17.51051	18.31907	18.82984	20.22951	20.22951
0.84042	0.84042	0.84042	0.84042	0.84042	0.84042	0.84042	0.84042
0.55763	0.55763	0.55763	0.55763	0.55763	0.55763	0.55763	0.55763
13.86482	13.86482	13.86482	12.99970	14.45520	13.60852	9.28024	9.28024
0.05694	0.05694	0.05694	0.05694	0.05694	0.05694	0.05694	0.05694
<u>\$ 35.19042</u>	<u>\$ 36.58899</u>	<u>\$ 41.50177</u>	<u>\$ 37.91765</u>	<u>\$ 40.18171</u>	<u>\$ 39.84580</u>	<u>\$ 36.91719</u>	
<u>16.91%</u>	<u>16.27%</u>	<u>14.34%</u>	<u>15.70%</u>	<u>14.81%</u>	<u>14.94%</u>	<u>16.12%</u>	

(Continued)

COUNTY OF LINN, IOWA

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

Fiscal Year	Taxing Body	City of Cedar Rapids				
		Cedar Rapids Schools	College Community Schools	Marion Schools	Linn-Mar Schools	City of Hiawatha
2011	Direct County:					
	General	\$ 5.09197	\$ 5.09197	\$ 5.09197	\$ 5.09197	\$ 5.09197
	MH-DD	0.96824	0.96824	0.96824	0.96824	0.96824
	Debt service	0.00808	0.00808	0.00808	0.00808	0.00808
	Subtotal direct	6.06829	6.06829	6.06829	6.06829	6.06829
	School District	15.17046	17.20361	16.30509	19.73839	15.17046
	Comm college	0.92566	0.92566	0.92566	0.92566	0.92566
	Assessor	0.28228	0.28228	0.28228	0.28228	0.51507
	City	15.21621	15.21621	15.21621	15.21621	15.31001
	Other (1)	0.05717	0.05717	0.05717	0.05717	0.05717
	Total Levy	<u>\$ 37.72007</u>	<u>\$ 39.75322</u>	<u>\$ 38.85470</u>	<u>\$ 42.28800</u>	<u>\$ 38.04666</u>
	Percent of Linn County to totals		<u>16.09%</u>	<u>15.26%</u>	<u>15.62%</u>	<u>14.35%</u>
2012	Direct County:					
	General	\$ 5.08832	\$ 5.08832	\$ 5.08832	\$ 5.08832	\$ 5.08832
	MH-DD	0.91585	0.91585	0.91585	0.91585	0.91585
	Debt service	0.10700	0.10700	0.10700	0.10700	0.10700
	Subtotal direct	6.11117	6.11117	6.11117	6.11117	6.11117
	School District	15.16034	16.55788	16.95941	18.54161	15.16034
	Comm college	0.99870	0.99870	0.99870	0.99870	0.99870
	Assessor	0.24328	0.24328	0.24328	0.24328	0.53595
	City	15.21621	15.21621	15.21621	15.21621	15.53068
	Other (1)	0.05567	0.05567	0.05567	0.05567	0.05567
	Total Levy	<u>\$ 37.78537</u>	<u>\$ 39.18291</u>	<u>\$ 39.58444</u>	<u>\$ 41.16664</u>	<u>\$ 38.39251</u>
	Percent of Linn County to totals		<u>16.17%</u>	<u>15.60%</u>	<u>15.44%</u>	<u>14.84%</u>
2013	Direct County:					
	General	\$ 5.05243	\$ 5.05243	\$ 5.05243	\$ 5.05243	\$ 5.05243
	MH-DD	0.89570	0.89570	0.89570	0.89570	0.89570
	Debt service	0.16378	0.16378	0.16378	0.16378	0.16378
	Subtotal direct	6.11191	6.11191	6.11191	6.11191	6.11191
	School District	15.16089	15.80308	17.06215	17.73099	15.16089
	Comm college	1.07888	1.07888	1.07888	1.07888	1.07888
	Assessor	0.21871	0.21871	0.21871	0.21871	0.51059
	City	15.21621	15.21621	15.21621	15.21621	15.15751
	Other (1)	0.05349	0.05349	0.05349	0.05349	0.05349
	Total Levy	<u>\$ 37.84009</u>	<u>\$ 38.48228</u>	<u>\$ 39.74135</u>	<u>\$ 40.41019</u>	<u>\$ 38.07327</u>
	Percent of Linn County to totals		<u>16.15%</u>	<u>15.88%</u>	<u>15.38%</u>	<u>15.12%</u>

City of Marion						
Cedar Rapids Schools	Marion Schools	Linn-Mar Schools	City of Mount Vernon	City of Center Point	City of Lisbon	City of Robins
\$ 5.09197	\$ 5.09197	\$ 5.09197	\$ 5.09197	\$ 5.09197	\$ 5.09197	\$ 5.09197
0.96824	0.96824	0.96824	0.96824	0.96824	0.96824	0.96824
0.00808	0.00808	0.00808	0.00808	0.00808	0.00808	0.00808
6.06829	6.06829	6.06829	6.06829	6.06829	6.06829	6.06829
15.17046	16.30509	19.73839	19.25608	18.56470	18.83771	19.73839
0.92566	0.92566	0.92566	0.92566	0.92566	0.92566	0.92566
0.51507	0.51507	0.51507	0.51507	0.51507	0.51507	0.51507
16.63603	16.63603	13.63603	12.99703	12.62257	13.02786	9.01063
0.05717	0.05717	0.05717	0.05717	0.05717	0.05717	0.05717
<u>\$ 39.37268</u>	<u>\$ 40.50731</u>	<u>\$ 40.94061</u>	<u>\$ 39.81930</u>	<u>\$ 38.75346</u>	<u>\$ 39.43176</u>	<u>\$ 36.31521</u>
<u>15.41%</u>	<u>14.98%</u>	<u>14.82%</u>	<u>15.24%</u>	<u>15.66%</u>	<u>15.39%</u>	<u>16.71%</u>
\$ 5.08832	\$ 5.08832	\$ 5.08832	\$ 5.08832	\$ 5.08832	\$ 5.08832	\$ 5.08832
0.91585	0.91585	0.91585	0.91585	0.91585	0.91585	0.91585
0.10700	0.10700	0.10700	0.10700	0.10700	0.10700	0.10700
6.11117	6.11117	6.11117	6.11117	6.11117	6.11117	6.11117
15.16034	16.95941	18.54161	18.98120	18.42653	18.66041	18.54161
0.99870	0.99870	0.99870	0.99870	0.99870	0.99870	0.99870
0.53595	0.53595	0.53595	0.53595	0.53595	0.53595	0.53595
13.50980	13.50980	13.50980	12.99703	14.47845	14.38902	8.60023
0.05567	0.05567	0.05567	0.05567	0.05567	0.05567	0.05567
<u>\$ 36.37163</u>	<u>\$ 38.17070</u>	<u>\$ 39.75290</u>	<u>\$ 39.67972</u>	<u>\$ 40.60647</u>	<u>\$ 40.75092</u>	<u>\$ 34.84333</u>
<u>16.80%</u>	<u>16.01%</u>	<u>15.37%</u>	<u>15.40%</u>	<u>15.05%</u>	<u>15.00%</u>	<u>17.54%</u>
\$ 5.05243	\$ 5.05243	\$ 5.05243	\$ 5.05243	\$ 5.05243	\$ 5.05243	\$ 5.05243
0.89570	0.89570	0.89570	0.89570	0.89570	0.89570	0.89570
0.16378	0.16378	0.16378	0.16378	0.16378	0.16378	0.16378
6.11191	6.11191	6.11191	6.11191	6.11191	6.11191	6.11191
15.16089	17.06215	17.73099	17.72268	18.32311	17.21320	17.73099
1.07888	1.07888	1.07888	1.07888	1.07888	1.07888	1.07888
0.51059	0.51059	0.51059	0.51059	0.51059	0.51059	0.51059
13.62416	13.62416	13.62416	12.99702	14.38329	13.54138	8.02375
0.05349	0.05349	0.05349	0.05349	0.05349	0.05349	0.05349
<u>\$ 36.53992</u>	<u>\$ 38.44118</u>	<u>\$ 39.11002</u>	<u>\$ 38.47457</u>	<u>\$ 40.46127</u>	<u>\$ 38.50945</u>	<u>\$ 33.50961</u>
<u>16.73%</u>	<u>15.90%</u>	<u>15.63%</u>	<u>15.89%</u>	<u>15.11%</u>	<u>15.87%</u>	<u>18.24%</u>

(Continued)

COUNTY OF LINN, IOWA

PROPERTY TAX RATES PER \$1,000 TAXABLE VALUE 6 ALL DIRECT AND OVERLAPPING
GOVERNMENTS
LAST TEN FISCAL YEARS (CONTINUED)

Fiscal Year	Taxing Body	City of Cedar Rapids					City of Hiawatha
		Cedar Rapids Schools	College Community Schools	Marion Schools	Linn-Mar Schools		
2014	Direct County:						
	General	\$ 5.08019	\$ 5.08019	\$ 5.08019	\$ 5.08019	\$ 5.08019	\$ 5.08019
	MH-DD	0.86794	0.86794	0.86794	0.86794	0.86794	0.86794
	Debt service	0.16378	0.16378	0.16378	0.16378	0.16378	0.16378
	Subtotal direct	6.11191	6.11191	6.11191	6.11191	6.11191	6.11191
	School District	15.47881	15.08387	17.45846	17.26780	15.47881	15.47881
	Comm college	1.06473	1.06473	1.06473	1.06473	1.06473	1.06473
	Assessor	0.34293	0.34293	0.34293	0.34293	0.20364	0.20364
	City	15.21621	15.21621	15.21621	15.21621	15.18434	15.18434
	Other (1)	0.05330	0.05330	0.05330	0.05330	0.05330	0.05330
	Total Levy	<u>\$ 38.26789</u>	<u>\$ 37.87295</u>	<u>\$ 40.24754</u>	<u>\$ 40.05688</u>	<u>\$ 38.09673</u>	
Percent of Linn County to totals		<u>15.97%</u>	<u>16.14%</u>	<u>15.19%</u>	<u>15.26%</u>	<u>16.04%</u>	

(1) County Agricultural Extension and state levy

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

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

<u>City of Marion</u>						
<u>Cedar Rapids Schools</u>	<u>Marion Schools</u>	<u>Linn-Mar Schools</u>	<u>City of Mount Vernon</u>	<u>City of Center Point</u>	<u>City of Lisbon</u>	<u>City of Robins</u>
\$ 5.08019	\$ 5.08019	\$ 5.08019	\$ 5.08019	\$ 5.08019	\$ 5.08019	\$ 5.08019
0.86794	0.86794	0.86794	0.86794	0.86794	0.86794	0.86794
0.16378	0.16378	0.16378	0.16378	0.16378	0.16378	0.16378
6.11191	6.11191	6.11191	6.11191	6.11191	6.11191	6.11191
15.47881	17.45846	17.26780	17.37978	17.51324	17.12296	17.26780
1.06473	1.06473	1.06473	1.06473	1.06473	1.06473	1.06473
0.20364	0.20364	0.20364	0.20364	0.20364	0.20364	0.20364
13.15637	13.15637	13.15637	12.99703	13.99777	13.91839	7.77881
0.05330	0.05330	0.05330	0.05330	0.05330	0.05330	0.05330
<u>\$ 36.06876</u>	<u>\$ 38.04841</u>	<u>\$ 37.85775</u>	<u>\$ 37.81039</u>	<u>\$ 38.94459</u>	<u>\$ 38.47493</u>	<u>\$ 32.48019</u>
<u>16.95%</u>	<u>16.06%</u>	<u>16.14%</u>	<u>16.16%</u>	<u>15.69%</u>	<u>15.89%</u>	<u>18.82%</u>

COUNTY OF LINN, IOWA

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

Taxpayer	Type of Business	2014		
		Taxable Value (1)	Rank	Percentage of Taxable Value
Interstate Power /Alliant Energy	Utility company	\$ 242,115	1	2.56%
Archer-Daniels-Midland	Grain Processors	107,180	2	1.14%
Life Investors/Aegon	Insurance	71,326	3	0.76%
International Paper Company	Packaging materials	50,753	4	0.54%
Qwest	Telecommunications	43,391	5	0.46%
Rockwell Collins International	Aviation/Aerospace	37,488	6	0.40%
Lindale Mall	Shopping Mall	35,413	7	0.38%
Mid-Americian Energy	Utility Company	32,652	8	0.35%
Wal-Mart Stores/Sam's Club	Retail/Grocery	31,808	9	0.34%
Nextera Energy	Nuclear utility	31,140	10	0.33%
HNW Associates (Westdale)	Shopping mall	-	-	-
Miell, Robert	Landlord	-	-	-
Weyerhaeuser	Manufacturing	-	-	-
McLeod USA, Inc	Telecommunications	-	-	-
Total		<u>\$ 683,266</u>		<u>7.24%</u>

(1) As of January 1, 2012
Source: Linn County Auditor's Office

(2) As of January 1, 2003
Source: Linn County Auditor's Office

2005			
	Taxable Value (2)	Rank	Percentage of Taxable Value
\$	344,414	1	4.91%
	120,351	2	1.71%
	50,443	4	0.72%
	-	-	-
	44,886	5	0.64%
	51,956	3	0.74%
	-	-	0.00%
	31,150	9	0.44%
	-	-	-
	-	-	-
	33,856	10	0.48%
	38,716	6	0.55%
	37,805	7	0.54%
	<u>34,769</u>	8	0.50%
\$	<u>788,346</u>		<u>11.23%</u>

COUNTY OF LINN, IOWA

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

Fiscal Year	Levy	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections (1)
		Amount	Percentage of the Levy	
2005	\$ 39,951	\$ 38,461	96.27%	\$ 113
2006	42,341	40,681	96.08%	39
2007	43,037	41,642	96.76%	59
2008	44,959	43,158	95.99%	(78)
2009	48,737	46,964	96.36%	413
2010	49,336	47,189	95.65%	51
2011	52,397	51,004	97.34%	118
2012	55,896	54,612	97.70%	67
2013	57,888	56,230	97.14%	35
2014	59,936	57,953	96.69%	52

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

Total Tax Collections		
	Amount	Percentage of the Levy
\$	38,574	96.55%
	40,720	96.17%
	41,701	96.90%
	43,080	95.82%
	47,377	97.21%
	47,240	95.75%
	51,122	97.57%
	54,679	97.82%
	56,265	97.20%
	58,005	96.78%

COUNTY OF LINN, IOWA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

(AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT PER CAPITA AMOUNT)

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Capital Leases</u>	<u>Total</u>	<u>Percentage of Personal Income (1)</u>	<u>Percentage of Taxable Value (2)</u>	<u>Debt Per Capita (1)</u>
2005	\$ 4,500	\$ 235	\$ 4,735	0.06%	0.07%	\$ 23.66
2006	3,445	179	3,624	0.05%	0.05%	17.91
2007	2,345	182	2,527	0.03%	0.03%	12.31
2008	1,200	94	1,294	0.02%	0.02%	6.23
2009	-	131	131	0.00%	0.00%	0.63
2010	1,000	121	1,121	0.01%	0.01%	5.31
2011	14,230	96	14,326	0.16%	0.16%	67.19
2012	20,730	159	20,889	0.23%	0.23%	96.84
2013	19,630	187	19,817	0.22%	0.21%	91.08
2014	18,525	148	18,673	0.20%	0.19%	85.24

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

(1) See the Schedule of Demographics and Economic Statistics on page 110 for personal income and population data.

(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on pages 91-92.

COUNTY OF LINN, IOWA

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Taxable Value of Property	Per Capita (2)
2005	\$ 4,500	\$ 26	\$ 4,474	0.06%	\$ 22.36
2006	3,445	18	3,427	0.05%	16.94
2007	2,345	17	2,328	0.03%	11.34
2008	1,200	3	1,197	0.02%	5.76
2009	-	-	-	0.00%	-
2010	1,000	3	997	0.01%	4.72
2011	14,230	3	14,227	0.16%	66.73
2012	20,730	-	20,730	0.23%	96.11
2013	19,630	-	19,630	0.20%	90.22
2014	18,525	47	18,478	0.18%	84.35

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

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on pages 91-92.

(2) Population data can be found in the Schedule of Demographics and Economic Statistics on page 110.

COUNTY OF LINN, IOWA

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt limit	\$ 577,313	\$ 597,680	\$ 638,851	\$ 664,936	\$ 706,050
Total net debt applicable to limit	<u>(4,500)</u>	<u>(3,445)</u>	<u>(2,345)</u>	<u>(1,200)</u>	<u>-</u>
Legal debt margin	<u>\$ 572,813</u>	<u>\$ 594,235</u>	<u>\$ 636,506</u>	<u>\$ 663,736</u>	<u>\$ 706,050</u>
Total net debt applicable to limit as a percentage of debt limit	0.78%	0.58%	0.37%	0.18%	0.00%

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

2010	2011	2012	2013	2014
\$ 725,055	\$ 744,879	\$ 773,396	\$ 794,264	\$ 806,859
<u>(1,000)</u>	<u>(14,230)</u>	<u>(20,730)</u>	<u>(19,630)</u>	<u>(18,525)</u>
<u>\$ 724,055</u>	<u>\$ 730,649</u>	<u>\$ 752,666</u>	<u>\$ 774,634</u>	<u>\$ 788,334</u>
0.14%	1.91%	2.68%	2.47%	2.30%

Legal Debt Margin Calculation for Fiscal 2014

2012 actual valuation of property	\$15,597,279
Plus: TIF increment	560,703
Less: military exemption	<u>(20,796)</u>
Actual value for debt limit calculations	16,137,186
Multiply by 5%	<u>0.05</u>
Debt limit	806,859
Less: outstanding general obligation debt	<u>(18,525)</u>
Legal debt margin	<u>\$ 788,334</u>

COUNTY OF LINN, IOWA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2014

Government Unit	Debt Outstanding	Percentage Applicable (1)	Amount Applicable To Linn County
Direct - Linn County			
General obligation bonds	\$ 18,525,000		
Capital leases	<u>147,960</u>		
Direct debt - Linn County	\$ 18,672,960	100.00%	<u>\$ 18,672,960</u>
Overlapping:			
School Districts:			
Alburnett	2,150,000	100.00%	2,150,000
Anamosa	9,030,000	5.97%	539,091
Cedar Rapids	20,905,000	100.00%	20,905,000
Center Point-Urbana	13,645,000	60.54%	8,260,683
Central City	3,320,000	100.00%	3,320,000
College Community	65,980,000	85.64%	56,505,272
Linn-Mar	38,805,000	100.00%	38,805,000
Lisbon	1,265,000	65.53%	828,955
Marion	9,735,000	100.00%	9,735,000
Mount Vernon	5,560,000	97.59%	5,426,004
North Linn	3,455,000	66.82%	2,308,631
Solon	4,280,000	0.48%	20,544
Springville	2,970,000	100.00%	2,970,000
Kirkwood Community College	75,259,000	45.59%	34,310,578
Cities:			
Alburnett	670,000	100.00%	670,000
Cedar Rapids	145,726,344	100.00%	145,726,344
Center Point	2,675,000	100.00%	2,675,000
Central City	1,405,000	100.00%	1,405,000
Coggon	615,000	100.00%	615,000
Ely	1,775,000	100.00%	1,775,000
Fairfax	3,733,000	100.00%	3,733,000
Hiawatha	22,755,000	100.00%	22,755,000
Lisbon	2,355,000	100.00%	2,355,000
Marion	42,235,000	100.00%	42,235,000
Mount Vernon	7,175,000	100.00%	7,175,000
Robins	8,105,000	100.00%	8,105,000
Springville	715,000	100.00%	715,000
Walker	515,000	100.00%	<u>515,000</u>
Subtotal Overlapping Debt			<u>426,539,102</u>
Total Direct and Overlapping Debt			<u><u>\$ 445,212,062</u></u>

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

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

COUNTY OF LINN, IOWA

DEMOGRAPHICS AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (amount expressed in thousands) (2)</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Age (1)</u>	<u>Public School Enrollment (3)</u>	<u>Private School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2005	200,114	\$ 7,601,327	\$ 34,966	36.16	33,166	3,172	4.6%
2006	202,314	7,885,342	36,846	36.34	33,410	3,246	3.7%
2007	205,283	8,256,592	38,948	36.35	34,076	3,240	3.6%
2008	207,839	8,588,933	41,208	36.43	33,837	3,372	4.5%
2009	209,226	8,362,876	39,782	36.48	34,187	3,298	5.9%
2010	211,217	8,574,776	41,201	36.56	34,519	3,204	6.5%
2011	213,207	8,913,242	43,378	36.70	34,652	3,097	6.0%
2012	215,701	9,068,358	44,593	36.74	33,361	3,012	5.4%
2013	217,572	9,214,344	45,482	36.77	33,492	2,912	4.9%
2014	219,065	9,374,654	46,803	36.84	33,901	2,863	4.5%

(1) Source: Woods & Poole Economics, Inc.

(2) Source: Woods & Poole Economics, Inc. Expressed in 2009 dollars.

(3) Source: Iowa Department of Education

(4) Source: Iowa Workforce Development.

COUNTY OF LINN, IOWA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	Fiscal Year 2014		
	Employees	Rank	Percentage of Total County Employment
Rockwell Collins Inc.	8,700	1	5.50%
Transamerica	3,872	2	2.45%
St. Luke's Hospital	3,184	3	2.01%
Cedar Rapids Community Schools	2,936	4	1.86%
Mercy Medical Center	2,312	5	1.46%
Whirlpool Corporation	2,200	6	1.39%
Hy Vee Food Stores	2,118	7	1.34%
Kirkwood Community College	1,895	8	1.20%
City of Cedar Rapids	1,326	9	0.84%
Nordstrom Direct	1,200	10	0.76%
MCI WorldCom	-	-	-
	<u>29,743</u>		<u>18.81%</u>

Sources: City of Cedar Rapids Official Statement

Note: Total employment encompasses the Cedar Rapids Metropolitan Statistical Area

Fiscal Year 2005		
Employees	Rank	Percentage of Total County Employment
6,500	1	4.53%
2,600	3	1.81%
2,060	6	1.44%
2,800	2	1.95%
2,257	4	1.57%
2,200	5	1.53%
2,044	7	1.42%
1,443	10	1.01%
1,493	9	1.04%
-	-	-
1,528	8	1.06%
<u>24,925</u>		<u>17.37%</u>

COUNTY OF LINN, IOWA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Function				
Public Safety and Legal Services:				
Correctional facility inmate bookings	13,589	13,888	13,234	12,327
Correctional facility average daily population	355	394	381	358
Physical Health and Social Services:				
Communicable diseases - children vaccinated	1,461	1,876	1,511	1,517
Child development center - children served	792	756	732	744
Financial assistance - vouchers authorized	4,657	4,767	5,242	5,027
Mental Health:				
Vocational and day service placements	690	707	730	759
Residential placements (1)	155	118	208	231
County Environment and Education:				
Camping permits - days	64,591	66,000	51,262	53,980
Boat rentals	4,215	4,729	5,372	5,587
Roads and Transportation:				
Public transportation - total riders	82,532	82,235	82,500	80,429
Miles of road maintained - paved	358	358	365	377
Miles of road maintained - unpaved	810	810	830	772

(1) No longer County function

Source: Individual county department.

2009	2010	2011	2012	2013	2014
8,724	12,319	12,870	11,743	11,841	11,900
202	308	365	324	345	346
1,633	1,398	1,383	1,070	1,058	941
756	744	768	744	732	684
5,888	6,157	6,475	6,149	6,398	6,400
747	746	768	765	276	272
218	192	191	107	150	-
64,504	56,096	50,721	54,640	48,523	51,209
3,957	4,127	3,030	5,507	2,046	2,904
84,021	88,277	89,236	80,778	79,324	80,000
377	379	380	379	378	378
772	796	795	794	793	793

COUNTY OF LINN, IOWA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Function				
Public Safety and Legal Services - Correctional facility capacity	410	410	410	410
County Environment and Education:				
Park acreage - developed and undeveloped	6,559	6,825	6,895	6,915
Parks	19	19	19	19
Nature center	1	1	1	1
Roads and Transportation:				
Miles of roads - paved	358	358	365	377
Miles of roads - unpaved	810	810	830	772
Bridges	252	269	262	262

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

2009	2010	2011	2012	2013	2014
401	401	401	401	401	401
6,955	7,030	7,030	7,051	7,175	7,285
19	19	19	19	18	18
1	1	1	1	1	1
377	379	380	379	378	378
772	796	795	794	793	793
262	260	246	246	259	259

COUNTY OF LINN, IOWA

FULL-TIME EQUIVALENT EMPLOYEES BY DEPARTMENT
LAST TEN FISCAL YEARS

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Department										
Attorney	34	34	36	38	38	36	38	37	37	37
Auditor	17	17	19	18	19	18	18	18	19	16
Board of Supervisors	6	6	6	6	10	10	10	10	10	9
Child Support Recovery Unit	24	24	24	22	22	22	22	20	-	-
Conservation	38	38	39	39	39	39	39	41	42	42
Engineering	85	81	76	74	72	71	71	68	66	64
Facilities	32	32	32	32	32	31	32	31	28	30
Finance and Budget	4	4	4	4	3	3	4	4	4	4
Human Resources	3	3	4	5	5	5	5	5	5	5
Information Technology	17	18	18	19	19	17	17	16	17	21
LIFTS	22	22	22	22	22	22	22	22	22	22
Linn County Community Services	236	234	248	255	255	214	231	216	213	198
Planning and Development	14	14	14	14	14	14	13	14	14	14
Public Health	41	42	42	42	40	53	59	46	47	48
Purchasing	4	4	4	4	4	4	4	4	4	4
Recorder	14	14	14	14	13	13	14	14	14	14
Risk Management	3	3	3	3	3	3	3	3	3	3
Sheriff	166	163	167	173	170	174	178	178	182	183
Soil Conservation	1	1	1	1	1	1	1	1	1	1
Treasurer	34	36	37	37	37	36	34	35	35	35
Veteran Affairs	<u>3</u>									
	798	793	813	825	821	789	818	786	766	753

Source: County Office of Finance and Budget.

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 the County of Linn, Iowa:

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Linn, Iowa, (County) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated December 5, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County’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 the County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 Part II of the schedule of findings and questioned costs, issued under separate cover, as item 2014-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 the County'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*. However, we noted certain immaterial instances of non-compliance which are described in Part IV of the schedule of findings and questioned costs, issued under separate cover.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2014 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County and are reported in Part IV of the schedule of findings and questioned costs, issued under separate cover. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

County's Response to Findings

The County's responses to the findings identified in our audit are described in the schedule of findings and questioned costs, issued under separate cover. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dubuque, Iowa
December 5, 2014



Information to Comply with Government Auditing Standards
and OMB Circular A-133, Audits of States, Local
Governments, and Non-Profit Organizations
June 30, 2014

County of Linn, Iowa

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 <i>Government Auditing Standards</i>	1
Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133	3
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**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 the County of Linn, Iowa:

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Linn, Iowa, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated December 5, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County’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 the County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be 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 a certain deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 Part II of the accompanying schedule of findings and questioned costs as item 2014-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 the County'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*. However, we noted certain immaterial instances of non-compliance which are described in Part IV of the accompanying schedule of findings and questioned costs.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2014 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County and are reported in Part IV of the accompanying schedule of findings and questioned costs. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

County's Responses to Findings

The County's responses to the findings identified in our audit are described in the schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dubuque, Iowa
December 5, 2014



Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

To the Officials of the County of Linn, Iowa:

Report on Compliance for Each Major Federal Program

We have audited the County of Linn, Iowa’s (County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County’s major federal programs for the year ended June 30, 2014. The County’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 applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on the compliance for each of the County’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 compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe 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 the County’s compliance.

Opinion on Each Major Federal Program

In our opinion, the County of Linn, Iowa, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County'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 that are 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 the County's internal control over compliance.

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

Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the County of Linn, Iowa, as of and for the year ended June 30, 2014, and have issued our report thereon dated December 5, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



Dubuque, Iowa
January 28, 2015

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Grantor/Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture:			
Child Nutrition Cluster			
Pass-Through Program From:			
Iowa Department of Education:			
School Breakfast Program	10.553	57-8022	\$ 9,781
National School Lunch Program	10.555	57-8022	15,392
Summer Food Service Program for Children	10.559	054513	3,075
Total Food and Nutrition Service Cluster			<u>28,248</u>
Iowa Department of Education:			
Child and Adult Care Food Program	10.558	57-8012	<u>49,601</u>
Pass-Through Program From:			
Iowa Department of Human Services:			
Human Services Administrative			
Reimbursement:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	<u>95,364</u>
Total U.S. Department of Agriculture			<u>173,213</u>
U.S. Department of Housing and Urban Development:			
Pass-Through Program From:			
Iowa Department of Economic Development:			
Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii	14.228	08-DRH-205	337,791
Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii	14.228	08-DRH-005	<u>55,587</u>
			<u>393,378</u>
City of Cedar Rapids, IA:			
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	IALHB0548-13	<u>58,270</u>
Total U.S. Department of Housing and Urban Development			<u>451,648</u>

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Grantor/Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of the Interior Fish and Wildlife Service			
Pass-Through Program From:			
Iowa Department of Natural Resources:			
North American Wetlands Conservation Fund	15.623	F12AP00110- Mod1	\$ 60,000
U.S. Department of Justice:			
Pass-Through Program From:			
Iowa Department of Human Rights:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	06-JD12-13F	10,280
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	06-JD09-10F	6,547
			<u>16,827</u>
Pass-Through Program From:			
Governor's Office of Drug Control Policy:			
Public Safety Partnership and Community Policing Grants	16.710	10-Hotspots	5,128
Edward Byrne Memorial Justice Assistance Grant Program	16.738	11JAG58319	38,000
Direct Program:			
Edward Byrne Memorial Justice Assistance Grant	16.738		5,292
Edward Byrne Memorial Justice Assistance Grant	16.738		907
			<u>44,199</u>
Total U.S. Department of Justice			<u>66,154</u>
U.S. Department of Transportation:			
Pass-Through Program From:			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	10-STPES-106	101,967
Trees Forever:			
Highway Planning and Construction	20.205	57-01-13	9,395
			<u>111,362</u>
East Central Iowa Council of Governments:			
Formula Grants for Rural Areas	20.509		112,482

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Grantor/Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Transportation: (continued)			
Pass-Through Program From: (continued)			
Governor's Traffic Safety Bureau:			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	13-410 Task 35	\$ 8,818
National Priority Safety Programs	20.616	PAP 14-405d- M6OT, Task 34	18,218
Total U.S. Department of Transportation			250,880
U.S. Environmental Protection Agency:			
Direct Program:			
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034		46,594
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034		22,281
Pass-Through Program From:			
Iowa Department of Natural Resources:			
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	13ESDAQBCliam- 0001	17,500
Capitalization Grants for Drinking Water State Revolving Funds	66.468	ESD7159CHende1 30010	13,328
Performance Partnership Grants	66.605	13ESDAQBCliam- 0001	83,428
Kansas Association of Conservation and Environmental Education:			
Environmental Education Grants	66.951	NE97734101	5,000
Total U.S. Environmental Protection Agency			188,131

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

<u>Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services:			
Pass-Through Program From:			
Iowa Department of Public Health:			
Public Health Emergency Preparedness Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.069	5883BT57	\$ 23,368
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.074	5884BT36	166,793
Immunization Cooperative Agreements	93.116	MOU-2014-TB09	8,422
Immunization Cooperative Agreements	93.268	5883I448	13,400
Immunization Cooperative Agreements	93.268	5884I448	6,516
			<u>19,916</u>
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	5884NB16	21,500
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	5884CRC03	3,780
			<u>25,280</u>
PPHF - Community Transformation Grants and National Dissemination and Support for Community Transformation Grants - financed solely by Prevention and Public Health Funds	93.531	5883HP13	34,550
PPHF - Community Transformation Grants and National Dissemination and Support for Community Transformation Grants - financed solely by Prevention and Public Health Funds	93.531	5884HP13	34,125
			<u>68,675</u>

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

<u>Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services: (continued)			
Pass-Through Program From: (continued)			
Iowa Department of Public Health: (continued)			
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539	5884I448	\$ 8,999
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539	5883I448	5,717
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539	5884I4129	<u>5,639</u>
			<u>20,355</u>
Iowa Department of Human Services: Promoting Safe and Stable Families	93.556	DCAT-4-13-044	<u>41,103</u>
Sixth Judicial District Juvenile Court Services Temporary Assistance for Needy Families	93.558	JUV-13-TM-6-001	<u>287,902</u>
Iowa Department of Human Services: Human Services Administrative Reimbursement:			
Refugee and Entrant Assistance - State Administered Programs	93.566	N/A	<u>232</u>
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	N/A	<u>27,861</u>
Hawkeye Area Community Action Program: Head Start	93.600	07CH6114	<u>137,433</u>
Iowa Department of Human Services: Human Services Administrative Reimbursement:			
Foster Care - Title IV-E	93.658	N/A	<u>36,626</u>
Adoption Assistance	93.659	N/A	<u>12,444</u>
Social Services Block Grant	93.667	N/A	<u>29,210</u>
Social Services Block Grant	93.667	N/A	<u>896,088</u>
			<u>925,298</u>

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Grantor/Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services: (continued)			
Pass-Through Program From: (continued)			
Iowa Department of Human Services: (continued)			
Human Services Administrative			
Reimbursement:			
Children's Health Insurance Program	93.767	N/A	\$ 409
Medical Assistance Program	93.778		<u>160,284</u>
Iowa Department of Public Health:			
HIV Care Formula Grants	93.917	5884HC08	71,307
HIV Care Formula Grants	93.917	5885HC08	<u>33,342</u>
			<u>104,649</u>
HIV Prevention Activities - Health Department Based	93.940	5883AP09	10,025
HIV Prevention Activities - Health Department Based	93.940	5884AP09	<u>8,734</u>
			<u>18,759</u>
Total U.S. Department of Health and Human Services			<u>2,085,809</u>
U.S. Executive Office of the President			
Pass-Through Program From:			
Iowa Department of Public Safety			
High Intensity Drug Trafficking Areas Program	95.001	G12MW002A	95,640
High Intensity Drug Trafficking Areas Program	95.001	G13MW002A	<u>48,992</u>
			<u>144,632</u>
U.S. Social Security Administration			
Pass-Through Program From:			
Iowa Division of Vocational Rehabilitation Services:			
Social Security - Disability Insurance	96.001	N/A	<u>35</u>
U.S. Department of Homeland Security:			
Pass-Through Program From:			
United Way of America:			
Emergency Food and Shelter National Board Program	97.024	30-2964-00	<u>37,562</u>
Iowa Department of Homeland Security:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-4126	<u>16,777</u>

County of Linn, Iowa
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2014

<u>Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Homeland Security: (continued) Pass-Through Program From: (continued) Iowa Department of Public Defense: Hazard Mitigation Grant	97.039	HMGP-DR- 1880-0039-01	\$ 14,597
Total U.S. Department of Homeland Security			<u>68,936</u>
Total Expenditures of Federal Awards			<u>\$ 3,489,438</u>

N/A – Not Available

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County of Linn, Iowa, and is presented on the modified 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*. The County received federal awards both directly from federal agencies and indirectly through pass-through entities. Federal financial assistance provided to a subrecipient is treated as an expenditure when it is paid to the subrecipient.

Governmental fund types account for the County’s federal grant activity. Therefore, expenditures in the schedule of expenditures of federal awards are recognized on the modified accrual basis – when they become a demand on current available financial resources. The County’s summary of significant accounting policies is presented in Note 1 in the County’s basic financial statements.

Note 2 - Subrecipients

Of the federal expenditures presented in the accompanying schedule of expenditures of federal awards, the County provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	\$ 393,378
Edward Byrne Memorial Justice Assistance Grant Program	16.738	44,199
Emergency Food and Shelter National Board Program	97.024	37,562

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

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 §.510(a):	No

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228
Highway Planning and Construction	20.205
Formula Grants for Rural Areas	20.509
Temporary Assistance for Needy Families	93.558
Social Services Block Grant	93.667

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
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Auditee qualified as low-risk auditee?	No
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Part II: Findings Related to the Financial Statements:

Material Weakness

2014-A Material Audit Adjustments

Criteria – A properly designed system of internal control over financial reporting allows for the preparation of financial statements which are free from material misstatement and presented in conformity with generally accepted accounting principles (GAAP) and the requirements of OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*.

Condition – As a result of our audit procedures, we were required to propose a material adjustment to reduce the beginning of the year equity of the Governmental Activities for an overstatement of construction in progress at June 30, 2013. We were also required to propose a material adjustment to the Schedule of Expenditures of Federal Awards.

Effect – Prior to posting audit adjustments, financial data was not in accordance with generally accepted accounting principles or the requirements of OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*.

Cause – The adjustment to the financial statements was related to a capital asset that was both placed into service as buildings, but also remained in construction in progress. The cause appears to be break in communication between the individuals maintaining the capital asset schedules and construction in progress balances regarding this asset. The adjustment to the Schedule of Expenditures of Federal Awards was caused by coding errors on receipts of federal assistance from the state.

Recommendation – We recommend that those responsible for preparation of the financial statements and the Schedule of Expenditures of Federal Awards perform a more thorough review of the items needed to report in accordance with GAAP and the requirements of OMB Circular A-133.

Response – The County will implement additional review of financial statements and Schedule of Expenditures of Federal Awards to insure reporting in accordance with GAAP.

Part III: Findings and Questioned Costs for Federal Awards:

None reported.

Part IV: Other Findings Related to Required Statutory Reporting:

2014-IA-A Certified Budget – Disbursements during the year ended June 30, 2014, did not exceed the amounts budgeted by function.

2014-IA-B Questionable Expenditures – No expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979, were noted.

2014-IA-C Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

2014-IA-D Business Transactions – Business transactions between the County and County Officials or employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
Judy Commings, Options employee, spouse is owner of Aqua Technologies	Chemicals/Supplies	\$ 33,252
John Gahring, Sheriff’s Office, parent is owner of Gahring Machine and Manufacturing	Supplies	2,710

The transactions with Aqua Technologies do not appear to represent a conflict of interest since they were entered into through competitive bidding in accordance with Chapter 331.342(2)(c) of the Code of Iowa. The transactions with Gahring Machine and Manufacturing may represent a conflict of interest.

Recommendation – We recommend the County review the transactions with Gahring Machine and Manufacturing with the County Attorney.

Response – The County will review the transactions with Gahring Machine and Manufacturing with the County Attorney.

2014-IA-E Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.

2014-IA-F Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.

2014-IA-G Deposits and Investments – No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County’s investment policy were noted.

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

- 2014-IA-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).
- 2014-IA-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 the governmental funds balance sheet or statement of revenues, expenditures, and changes in fund balances.
- Disbursements during the year ended June 30, 2014, for the County Extension Office did not exceed the amount budgeted.
- 2014-IA-J Early Childhood Iowa Area Board** – Linn County 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 Other 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.
- 2014-IA-K Warrants Outstanding** – Chapter 331.554(7) of the Code of Iowa requires the County Auditor to cancel warrants that are outstanding for more than one year. The warrant is to be credited to the fund upon which the warrant was drawn. A person may then file a claim with the auditor for the amount of the canceled warrant within one year of the date of the cancellation. The County’s outstanding warrant list at June 30, 2014, included various payroll warrants outstanding for more than one year.
- Recommendation** – We recommend the County review procedures and policies to ensure compliance with the requirements of Chapter 331.554 of the Code of Iowa.
- Response** – The County has advised the County Auditor to cancel warrants that are outstanding for more than one year.
- 2014-IA-L Code of Ordinances** – Chapter 331.302(10) of the Code of Iowa requires the County to compile a code of ordinances at least once every five years. The last time the County’s ordinances were codified was in 2006.
- Recommendation** – We recommend the County compile a code of ordinances as soon as possible and review procedures and policies to ensure future compliance with the requirements of Chapter 331.302(10) of the Code of Iowa.
- Response** – The Board of Supervisors will compile a code of ordinances as soon as possible. The Board has been reminded that it shall compile a code of ordinances containing all of the ordinances in effect. Further, per Chapter 331.301(9), the County Auditor is required to maintain and make available to the public up-to-date copies of all effective ordinances.

County of Linn, Iowa
 Corrective Action Plan for Audit Findings
 Year Ended June 30, 2014

Comment Number	Comment Title	Corrective Action Plan	Contact Person, Title, Phone Number	Anticipated Date of Completion
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Findings Related to the Financial Statements:

2014-A	Material Audit Adjustments	The corrective action plan was documented in our response to the auditor's comment. See the Schedule of Findings and Questioned Costs.	Steve Tucker, Finance Director 319-892-5115	June 30, 2015
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There were no prior year federal findings.