



COUNTY OF LINN, IOWA
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015

COUNTY OF LINN, IOWA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

PREPARED BY OFFICE OF FINANCE AND BUDGET

COUNTY OF LINN, IOWA

TABLE OF CONTENTS
JUNE 30, 2015

	<u>Page</u>
<u>INTRODUCTORY SECTION</u>	
Table of Contents.....	1
County Officials.....	3
County Organizational Chart.....	4
Letter of Transmittal.....	5
GFOA Certificate of Achievement.....	9
<u>FINANCIAL SECTION</u>	
Independent Auditor's Report.....	10
Management's Discussion and Analysis.....	13
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	22
Statement of Activities.....	23
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	25
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	27
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	29
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	31
Statement of Net Position – Proprietary Funds.....	32
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds.....	33
Statement of Cash Flows – Proprietary Funds.....	34
Statement of Fiduciary Net Position.....	35
Statement of Changes in Fiduciary Net Position.....	36
Notes To Financial Statements.....	37
Required Supplementary Information:	
Budgetary Comparison Schedule –	
All Governmental Funds.....	61
Budget to GAAP Reconciliation.....	62
Note to Required Supplementary Information – Budgetary Reporting.....	63
Schedule of the Proportionate Share of the Net Pension Liability.....	64
Schedule of County Contributions.....	65
Note to Required Supplementary Information – Pension Liability.....	67
Schedule of Funding Progress for the Retiree Health Plan.....	68
Combining Fund Statements:	
Combining Balance Sheet – Nonmajor Governmental Funds.....	71
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds.....	73
Combining Statement of Net Position – Internal Service Funds.....	76
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds.....	77
Combining Statement of Cash Flows – Internal Service Funds.....	78
Combining Statement of Changes in Assets and Liabilities – All Agency Funds.....	81

(Continued)

COUNTY OF LINN, IOWA

TABLE OF CONTENTS
JUNE 30, 2015 (CONTINUED)

	<u>Page</u>
<u>STATISTICAL SECTION</u>	
Net Position by Component.....	89
Changes in Net Position.....	91
Governmental Activities Tax Revenues by Source	93
Fund Balances of Governmental Funds	95
Changes in Fund Balances of Governmental Funds	97
Assessed Value and Estimated Actual Value of Taxable Property.....	99
Property Tax Rates Per \$1,000 Taxable Valuation – All Direct and Overlapping Governments	101
Principal Property Taxpayers.....	109
Property Tax Levies and Collections	111
Ratios of Outstanding Debt by Type	113
Ratios of General Bonded Debt Outstanding.....	114
Legal Debt Margin.....	115
Direct and Overlapping Governmental Activities Debt	117
Demographics and Economic Statistics	118
Principal Employers.....	119
Operating Indicators by Function	121
Capital Asset Statistics by Function	123
Full-time Equivalent Employees by Department	125
 <u>COMPLIANCE SECTION</u>	
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.....	126

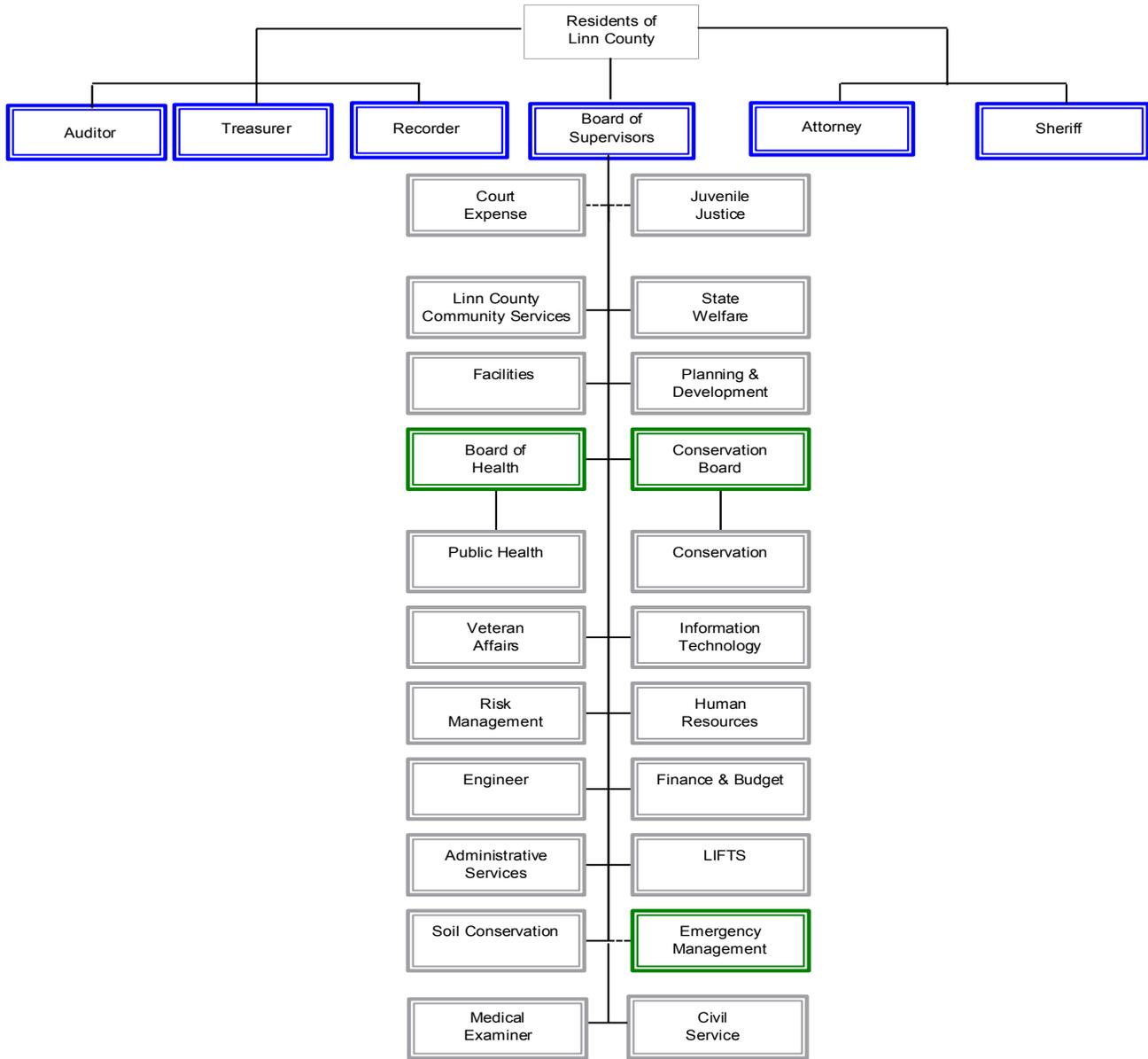
INTRODUCTORY SECTION

COUNTY OF LINN, IOWA

COUNTY OFFICIALS

<u>NAME</u>	<u>TITLE</u>	<u>TERM EXPIRES</u>
James Houser	Board of Supervisors	2018
Linda Langston	Board of Supervisors	2016
Ben Rogers	Board of Supervisors	2016
Brent Oleson	Board of Supervisors	2016
John Harris	Board of Supervisors	2018
Jerry Vander Sanden	Attorney	2018
Joel Miller	Auditor	2016
Joan McCalmant	Recorder	2018
Brian Gardner	Sheriff	2016
Sharon Gonzalez	Treasurer	2018

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 11, 2015

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, 2015, 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, 2015 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 unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2015 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

Except for the implementation of GASB Statements No. 68 and No. 71 as described in notes 1 and 16 of the financial statements, Linn County did not implement any new financial policies that had a significant impact on the current period's financial statements.

Major Budgetary Initiatives

Linn County did not implement any new budgetary initiatives 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 2015 population of Linn County is estimated at 219,069 – an increase of 0.8 percent from 2014. The local unemployment rate decreased to 3.5 percent for September, the most recent quarter of 2015, significantly less than the national average of 5.1 percent.

In August, construction began on the latest mixed-use development in the Cedar Rapids New Bohemia arts and entertainment district. The Depot, a \$20 million, four-building complex on the site of the former Iowa Iron Works plant will include 90,000 square feet of residential, office, and retail space, behind the NewBo City Market. The developer, Ahmann Companies, has received an overwhelming amount of interest from businesses that want to relocate to the area, as well as individuals interested in living in the neighborhood. The construction is expected to be complete in the spring or summer of 2016 and will generate an estimated 100 new jobs in the area.

The New Bohemia and Czech Village neighborhoods will become a Self-Supported Municipal Improvement District, or SSMID. Property owners have agreed to an additional tax of one dollar per \$1,000 of property value for seven years as a property tax assessment to enhance the area of the two historical neighborhoods. This is the city's third SSMID, along with the MedQuarter and the Cedar Rapids downtown district. The MedQuarter district collects \$3.75 per \$1,000 and the downtown SSMID receives an additional \$2.75 per \$1,000 from property owners for neighborhood reinvestment projects.

GoDaddy has recently announced a 12,000 square-foot expansion and renovation of its Hiawatha facility. The project will include company funding of \$4.5 million on the building, \$1 million on furniture and fixtures, and \$500,000 on computer hardware. State economic development grants and city financial incentives will provide more than \$600,000 in additional funding for the project. The expansion is expected to create another 130 jobs over the next three years. Since GoDaddy

opened its Hiawatha location in 2010, it has grown to employ more than 600 people. GoDaddy employs workers in customer care and as small business consultants as well as in engineering, development, and marketing.

TrueNorth, an insurance and financial strategies provider is planning to add 17,000 square feet of additional space at its corporate headquarters in Cedar Rapids. The \$2.5 million project will create 57 new jobs and additional office space in the former Cedar Rapids public library building near the river. TrueNorth will also receive tax incentives from Iowa's High Quality Jobs Program totaling nearly \$140,000 to help finance the project. TrueNorth, which serves both businesses and individual clients, has multiple locations in cities across the country and has grown its annual sales from \$260 million in 2001 to \$550 million in 2015.

Long-Term Financial Planning

Construction of a flood control system that includes pump stations and a river walk will begin next spring. The first pump station will go up in New Bohemia, incorporating the style of the former brick Czech school building located nearby. The pump station will stand about two stories high and cost \$5 million. Another pump station at the former Sinclair plant site will need to be larger and more expensive if the city decides to reduce the size of a water detention area on that site from 17 acres to 11 acres, allowing more commercial development to take place there, next to the New Bohemia neighborhood. There will also be two pump stations located near Quaker Oats, but the city is focusing its early work on the flood control system in New Bohemia and Czech Village because both spots are low-lying commercial areas. Construction of earthen levees in New Bohemia will begin in 2017 and removable flood walls will protect Czech Village. All of the work at New Bohemia and Czech Village will be paid for with state flood control funds. It could take 20 years to complete the flood protection system. In total, the city's \$600 million system will feature 11 pump stations to remove rain water that collects behind flood walls and levees when the river is higher than the storm sewer outlets in the river.

The Cedar Rapids/Linn County Solid Waste Agency permanently closed landfill site #1 three years ago, with all solid waste transported to site #2, the former Linn County landfill, for disposal. 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, 2014. This was the 26th 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 2016. 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, 2014

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, 2015, 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, 2015, 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.

Emphasis of Matter

As discussed in Notes 1 and 16 to the financial statements, the County has adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which has resulted in a restatement of the net position as of July 1, 2014. 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 11, 2015, 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.

The image shows a handwritten signature in cursive script that reads "Eide Sully LLP".

Dubuque, Iowa
December 11, 2015

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, 2015. 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 – 7 of this report.

Financial Highlights

- The assets of the County exceeded the liabilities at the close of the most recent fiscal year by \$174,264,051 (net position).
- The County's total net position increased by \$13,553,376
- As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$44,193,277, an increase of \$9,021,883 in comparison with the prior year
- At the end of the current fiscal year, the fund balance for the general fund was \$20,934,456, or 31 percent of total general fund expenditures
- Total general obligation bonded debt increased by \$635,000 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 – 31 of this report.

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

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

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37 – 59 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 69 – 78 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 \$174,264,000 at the close of the most recent fiscal year.

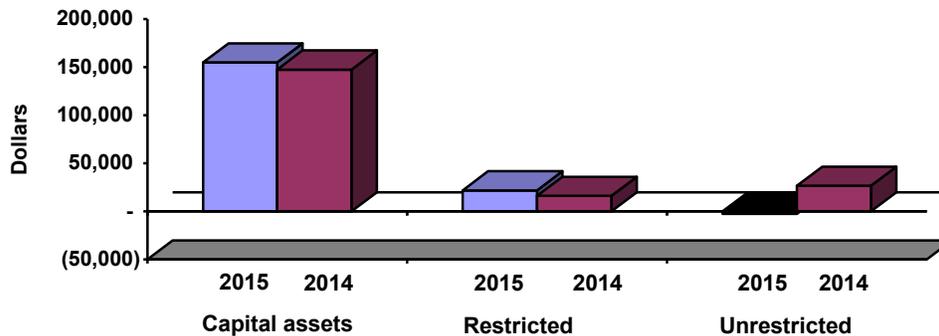
The largest portion of the County's net position, 89 percent, reflects its investment in capital assets (e.g., infrastructure, land, buildings, and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services 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, 2015

The County's combined net position decreased to \$174,264,000 for fiscal year 2015. A condensed version of the Statement of Net Position as of June 30, 2015 and June 30, 2014 follows:

	County of Linn Net Position (in thousands)					
	Governmental Activities		Business-type Activities		Total Government	
	2014		2014		2014	
	2015	(Not Restated)	2015	2014	2015	(Not Restated)
Current and other assets	\$ 126,990	\$ 120,391	\$ 589	\$ 582	\$ 127,579	\$ 120,973
Capital assets	<u>173,627</u>	<u>166,180</u>	<u>21</u>	<u>33</u>	<u>173,648</u>	<u>166,213</u>
Total assets	<u>300,617</u>	<u>286,571</u>	<u>610</u>	<u>615</u>	<u>301,227</u>	<u>287,186</u>
Deferred outflows of resources	<u>4,421</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,421</u>	<u>-</u>
Long-term liabilities	46,844	25,804	-	-	46,844	25,804
Other liabilities	<u>7,774</u>	<u>7,230</u>	<u>29</u>	<u>33</u>	<u>7,803</u>	<u>7,263</u>
Total liabilities	<u>54,618</u>	<u>33,034</u>	<u>29</u>	<u>33</u>	<u>54,647</u>	<u>33,067</u>
Deferred inflows of resources	<u>76,737</u>	<u>63,835</u>	<u>-</u>	<u>-</u>	<u>76,737</u>	<u>63,835</u>
Net position:						
Net investment in						
capital assets	154,959	147,507	21	33	154,980	147,540
Restricted	21,880	16,122	-	-	21,880	16,122
Unrestricted	<u>(3,156)</u>	<u>26,073</u>	<u>560</u>	<u>549</u>	<u>(2,596)</u>	<u>26,622</u>
Total net position	<u>\$ 173,683</u>	<u>\$ 189,702</u>	<u>\$ 581</u>	<u>\$ 582</u>	<u>\$ 174,264</u>	<u>\$ 190,284</u>

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 \$7,440,000 increase includes a \$7,435,000 increase in capital assets and a \$635,000 increase in general obligation bonds. Unrestricted net position – 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 – decreased \$29,218,000 at June 30, 2015.

Current and other assets increased \$6,606,000 to \$127,579,000. Included was an increase of \$6,468,000 or 12 percent in pooled cash and investments, an increase in unavailable property tax receivable of \$1,303,000 or 2 percent. The increase in pooled cash includes a \$1,068,000 increase in the general fund and a \$2,896,000 increase in the MH-DD fund. The general fund increase was a result of a reduction of workers compensation expenses and increasing the County’s unreserved fund balance to maintain the 25% fund balance policy as general fund budgeted appropriation increases. For FY 15, Linn County was one of nine counties included in a consortium created to redesign mental health services. The East Central Region (ECR) continues to collect property taxes for services previously provided by each county. The Region then requests payments from the counties for services rendered. The Region has yet to fully implement those programs. As a result the Region has only requested approximately half of the property taxes collect by Linn County from the MH-DD fund. The increase in unavailable property taxes is to support fiscal year 2017 operational increases.

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27 was implemented during fiscal year 2015. The beginning net position as of July 1, 2014 was restated by \$29,573,000 to retroactively report the net pension liability as of June 30, 2013 and deferred outflows of resources related to contributions made after June 30, 2013 but prior to July 1, 2014. Fiscal year 2013 and 2014 financial statement amounts for net pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources were not restated because the information was not available. In the past, pension expense was the amount of the employer contribution. Current reporting provides a more comprehensive measure of pension expense which is more reflective of the amounts employees earned during the year.

Statement of Activities for the Fiscal Year Ended June 30, 2015

A condensed version of the Statement of Activities as of June 30, 2015 and June 30, 2014 follows:

County of Linn Changes in Net Position
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2015	2014 (Not Restated)	2015	2014	2015	2014 (Not Restated)
Revenues:						
Program revenues:						
Charges for services	\$ 23,047	\$ 19,584	\$ 290	\$ 313	\$ 23,337	\$ 19,897
Operating grants and contributions	20,368	20,480	-	-	20,368	20,480
Capital grants and contributions	2,703	2,082	-	-	2,703	2,082
General revenues and transfers:						
Property taxes	58,618	58,003	-	-	58,618	58,003
Other county taxes	4,119	3,023	-	-	4,119	3,023
State replacements and credits	2,755	1,853	-	-	2,755	1,853
Investment income	158	358	1	-	159	358
Other general revenue	1,295	793	-	-	1,295	793
Total revenues	<u>113,063</u>	<u>106,176</u>	<u>291</u>	<u>313</u>	<u>113,354</u>	<u>106,489</u>
Expenses:						
Public safety and legal services	24,628	25,074	-	-	24,628	25,074
Physical health and social services	15,802	13,645	-	-	15,802	13,645
Mental health	13,794	14,727	292	298	14,086	15,025
County environment and education	7,238	7,167	-	-	7,238	7,167
Roads and transportation	15,915	17,065	-	-	15,915	17,065
Governmental services to residents	4,378	4,076	-	-	4,378	4,076
Administration	17,067	16,311	-	-	17,067	16,311
Interest on long-term debt	686	649	-	-	686	649
Total expenses	<u>99,508</u>	<u>98,714</u>	<u>292</u>	<u>298</u>	<u>99,800</u>	<u>99,012</u>
Change in net position	13,555	7,462	(1)	15	13,554	7,477
Beginning net position as restated	<u>160,128</u>	<u>182,240</u>	<u>582</u>	<u>567</u>	<u>160,710</u>	<u>182,807</u>
Ending net position	<u>\$ 173,683</u>	<u>\$ 189,702</u>	<u>\$ 581</u>	<u>\$ 582</u>	<u>\$ 174,264</u>	<u>\$ 190,284</u>

Governmental activities

Revenues for the County's governmental activities increased \$6,887,000 or 6.5% while total expenses increased \$794,000 or 0.8%. Key elements include:

- The \$615,000 or 1.1% increase in County property taxes represented overall valuation growth of 3.0% and \$0.03 increase in the countywide levy rate.
- The newly created ECR received charges for services revenue of \$1,790,000 for services provided the ECR. Also included in the \$3,463,000 increase was an additional \$1,373,800 public safety charges
- New State legislation created the business property and commercial and industrial replacement credits. replacing county property tax revenue. The \$902,000 increase in state replacements is a result of that legislation.
- The \$2,157,000 increase in physical health and social services expenses resulted from costs associated with the federally reimbursed Jump Start grants.
- The move toward regionalization and the loss of Medicaid match and state assistance resulted in significant service-delivery reductions and expenses of mental health services.
- 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 \$195,000 or 0.5% for the current 752 employees and an increase of \$376,000 from seven new 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.

Business-type activities

Options of Linn County, the County's sole business-type activity, decreased net position by \$1,000. Operating revenues decreased 7.3% to \$290,000, while operating expenses decreased 2.0% to \$292,000 resulting in operating loss of \$2,000 compared to operating income of \$15,000 for FY 14. 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 15. Clients in day habilitation services do not earn paychecks or participate in contract work, resulting in decreased revenue.
- Vocational services will no longer be offered, effective 7/1/16. Due to the phase out of the program, new contract work was not actively pursued and reimbursement rates for existing work were not re-negotiated.

Individual Major Fund Analysis

As the County completed the year, its governmental funds reported a combined fund balance of \$44,193,000, \$8,925,000 more than last year. The nonspendable fund balance of \$1,634,000 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 \$19,884,000.

General fund – General fund revenues increased \$5,201,000 or 7.7% while expenditures decreased \$2,351,000 or 3.6%. The revenue increase was a combination of a \$1,672,000 increase in property tax revenue and a \$2,864,000 increase in intergovernmental revenue. The property tax increase was the result valuation growth of 3.0% and a \$0.07 increase in the levy rate. The intergovernmental revenue increase was primarily the result of reduction in Jump Start grants and the new business property and commercial and industrial replacement credit. The expenditure increase is also related to costs associated with Jump Start.

Mental health fund – 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 expenditures of approximately \$739,000. FY15 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. Total fund balance increased \$3,868,000 as a result of the Region delay in implementing new programs for which property tax dollars had been levied.

Secondary roads fund – A \$1,496,000 increase in revenue and a \$1,288,000 decrease in expenditures resulted in a fund balance decrease of \$3,362,000 for FY 15. The revenue increase included an additional \$528,000 in Road Use Tax funding and a \$291,000 increase from other governments based on road projects billed to those governments. The expenditures decrease was a result of a \$1,085,000 reduction in road construction projects

Capital projects fund – The \$1,404,000 increase in revenue was primarily the result of additional Local Options Sales Tax (LOST) revenue while the expenditures increase \$2,557,000 related primarily to expending LOST proceeds. Additionally, expenditures included \$1,134,000 for completion of the \$1,171,000 Morgan Creek maintenance Shop.

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 2014 and resulted in an increase to the general fund expenditure budget of \$1,848,000 for an amended budget of \$67,398,000. The amendment included \$731,000 in deferred revenues from fiscal year 2014 grants, \$550,000 for funding of the Monroe Township fire station, local and special election costs of \$149,000 and hospital and medication costs related to the care of prisoners of \$106,000.

The second amendment in May of 2015 increased general fund expenditures \$224,000. The increase included sheriff public safety grant, staffing, and operational increases of \$328,000, county auditor real estate administration and election increases of \$113,000, and community services social services reductions of \$290,000. Sheriff grant and operational increases were matched by associated revenue increases. Staffing increases were a result of early hiring of new positions approved for fiscal year 2016. The county auditor real estate increase reflects costs associated with software implementation while elections costs were for additional elections held. The closing of the juvenile home in Toledo decreased the appropriation for social services.

Capital Assets and Debt Administration

County of Linn's Capital Assets						
(Net of Depreciation, in thousands)						
	Governmental		Business-type		Totals	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
Land	\$ 11,569	\$ 9,773	\$ -	\$ -	\$ 11,569	\$ 9,773
Buildings	59,333	60,638	-	-	59,333	60,638
Improvements other than buildings	8,464	5,643	-	-	8,464	5,643
Machinery and equipment	8,019	7,681	21	33	8,040	7,714
Infrastructure	58,014	58,224	-	-	58,014	58,224
Construction in progress	28,228	24,221	-	-	28,228	24,221
Total	<u>\$ 173,627</u>	<u>\$166,180</u>	<u>\$ 21</u>	<u>\$ 33</u>	<u>\$ 173,648</u>	<u>\$ 166,213</u>

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2015 was \$173,648,000 (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 4.5%. Major capital asset events during the fiscal year included the following:

- Completion of the \$1,171,000 Morgan Creek Shop and the \$2,865,000 Joint Fiber Project
- Completion of \$8,835,000 in roadway and bridge projects
- Machinery and equipment acquisitions of \$2,097,000 including \$1,127,000 in secondary roads and \$608,000 in public safety

Additional information on the County's capital assets can be found in note 4 pages 45 – 46 of this report.

Long-Term Debt

At the end of the current fiscal year, the County had total outstanding bonded debt of \$19,690,000. The full faith and credit of the County back all the general obligation debt. The limited obligation bonds are payable only from taxes levied on property within Monroe Township.

County of Linn's Outstanding Bonded Debt (in thousands)

	<u>2014</u>	<u>Additions</u>	<u>Payments</u>	<u>2015</u>
Governmental -				
General obligation bonds	\$ 18,525	\$ 1,750	\$ 1,115	\$ 19,160
Limited obligation bonds - Monroe Township	<u>-</u>	<u>550</u>	<u>20</u>	<u>530</u>
Total	<u>\$ 18,525</u>	<u>\$ 2,300</u>	<u>\$ 1,135</u>	<u>\$ 19,690</u>

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 46 – 48 of this report.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the County was 3.7 percent at the end of fiscal year 2015, below the national average of 5.3 percent. Total estimated employment increased 2,227 in fiscal year 2015 to 158,998. Personal income increased 2.1 percent to \$9.63 billion while per capita personal income increased \$568 to \$44,544.

Property taxes levied will increase \$1,239,000 or 2.0 percent from the fiscal 2015 budget. Valuation growth allows the County to maintain the countywide levy rate. The 2015 countywide levy rate is \$6.14 per thousand dollars of taxable value. Net property tax revenue represents 60.0 percent of total revenues compared to 53.6 percent for fiscal 2015. Rural residents will pay \$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, 2015

ASSETS:	Governmental Activities	Business-type Activities	Total
Pooled cash and investments	\$ 47,809,842	\$ 521,250	\$ 48,331,092
Receivables:			
Accounts	285,116	61,290	346,406
Property taxes:			
Delinquent	159,414	-	159,414
Succeeding year	65,138,324	-	65,138,324
Interest and penalties on property taxes	32,731	-	32,731
Accrued interest	18,061	65	18,126
Due from other governments	7,283,170	-	7,283,170
Due from individuals and private entities	187,116	-	187,116
Inventories and prepaid expenses	1,633,604	6,324	1,639,928
Investment in joint venture	4,443,000	-	4,443,000
Capital assets:			
Land and construction in progress	39,796,815	-	39,796,815
Other capital assets net of accumulated depreciation	133,829,688	21,407	133,851,095
Total capital assets	<u>173,626,503</u>	<u>21,407</u>	<u>173,647,910</u>
TOTAL ASSETS	<u>300,616,881</u>	<u>610,336</u>	<u>301,227,217</u>
DEFERRED OUTFLOWS OF RESOURCES -			
Pension related deferred outflows	<u>4,421,144</u>	-	<u>4,421,144</u>
LIABILITIES:			
Accounts payable	5,416,668	1,567	5,418,235
Salaries and benefits payable	2,162,032	27,554	2,189,586
Accrued interest payable	56,494	-	56,494
Due to other governments	138,910	-	138,910
Long-term liabilities:			
Portion due or payable within one year:			
General obligation bonds payable	1,255,000	-	1,255,000
Capital lease obligations	77,716	-	77,716
Compensated absences	4,089,590	-	4,089,590
Portion due or payable after one year:			
General obligation bonds payable	18,435,000	-	18,435,000
Capital lease obligations	92,134	-	92,134
Net pension liability	19,695,076	-	19,695,076
Other post employment benefits	1,707,987	-	1,707,987
Compensated absences	1,491,546	-	1,491,546
Total long-term liabilities	<u>46,844,049</u>	<u>-</u>	<u>46,844,049</u>
TOTAL LIABILITIES	<u>54,618,153</u>	<u>29,121</u>	<u>54,647,274</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable property tax revenue	65,138,324	-	65,138,324
Pension related deferred inflows	11,598,712	-	11,598,712
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>76,737,036</u>	<u>-</u>	<u>76,737,036</u>
NET POSITION:			
Net investment in capital assets	154,959,483	21,407	154,980,890
Restricted for:			
Supplemental levy purposes	491,458	-	491,458
MH-DD services	8,915,765	-	8,915,765
Secondary roads	4,896,376	-	4,896,376
Capital projects	4,522,960	-	4,522,960
Other purposes	2,934,875	-	2,934,875
Debt service	117,674	-	117,674
Unrestricted	<u>(3,155,755)</u>	<u>559,808</u>	<u>(2,595,947)</u>
TOTAL NET POSITION	<u>\$ 173,682,836</u>	<u>\$ 581,215</u>	<u>\$ 174,264,051</u>

See notes to financial statements.

COUNTY OF LINN, IOWA

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Public safety and legal services	\$ 24,628,015	\$ 6,279,006	\$ 447,308	\$ -
Physical health and social services	15,801,955	856,995	5,786,523	-
Mental health	13,794,070	8,727,875	714,530	-
County environment and education	7,238,135	1,287,996	3,082,847	-
Roads and transportation	15,915,357	1,543,361	10,066,097	1,815,755
Governmental services to residents	4,377,991	3,518,499	-	174,434
Administration	17,067,000	833,184	270,981	712,503
Interest on long-term debt	685,601	-	-	-
Total governmental activities	<u>99,508,124</u>	<u>23,046,916</u>	<u>20,368,286</u>	<u>2,702,692</u>
Business-type activities -				
Options of Linn County	291,858	289,869	-	-
Total	<u>\$ 99,799,982</u>	<u>\$ 23,336,785</u>	<u>\$ 20,368,286</u>	<u>\$ 2,702,692</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
\$ (17,901,701)	\$ -	\$ (17,901,701)
(9,158,437)	-	(9,158,437)
(4,351,665)	-	(4,351,665)
(2,867,292)	-	(2,867,292)
(2,490,144)	-	(2,490,144)
(685,058)	-	(685,058)
(15,250,332)	-	(15,250,332)
(685,601)	-	(685,601)
<u>(53,390,230)</u>	<u>-</u>	<u>(53,390,230)</u>
-	(1,989)	(1,989)
<u>(53,390,230)</u>	<u>(1,989)</u>	<u>(53,392,219)</u>
57,081,263	-	57,081,263
1,535,509	-	1,535,509
532,775	-	532,775
3,962,435	-	3,962,435
156,687	-	156,687
2,755,148	-	2,755,148
157,970	771	158,741
763,037	-	763,037
<u>66,944,824</u>	<u>771</u>	<u>66,945,595</u>
13,554,594	(1,218)	13,553,376
160,128,242	582,433	160,710,675
<u>\$ 173,682,836</u>	<u>\$ 581,215</u>	<u>\$ 174,264,051</u>

COUNTY OF LINN, IOWA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds		
	General	MH-DD Services	Secondary Roads
ASSETS:			
Cash and investments:			
Pooled cash and investments	\$ 20,237,469	\$ 8,670,661	\$ 3,538,776
Other county officials	890,033	-	1,704
Receivables:			
Accounts	216,681	-	13,173
Property taxes:			
Delinquent	123,109	23,146	-
Succeeding year	51,207,088	8,195,141	-
Interest and penalties on property taxes	32,731	-	-
Accrued interest	18,035	-	-
Due from other governments	2,439,029	400,819	1,004,653
Due from individuals and private entities	187,116	-	-
Inventories	298,640	-	947,969
Prepaid items	297,770	56,599	-
TOTAL ASSETS	\$ 75,947,701	\$ 17,346,366	\$ 5,506,275
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:			
Liabilities:			
Accounts payable	\$ 1,446,059	\$ 202,195	\$ 447,747
Salaries and benefits payable	1,699,162	19,244	162,152
Due to other governments	117,008	18,811	-
Total liabilities	3,262,229	240,250	609,899
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	51,207,088	8,195,141	-
Other	543,928	49,488	48,087
Total deferred inflows of resources	51,751,016	8,244,629	48,087
Fund balances:			
Nonspendable	596,410	56,599	947,969
Restricted	453,652	8,804,888	3,900,320
Committed	-	-	-
Unassigned	19,884,394	-	-
Total fund balances	20,934,456	8,861,487	4,848,289
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 75,947,701	\$ 17,346,366	\$ 5,506,275

See notes to financial statements.

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 6,400,689	\$ 1,804,596	\$ 40,652,191
-	13,005	904,742
42,899	12,363	285,116
-	13,159	159,414
-	5,736,095	65,138,324
-	-	32,731
-	23	18,058
1,348,255	2,090,414	7,283,170
-	-	187,116
-	7,658	1,254,267
2,500	22,468	379,337
<u>\$ 7,794,343</u>	<u>\$ 9,699,781</u>	<u>\$ 116,294,466</u>
\$ 1,604,556	\$ 85,092	\$ 3,785,649
-	281,474	2,162,032
-	3,091	138,910
<u>1,604,556</u>	<u>369,657</u>	<u>6,086,591</u>
-	5,736,095	65,138,324
223,291	11,480	876,274
<u>223,291</u>	<u>5,747,575</u>	<u>66,014,598</u>
2,500	30,126	1,633,604
5,087,786	3,552,423	21,799,069
876,210	-	876,210
-	-	19,884,394
<u>5,966,496</u>	<u>3,582,549</u>	<u>44,193,277</u>
<u>\$ 7,794,343</u>	<u>\$ 9,699,781</u>	<u>\$ 116,294,466</u>

COUNTY OF LINN, IOWA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

Total fund balances for governmental funds		\$	44,193,277
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.			173,626,503
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.			4,443,000
Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds			876,274
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.			4,621,893
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds as follows:			
Deferred outflows of resources		4,421,144	
Deferred inflows of resources		<u>(11,598,712)</u>	
			(7,177,568)
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	\$	(56,494)	
Bonds payable		(19,690,000)	
Capital leases		(169,850)	
Net pension liability		(19,695,076)	
Other post employment benefits		(1,707,987)	
Compensated absences		<u>(5,581,136)</u>	
Total long-term debt liabilities			<u>(46,900,543)</u>
Total net position of governmental activities		\$	<u>173,682,836</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, 2015

	General	Special Revenue Funds	
		MH-DD Services	Secondary Roads
REVENUES:			
Property taxes	\$ 46,126,634	\$ 7,415,888	\$ -
Other county taxes	2,331,350	369,595	-
Interest and penalty on taxes	681,823	-	-
Intergovernmental	14,126,232	3,345,236	7,653,384
Licenses and permits	937,229	-	58,692
Charges for services	6,544,905	25,986	168,267
Use of money and property	536,321	-	-
Miscellaneous	1,314,268	8	225,082
Total revenues	<u>72,598,762</u>	<u>11,156,713</u>	<u>8,105,425</u>
EXPENDITURES:			
Current:			
Public safety and legal services	24,814,782	-	-
Physical health and social services	15,683,683	-	-
Mental health	-	7,288,658	-
County environment and education	6,231,931	-	-
Roads and transportation	1,818,256	-	10,443,872
Governmental services to residents	4,282,761	-	-
Administration	14,805,768	-	-
Capital projects	-	-	1,023,297
Debt service	-	-	-
Total expenditures	<u>67,637,181</u>	<u>7,288,658</u>	<u>11,467,169</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,961,581</u>	<u>3,868,055</u>	<u>(3,361,744)</u>
OTHER FINANCING SOURCES (USES):			
Sale of capital assets	42,365	-	121,426
Issuance of long-term debt	26,200	-	-
Provision for capital leases and installment purchases	101,853	-	-
Transfers in	9,872,819	-	5,795,752
Transfers out	(14,000,619)	-	-
Total other financing sources (uses)	<u>(3,957,382)</u>	<u>-</u>	<u>5,917,178</u>
NET CHANGE IN FUND BALANCES	1,004,199	3,868,055	2,555,434
FUND BALANCES - BEGINNING OF YEAR	19,894,416	4,993,432	2,425,561
INCREASE (DECREASE) IN INVENTORY RESERVES	<u>35,841</u>	<u>-</u>	<u>(132,706)</u>
FUND BALANCES - END OF YEAR	<u>\$ 20,934,456</u>	<u>\$ 8,861,487</u>	<u>\$ 4,848,289</u>

See notes to financial statements.

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 5,089,603	\$ 58,632,125
4,324,243	1,695,818	8,721,006
-	-	681,823
2,949,736	6,428,857	34,503,445
-	-	995,921
243,769	1,124,837	8,107,764
38,750	1,990	577,061
117,148	124	1,656,630
<u>7,673,646</u>	<u>14,341,229</u>	<u>113,875,775</u>
-	442,929	25,257,711
-	-	15,683,683
-	6,402,920	13,691,578
21,424	553,361	6,806,716
-	378,334	12,640,462
-	48,974	4,331,735
-	-	14,805,768
11,139,028	264,133	12,426,458
-	1,817,067	1,817,067
<u>11,160,452</u>	<u>9,907,718</u>	<u>107,461,178</u>
<u>(3,486,806)</u>	<u>4,433,511</u>	<u>6,414,597</u>
34,500	-	198,291
1,723,800	550,000	2,300,000
-	7,142	108,995
2,763,000	-	18,431,571
(250,000)	(4,180,952)	(18,431,571)
<u>4,271,300</u>	<u>(3,623,810)</u>	<u>2,607,286</u>
784,494	809,701	9,021,883
5,182,002	2,772,123	35,267,534
-	725	(96,140)
<u>\$ 5,966,496</u>	<u>\$ 3,582,549</u>	<u>\$ 44,193,277</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, 2015

Net change in fund balances - total governmental funds		\$ 9,021,883
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay	\$ 15,789,350	
Depreciation	<u>(7,679,688)</u>	8,109,662
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(662,980)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(2,308,285)
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 issuance	(2,300,000)	
General obligation bonds principal repayment	<u>1,135,000</u>	(1,165,000)
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.		(21,890)
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.		(96,140)
The current year County employer share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position		3,953,338
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	(19,499)	
Other post employment benefits annual required contribution	(138,597)	
Pension expense	(1,252,610)	
Interest on long-term debt	<u>(3,534)</u>	(1,414,240)
Internal service funds are used by management to charge costs of insurance to individual funds. The net revenue (expenses) of certain activities of internal service funds is reported with governmental activities.		<u>(1,861,754)</u>
Change in net position of governmental activities		<u>\$ 13,554,594</u>

See notes to financial statements

COUNTY OF LINN, IOWA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2015

	<u>Nonmajor Enterprise Fund - Options</u>	<u>Internal Service Funds</u>
CASH FLOWS FROM (FOR) OPERATING ACTIVITIES:		
Cash received from customers	\$ 290,798	\$ -
Cash received from other funds	-	11,670,081
Cash received from insurance claims	-	765,591
Cash received from employees	-	374,440
Cash paid to suppliers	(38,479)	-
Cash paid to employees	(244,967)	(37,761)
Cash paid for insurance claims and premiums	-	(13,604,728)
Cash paid for services	-	(828,408)
NET CASH FROM (FOR) OPERATING ACTIVITIES	<u>7,352</u>	<u>(1,660,785)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES - Interest on investments	<u>769</u>	<u>31</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	8,121	(1,660,754)
 CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>513,130</u>	<u>7,913,663</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 521,251</u>	<u>\$ 6,252,909</u>
 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:		
 OPERATING INCOME (LOSS)	<u>\$ (1,989)</u>	<u>\$ (1,861,785)</u>
 ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH FROM (FOR) OPERATING ACTIVITIES:		
Depreciation	11,281	-
Decrease in accounts receivable	929	-
Decrease in inventories and prepaid expenses	741	-
Increase (decrease) in accounts payable	(207)	201,000
Increase in salaries and benefits payable	(3,403)	-
Total adjustments	<u>9,341</u>	<u>201,000</u>
NET CASH FROM (FOR) OPERATING ACTIVITIES	<u>\$ 7,352</u>	<u>\$ (1,660,785)</u>

See notes to financial statements.

COUNTY OF LINN, IOWA

STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015

	Deferred Compensation Trust Fund	Agency Funds
	<hr/>	<hr/>
ASSETS:		
Cash and investments:		
Pooled cash and investments	\$ -	\$ 11,945,784
Cash - Other county officials	-	735,602
Investments	1,134,565	-
Receivables:		
Property taxes:		
Delinquent	-	809,847
Succeeding year	-	315,252,761
Special assessments	-	224,500
Due from individuals and private entities	-	1,686
TOTAL ASSETS	<hr/> 1,134,565 <hr/>	<hr/> 328,970,180 <hr/>
LIABILITIES:		
Due to other governments	-	328,484,796
Due to individuals and private entities	-	485,384
TOTAL LIABILITIES	<hr/> - <hr/>	<hr/> 328,970,180 <hr/>
NET POSITION - Held in trust for deferred compensation	<hr/> <u>\$ 1,134,565</u> <hr/>	<hr/> <u>\$ -</u> <hr/>

See notes to financial statements.

COUNTY OF LINN, IOWA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2015

	<u>Deferred Compensation Trust Fund</u>
ADDITIONS:	
Employee contributions	\$ 20,165
Net increase in the fair value of investments	<u>30,492</u>
Total additions	<u>50,657</u>
DEDUCTIONS - Redemption of contributions to employee or beneficiaries	<u>632,164</u>
CHANGE IN NET POSITION	(581,507)
TOTAL NET POSITION - BEGINNING	<u>1,716,072</u>
TOTAL NET POSITION - ENDING	<u>\$ 1,134,565</u>

See notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

B. Basis of Presentation

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

The County reports the following major governmental funds:

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

Special Revenue Funds – The MH-DD Services Fund is used to account for property taxes and other revenues designated to be used to fund mental health, intellectual disabilities, 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 – The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Additionally, the County reports the following funds:

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

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

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

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

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

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½ percent per month penalty for delinquent payments; is based on January 1, 2013 assessed property valuations; is for the tax accrual period July 1, 2014 through June 30, 2015 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2014.

Due from and Due to Other Funds – During the course of its operations, the County has numerous transactions between funds. To the extent that certain transactions between funds had not been paid or received as of June 30, 2015, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

Capital Assets – Capital assets, which include property, intangibles, equipment and vehicles, and infrastructure assets (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the government), are reported in the governmental activities column in the government-wide statement of net 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 – 50
Building improvements	25 – 50
Infrastructure	10 – 65
Intangibles	10 – 15
Equipment	3 – 20
Vehicles	3 – 15

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

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

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer’s reporting period.

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

Compensated Absences – Generally, County employees accumulate sick leave days for subsequent use. The County does not recognize this accumulation as a disbursement until it is paid since sick leave does not vest. County employees also accumulate vacation days for subsequent use. A liability is recorded when incurred in the government-wide, proprietary fund, and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2015. The compensated absences liability attributable to the governmental activities will be paid primarily by the General fund and the MH-DD Services, Rural Services, and Secondary Roads Special Revenue funds as statutorily required.

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

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees’ Retirement System (IPERS) and additions to/deductions from IPERS’ fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources – Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. 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, and other unrecognized items not yet charged to pension expense.

Fund Equity – In the governmental fund financial statements, fund balances are classified as follows:

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

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

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

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

Unassigned – all amounts not included in other classifications.

Net Position – 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, 2015, fund balances are composed of the following:

	Major					Total
	General	MH-DD Services	Secondary Roads	Capital Projects	Other Governmental	
Fund balances:						
Nonspendable:						
Inventories	\$ 298,640	\$ -	\$ 947,969	\$ -	\$ 7,658	\$ 1,254,267
Prepaid items	297,770	56,599	-	2,500	22,468	379,337
Subtotal nonspendable	596,410	56,599	947,969	2,500	30,126	1,633,604
Restricted:						
Supplemental levy purposes	453,652	-	-	-	-	453,652
Mental health purposes	-	8,804,888	-	-	-	8,804,888
Secondary roads	-	-	3,900,320	-	-	3,900,320
Capital projects	-	-	-	5,087,786	-	5,087,786
Other purposes:						
Rural services	-	-	-	-	655,176	655,176
County direct services	-	-	-	-	1,565,894	1,565,894
Other	-	-	-	-	1,331,353	1,331,353
Subtotal restricted	453,652	8,804,888	3,900,320	5,087,786	3,552,423	21,799,069
Committed	-	-	-	876,210	-	876,210
Unassigned	19,884,394	-	-	-	-	19,884,394
Total fund balance	\$ 20,934,456	\$ 8,861,487	\$ 4,848,289	\$ 5,966,496	\$ 3,582,549	\$ 44,193,277

E. Budgets and Budgetary Accounting

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

F. Implementation of GASB Statement Number 68 and Statement Number 71

As of July 1, 2014 the County adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of these standards requires governments calculate and report the costs and obligations associated with pensions in their basic financial statements. Employers are required to recognize pension amounts for all benefits provided through the plan which include the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. The effect of the implementation of these standards on beginning net position is disclosed in Note 16 and the additional disclosures required by these standards are included in Note 6.

2. CASH AND INVESTMENTS

The County's deposits in banks at June 30, 2015 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, 2015, the carrying amount of the County's deposits with financial institutions, which include certificates of deposit, was \$59,303,692, and the bank balances were \$59,909,802.

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.

At June 30, 2015, the County had the following investments:

Investment Type:	Fair Value	Maturity
FFCB	\$ 350,501	December 2015
FHLMC	350,760	August 2015
FNMA	294,410	August 2015
Total	<u>\$ 995,671</u>	

In addition, the County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$684,570 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. Generally, credit risk is the risk of that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating agency. 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 \$1,134,565 at June 30, 2015. GNMA's are fully backed by the United States Government.

As of June 30, 2015 the County had the following ratings:

Investment Type:	Moody's	Standard & Poors
FFCB	Aaa	AA+
FHLMC	Aaa	AA+
FNMA	Aaa	AA+

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's investments are not exposed to custodial credit risk as of June 30, 2015 as they are held by financial institutions in the name of the County.

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, 2015. 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 \$2.78 for the year ended June 30, 2015.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 9,773,344	\$ 2,021,315	\$ 226,000	\$ 11,568,659
Construction in progress	24,221,153	11,691,087	7,684,084	28,228,156
Total capital assets not being depreciated	<u>33,994,497</u>	<u>13,712,402</u>	<u>7,910,084</u>	<u>39,796,815</u>
Capital assets being depreciated:				
Infrastructure	89,169,505	3,204,571	-	92,374,076
Buildings	77,917,587	1,170,141	667,649	78,420,079
Improvements other than buildings	6,888,840	3,289,693	-	10,178,533
Machinery and equipment	22,490,736	2,096,627	1,767,861	22,819,502
Total capital assets being depreciated	<u>196,466,668</u>	<u>9,761,032</u>	<u>2,435,510</u>	<u>203,792,190</u>
Less accumulated depreciation for:				
Infrastructure	30,946,114	3,413,708	-	34,359,822
Buildings	17,279,734	2,344,958	537,952	19,086,740
Improvements other than buildings	1,246,039	468,704	-	1,714,743
Machinery and equipment	14,809,457	1,452,318	1,460,578	14,801,197
Total accumulated depreciation	<u>64,281,344</u>	<u>7,679,688</u>	<u>1,998,530</u>	<u>69,962,502</u>
Total capital assets being depreciated, net	<u>132,185,324</u>	<u>2,081,344</u>	<u>436,980</u>	<u>133,829,688</u>
Governmental activities capital assets, net	<u>\$ 166,179,821</u>	<u>\$ 15,793,746</u>	<u>\$ 8,347,064</u>	<u>\$ 173,626,503</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business - type activities:				
Capital assets being depreciated -				
Machinery and equipment	\$ 136,214	\$ -	\$ -	\$ 136,214
Less accumulated depreciation for -				
Machinery and equipment	103,526	11,281	-	114,807
Business-type activities capital assets, net	<u>\$ 32,688</u>	<u>\$ 11,281</u>	<u>\$ -</u>	<u>\$ 21,407</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 498,807
Physical health and social services	180,361
Mental health	40,899
County environment and education	666,138
Roads and transportation	4,040,591
Governmental services to residents	56,247
Administration	<u>2,196,645</u>
Total depreciation expense - governmental activities	<u>\$ 7,679,688</u>
Business-type activities - Mental health	<u>\$ 11,281</u>

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

	Contract Amount	Expended To Date	Remaining Commitment
Software	\$ 2,770,501	\$ 2,428,161	\$ 342,340
Conservation trails and bridges	2,490,217	888,598	1,601,619
Building projects	24,717,507	22,764,809	1,952,698
Road construction projects	<u>4,324,354</u>	<u>1,599,901</u>	<u>2,724,453</u>
	<u>\$ 34,302,579</u>	<u>\$ 27,681,469</u>	<u>\$ 6,621,110</u>

5. LONG-TERM OBLIGATION ACTIVITY

Changes in long-term obligations for the year ended June 30, 2015 are as follows:

	Balance			Balance June 30, 2015	Due Within One Year
	June 30, 2014 Restated	Increases	Decreases		
General obligation bonds	\$18,525,000	\$ 1,750,000	\$ 1,115,000	\$ 19,160,000	\$ 1,235,000
Limited obligation bonds	-	550,000	20,000	530,000	20,000
Capital lease obligations	147,960	108,995	87,105	169,850	77,716
Compensated absences	5,561,637	4,038,090	4,018,591	5,581,136	4,089,590
Net pension liability	33,480,929	-	13,785,853	19,695,076	-
Net OPEB liability	<u>1,569,390</u>	<u>454,156</u>	<u>315,559</u>	<u>1,707,987</u>	<u>-</u>
	<u>\$59,284,916</u>	<u>\$ 6,901,241</u>	<u>\$19,342,108</u>	<u>\$ 46,844,049</u>	<u>\$ 5,422,306</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 \$19,160,000 are outstanding as of June 30, 2015. 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, 2015, are comprised of the following individual issues:

	Date of Issue	Amount Issued	Interest Rates	Outstanding June 30, 2015
General Obligation Bonds:				
Elections Depot	December, 2009	\$ 1,000,000	1.50 - 5.75 %	\$ 800,000
Juvenile Courthouse	September, 2010	2,995,000	1.50 - 5.75%	2,450,000
Building Improvements	December, 2010	10,260,000	0.85 - 5.50%	8,405,000
Joint Communications	October, 2011	7,650,000	1.00 - 2.70%	5,755,000
County Building	September, 2014	1,750,000	2.00 - 3.50%	1,750,000
				<u>\$ 19,160,000</u>

Summary of Principal and Interest Maturities

Annual debt service requirements to service all outstanding general obligation bonds as of June 30, 2015 are as follows:

Year Ending June 30	Principal	Interest	IRS Credit	Total
2016	\$ 1,235,000	\$ 668,493	\$ (174,346)	\$ 1,729,147
2017	1,245,000	643,705	(168,872)	1,719,833
2018	1,275,000	617,040	(162,768)	1,729,272
2019	1,295,000	586,510	(155,364)	1,726,146
2020	1,325,000	549,975	(146,777)	1,728,198
2021-2025	7,140,000	2,090,617	(577,696)	8,652,921
2026-2030	5,645,000	778,245	(242,727)	6,180,518
	<u>\$ 19,160,000</u>	<u>\$ 5,934,585</u>	<u>\$ (1,628,550)</u>	<u>\$ 23,466,035</u>

Limited Obligation Bonds

During the fiscal year ended June 30, 2015, the County entered into a township fire station note on behalf of Monroe Township. The note was issued to pay a portion of the cost to build a new fire station in Monroe Township. The interest rate ranges between 1.75% and 4.00% with final maturity due in the year ended June 30, 2034. Interest and principal payments on all limited obligation bonds are accounted for through the Debt Service Fund.

Summary of Principal and Interest Maturities

Annual debt service requirements to service the outstanding limited obligation bonds as of June 30, 2015 are as follows:

Year Ending June 30	Principal	Interest	Township Repayment	Total
2016	\$ 20,000	\$ 9,430	\$ (29,430)	\$ -
2017	20,000	9,049	(29,049)	-
2018	20,000	8,694	(28,694)	-
2019	20,000	8,339	(28,339)	-
2020	25,000	13,725	(38,725)	-
2021-2025	130,000	57,060	(187,060)	-
2026-2030	155,000	45,143	(200,143)	-
2031-2034	140,000	14,206	(154,206)	-
	<u>\$ 530,000</u>	<u>\$ 165,646</u>	<u>\$ (695,646)</u>	<u>\$ -</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, 2015, the statutory limit for the County was \$847,709,000, providing a legal debt margin of \$828,549,000.

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, 2015, there were 26 series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$72,253,286.

6. PENSION PLAN

Plan Description - IPERS membership is mandatory for employees of the County, except for those covered by another retirement system. Employees of the County are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits - A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier (based on years of service).

- The member's highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.)

Sheriff and deputy and protection occupation members may retire at normal retirement age which is generally at age 55. Sheriff and deputy and protection occupation members may retire any time after reaching age 50 with 22 or more years of covered employment.

The formula used to calculate a sheriff and deputy and protection occupation members' monthly IPERS benefit includes:

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for years of service greater than 22 but not more than 30 years of service.
- The member's highest three-year average salary.

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits - A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions - Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2015, pursuant to the required rate, Regular members contributed 5.95 percent of pay and the County contributed 8.93 percent for a total rate of 14.88 percent. Sheriff and deputy members and the County both contributed 9.88 percent of pay for a total rate of 19.76 percent. Protection occupation members contributed 6.76 percent of pay and the County contributed 10.14 percent for a total rate of 16.90 percent.

The County's contributions to IPERS for the year ended June 30, 2015 were \$3,953,338.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the County reported a liability of \$19,695,076 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the County's collective proportion was .4966%, which was a decrease of .0865% from its collective proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$1,252,610. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Outflow of Resources	Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 136,864
Changes of assumptions	467,806	-
Net difference between projected and actual earnings on pension plan and investments	-	10,833,981
Changes in proportion and differences between County contributions and proportionate share of contributions	-	627,867
County contributions subsequent to the measurement date	3,953,338	-
Total	\$ 4,421,144	\$ 11,598,712

\$3,953,338 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Total
2016	\$ (2,777,872)
2017	(2,777,872)
2018	(2,777,872)
2019	(2,777,872)
2020	(19,418)
	\$ (11,130,906)

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions - The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Assumption	Effective Date June 30,	Rate
Rate of inflation	2014	3.00 % per annum
Rates of salary increase	2010	4.00 to 17.00 %, average, including inflation. Rates vary by membership group
Long-term investment rate of return	1996	7.50 %, compounded annually, net of investment expense, including inflation

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
US equity	23%	6.31%
Non US equity	15%	6.76%
Private equity	13%	11.34%
Real estate	8%	3.52%
Core plus fixed income	28%	2.06%
Credit opportunities	5%	3.67%
TIPS	5%	1.92%
Other real assets	2%	6.27%
Cash	1%	-0.69%
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the County will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1.0% Decrease (6.5%)	Discount Rate (7.5%)	1.0% Increase (8.5%)
County's proportionate share of the net pension liability (asset)	\$ 44,432,406	\$ 19,695,076	\$ (1,157,134)

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to the Pension Plan - At June 30, 2015, the County has no payables to the defined benefit pension plan for legally required employer contributions and none for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

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, 2015, the amount actually contributed to the plan and changes in the County’s net OPEB obligation:

Annual required contribution	\$	438,575
Interest on net OPEB obligation		78,470
Adjustment to annual required contribution		<u>(62,889)</u>
Annual OPEB cost		454,156
Contributions made		<u>(315,559)</u>
Increase in net OPEB obligation		138,597
Net OPEB obligation - beginning of year		<u>1,569,390</u>
Net OPEB obligation - end of year	\$	<u><u>1,707,987</u></u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2015.

For the year ended June 30, 2015, the County contributed \$315,559 to the medical plan. Plan members eligible for benefits contributed \$348,217, or 52.5% 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, 2015 are summarized as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2013	\$ 404,563	24.9%	\$ 1,466,696
June 30, 2014	417,850	75.4%	1,569,390
June 30, 2015	454,156	69.4%	1,707,987

Funded Status and Funding Progress – As of July 1, 2013, the most recent actuarial valuation date for the period July 1, 2014 through June 2015, the actuarial accrued liability was \$4,545,695 with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,545,695. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$41,179,409 and the ratio of the UAAL to covered payroll was 11.0%. As of June 30, 2015, 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 – 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, 2015	Year Ended June 30, 2014
Accounts payable - beginning of year	\$ 686,019	\$ 707,019
Incurred claims	11,408,494	10,423,491
Claim payments	(11,178,494)	(10,444,491)
Accounts payable - end of year	<u>\$ 916,019</u>	<u>\$ 686,019</u>

Self-insurance is in effect up to a calculated rating period aggregate deductible of \$11,443,088 for 2015. 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, 2015, the Employee Health and Dental Fund held \$6,003,772 in pooled cash and investments available for payment of these claims.

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

	Year Ended June 30, 2015	Year Ended June 30, 2014
Accounts payable - beginning of year	\$ -	\$ -
Incurred claims	23,468	67,287
Claim payments	(23,468)	(67,287)
Accounts payable - end of year	<u>\$ -</u>	<u>\$ -</u>

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

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

	Year Ended June 30, 2015	Year Ended June 30, 2014
Accounts payable - beginning of year	\$ 744,000	\$ 779,000
Incurred claims	2,497,810	1,989,317
Claim payments	(2,526,810)	(2,024,317)
Accounts payable - end of year	<u>\$ 715,000</u>	<u>\$ 744,000</u>

At June 30, 2015, the Self-Insurance Fund had \$249,137 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, 2015 is as follows:

	Interfund Transfers In	Interfund Transfers Out
General fund	\$ 9,872,819	\$ 14,000,619
Secondary roads fund	5,795,752	-
Capital projects fund	2,763,000	250,000
Nonmajor governmental funds	-	4,180,952
Total	<u>\$ 18,431,571</u>	<u>\$ 18,431,571</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, 2015, 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 2020. 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, 2015:

Year Ending June 30	Capital Leases	Operating Leases
2016	\$ 78,035	\$ 375,993
2017	61,667	327,226
2018	26,366	291,975
2019	4,007	194,650
2020	159	-
Total minimum lease payments	170,234	<u>\$ 1,189,844</u>
Less amounts representing interest	(384)	
Present value of minimum lease payments	<u>\$ 169,850</u>	

Lease expenditures for the year ended June 30, 2015, for all operating leases were \$373,528.

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, 2015 is as follows:

	Early Childhood	School Ready	Total
Revenues:			
State of Iowa grants:			
Early childhood	\$ 394,128	\$ -	\$ 394,128
Family support and parent education	-	631,560	631,560
Preschool support for low-income families	-	288,430	288,430
Quality improvement	-	74,903	74,903
Allocation for administration	20,744	32,543	53,287
Other grant programs	691	71,534	72,225
Total state of Iowa grants	415,563	1,098,970	1,514,533
Interest on investments	537	1,052	1,589
Total revenue	416,100	1,100,022	1,516,122
Expenditures:			
Program services:			
Early childhood	381,541	-	381,541
Family support & parent education	-	599,097	599,097
Preschool support for low income families	-	288,042	288,042
Quality improvement	-	85,440	85,440
Other program services	-	69,688	69,688
Total program services	381,541	1,042,267	1,423,808
Administration	23,859	34,600	58,459
Total expenditures	405,400	1,076,867	1,482,267
Net change in fund balance	10,700	23,155	33,855
Fund balance at beginning of year	48,846	136,153	184,999
Fund balance at end of year	\$ 59,546	\$ 159,308	\$ 218,854

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, 2015, the agency's equity was \$45.4 million of which 9.8% or \$4,443,000 was the County's equity interest. The previous year, the equity interest for the County was \$4,504,000. 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. LINN COUNTY FINANCIAL INFORMATION INCLUDED IN THE EAST CENTRAL REGION

East Central Region, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa which became effective July 1, 2014, includes the following member counties: Bremer, Buchanan, Delaware, Dubuque, Iowa, Johnson, Jones, and Linn County. The financial activity of Linn County's Special Revenue, Mental Health Fund is included in the East Central Region for the year ended June 30, 2015 as follows:

Revenues:		
Property and other county tax		\$ 7,785,483
Intergovernmental revenues:		
State tax credits	\$ 427,671	
Social services block grant	924,105	
Medicaid	203,392	
Other intergovernmental revenues	<u>1,790,068</u>	3,345,236
Other revenue		<u>25,994</u>
Total revenues		<u>11,156,713</u>
Expenditures:		
Services to persons with:		
Mental illness	429,049	
Intellectual disability	<u>23,710</u>	452,759
General administration		
Direct administration	1,842,241	
Distribution to regional fiscal agent	<u>4,993,658</u>	<u>6,835,899</u>
Total expenditures		<u>7,288,658</u>
Excess of revenues over expenditures		3,868,055
Fund balance beginning of the year		<u>4,993,432</u>
Fund balance end of the year		<u>\$ 8,861,487</u>

16. ACCOUNTING CHANGE/RESTATEMENT

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27 was implemented during fiscal year 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, GASB Statement No. 68 requires a state or local government employer to recognize a net pension liability and changes in the net pension liability, deferred outflows of resources and deferred inflows of resources which arise from other types of events related to pensions. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources will not be reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension liability which is required to be reported by Governmental Accounting Standards Board Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Beginning net position for governmental activities was restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date, as follows:

	Government Activities
Net position June 30, 2014, as previously reported	\$ 189,701,614
Net pension liability at June 30, 2014	(33,480,929)
Deferred outflows of resources related to prior year contributions made after the June 30, 2013 measurement date	3,907,557
Net position July 1, 2014, as restated	<u>\$ 160,128,242</u>

17. NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STANDARDS

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

Statement No. 72, Fair Value Measurement and Application, issued February 2015, will be effective for the fiscal year ending June 30, 2016. The objective of this statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements.

Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, will be effective for fiscal year ending June 30, 2016. The objective is to improve the usefulness of information for decisions made by the various users of the general purpose external financial reports (financial reports) of governments whose employees – both active employees and inactive employees – are provided with pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as amended.

Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other than Pension Plans, will be effective for the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.

Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, will be effective for fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, will be effective for the fiscal year June 30, 2016. The objective of this Statement is to identify – in the context of the

current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles.

Statement No. 77, Tax Abatement Disclosures, will be effective for the fiscal year June 30, 2017. The objective of this Statement is to improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users.

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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 59,025,875	\$ 59,025,875	\$ 58,610,848	\$ (415,027)
Other county taxes	8,288,911	8,651,046	8,437,204	(213,842)
Interest and penalty on taxes	700,000	700,000	682,735	(17,265)
Intergovernmental	31,513,131	33,879,684	33,126,645	(753,039)
Licenses and permits	1,012,180	1,040,280	994,450	(45,830)
Charges for services	7,514,789	7,939,273	8,070,057	130,784
Use of money and property	437,100	551,580	534,319	(17,261)
Miscellaneous	1,619,309	1,515,074	1,642,271	127,197
Total revenues	<u>110,111,295</u>	<u>113,302,812</u>	<u>112,098,529</u>	<u>(1,204,283)</u>
EXPENDITURES:				
Operating:				
Public safety and legal services	24,888,353	26,049,154	25,811,775	237,379
Physical health and social services	16,741,784	16,965,911	15,186,124	1,779,787
Mental health	22,586,849	14,617,776	14,267,706	350,070
County environment and education	7,032,531	7,218,203	6,786,988	431,215
Roads and transportation	12,504,928	13,541,779	12,809,052	732,727
Governmental services to residents	4,266,008	4,479,765	4,331,172	148,593
Administration	14,455,895	15,051,739	14,491,270	560,469
Debt service	1,750,513	1,817,495	1,817,067	428
Capital projects	11,131,508	15,241,949	12,127,575	3,114,374
Total expenditures	<u>115,358,369</u>	<u>114,983,771</u>	<u>107,628,729</u>	<u>7,355,042</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,247,074)</u>	<u>(1,680,959)</u>	<u>4,469,800</u>	<u>6,150,759</u>
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	43,800	152,179	169,904	17,725
General long-term debt proceeds	-	2,341,670	2,300,000	(41,670)
Transfers in	18,158,571	18,812,985	18,431,571	(381,414)
Transfers out	<u>(18,158,571)</u>	<u>(18,812,985)</u>	<u>(18,431,571)</u>	<u>381,414</u>
Total other financing sources (uses)	<u>43,800</u>	<u>2,493,849</u>	<u>2,469,904</u>	<u>(23,945)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(5,203,274)</u>	<u>812,890</u>	<u>6,939,704</u>	<u>6,126,814</u>
FUND BALANCES - BEGINNING	<u>33,540,766</u>	<u>33,540,766</u>	<u>33,540,766</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 28,337,492</u>	<u>\$ 34,353,656</u>	<u>\$ 40,480,470</u>	<u>\$ 6,126,814</u>

See accompanying independent auditor's report.

COUNTY OF LINN, IOWA

BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
YEAR ENDED JUNE 30, 2015

	Governmental Fund Types		
	<u>Cash Basis</u>	<u>Accrual Adjustments</u>	<u>Modified Accrual Basis</u>
Revenues	\$ 112,098,529	\$ 1,777,246	\$ 113,875,775
Expenditures	<u>107,628,729</u>	<u>(167,551)</u>	<u>107,461,178</u>
Net	4,469,800	1,944,797	6,414,597
Total other financing sources	2,469,904	137,382	2,607,286
Beginning fund balances	33,540,766	1,726,768	35,267,534
Increase in reserve for inventories	-	<u>(96,140)</u>	<u>(96,140)</u>
Ending fund balances	<u>\$ 40,480,470</u>	<u>\$ 3,712,807</u>	<u>\$ 44,193,277</u>

See accompanying independent auditor's report.

COUNTY OF LINN, IOWA

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION –
BUDGETARY REPORTING
YEAR ENDED JUNE 30, 2015

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 decreased budgeted expenditures by \$374,598. 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 THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST FISCAL YEAR
(AMOUNTS EXPRESSED IN THOUSANDS)

	<u>2015</u>
County's collective proportion of the net pension liability (asset)	0.4966%
County's collective proportionate share of the net pension liability (asset)	\$ 19,695
County's covered-employee payroll	\$ 40,936
County's collective proportionate share of the net pension liability as a percentage of its covered-employee payroll	48.11%
Plan fiduciary net position as a percentage of the total pension liability	87.61%

The amounts presented for each fiscal year were determined as of June 30.

See accompanying independent auditor's report.

Note: GASB Statement No. 68 requires ten years of information to be presented to be presented in this table. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available

COUNTY OF LINN, IOWA

SCHEDULE OF COUNTY CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Statutorily required contribution	\$ 3,953	\$ 3,908	\$ 3,645	\$ 3,584
Contributions in relation to the statutorily required contribution	<u>(3,953)</u>	<u>(3,908)</u>	<u>(3,645)</u>	<u>(3,584)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	41,507	40,936	40,571	41,181
Contributions as a percentage of covered-employee payroll	9.52%	9.55%	8.98%	8.70%

See accompanying independent auditor's report.

2011	2010	2009	2008	2007	2006
\$ 3,073	\$ 2,773	\$ 2,614	\$ 2,410	\$ 2,291	\$ 2,274
<u>(3,073)</u>	<u>(2,773)</u>	<u>(2,614)</u>	<u>(2,410)</u>	<u>(2,291)</u>	<u>(2,274)</u>
<u>\$ -</u>					
39,996	38,501	37,927	36,428	34,964	33,828
7.68%	7.20%	6.89%	6.62%	6.55%	6.72%

COUNTY OF LINN, IOWA

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY
YEAR ENDED JUNE 30, 2015

Changes of benefit terms:

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3 percent per year measured from the member's first unreduced retirement age to a 6 percent reduction for each year of retirement before age 65.

In 2008, legislative action transferred four groups – emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers – from Regular membership to the protection occupation group for future service only.

Benefit provisions for sheriffs and deputies were changed in the 2004 legislative session. The eligibility for unreduced retirement benefits was lowered from age 55 by one year each July 1 (beginning in 2004) until it reached age 50 on July 1, 2008. The years of service requirement remained at 22 or more. Their contribution rates were also changed to be shared 50-50 by the employee and employer, instead of the previous 40-60 split.

Changes of assumptions:

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25 percent to 3.00 percent
- Decreased the assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate. The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25 percent to 4.00 percent.
- Lowered the inflation assumption from 3.50 percent to 3.25 percent.
- Lowered disability rates for sheriffs and deputies and protection occupation members.

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]
07/01/12	-	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%
07/01/14	-	4,545,695	4,545,695	-	41,179,409	11.0%

See accompanying independent auditor's report.

COMBINING FUND FINANCIAL STATEMENTS AND OTHER SUPPLEMENTAL INFORMATION

COUNTY OF LINN, IOWA

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

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

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

Debt Service Fund

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

COUNTY OF LINN, IOWA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special			
	Rural Services	County Direct Services	Inmate Commissary	Gifts and Donations
ASSETS:				
Cash and investments:				
Pooled cash and investments	\$ 435,237	\$ 568,674	\$ 146,200	\$ 173,965
Other county officials	-	500	-	-
Receivables:				
Accounts	-	-	12,363	-
Property taxes:				
Delinquent	9,538	-	-	-
Succeeding year	4,049,860	-	-	-
Accrued interest	-	-	-	21
Due from other governments	269,530	1,290,884	-	-
Inventories	7,658	-	-	-
Prepaid items	-	22,468	-	-
TOTAL ASSETS	<u>\$ 4,771,823</u>	<u>\$ 1,882,526</u>	<u>\$ 158,563</u>	<u>\$ 173,986</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 35,648	\$ 28,738	\$ 20,457	\$ -
Salaries and benefits payable	13,725	264,181	3,568	-
Due to other governments	2,736	-	-	-
Total liabilities	<u>52,109</u>	<u>292,919</u>	<u>24,025</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	4,049,860	-	-	-
Other	7,020	1,245	-	-
Total deferred inflows of resources	<u>4,056,880</u>	<u>1,245</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	7,658	22,468	-	-
Restricted	655,176	1,565,894	134,538	173,986
Total fund balances	<u>662,834</u>	<u>1,588,362</u>	<u>134,538</u>	<u>173,986</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 4,771,823</u>	<u>\$ 1,882,526</u>	<u>\$ 158,563</u>	<u>\$ 173,986</u>

Revenue Funds

Sheriff Gifts and Donations	Recorder's Records Management	Conservation REAP	Air Pollution Title V	Debt Service	Total
\$ 47,869	\$ 84,623	\$ 11,196	\$ 219,209	\$ 117,623	\$ 1,804,596
-	12,505	-	-	-	13,005
-	-	-	-	-	12,363
-	-	-	-	3,621	13,159
-	-	-	-	1,686,235	5,736,095
-	1	1	-	-	23
-	-	-	-	530,000	2,090,414
-	-	-	-	-	7,658
-	-	-	-	-	22,468
<u>\$ 47,869</u>	<u>\$ 97,129</u>	<u>\$ 11,197</u>	<u>\$ 219,209</u>	<u>\$ 2,337,479</u>	<u>\$ 9,699,781</u>
\$ -	\$ -	\$ -	\$ 249	\$ -	\$ 85,092
-	-	-	-	-	281,474
-	-	-	-	355	3,091
-	-	-	249	355	369,657
-	-	-	-	1,686,235	5,736,095
-	-	-	-	3,215	11,480
-	-	-	-	1,689,450	5,747,575
-	-	-	-	-	30,126
<u>47,869</u>	<u>97,129</u>	<u>11,197</u>	<u>218,960</u>	<u>647,674</u>	<u>3,552,423</u>
<u>47,869</u>	<u>97,129</u>	<u>11,197</u>	<u>218,960</u>	<u>647,674</u>	<u>3,582,549</u>
<u>\$ 47,869</u>	<u>\$ 97,129</u>	<u>\$ 11,197</u>	<u>\$ 219,209</u>	<u>\$ 2,337,479</u>	<u>\$ 9,699,781</u>

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2015

	Rural Services	County Direct Services	Inmate Commissary	Gifts and Donations
REVENUES:				
Property taxes	\$ 3,554,094	\$ -	\$ -	\$ -
Other county taxes	1,623,951	-	-	-
Intergovernmental	282,471	5,810,500	-	-
Charges for services	-	685,897	313,435	-
Use of money and property	-	-	-	261
Miscellaneous	-	14	-	-
Total revenues	<u>5,460,516</u>	<u>6,496,411</u>	<u>313,435</u>	<u>261</u>
EXPENDITURES:				
Current:				
Public safety and legal services	151,421	-	291,508	-
Mental health	-	6,402,920	-	-
County environment and education	534,495	-	-	-
Roads and transportation	378,334	-	-	-
Governmental services to residents	-	-	-	-
Capital projects	132,575	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>1,196,825</u>	<u>6,402,920</u>	<u>291,508</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,263,691</u>	<u>93,491</u>	<u>21,927</u>	<u>261</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from long-term debt	-	-	-	-
Provision for capital leases and installment purchases	-	7,142	-	-
Transfers out	<u>(4,180,952)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(4,180,952)</u>	<u>7,142</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	82,739	100,633	21,927	261
FUND BALANCES - BEGINNING OF YEAR	579,370	1,487,729	112,611	173,725
INCREASE IN INVENTORY RESERVES	<u>725</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 662,834</u>	<u>\$ 1,588,362</u>	<u>\$ 134,538</u>	<u>\$ 173,986</u>

Special Revenue Funds					
Sheriff					
Gifts and Donations	Recorder's Records Management	Conservation REAP	Air Pollution Title V	Debt Service	Total
\$ -	\$ -	\$ -	\$ -	\$ 1,535,509	\$ 5,089,603
-	-	-	-	71,867	1,695,818
-	-	75,351	-	260,535	6,428,857
-	42,752	-	82,753	-	1,124,837
-	1,654	75	-	-	1,990
110	-	-	-	-	124
<u>110</u>	<u>44,406</u>	<u>75,426</u>	<u>82,753</u>	<u>1,867,911</u>	<u>14,341,229</u>
-	-	-	-	-	442,929
-	-	-	-	-	6,402,920
-	-	-	18,866	-	553,361
-	-	-	-	-	378,334
-	48,974	-	-	-	48,974
-	-	131,558	-	-	264,133
-	-	-	-	1,817,067	1,817,067
-	<u>48,974</u>	<u>131,558</u>	<u>18,866</u>	<u>1,817,067</u>	<u>9,907,718</u>
110	(4,568)	(56,132)	63,887	50,844	4,433,511
-	-	-	-	550,000	550,000
-	-	-	-	-	7,142
-	-	-	-	-	(4,180,952)
-	-	-	-	550,000	(3,623,810)
110	(4,568)	(56,132)	63,887	600,844	809,701
47,759	101,697	67,329	155,073	46,830	2,772,123
-	-	-	-	-	725
<u>\$ 47,869</u>	<u>\$ 97,129</u>	<u>\$ 11,197</u>	<u>\$ 218,960</u>	<u>\$ 647,674</u>	<u>\$ 3,582,549</u>

COUNTY OF LINN, IOWA

INTERNAL SERVICE FUNDS

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

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

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

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2015

	Employee Health and Dental Fund	Self- Insurance Fund	Total
ASSETS:			
Pooled cash and investments	\$ 6,003,772	\$ 249,137	\$ 6,252,909
Receivables - accrued interest	-	3	3
TOTAL ASSETS	<u>6,003,772</u>	<u>249,140</u>	<u>6,252,912</u>
LIABILITIES:			
Current liabilities - accounts payable	<u>916,019</u>	<u>715,000</u>	<u>1,631,019</u>
Total current liabilities	<u>916,019</u>	<u>715,000</u>	<u>1,631,019</u>
NET POSITION - Unrestricted	<u>\$ 5,087,753</u>	<u>\$ (465,860)</u>	<u>\$ 4,621,893</u>

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2015

	Employee Health and Dental Fund	Self- Insurance Fund	Total
OPERATING REVENUES - Charges for services	\$ 10,044,519	\$ 2,000,000	\$ 12,044,519
OPERATING EXPENSES - Claims and administrative expenses	<u>11,408,494</u>	<u>2,497,810</u>	<u>13,906,304</u>
OPERATING INCOME (LOSS)	(1,363,975)	(497,810)	(1,861,785)
NON-OPERATING REVENUES - Interest income	<u>-</u>	<u>31</u>	<u>31</u>
CHANGE IN NET POSITION	(1,363,975)	(497,779)	(1,861,754)
TOTAL NET POSITION - BEGINNING	<u>6,451,728</u>	<u>31,919</u>	<u>6,483,647</u>
TOTAL NET POSITION - ENDING	<u>\$ 5,087,753</u>	<u>\$ (465,860)</u>	<u>\$ 4,621,893</u>

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2015

	Employee Health and Dental Fund	Self- Insurance Fund	Total
CASH FLOWS FOR OPERATING ACTIVITIES:			
Cash received from other funds	\$ 9,670,081	\$ 2,000,000	\$ 11,670,081
Cash received from insurance claims	765,591	-	765,591
Cash received from employees	374,440	-	374,440
Cash paid to employees	(37,761)	-	(37,761)
Cash paid for insurance claims and premiums	(11,347,465)	(2,257,263)	(13,604,728)
Cash paid for services	(558,861)	(269,547)	(828,408)
NET CASH FOR OPERATING ACTIVITIES	(1,133,975)	(526,810)	(1,660,785)
CASH FLOWS FROM INVESTING ACTIVITIES - Interest on investments			
	<u>-</u>	<u>31</u>	<u>31</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,133,975)	(526,779)	(1,660,754)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>7,137,747</u>	<u>775,916</u>	<u>7,913,663</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 6,003,772</u>	<u>\$ 249,137</u>	<u>\$ 6,252,909</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FOR OPERATING ACTIVITIES:			
OPERATING INCOME (LOSS)	<u>\$ (1,363,975)</u>	<u>\$ (497,810)</u>	<u>\$ (1,861,785)</u>
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH FOR OPERATING ACTIVITIES:			
Decrease in accounts payable	<u>230,000</u>	<u>(29,000)</u>	<u>201,000</u>
Total adjustments	<u>230,000</u>	<u>(29,000)</u>	<u>201,000</u>
NET CASH FOR OPERATING ACTIVITIES	<u>\$ (1,133,975)</u>	<u>\$ (526,810)</u>	<u>\$ (1,660,785)</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 – The County collects property and related state replacement taxes for other local governments. Collected taxes are apportioned and remitted to the appropriate local government. Funds included in this category are as follows:

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

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

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

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

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

(Continued)

COUNTY OF LINN, IOWA

AGENCY FUNDS (CONTINUED)

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

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

City Assessor Fund – 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 –
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2015

AGRICULTURAL EXTENSION SERVICE FUND	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
ASSETS:				
Pooled cash and investments	\$ 3,210	\$ 472,991	\$ 473,434	\$ 2,767
Receivables - Property taxes:				
Delinquent	1,158	472,991	\$ 472,772	1,377
Succeeding year	<u>489,278</u>	<u>537,958</u>	<u>489,278</u>	<u>537,958</u>
TOTAL ASSETS	<u>\$ 493,646</u>	<u>\$ 1,483,940</u>	<u>\$ 1,435,484</u>	<u>\$ 542,102</u>
LIABILITIES - Due to other governments	<u>\$ 493,646</u>	<u>\$ 1,012,326</u>	<u>\$ 963,870</u>	<u>\$ 542,102</u>
MOTOR VEHICLE LICENSE AND USE TAX FUND				
ASSETS - Pooled cash and investments				
	<u>\$ 5,042,793</u>	<u>\$ 61,453,002</u>	<u>\$ 61,176,966</u>	<u>\$ 5,318,829</u>
LIABILITIES - Due to other governments	<u>\$ 5,042,793</u>	<u>\$ 61,453,002</u>	<u>\$ 61,176,966</u>	<u>\$ 5,318,829</u>
MONIES AND CREDITS FUND				
ASSETS:				
Pooled cash and investments	\$ -	\$ 134,124	\$ 134,124	\$ -
Receivables - Property taxes - delinquent	<u>-</u>	<u>134,124</u>	<u>134,124</u>	<u>-</u>
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 268,248</u>	<u>\$ 268,248</u>	<u>\$ -</u>
LIABILITIES - Due to other governments	<u>\$ -</u>	<u>\$ 134,124</u>	<u>\$ 134,124</u>	<u>\$ -</u>

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES –
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2015 (CONTINUED)

COMMUNITY COLLEGE TAXING DISTRICT FUND	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
ASSETS:				
Pooled cash and investments	\$ 68,979	\$ 10,067,608	\$ 10,008,448	\$ 128,139
Receivables - Property taxes:				
Delinquent	24,989	10,067,608	10,065,073	27,524
Succeeding year	<u>10,426,391</u>	<u>10,561,631</u>	<u>10,426,391</u>	<u>10,561,631</u>
TOTAL ASSETS	<u>\$ 10,520,359</u>	<u>\$ 30,696,847</u>	<u>\$ 30,499,912</u>	<u>\$ 10,717,294</u>
LIABILITIES - Due to other governments	<u>\$ 10,520,359</u>	<u>\$ 20,656,763</u>	<u>\$ 20,459,828</u>	<u>\$ 10,717,294</u>
<u>CITY TAXING DISTRICTS FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 824,553	\$ 117,511,373	\$ 117,549,223	\$ 786,703
Receivables:				
Property taxes:				
Delinquent	318,467	117,511,373	117,481,665	348,175
Succeeding year	117,231,215	119,623,994	117,231,215	119,623,994
Special assessments	<u>183,044</u>	<u>215,376</u>	<u>183,044</u>	<u>215,376</u>
TOTAL ASSETS	<u>\$ 118,557,279</u>	<u>\$ 354,646,740</u>	<u>\$ 352,229,771</u>	<u>\$ 120,974,248</u>
LIABILITIES - Due to other governments	<u>\$ 118,557,279</u>	<u>\$ 237,698,918</u>	<u>\$ 235,281,949</u>	<u>\$ 120,974,248</u>
<u>SCHOOL TAXING DISTRICTS FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 1,025,418	\$ 151,753,280	\$ 151,902,171	\$ 876,527
Receivables - Property taxes:				
Delinquent	371,079	151,753,280	151,707,591	416,768
Succeeding year	<u>163,245,893</u>	<u>162,622,317</u>	<u>163,245,893</u>	<u>162,622,317</u>
TOTAL ASSETS	<u>\$ 164,642,390</u>	<u>\$ 466,128,877</u>	<u>\$ 466,855,655</u>	<u>\$ 163,915,612</u>
LIABILITIES - Due to other governments	<u>\$ 164,642,390</u>	<u>\$ 314,792,365</u>	<u>\$ 315,519,143</u>	<u>\$ 163,915,612</u>

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES –
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2015 (CONTINUED)

TAX SALE REDEMPTION FUND	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
ASSETS - Pooled cash and investments	\$ 506,501	\$ 451,738	\$ 823,116	\$ 135,123
LIABILITIES - Due to individuals and private entities	\$ 506,501	\$ 451,738	\$ 823,116	\$ 135,123
<u>COUNTY RECORDER AGENCY FUND</u>				
ASSETS:				
Cash - Other county officials	\$ 194,885	\$ 3,644,696	\$ 3,583,539	\$ 256,042
Due from individuals and private entities	1,727	1,686	1,727	1,686
TOTAL ASSETS	<u>\$ 196,612</u>	<u>\$ 3,646,382</u>	<u>\$ 3,585,266</u>	<u>\$ 257,728</u>
LIABILITIES - Due to other governments	<u>\$ 196,612</u>	<u>\$ 3,646,382</u>	<u>\$ 3,585,266</u>	<u>\$ 257,728</u>
<u>COUNTY SHERIFF AGENCY FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 26,343	\$ -	\$ -	\$ 26,343
Cash - Other county officials	497,968	10,808,939	10,827,347	479,560
TOTAL ASSETS	<u>\$ 524,311</u>	<u>\$ 10,808,939</u>	<u>\$ 10,827,347</u>	<u>\$ 505,903</u>
LIABILITIES:				
Due to other governments	\$ 488,679	\$ 430,843	\$ 458,032	\$ 461,490
Due to individuals and private entities	35,632	10,378,096	10,369,315	44,413
TOTAL LIABILITIES	<u>\$ 524,311</u>	<u>\$ 10,808,939</u>	<u>\$ 10,827,347</u>	<u>\$ 505,903</u>

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES –
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2015 (CONTINUED)

FIRE TAXING DISTRICTS FUND	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
ASSETS:				
Pooled cash and investments	\$ 2,861	\$ 293,312	\$ 294,202	\$ 1,971
Receivables - Property taxes:				
Delinquent	581	293,312	293,075	818
Succeeding year	<u>303,604</u>	<u>311,313</u>	<u>303,604</u>	<u>311,313</u>
TOTAL ASSETS	<u>\$ 307,046</u>	<u>\$ 897,937</u>	<u>\$ 890,881</u>	<u>\$ 314,102</u>
LIABILITIES - Due to other governments	<u>\$ 307,046</u>	<u>\$ 605,443</u>	<u>\$ 598,387</u>	<u>\$ 314,102</u>
<u>TAX FINANCING FUNDS</u>				
ASSETS:				
Pooled cash and investments	\$ 127,884	\$ 21,140,934	\$ 20,986,361	\$ 282,457
Receivables - Property taxes:				
Delinquent	55,718	21,140,934	21,191,829	4,823
Succeeding year	<u>21,212,350</u>	<u>17,487,268</u>	<u>21,212,350</u>	<u>17,487,268</u>
TOTAL ASSETS	<u>\$ 21,395,952</u>	<u>\$ 59,769,136</u>	<u>\$ 63,390,540</u>	<u>\$ 17,774,548</u>
LIABILITIES - Due to other governments	<u>\$ 21,395,952</u>	<u>\$ 38,633,025</u>	<u>\$ 42,254,429</u>	<u>\$ 17,774,548</u>
<u>TOWNSHIP TAXING DISTRICTS FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 7,399	\$ 696,180	\$ 700,307	\$ 3,272
Receivables - Property taxes:				
Delinquent	952	696,180	695,619	1,513
Succeeding year	<u>723,990</u>	<u>750,509</u>	<u>723,990</u>	<u>750,509</u>
TOTAL ASSETS	<u>\$ 732,341</u>	<u>\$ 2,142,869</u>	<u>\$ 2,119,916</u>	<u>\$ 755,294</u>
LIABILITIES - Due to other governments	<u>\$ 732,341</u>	<u>\$ 1,448,202</u>	<u>\$ 1,425,249</u>	<u>\$ 755,294</u>

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES –
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2015 (CONTINUED)

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
<u>EMERGENCY MANAGEMENT FUND</u>				
ASSETS - Pooled cash and investments	\$ 424,779	\$ 834,452	\$ 737,374	\$ 521,857
LIABILITIES - Due to other governments	\$ 424,779	\$ 834,452	\$ 737,374	\$ 521,857
<u>COUNTY ASSESSOR FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 781,201	\$ 1,366,504	\$ 995,786	\$ 1,151,919
Receivables - Property taxes:				
Delinquent	1,530	1,366,184	1,364,423	3,291
Succeeding year	1,418,906	1,400,000	1,418,906	1,400,000
Due from other governments	-	320	320	-
TOTAL ASSETS	\$ 2,201,637	\$ 4,133,008	\$ 3,779,435	\$ 2,555,210
LIABILITIES - Due to other governments	\$ 2,201,637	\$ 3,955,530	\$ 3,601,957	\$ 2,555,210
<u>CITY ASSESSOR FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 1,033,066	\$ 1,836,573	\$ 1,836,225	\$ 1,033,414
Receivables - Property taxes:				
Delinquent	5,361	1,836,573	1,836,505	5,429
Succeeding year	1,900,000	1,925,000	1,900,000	1,925,000
TOTAL ASSETS	\$ 2,938,427	\$ 5,598,146	\$ 5,572,730	\$ 2,963,843
LIABILITIES - Due to other governments	\$ 2,938,427	\$ 3,767,002	\$ 3,741,586	\$ 2,963,843

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES –
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2015 (CONTINUED)

OTHER AGENCY FUNDS	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
ASSETS:				
Cash and investments:				
Pooled cash and investments	\$ 901,947	\$ 3,706,157	\$ 2,931,641	\$ 1,676,463
Cash - Other county officials	-	253,526	253,526	-
Receivables:				
Property taxes:				
Delinquent	76	31,390	31,337	129
Succeeding year	32,123	32,771	32,123	32,771
Special assessments	8,566	550,513	549,955	9,124
TOTAL ASSETS	<u>\$ 942,712</u>	<u>\$ 4,574,357</u>	<u>\$ 3,798,582</u>	<u>\$ 1,718,487</u>
LIABILITIES:				
Due to other governments	\$ 696,860	\$ 2,062,526	\$ 1,346,747	\$ 1,412,639
Due to individuals and private entities	245,852	1,939,181	1,879,185	305,848
TOTAL LIABILITIES	<u>\$ 942,712</u>	<u>\$ 4,001,707</u>	<u>\$ 3,225,932</u>	<u>\$ 1,718,487</u>
 TOTAL ALL AGENCY FUNDS				
ASSETS:				
Cash and investments:				
Pooled cash and investments	\$ 10,776,934	\$ 371,718,228	\$ 370,549,378	\$ 11,945,784
Cash - Other county officials	692,853	14,707,161	14,664,412	735,602
Receivables:				
Property taxes:				
Delinquent	779,911	305,303,949	305,274,013	809,847
Succeeding year	316,983,750	315,252,761	316,983,750	315,252,761
Special assessments	191,610	765,889	732,999	224,500
Due from other governments	-	(215,056)	(215,056)	-
Due from individuals and private entities	1,727	1,686	1,727	1,686
TOTAL ASSETS	<u>\$ 329,426,785</u>	<u>\$ 1,007,534,618</u>	<u>\$ 1,007,991,223</u>	<u>\$ 328,970,180</u>
LIABILITIES:				
Due to other governments	\$ 328,638,800	\$ 691,130,903	\$ 691,284,907	\$ 328,484,796
Due to individuals and private entities	787,985	12,769,015	13,071,616	485,384
TOTAL LIABILITIES	<u>\$ 329,426,785</u>	<u>\$ 703,899,918</u>	<u>\$ 704,356,523</u>	<u>\$ 328,970,180</u>



STATISTICAL SECTION

STATISTICAL SECTION
(UNAUDITED)

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

Contents	Page
Financial Trends.....	89
These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.	
Revenue Capacity.....	99
These schedules contain information to help the reader assess the County’s most significant local revenue source, the property tax.	
Debt Capacity.....	113
These schedules present information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future.	
Demographic and Economic Information.....	118
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place.	
Operating Information	121
These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.	

COUNTY OF LINN, IOWA

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental Activities				
Net investment in capital assets	\$ 74,357	\$ 77,058	\$ 70,030	\$ 73,306
Restricted	14,115	16,087	15,681	17,812
Unrestricted	<u>10,035</u>	<u>11,491</u>	<u>11,808</u>	<u>5,555</u>
Total governmental activities net position	<u>\$ 98,507</u>	<u>\$ 104,636</u>	<u>\$ 97,519</u>	<u>\$ 96,673</u>
Business-type activities				
Net investment in capital assets	\$ 45	\$ 38	\$ 16	\$ 77
Unrestricted	<u>311</u>	<u>359</u>	<u>388</u>	<u>260</u>
Total business-type activities net position	<u>\$ 356</u>	<u>\$ 397</u>	<u>\$ 404</u>	<u>\$ 337</u>
Primary government				
Net investment in capital assets	\$ 74,402	\$ 77,096	\$ 70,046	\$ 73,383
Restricted	14,115	16,087	15,681	17,812
Unrestricted	<u>10,346</u>	<u>11,850</u>	<u>12,196</u>	<u>5,815</u>
Total primary government net position	<u>\$ 98,863</u>	<u>\$ 105,033</u>	<u>\$ 97,923</u>	<u>\$ 97,010</u>

2010	2011	2012	2013	2014	2015
\$ 83,626	\$ 102,976	\$ 124,818	\$ 141,823	\$ 147,507	\$ 154,959
8,649	5,991	13,872	11,953	16,122	21,880
<u>17,338</u>	<u>37,183</u>	<u>33,767</u>	<u>28,464</u>	<u>26,073</u>	<u>(3,156)</u>
<u>\$ 109,613</u>	<u>\$ 146,150</u>	<u>\$ 172,457</u>	<u>\$ 182,240</u>	<u>\$ 189,702</u>	<u>\$ 173,683</u>
\$ 61	\$ 48	\$ 57	\$ 45	\$ 33	\$ 21
404	480	488	522	549	560
<u>\$ 465</u>	<u>\$ 528</u>	<u>\$ 545</u>	<u>\$ 567</u>	<u>\$ 582</u>	<u>\$ 581</u>
\$ 83,687	\$ 103,024	\$ 124,875	\$ 141,868	\$ 147,540	\$ 154,980
8,649	5,991	13,872	11,953	16,122	21,880
<u>17,742</u>	<u>37,663</u>	<u>34,255</u>	<u>28,986</u>	<u>26,622</u>	<u>(2,596)</u>
<u>\$ 110,078</u>	<u>\$ 146,678</u>	<u>\$ 173,002</u>	<u>\$ 182,807</u>	<u>\$ 190,284</u>	<u>\$ 174,264</u>

COUNTY OF LINN, IOWA

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

Expenses	2006	2007	2008	2009
Governmental activities:				
Public safety and legal services	\$ 19,315	\$ 20,419	\$ 20,851	\$ 21,637
Physical health and social services	15,552	17,135	17,116	18,389
Mental health	25,708	26,863	31,232	30,850
County environment and education	4,937	5,341	4,948	6,143
Roads and transportation	15,146	13,348	22,954	16,169
Governmental services to residents	2,198	3,630	3,413	4,007
Administration	9,013	9,937	17,782	29,376
Nonprogram	19	14	22	9
Interest on long-term debt	195	148	100	348
Total governmental activities	<u>92,083</u>	<u>96,835</u>	<u>118,418</u>	<u>126,928</u>
Business-type activities -				
Mental health	713	676	692	621
Total primary government expenses	<u>\$ 92,796</u>	<u>\$ 97,511</u>	<u>\$ 119,110</u>	<u>\$ 127,549</u>
Program Revenues				
Governmental activities:				
Charges for services:				
Public safety and legal services	\$ 5,880	\$ 5,795	\$ 5,263	\$ 2,419
Mental health	10,380	9,005	9,076	9,686
Government services to residents	3,388	3,274	3,044	3,277
Other activities	3,681	3,860	4,030	4,378
Operating grants and contributions	23,333	27,314	38,300	48,442
Capital grants and contributions	2,611	4,156	1,295	2,470
Total governmental activities program revenues	<u>49,273</u>	<u>53,404</u>	<u>61,008</u>	<u>70,672</u>
Business-type activities -				
Charges for services	653	708	689	550
Total primary government program revenues	<u>\$ 49,926</u>	<u>\$ 54,112</u>	<u>\$ 61,697</u>	<u>\$ 71,222</u>
Net (expense)/revenue				
Governmental activities	\$ (42,810)	\$ (43,431)	\$ (57,410)	\$ (56,256)
Business-type activities	(60)	32	(3)	(71)
Total primary government net expense	<u>\$ (42,870)</u>	<u>\$ (43,399)</u>	<u>\$ (57,413)</u>	<u>\$ (56,327)</u>
General Revenues and Other Changes in				
Net Position				
Governmental activities:				
Property and other county taxes	\$ 40,661	\$ 41,667	\$ 43,402	\$ 47,282
Other county taxes	2,468	2,610	2,891	4,348
State replacements and credits	1,393	1,369	1,370	1,412
Investment income	1,785	2,957	1,815	832
Other general revenue	980	957	815	1,536
Total governmental activities	<u>47,287</u>	<u>49,560</u>	<u>50,293</u>	<u>55,410</u>
Business-type activities - interest income	8	9	10	4
Total business-type activities	<u>8</u>	<u>9</u>	<u>10</u>	<u>4</u>
Total primary government	<u>\$ 47,295</u>	<u>\$ 49,569</u>	<u>\$ 50,303</u>	<u>\$ 55,414</u>
Change in Net Position:				
Governmental activities	\$ 4,477	\$ 6,129	\$ (7,117)	\$ (846)
Business-type activities	(52)	41	7	(67)
Total primary government	<u>\$ 4,425</u>	<u>\$ 6,170</u>	<u>\$ (7,110)</u>	<u>\$ (913)</u>

2010	2011	2012	2013	2014	2015
\$ 23,419	\$ 23,474	\$ 24,807	\$ 24,646	\$ 25,074	\$ 24,628
21,284	22,964	22,122	15,611	13,645	15,802
30,971	33,032	31,599	20,668	14,727	13,794
8,490	6,543	6,994	7,061	7,167	7,238
14,046	16,906	16,235	17,755	17,065	15,915
3,769	5,046	4,065	4,556	4,076	4,378
11,173	11,526	12,900	14,398	16,311	17,067
26	30	12	-	-	-
27	326	639	662	649	686
<u>113,205</u>	<u>119,847</u>	<u>119,373</u>	<u>105,357</u>	<u>98,714</u>	<u>99,508</u>
503	499	374	338	298	292
<u>\$ 113,708</u>	<u>\$ 120,346</u>	<u>\$ 119,747</u>	<u>\$ 105,695</u>	<u>\$ 99,012</u>	<u>\$ 99,800</u>
\$ 4,654	\$ 6,467	\$ 6,028	\$ 5,900	\$ 4,906	\$ 6,279
9,532	8,685	9,218	7,817	6,493	8,728
2,928	3,533	4,135	3,702	3,600	3,518
5,731	3,093	4,725	3,989	4,585	4,522
41,271	53,405	44,552	24,604	20,480	20,368
4,941	23,914	16,374	7,507	2,082	2,703
<u>69,057</u>	<u>99,097</u>	<u>85,032</u>	<u>53,519</u>	<u>42,146</u>	<u>46,118</u>
630	561	390	359	313	290
<u>\$ 69,687</u>	<u>\$ 99,658</u>	<u>\$ 85,422</u>	<u>\$ 53,878</u>	<u>\$ 42,459</u>	<u>\$ 46,408</u>
\$ (44,148)	\$ (20,750)	\$ (34,341)	\$ (51,838)	\$ (56,568)	\$ (53,390)
127	62	16	21	15	(2)
<u>\$ (44,021)</u>	<u>\$ (20,688)</u>	<u>\$ (34,325)</u>	<u>\$ (51,817)</u>	<u>\$ (56,553)</u>	<u>\$ (53,392)</u>
\$ 47,121	\$ 51,074	\$ 54,637	\$ 56,263	\$ 58,003	\$ 58,617
6,651	2,798	2,959	3,001	3,023	4,119
1,341	1,259	1,262	1,505	1,853	2,755
673	1,002	780	50	358	158
1,302	1,154	1,238	802	793	1,296
<u>57,088</u>	<u>57,287</u>	<u>60,876</u>	<u>61,621</u>	<u>64,030</u>	<u>66,945</u>
1	1	1	1	-	1
1	1	1	1	-	1
<u>\$ 57,089</u>	<u>\$ 57,288</u>	<u>\$ 60,877</u>	<u>\$ 61,622</u>	<u>\$ 64,030</u>	<u>\$ 66,946</u>
\$ 12,940	\$ 36,537	\$ 26,535	\$ 9,783	\$ 7,462	\$ 13,555
128	63	17	22	15	(1)
<u>\$ 13,068</u>	<u>\$ 36,600</u>	<u>\$ 26,552</u>	<u>\$ 9,805</u>	<u>\$ 7,477</u>	<u>\$ 13,554</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>
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
2015	58,617	4,119	62,736



COUNTY OF LINN, IOWA

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General fund					
Nonspendable	\$ 154	\$ 119	\$ 95	\$ 306	\$ 333
Restricted	9,701	9,669	9,511	10,695	303
Unassigned	<u>5,784</u>	<u>7,454</u>	<u>5,171</u>	<u>1</u>	<u>12,228</u>
Total general fund	<u>\$ 15,639</u>	<u>\$ 17,242</u>	<u>\$ 14,777</u>	<u>\$ 11,002</u>	<u>\$ 12,864</u>
All other government funds					
Nonspendable	\$ 958	\$ 1,042	\$ 1,248	\$ 1,370	\$ 1,115
Restricted	4,123	6,308	4,040	3,731	6,875
Committed	-	-	-	-	-
Unassigned	-	-	(5,409)	(4,421)	(4,652)
Total all other governmental funds	<u>\$ 5,081</u>	<u>\$ 7,350</u>	<u>\$ (121)</u>	<u>\$ 680</u>	<u>\$ 3,338</u>

2011	2012	2013	2014	2015
\$ 580	\$ 462	\$ 518	\$ 631	\$ 596
899	1,776	770	-	454
<u>14,527</u>	<u>17,489</u>	<u>21,016</u>	<u>19,263</u>	<u>19,884</u>
<u>\$ 16,006</u>	<u>\$ 19,727</u>	<u>\$ 22,304</u>	<u>\$ 19,894</u>	<u>\$ 20,934</u>
\$ 1,322	\$ 1,217	\$ 1,073	\$ 1,171	\$ 1,038
4,687	15,348	10,577	14,202	21,345
-	-	-	-	876
-	-	(8)	-	-
<u>\$ 6,009</u>	<u>\$ 16,565</u>	<u>\$ 11,642</u>	<u>\$ 15,373</u>	<u>\$ 23,259</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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
REVENUES:				
Property taxes	\$ 40,721	\$ 41,701	\$ 43,080	\$ 47,377
Other county taxes	2,468	2,611	2,884	4,349
Interest and penalty on taxes	616	628	507	1,115
Intergovernmental	40,339	43,185	43,325	64,803
Licenses and permits	597	630	767	772
Charges for services	6,321	6,545	6,214	6,361
Use of money and property	2,128	3,040	2,333	889
Miscellaneous	704	1,080	1,217	1,093
Total revenues	<u>93,894</u>	<u>99,420</u>	<u>100,327</u>	<u>126,759</u>
EXPENDITURES:				
Current:				
Public safety and legal services	19,242	20,327	20,646	22,763
Physical health and social services	15,399	16,940	16,961	18,455
Mental health	25,706	26,829	31,256	31,004
County environment and education	5,273	5,554	5,503	6,136
Roads and transportation	10,362	10,504	11,782	12,590
Governmental services to residents	3,165	3,558	3,413	4,043
Administration	8,422	9,245	10,925	12,758
Nonprogram	19	14	22	9
Capital projects	3,240	1,139	8,919	20,765
Debt service:				
Principal	1,055	1,100	1,145	16,250
Interest	198	153	104	352
Total expenditures	<u>92,081</u>	<u>95,363</u>	<u>110,676</u>	<u>145,125</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,813	4,057	(10,349)	(18,366)
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	19	28	20	157
Proceeds from sale of long-term debt	-	-	-	15,050
Provision for capital leases and installment purchases	36	117	26	96
Transfers in	5,469	9,117	10,293	25,499
Transfers out	(5,469)	(9,117)	(10,293)	(25,499)
Total other financing sources (uses)	<u>55</u>	<u>145</u>	<u>46</u>	<u>15,303</u>
NET CHANGE IN FUND BALANCES	<u>\$ 1,868</u>	<u>\$ 4,202</u>	<u>\$ (10,303)</u>	<u>\$ (3,063)</u>
Debt service as a percentage of noncapital expenditures	1.44%	1.40%	1.16%	11.98%

	2010	2011	2012	2013	2014	2015
\$	47,240	\$ 51,122	\$ 54,679	\$ 56,265	\$ 58,005	\$ 58,633
	7,529	8,029	7,718	7,781	7,927	8,721
	951	740	760	667	624	682
	58,277	71,560	77,054	39,063	28,173	34,503
	836	1,153	867	1,139	1,008	996
	7,104	7,685	8,180	7,602	7,462	8,108
	781	922	861	621	510	577
	1,421	924	2,548	1,942	1,670	1,656
	<u>124,139</u>	<u>142,135</u>	<u>152,667</u>	<u>115,080</u>	<u>105,379</u>	<u>113,876</u>
	23,218	23,220	24,452	24,567	24,778	25,258
	21,345	22,744	21,731	15,578	13,528	15,684
	31,067	32,986	31,371	20,648	14,873	13,691
	8,348	6,264	6,857	6,765	7,101	6,807
	11,706	11,991	11,790	11,815	12,775	12,640
	3,804	3,982	4,062	4,485	4,046	4,332
	10,970	11,233	12,271	13,239	14,740	14,806
	26	30	12	-	-	-
	10,176	37,350	32,077	19,041	10,787	12,426
	-	25	1,150	1,100	1,105	1,115
	-	308	628	663	650	702
	<u>120,660</u>	<u>150,133</u>	<u>146,401</u>	<u>117,901</u>	<u>104,383</u>	<u>107,461</u>
	3,479	(7,998)	6,266	(2,821)	996	6,415
	119	685	169	301	231	198
	1,000	13,255	7,650	-	-	2,300
	53	40	129	100	48	109
	23,690	15,439	15,811	18,611	18,291	18,432
	<u>(23,690)</u>	<u>(15,439)</u>	<u>(15,811)</u>	<u>(18,611)</u>	<u>(18,291)</u>	<u>(18,432)</u>
	<u>1,172</u>	<u>13,980</u>	<u>7,948</u>	<u>401</u>	<u>279</u>	<u>2,607</u>
\$	<u>4,651</u>	<u>5,982</u>	<u>14,214</u>	<u>(2,420)</u>	<u>1,275</u>	<u>9,022</u>
	0.00%	0.30%	1.57%	1.82%	1.92%	1.98%

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>
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
2015	6,234,915	2,853,035	434,692	555,610	341,424

(1) Per \$1,000 of taxable value. For detail of components of direct rate, see pages 101-108.

(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)
\$	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%
	662,256	20,235	9,737,185	6.14191	16,954,187	61.46%

COUNTY OF LINN, IOWA

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

Fiscal Year	Taxing Body	City of Cedar Rapids				
		Cedar Rapids Schools	College Community Schools	Marion Schools	Linn-Mar Schools	City of Hiawatha
2006	Direct County:					
	General	\$ 4.42446	\$ 4.42446	\$ 4.42446	\$ 4.42446	\$ 4.42446
	MH-DD	1.14321	1.14321	1.14321	1.14321	1.14321
	Debt service	0.16464	0.16464	0.16464	0.16464	0.16464
	Subtotal direct	5.73231	5.73231	5.73231	5.73231	5.73231
	School District	15.25042	15.21947	16.81459	17.99931	15.25042
	Comm college	0.64894	0.64894	0.64894	0.64894	0.64894
	Assessor	0.35819	0.35819	0.35819	0.35819	0.26716
	City	13.98997	13.98997	13.98997	13.98997	12.14137
	Other (1)	0.05492	0.05492	0.05492	0.05492	0.05492
	Total Levy	<u>\$ 36.03475</u>	<u>\$ 36.00380</u>	<u>\$ 37.59892</u>	<u>\$ 38.78364</u>	<u>\$ 34.09512</u>
	Percent of Linn County to totals		<u>15.91%</u>	<u>15.92%</u>	<u>15.25%</u>	<u>14.78%</u>
2007	Direct County:					
	General	\$ 4.40999	\$ 4.40999	\$ 4.40999	\$ 4.40999	\$ 4.40999
	MH-DD	1.12036	1.12036	1.12036	1.12036	1.12036
	Debt service	0.15979	0.15979	0.15979	0.15979	0.15979
	Subtotal direct	5.69014	5.69014	5.69014	5.69014	5.69014
	School District	14.90212	17.33321	16.80183	18.81657	14.90212
	Comm college	0.87249	0.87249	0.87249	0.87249	0.87249
	Assessor	0.35819	0.35819	0.35819	0.35819	0.30872
	City	14.38608	14.38608	14.38608	14.38608	12.43336
	Other (1)	0.05732	0.05732	0.05732	0.05732	0.05732
	Total Levy	<u>\$ 36.26634</u>	<u>\$ 38.69743</u>	<u>\$ 38.16605</u>	<u>\$ 40.18079</u>	<u>\$ 34.26415</u>
	Percent of Linn County to totals		<u>15.69%</u>	<u>14.70%</u>	<u>14.91%</u>	<u>14.16%</u>
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>

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

(Continued)

COUNTY OF LINN, IOWA

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

Fiscal Year	Taxing Body	City of Cedar Rapids				
		Cedar Rapids Schools	College Community Schools	Marion Schools	Linn-Mar Schools	City of Hiawatha
2009	Direct County:					
	General	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523
	MH-DD	1.05415	1.05415	1.05415	1.05415	1.05415
	Debt service	0.15033	0.15033	0.15033	0.15033	0.15033
	Subtotal direct	6.14971	6.14971	6.14971	6.14971	6.14971
	School District	13.78107	16.84626	15.31689	20.40133	13.78107
	Comm college	0.85162	0.85162	0.85162	0.85162	0.85162
	Assessor	0.34518	0.34518	0.34518	0.34518	0.57050
	City	15.07076	15.07076	15.07076	15.07076	15.31391
	Other (1)	0.05778	0.05778	0.05778	0.05778	0.05778
	Total Levy	<u>\$ 36.25612</u>	<u>\$ 39.32131</u>	<u>\$ 37.79194</u>	<u>\$ 42.87638</u>	<u>\$ 36.72459</u>
Percent of Linn County to totals		<u>16.96%</u>	<u>15.64%</u>	<u>16.27%</u>	<u>14.34%</u>	<u>16.75%</u>
2010	Direct County:					
	General	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523
	MH-DD	1.00722	1.00722	1.00722	1.00722	1.00722
	Debt service	-	-	-	-	-
	Subtotal direct	5.95245	5.95245	5.95245	5.95245	5.95245
	School District	13.91816	17.21168	15.31673	20.22951	13.91816
	Comm college	0.84042	0.84042	0.84042	0.84042	0.84042
	Assessor	0.32845	0.32845	0.32845	0.32845	0.55763
	City	15.21621	15.21621	15.21621	15.21621	15.31410
	Other (1)	0.05694	0.05694	0.05694	0.05694	0.05694
	Total Levy	<u>\$ 36.31263</u>	<u>\$ 39.60615</u>	<u>\$ 37.71120</u>	<u>\$ 42.62398</u>	<u>\$ 36.63970</u>
Percent of Linn County to totals		<u>16.39%</u>	<u>15.03%</u>	<u>15.78%</u>	<u>13.97%</u>	<u>16.25%</u>
2011	Direct County:					
	General	\$ 5.09197	\$ 5.09197	\$ 5.09197	\$ 5.09197	\$ 5.09197
	MH-DD	0.96824	0.96824	0.96824	0.96824	0.96824
	Debt service	0.00808	0.00808	0.00808	0.00808	0.00808
	Subtotal direct	6.06829	6.06829	6.06829	6.06829	6.06829
	School District	15.17046	17.20361	16.30509	19.73839	15.17046
	Comm college	0.92566	0.92566	0.92566	0.92566	0.92566
	Assessor	0.28228	0.28228	0.28228	0.28228	0.51507
	City	15.21621	15.21621	15.21621	15.21621	15.31001
	Other (1)	0.05717	0.05717	0.05717	0.05717	0.05717
	Total Levy	<u>\$ 37.72007</u>	<u>\$ 39.75322</u>	<u>\$ 38.85470</u>	<u>\$ 42.28800</u>	<u>\$ 38.04666</u>
Percent of Linn County to totals		<u>16.09%</u>	<u>15.26%</u>	<u>15.62%</u>	<u>14.35%</u>	<u>15.95%</u>

City of Marion						
Cedar Rapids Schools	Marion Schools	Linn-Mar Schools	City of Mount Vernon	City of Center Point	City of Lisbon	City of Robins
\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523	\$ 4.94523
1.05415	1.05415	1.05415	1.05415	1.05415	1.05415	1.05415
0.15033	0.15033	0.15033	0.15033	0.15033	0.15033	0.15033
6.14971	6.14971	6.14971	6.14971	6.14971	6.14971	6.14971
13.78107	15.31689	20.40133	17.51051	17.78247	17.88402	20.40133
0.85162	0.85162	0.85162	0.85162	0.85162	0.85162	0.85162
0.57050	0.57050	0.57050	0.57050	0.57050	0.57050	0.57050
14.13850	14.13850	14.13850	12.99970	13.21838	13.61361	9.18340
0.05778	0.05778	0.05778	0.05778	0.05778	0.05778	0.05778
<u>\$ 35.54918</u>	<u>\$ 37.08500</u>	<u>\$ 42.16944</u>	<u>\$ 38.13982</u>	<u>\$ 38.63046</u>	<u>\$ 39.12724</u>	<u>\$ 37.21434</u>
<u>17.30%</u>	<u>16.58%</u>	<u>14.58%</u>	<u>16.12%</u>	<u>15.92%</u>	<u>15.72%</u>	<u>16.53%</u>
\$ 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
-	-	-	-	-	-	-
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
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
13.86482	13.86482	13.86482	12.99970	14.45520	13.60852	9.28024
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>
\$ 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>

(Continued)

COUNTY OF LINN, IOWA

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

Fiscal Year	Taxing Body	City of Cedar Rapids				
		Cedar Rapids Schools	College Community Schools	Marion Schools	Linn-Mar Schools	City of Hiawatha
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>	<u>15.92%</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>	<u>16.05%</u>
2014	Direct County:					
	General	\$ 5.08019	\$ 5.08019	\$ 5.08019	\$ 5.08019	\$ 5.08019
	MH-DD	0.86794	0.86794	0.86794	0.86794	0.86794
	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	15.47881	15.08387	17.45846	17.26780	15.47881
	Comm college	1.06473	1.06473	1.06473	1.06473	1.06473
	Assessor	0.34293	0.34293	0.34293	0.34293	0.20364
	City	15.21621	15.21621	15.21621	15.21621	15.18434
	Other (1)	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>

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
\$ 5.08832	\$ 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>
\$ 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>

(Continued)

COUNTY OF LINN, IOWA

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

Fiscal Year	Taxing Body	City of Cedar Rapids					City of Hiawatha
		Cedar Rapids Schools	College Community Schools	Marion Schools	Linn-Mar Schools		
2015	Direct County:						
	General	\$ 5.15311	\$ 5.15311	\$ 5.15311	\$ 5.15311	\$ 5.15311	\$ 5.15311
	MH-DD	0.82865	0.82865	0.82865	0.82865	0.82865	0.82865
	Debt service	0.16015	0.16015	0.16015	0.16015	0.16015	0.16015
	Subtotal direct	6.14191	6.14191	6.14191	6.14191	6.14191	6.14191
	School District	15.48446	14.80342	18.41490	17.00411	15.48446	15.48446
	Comm college	1.05754	1.05754	1.05754	1.05754	1.05754	1.05754
	Assessor	0.32345	0.32345	0.32345	0.32345	0.36758	0.36758
	City	15.21621	15.21621	15.21621	15.21621	15.20483	15.20483
	Other (1)	0.05357	0.05357	0.05357	0.05357	0.05357	0.05357
	Total Levy	<u>\$ 38.27714</u>	<u>\$ 37.59610</u>	<u>\$ 41.20758</u>	<u>\$ 39.79679</u>	<u>\$ 38.30989</u>	
Percent of Linn County to totals		<u>16.05%</u>	<u>16.34%</u>	<u>14.90%</u>	<u>15.43%</u>	<u>16.03%</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>
\$ 5.15311	\$ 5.15311	\$ 5.15311	\$ 5.15311	\$ 5.15311	\$ 5.15311	\$ 5.15311
0.82865	0.82865	0.82865	0.82865	0.82865	0.82865	0.82865
0.16015	0.16015	0.16015	0.16015	0.16015	0.16015	0.16015
6.14191	6.14191	6.14191	6.14191	6.14191	6.14191	6.14191
15.48446	18.41490	17.00411	17.97286	17.85197	16.98337	17.00411
1.05754	1.05754	1.05754	1.05754	1.05754	1.05754	1.05754
0.36758	0.36758	0.36758	0.36758	0.36758	0.36758	0.36758
13.12953	13.12953	13.12953	12.99984	13.71322	13.33056	7.93060
0.05357	0.05357	0.05357	0.05357	0.05357	0.05357	0.05357
<u>\$ 36.23459</u>	<u>\$ 39.16503</u>	<u>\$ 37.75424</u>	<u>\$ 38.59330</u>	<u>\$ 39.18579</u>	<u>\$ 37.93453</u>	<u>\$ 32.55531</u>
<u>16.95%</u>	<u>15.68%</u>	<u>16.27%</u>	<u>15.91%</u>	<u>15.67%</u>	<u>16.19%</u>	<u>18.87%</u>

COUNTY OF LINN, IOWA

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

Taxpayer	Type of Business	2015		
		Taxable Value (1)	Rank	Percentage of Taxable Value
Interstate Power /Alliant Energy	Utility company	\$ 228,692	1	2.35%
Archer-Daniels-Midland	Grain Processors	131,004	2	1.35%
Transamerica	Insurance	69,507	3	0.71%
International Paper Company	Packaging materials	45,957	4	0.47%
Qwest	Telecommunications	38,451	5	0.40%
Lindale Mall	Shopping Mall	36,243	6	0.37%
Rockwell Collins International	Aviation/Aerospace	35,655	7	0.37%
Mid-Americian Energy	Utility Company	34,500	8	0.35%
Nextera Energy	Nuclear utility	31,230	9	0.32%
Terraza 5 LLC	Warehousing	30,480	10	0.31%
Hy-Vee Food Stores	Grocery Stores	-	-	-
Weyerhaeuser	Manufacturing	-	-	-
McLeod USA, Inc	Telecommunications	-	-	-
Total		<u>\$ 681,719</u>		<u>7.00%</u>

(1) As of January 1, 2013
Source: Linn County Auditor's Office

(2) As of January 1, 2004
Source: Linn County Auditor's Office

2006			
Taxable Value (2)	Rank	Percentage of Taxable Value	
\$ 345,947	1	4.83%	
117,413	2	1.64%	
52,049	3	0.73%	
-	-	-	
47,059	5	0.66%	
33,519	8	0.47%	
47,265	4	0.66%	
33,352	9	0.47%	
-	-	-	
-	-	-	
22,764	10	0.32%	
39,948	6	6.00%	
34,769	7	0.49%	
<u>\$ 774,085</u>		<u>10.80%</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	
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
2015	61,012	58,626	96.09%	11

(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
\$	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%
	58,637	96.11%

COUNTY OF LINN, IOWA

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

Fiscal Year	General Obligation Bonds	Capital Leases	Total	Percentage of Personal Income (1)	Percentage of Taxable Value (2)	Debt Per Capita (1)
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%	5.24
2011	14,230	96	14,326	0.16%	0.16%	66.58
2012	20,730	159	20,889	0.23%	0.23%	96.66
2013	19,630	187	19,817	0.22%	0.21%	91.10
2014	18,525	148	18,673	0.20%	0.19%	85.24
2015	19,160	170	19,330	0.20%	0.19%	87.58

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 118 for personal income and population data.

(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on pages 99-100.

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)
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
2015	19,160	648	18,512	0.18%	84.50

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 99-100.
(2) Population data can be found in the Schedule of Demographics and Economic Statistics on page 118.

COUNTY OF LINN, IOWA

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt limit	\$ 597,680	\$ 638,851	\$ 664,936	\$ 706,050	\$ 725,055
Total net debt applicable to limit	<u>(3,445)</u>	<u>(2,345)</u>	<u>(1,200)</u>	<u>-</u>	<u>(1,000)</u>
Legal debt margin	<u>\$ 594,235</u>	<u>\$ 636,506</u>	<u>\$ 663,736</u>	<u>\$ 706,050</u>	<u>\$ 724,055</u>
Total net debt applicable to limit as a percentage of debt limit	0.58%	0.37%	0.18%	0.00%	0.14%

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

2011	2012	2013	2014	2015
\$ 744,879	\$ 773,396	\$ 794,264	\$ 806,859	\$ 847,709
<u>(14,230)</u>	<u>(20,730)</u>	<u>(19,630)</u>	<u>(18,525)</u>	<u>(19,160)</u>
<u>\$ 730,649</u>	<u>\$ 752,666</u>	<u>\$ 774,634</u>	<u>\$ 788,334</u>	<u>\$ 828,549</u>
1.91%	2.68%	2.47%	2.30%	2.26%

Legal Debt Margin Calculation for Fiscal 2015

2013 actual valuation of property	\$16,312,166
Plus: TIF increment	662,256
Less: military exemption	<u>(20,235)</u>
Actual value for debt limit calculations	16,954,187
Multiply by 5%	<u>0.05</u>
Debt limit	847,709
Less: outstanding general obligation debt	<u>(19,160)</u>
Legal debt margin	<u>\$ 828,549</u>

COUNTY OF LINN, IOWA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015

Government Unit	Debt Outstanding	Percentage Applicable (1)	Amount Applicable To Linn County
Direct - Linn County			
General obligation bonds	\$ 19,160,000		
Capital leases	<u>169,850</u>		
Direct debt - Linn County	\$ 19,329,850	100.00%	<u>\$ 19,329,850</u>
Overlapping:			
School Districts:			
Alburnett	2,030,000	100.00%	2,030,000
Anamosa	15,495,000	6.15%	952,943
Cedar Rapids	18,180,000	100.00%	18,180,000
Center Point-Urbana	12,695,000	61.57%	7,816,312
Central City	3,025,000	100.00%	3,025,000
College Community	60,850,000	85.88%	52,257,980
Linn-Mar	35,585,000	100.00%	35,585,000
Lisbon	925,000	66.37%	613,923
Marion	9,095,000	100.00%	9,095,000
Mount Vernon	5,030,000	97.67%	4,912,801
North Linn	3,135,000	68.08%	2,134,308
Solon	21,110,000	0.50%	105,550
Springville	2,845,000	100.00%	2,845,000
Kirkwood Community College	69,810,000	45.51%	31,770,531
Cities:			
Alburnett	610,000	100.00%	610,000
Cedar Rapids	163,515,508	100.00%	163,515,508
Center Point	2,535,000	100.00%	2,535,000
Central City	1,860,000	100.00%	1,860,000
Coggon	530,000	100.00%	530,000
Ely	2,555,000	100.00%	2,555,000
Fairfax	8,706,000	100.00%	8,706,000
Hiawatha	22,430,000	100.00%	22,430,000
Lisbon	2,155,000	100.00%	2,155,000
Marion	56,500,000	100.00%	56,500,000
Mount Vernon	9,030,000	100.00%	9,030,000
Palo	900,000	100.00%	900,000
Robins	6,975,000	100.00%	6,975,000
Springville	595,000	100.00%	595,000
Walker	1,430,000	100.00%	<u>1,430,000</u>
Subtotal Overlapping Debt			<u>451,650,856</u>
Total Direct and Overlapping Debt			<u>\$ 470,980,706</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>
2006	202,314	8,334,251	40,489	36.35	33,410	3,246	3.7%
2007	205,283	8,582,726	41,153	36.43	34,076	3,240	3.6%
2008	207,839	8,537,017	40,610	36.48	33,837	3,372	4.5%
2009	209,226	8,633,064	40,796	36.59	34,187	3,298	5.9%
2010	213,993	8,928,346	41,723	36.74	34,519	3,204	6.5%
2011	215,185	9,203,346	42,769	36.89	34,652	3,097	6.0%
2012	216,111	9,216,826	42,649	37.14	33,361	3,012	5.4%
2013	217,535	9,437,725	43,385	37.25	33,492	2,912	4.9%
2014	219,069	9,633,738	43,976	37.31	33,901	2,863	4.5%
2015	220,723	9,831,890	44,544	37.37	35,537	3,161	3.7%

(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 2015		
	Employees	Rank	Percentage of Total County Employment
Rockwell Collins International	8,700	1	5.47%
Transamerica	3,872	2	2.44%
St. Luke's Hospital	3,184	3	2.00%
Cedar Rapids Community Schools	2,936	4	1.85%
Mercy Medical Center	2,312	5	1.45%
Whirlpool Corporation	2,200	6	1.38%
Hy Vee Food Stores	2,118	7	1.33%
Kirkwood Community College	1,895	8	1.19%
City of Cedar Rapids	1,243	9	0.78%
Nordstrom Direct	1,200	10	0.75%
Alliant Energy-Interstate Power and Light	-	-	-
MCI WorldCom	-	-	-
	<u>29,660</u>		<u>18.65%</u>

Sources: City of Cedar Rapids Official Statement

Note: Total employment encompasses the Cedar Rapids Metropolitan Statistical Area

Fiscal Year 2006		
Employees	Rank	Percentage of Total County Employment
7,000	1	4.75%
2,632	4	1.79%
2,400	5	1.63%
2,860	3	1.94%
2,862	2	1.94%
2,300	6	1.56%
1,691	9	1.15%
-	-	-
1,700	8	1.15%
-	-	-
1,650	10	1.12%
1,880	7	1.28%
<u>26,975</u>		<u>18.30%</u>

COUNTY OF LINN, IOWA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Function				
Public Safety and Legal Services:				
Correctional facility inmate bookings	13,888	13,234	12,327	8,724
Correctional facility average daily population	394	381	358	202
Physical Health and Social Services:				
Communicable diseases - new children vaccinated	1,876	1,511	1,517	1,633
Child development center - children served	756	732	744	756
Financial assistance - vouchers authorized	4,767	5,242	5,027	5,888
Mental Health:				
Unduplicated clients served	707	730	759	747
Residential placements (1)	118	208	231	218
County Environment and Education:				
Camping permits - days	66,000	51,262	53,980	64,504
Boat rentals	4,729	5,372	5,587	3,957
Roads and Transportation:				
Public transportation - total riders	82,235	82,500	80,429	84,021
Miles of road maintained - paved	358	365	377	377
Miles of road maintained - unpaved	810	830	772	772

(1) No longer County function

Source: Individual county department.

2010	2011	2012	2013	2014	2015
12,319	12,870	11,743	11,841	11,354	12,000
308	365	324	345	343	349
1,398	1,383	1,070	1,058	941	987
744	768	744	732	696	732
6,157	6,475	6,149	6,398	5,965	6,150
746	768	765	285	253	240
192	191	107	150	-	-
56,096	50,721	54,640	48,523	51,209	59,413
4,127	3,030	5,507	2,046	2,904	2,726
88,277	89,236	80,778	79,324	74,498	80,000
379	380	379	378	359	359
796	795	794	793	754	754

COUNTY OF LINN, IOWA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Function				
Public Safety and Legal Services - Correctional facility capacity	410	410	410	401
County Environment and Education:				
Park acreage - developed and undeveloped	6,825	6,895	6,915	6,955
Parks	19	19	19	19
Nature center	1	1	1	1
Roads and Transportation:				
Miles of roads - paved	358	365	377	377
Miles of roads - unpaved	810	830	772	772
Bridges	269	262	262	262

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

2010	2011	2012	2013	2014	2015
401	401	401	401	401	401
7,030	7,030	7,051	7,175	7,289	7,305
19	19	19	18	18	18
1	1	1	1	1	1
379	380	379	378	359	359
796	795	794	793	793	754
260	246	246	259	259	259

COUNTY OF LINN, IOWA

FULL-TIME EQUIVALENT EMPLOYEES BY DEPARTMENT
LAST TEN FISCAL YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Department										
Attorney	34	36	38	38	36	38	37	37	37	37
Auditor	17	19	18	19	18	18	18	19	16	16
Board of Supervisors	6	6	6	10	10	10	10	10	9	9
Child Support Recovery Unit	24	24	22	22	22	22	20	-	-	-
Conservation	38	39	39	39	39	39	41	42	42	42
Engineering	81	76	74	72	71	71	68	66	69	69
Facilities	32	32	32	32	31	32	31	28	30	30
Finance and Budget	4	4	4	3	3	4	4	4	4	4
Human Resources	3	4	5	5	5	5	5	5	5	5
Information Technology	18	18	19	19	17	17	16	17	21	21
LIFTS	22	22	22	22	22	22	22	22	22	22
Linn County Community Services	234	248	255	255	214	231	216	213	192	198
Planning and Development	14	14	14	14	14	13	14	14	14	14
Public Health	42	42	42	40	53	59	46	47	48	47
Purchasing	4	4	4	4	4	4	4	4	4	4
Recorder	14	14	14	13	13	14	14	14	14	14
Risk Management	3	3	3	3	3	3	3	3	3	3
Sheriff	163	167	173	170	174	178	178	182	183	184
Soil Conservation	1	1	1	1	1	1	1	1	1	1
Treasurer	36	37	37	37	36	34	35	35	35	35
Veteran Affairs	3	3	3	3	3	3	3	3	3	4
	<u>793</u>	<u>813</u>	<u>825</u>	<u>821</u>	<u>789</u>	<u>818</u>	<u>786</u>	<u>766</u>	<u>752</u>	<u>759</u>

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, 2015, 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 11, 2015.

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.

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. 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.

Our consideration of internal control 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in Part II of the schedule of findings and questioned costs issued under separate cover as item 2015-A, that we consider to be a significant deficiency.

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, 2015 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 Responses 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 11, 2015



Information to Comply with Government Auditing
Standards and OMB Circular A-133, Audits of States,
Local Governments, and Non-Profit Organizations
June 30, 2015

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
Schedule of Expenditures of Federal Awards	5
Notes to the Schedule of Expenditures of Federal Awards.....	12
Schedule of Findings and Questioned Costs.....	13
Corrective Action Plan for Audit Findings	17
Summary Schedule of Prior Federal Audit Findings	18



**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, 2015, 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 11, 2015.

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.

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. 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.

Our consideration of internal control 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in Part II of the accompanying schedule of findings and questioned costs as item 2015-A, that we consider to be a significant deficiency.

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, 2015 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. 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 11, 2015



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, 2015. 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, 2015.

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, 2015, and have issued our report thereon dated December 11, 2015, 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
February 4, 2016

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

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	\$ 11,167
National School Lunch Program	10.555	57-8022	17,727
Summer Food Service Program for Children	10.559	048815	<u>1,960</u>
Total Food and Nutrition Service Cluster			<u>30,854</u>
Pass-Through Program From:			
Iowa Department of Education:			
Child and Adult Care Food Program	10.558	57-8012	<u>53,225</u>
Iowa Department of Human Services:			
Human Services Administrative			
Reimbursement:			
State Administrative Matching			
Grants for the Supplemental			
Nutrition Assistance Program	10.561	N/A	<u>105,755</u>
Total U.S. Department of Agriculture			<u>189,834</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	<u>1,820,563</u>
City of Cedar Rapids, IA:			
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	IALHB0548-13	<u>60,406</u>
Total U.S. Department of Housing and Urban Development			<u>1,880,969</u>

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

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
North American Wetlands Conservation Fund	15.623	F12AP00110	<u>15,600</u>
Total U.S. Department of the Interior Fish and Wildlife Service			<u>75,600</u>
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	<u>10,413</u>
Direct Program:			
Bulletproof Vest Partnership Program	16.607		<u>15,162</u>
Pass-Through Program From:			
Governor's Office of Drug Control Policy:			
Public Safety Partnership and Community Policing Grants	16.710	10-Hotspots	<u>21,230</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12JAG77090	36,726
Direct Program:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738		37,058
Edward Byrne Memorial Justice Assistance Grant Program	16.738		10,822
Edward Byrne Memorial Justice Assistance Grant Program	16.738		<u>7,155</u>
			<u>91,761</u>
Total U.S. Department of Justice			<u>138,566</u>

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Grantor/Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Transportation:			
Pass-Through Program From:			
Trees Forever:			
Highway Planning and Construction	20.205	57-03-10 (STPES-TREE)(16)	\$ 107
Highway Planning and Construction	20.205	57-02-13	13,635
			<u>13,742</u>
East Central Iowa Council of Governments:			
Formula Grants for Rural Areas	20.509	N/A	105,668
Governor's Traffic Safety Bureau:			
National Priority Safety Programs	20.616	PAP 14-405d- M6OT, Task 34	15,833
National Priority Safety Programs	20.616	PAP 14-405d- M6OT, Task 35	39,487
			<u>55,320</u>
			<u>174,730</u>
Total U.S. Department of Transportation			
U.S. Environmental Protection Agency:			
Direct Program:			
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act			
	66.034		6,869
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	14ESDAQBCIam- 0001	17,500
			<u>24,369</u>
Capitalization Grants for Drinking Water State Revolving Funds			
	66.468	ESD7159CHende1 30010	18,438
Performance Partnership Grants			
	66.605	14ESDAQBCIam- 0001	77,312
			<u>120,119</u>
Total U.S. Environmental Protection Agency			

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Grantor/Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services:			
Pass-Through Program From:			
Iowa Department of Public Health:			
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	5885BT302	\$ 979
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	5885BT36	<u>229,933</u>
			<u>230,912</u>
Food and Drug Administration Research Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.103	G-SP-1401-00789	<u>2,463</u>
Immunization Cooperative Agreements	93.116	MOU-2015-TB04	<u>4,125</u>
Immunization Cooperative Agreements	93.268	5885I448	15,497
Immunization Cooperative Agreements	93.268	5884I448	<u>15,323</u>
			<u>30,820</u>
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	5885NB16	12,705
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	5885CRC03	<u>5,000</u>
			<u>17,705</u>
PPHF - Community Transformation Grants and National Dissemination and Support for Community Transformation Grants - Financed Solely by Prevention and Public Health Funds	93.531	5884HP13	<u>31,375</u>

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

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 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	5884I4129	\$ 2,251
Iowa Department of Human Services:			
Promoting Safe and Stable Families	93.556	DCAT4-15-047	41,427
Promoting Safe and Stable Families	93.556	ACFS 14-127	21,364
Promoting Safe and Stable Families	93.556	ACFS 14-158	3,800
Promoting Safe and Stable Families	93.556	ACFS 14-098	2,903
			<u>69,494</u>
Temporary Assistance for Needy Families	93.558	ACFS 14-127	3,653
Temporary Assistance for Needy Families	93.558	ACFS 14-158	650
Temporary Assistance for Needy Families	93.558	ACFS 14-098	496
Sixth Judicial District Juvenile Court Services:			
Temporary Assistance for Needy Families	93.558	JUV-13-TM-6-001	338,000
			<u>342,799</u>
Iowa Department of Human Services:			
Human Services Administrative			
Reimbursement:			
Refugee and Entrant Assistance - State Administered Programs	93.566	N/A	245
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	N/A	27,389
Hawkeye Area Community Action Program:			
Head Start	93.600	07CH6114	22,906
Head Start	93.600	N/A	140,081
			<u>162,987</u>
Iowa Department of Human Services:			
Human Services Administrative			
Reimbursement:			
Foster Care - Title IV-E	93.658	N/A	40,563
Adoption Assistance	93.659	N/A	12,799
Social Services Block Grant	93.667	N/A	32,484
Social Services Block Grant	93.667	N/A	28,097
			<u>60,581</u>

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

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)			
Child Abuse and Neglect State Grants	93.669	ACFS 14-0127	\$ 146
Child Abuse and Neglect State Grants	93.669	ACFS 14-098	20
Child Abuse and Neglect State Grants	93.669	ACFS 14-158	26
			<u>192</u>
Human Services Administrative			
Reimbursement:			
Children's Health Insurance Program	93.767	N/A	648
Medical Assistance Program	93.778	N/A	<u>199,126</u>
Iowa Department of Public Health:			
HIV Care Formula Grants	93.917	5886HC08	77,338
HIV Care Formula Grants	93.917	5885HC08	92,722
			<u>170,060</u>
HIV Prevention Activities - Health			
Department Based	93.940	5885AP09	9,950
HIV Prevention Activities - Health			
Department Based	93.940	5884AP09	16,214
			<u>26,164</u>
Total U.S. Department of Health and Human Services			<u>1,432,698</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	G13MW002A	126,984
High Intensity Drug Trafficking Areas Program	95.001	G14MW002A	71,713
			<u>198,697</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>105</u>

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Grantor/Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Homeland Security:			
Pass-Through Program From:			
United Way of America:			
Emergency Food and Shelter National Board Program	97.024	31-2964-00	\$ 3,788
Emergency Food and Shelter National Board Program	97.024	32-2964-00	<u>45,074</u>
			<u>48,862</u>
Iowa Department of Homeland Security:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-4187	600,824
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-4126	<u>83,427</u>
			<u>684,251</u>
Iowa Department of Public Defense:			
Hazard Mitigation Grant	97.039	HMGP-DR- 1880-0039-01	10,179
Hazard Mitigation Grant	97.039	HMGP-DR- 1998-0003 01	110,038
Hazard Mitigation Grant	97.039	HMGP-DR- 4114-0005-01	<u>1,044</u>
			<u>121,261</u>
Total U.S. Department of Homeland Security			<u>854,374</u>
Total Expenditures of Federal Awards			<u>\$ 5,065,692</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.

Note 2 - Significant Accounting Policies

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 3 - 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	\$ 1,820,563
Edward Byrne Memorial Justice Assistance Grant Program	16.738	42,646
Promoting Safe and Stable Families	93.556	28,067
Temporary Assistance for Needy Families	93.558	4,799
Child Abuse and Neglect State Grants	93.669	192
Emergency Food and Shelter National Board Program	97.024	41,335

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	No
Significant deficiencies identified not considered to be material weaknesses	Yes
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
Temporary Assistance for Needy Families	93.558
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036

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:

Significant Deficiency

2015-A Significant 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 significant adjustments to Construction in Progress and Accounts Receivable during the audit process.

Effect – Prior to posting audit adjustments, financial data was not in accordance with generally accepted accounting principles.

Cause – The adjustment to Construction in Progress was due to an error in applying the prorated amount of construction invoices for the Alburnett Road Project. The adjustment to Accounts Receivable was due to an oversight of the amounts owed to the County from the Monroe Fire District.

Recommendation – We recommend that those responsible for preparation of the financial statements perform a more thorough review of the items needed to report in accordance with GAAP.

Response – The County will implement additional review of financial statements 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:

2015-IA-A Certified Budget – Disbursements during the year ended June 30, 2015, did not exceed the amounts budgeted by function.

2015-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.

2015-IA-C Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

2015-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
James Houser, Board of Supervisors, spouse is Deputy Linn County Medical Examiner	Services	\$ 11,071
Judy Commings, Options employee, spouse is owner of Aqua Technologies	Supplies	9,428
Gayle Keiser, County Attorney’s Office, sister is JoAnne Morenz	Services	5,981
John Gahring, Sheriff’s Office, parent is owner of Gahring Machine and Manufacturing	Supplies	3,960
Gayle Keiser, County Attorney’s Office, daughter is Mackenzie Keiser	Services	3,802
Brian Claney, County Attorney’s Office, spouse is Ann Claney	Services	477
Linda Langston, Board of Supervisors, spouse is David Langston	Services	219
Kayla Davis, Recorder’s Office, spouse is Todd Davis	Supplies	24

According to Chapter 331.342 of the Code of Iowa, an officer or employee of a county shall not have an interest, direct or indirect, in a contract with that county. The provision does not apply to transactions that do not exceed a cumulative total purchase price of \$1,500 in a fiscal year or to contracts made by a county upon competitive bid. The transactions involving James Houser, Judy Commings, Gayle Keiser, and John Gahring were not entered into through competitive bidding.

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

2015-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.

2015-IA-F Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.

2015-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.

2015-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).

2015-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, 2015, for the County Extension Office did not exceed the amount budgeted.

2015-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.

2015-IA-K 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, 2015

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

2015-A	Significant 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, 2016
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There were no prior year federal findings.