



COUNTY OF LINN, IOWA

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020

COUNTY OF LINN, IOWA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

PREPARED BY OFFICE OF FINANCE AND BUDGET

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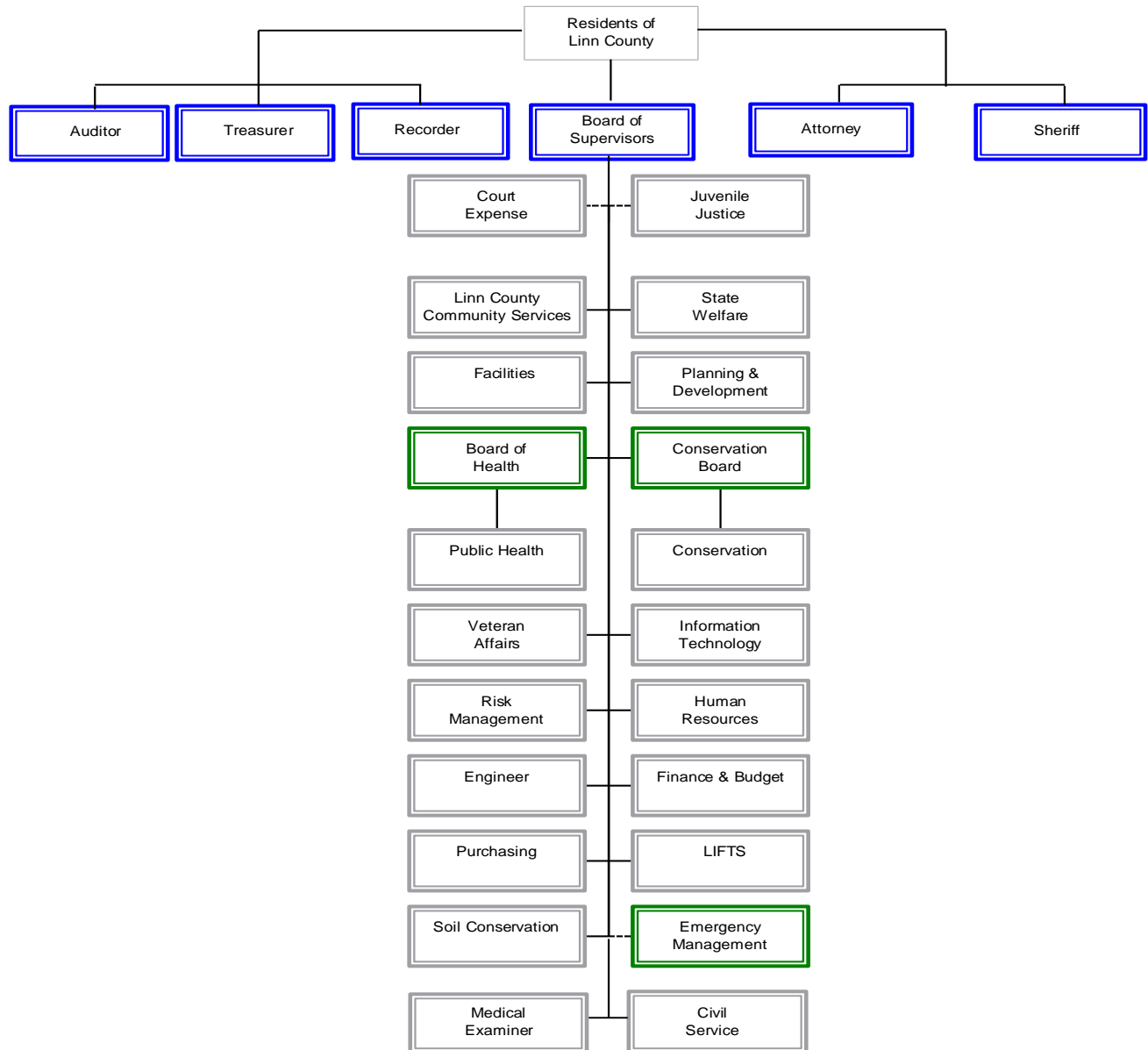
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INTRODUCTORY SECTION

COUNTY OFFICIALS

<u>NAME</u>	<u>TITLE</u>	<u>TERM EXPIRES</u>
Ben Rogers	Board of Supervisors	2022
Stacey Walker	Board of Supervisors	2022
Brent Oleson	Board of Supervisors	2020
Jerry Vander Sanden	Attorney	2022
Joel Miller	Auditor	2020
Joan McCalmant	Recorder	2022
Brian Gardner	Sheriff	2020
Sharon Gonzalez	Treasurer	2022

COUNTY ORGANIZATIONAL CHART



Blue = Elected Official

Green = Board or Commission

Grey = Department

LINN COUNTY FINANCE & BUDGET

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935 2ND ST. SW
CEDAR RAPIDS, IA 52404
PH: 319-892-5010 | FAX: 319-892-5009

LinnCounty.org



January 05, 2020

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, 2020, 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, 2020 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, 2020 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 will be 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.

PROFILE OF LINN COUNTY

The County was organized on June 10, 1839. It currently is governed by the Board of Supervisors, comprised of three officials elected by district to serve four-year staggered terms. This governing structure of the Board of Supervisors took effect in January of 2019, following a public vote to decrease the number of Board members from five to three. The Board is the legislative body of the County, which annually adopts a budget and establishes tax rates to support County programs. Other elected officials (Attorney, Auditor, Recorder, Sheriff, and Treasurer) and appointed department heads have the responsibility of administering these programs in accordance with the policies and the annual budget adopted by the Board of Supervisors.

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

Significant Financial Policies

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

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% of the County's population, with the remainder living in small towns and rural areas. The fiscal year 2020 population of Linn County is estimated at 228,358 – an increase of 0.6% from 2019. The local unemployment rate was 3.9% in October, significantly less than the national average of 6.9%.

A \$50.8 million redevelopment of the historic former Guaranty Bank and World Theater buildings will add more than 200 hotel rooms to downtown Cedar Rapids. There will also be a new, nine-story hotel, in addition to the renovated historic building included in the plan. The six-story Guaranty Bank Building, originally completed in 1896, will have a restaurant on the first floor and the upper five floors will be converted to hotel rooms for a Courtyard by Marriott, at an estimated cost of \$20.3 million. Construction of the new nine-story hotel will be behind the historic building, and includes a nine-story, 84,000 square-foot hotel with 115 to 125 guest rooms. There will also be a restaurant and bar on the rooftop, and the hotel will be an AC Hotel by Marriott. This hotel will require a minimum investment of \$30.5 million. The project was temporarily placed on hold due to COVID-19, but plans have resumed with completion in late 2022 or early 2023.

A Chicago-area developer has proposed a \$28 million, three-story apartment complex with ground level commercial space and 146 units in the upper two floors in the New Bohemia district near downtown Cedar Rapids. The building will also include 8,000 square-feet of commercial space. The Iowa Economic Development Board has granted \$600,000 in tax credits to the project. Construction is planned to begin in the spring of 2021 with occupancy in the summer of 2022. The New Bohemian neighborhood is a growing arts and entertainment district located in a former industrial and warehousing area.

Construction is underway for a new 278,000 square foot aerospace defense facility in Cedar Rapids, owned by BAE Systems. The company expects to continue to expand the facility as the demand for military Global Positioning Systems increases. Construction started in October of 2020 and is expected to be complete in 2022. The building will include a state of the art factory, engineering lab and office space. The Cedar Rapids City Council and Iowa Economic Development Authority approved \$25.8 million in tax incentives for the defense and aerospace company, based in the United Kingdom, to locate the facility in

Cedar Rapids. BAE Systems purchased the Collins Aerospace military GPS division in January of 2020 following a request from federal antitrust regulators that Collins divest the unit after the Collins Aerospace parent company, United Technologies, merged with Raytheon.

The Cedar Rapids City Council has chosen a proposal for a new five-story multi-use building in the Kingston Village area, near downtown. The building will have 45 apartments with balconies and a rooftop patio. The cost for the project is estimated at more than \$6.3 million. The apartment building has been designed for construction in a flood plain. This project was selected by the City Council over the four other housing and hotel plans presented to them.

Construction began in April of 2020 on the final buildings in the Fountains, a \$35 million, 20-acre development that includes office services, along with restaurants and retail space. Completion is planned for the summer of 2021. The site is located north of the recently completed Highway 100 project in Cedar Rapids. When construction of the first buildings began in 2013, it was estimated that the project would bring in an additional \$10 million in property tax revenue over 20 years.

Long-Term Financial Planning

Work began on a \$750 million flood control system to protect both the east and west sides of downtown Cedar Rapids this year. Construction of a 2,150-foot flood wall next to the Quaker Oats plant near downtown Cedar Rapids will be completed in 2021, including a \$3.1 million railway floodgate. An earthen levy south of the Czech Village area has been completed, along with pump stations in the New Bohemia neighborhood. All of the work near New Bohemia and Czech Village is being financed with state flood control funds. In total, the 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.

Solid waste has been transported to the former Linn County landfill at County Home Road for several years. New cells are being added, 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, and cells three and four were operational in 2013. The next cell will be placed in service in 2023, based on current waste flows. 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, 2019. This was the 31st 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 2020. 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,



Dawn Jindrich
Finance Director



Sara Bearrows
Budget Director



FINANCIAL SECTION



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, 2019

Christopher P. Morill

Executive Director/CEO



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, 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, 2020, 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 County'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.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Linn, Iowa, as of June 30, 2020, 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.

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 inquires of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquires, 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'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 our report dated January 5, 2021 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, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

Dubuque, Iowa
January 5, 2021

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, 2020. 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 and deferred outflows of resources of the County exceeded the liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$212,268,000 (net position).
- The County's total net position increased by \$766,000.
- As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$57,591,000, a decrease of \$5,880,000 in comparison with the prior year, including the inventory reserve change.
- At the end of the current fiscal year, the fund balance for the general fund was \$26,668,000, or 33% of total general fund expenditures.
- Total general obligation bonded debt increased by \$24,295,000 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 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.

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 14 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. A proprietary fund accounts for the County's internal service funds. *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 – 60 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 71 – 80 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$212,268,000 at the close of the most recent fiscal year.

The largest portion of the County's net position, 89%, 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.

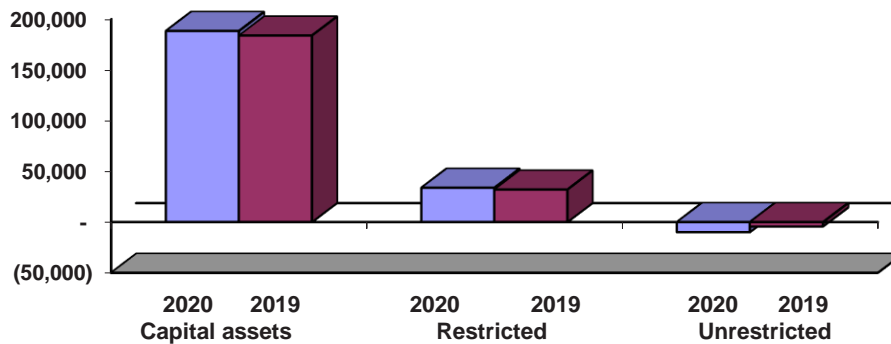
Statement of Net Position for the Fiscal Year Ended June 30, 2020

The County's combined net position increased to \$212,268,000 for fiscal year 2020. A condensed version of the Statement of Net Position as of June 30, 2020 and June 30, 2019 follows:

County of Linn's Net Position (in thousands)

	Governmental Activities	
	2020	2019
Current and other assets	\$ 157,613	\$ 150,522
Capital assets	245,010	211,551
Total assets	402,623	362,073
Deferred outflows of resources	11,774	11,744
Long-term liabilities	103,875	77,421
Other liabilities	8,656	7,543
Total liabilities	112,531	84,964
Deferred inflows of resources	89,598	77,351
Net position:		
Net investment in		
capital assets	188,328	183,817
Restricted	33,846	32,078
Unrestricted	(9,906)	(4,393)
Total net position	\$ 212,268	\$ 211,502

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 \$4,511,000 increase includes an increase of \$33,459,000 in capital assets and a \$24,295,000 net 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 \$5,514,000 to a deficit of \$9,906,000 at June 30, 2020.

Current and other assets increased \$7,091,000 to \$157,613,000. Included was a decrease of \$3,159,000 or 4.9% in pooled cash and investments. Accounts receivable decreased \$123,000. The decrease in pooled cash includes a \$360,000 general fund decrease, a \$12,000 increase in the capital projects fund, and a \$6,563,000 decrease in the mental health and disability services (MHDS) fund. The accounts receivable reduction was due to a grant funded road project in fiscal year 2019 for the reimbursement of construction costs adjacent to the new Prospect Meadows baseball and softball complex. The general fund decrease is due to COVID-19 costs for additional cleaning, medical examiner cases and public health outreach. Capital projects pooled cash includes funding to improve access for the disabled in County buildings and parks and for projects financed with the Land, Water & Legacy bonds issued as part of a \$40 million voter approved referendum. The decrease in the MHDS fund is due to a planned two-year reduction in fund balance to comply with legislation by the State of Iowa that originally required counties to reduce fund balances to no more than 20% of expenditures. That legislation was later revised to allow counties to reduce MHDS fund balances to no more than 40% of expenditures at the end of fiscal year 2020.

Statement of Activities for the Fiscal Year Ended June 30, 2020

A condensed version of the Statement of Activities as of June 30, 2020 and June 30, 2019 follows:

County of Linn's Changes in Net Position (in thousands)

	Governmental Activities	
	2020	2019
Revenues:		
Program revenues:		
Charges for services	\$ 19,086	\$ 20,752
Operating grants and contributions	18,022	19,659
Capital grants and contributions	6,653	3,013
General revenues and transfers:		
Property taxes	65,690	63,130
Other county taxes	4,560	4,295
State replacements and credits	3,250	3,193
Investment income	1,538	2,121
Other general revenue	2,197	2,796
Total revenues	<u>120,996</u>	<u>118,959</u>
Expenses:		
Public safety and legal services	31,546	30,942
Physical health and social services	16,691	16,717
Mental health	11,300	10,604
County environment and education	9,944	10,003
Roads and transportation	18,542	23,206
Governmental services to residents	5,683	5,203
Administration	24,907	19,148
Interest on long-term debt	1,880	710
Total expenses	<u>120,493</u>	<u>116,533</u>
Change in net position	766	2,426
Beginning net position	<u>211,502</u>	<u>209,076</u>
Ending net position	<u>\$ 212,268</u>	<u>\$ 211,502</u>

Governmental activities

Revenues for the County's governmental activities increased \$2,037,000 or 1.7% while total expenses increased \$3,960,000 or 3.4%. Key elements include:

- The \$2,560,000 increase in County property taxes represented overall valuation growth of 3.4%.
- The \$1,637,000 decrease in operating grants was due to the impact of COVID-19 on programming.
- Changes to the County's investment earnings due to the negative impact of COVID-19 on investment income.
- The public safety increase included additional staffing in the Sheriff's Office.
- The physical health and social services decrease of \$26,000 is due to grant funded programs that were unable to continue due to operating constraints resulting from COVID-19.
- Roads and transportation expenses decreased due to fewer road construction projects.
- Administration expenses increased in fiscal year 2020 due to increased building maintenance projects and COVID-19 costs.

Individual Major Fund Analysis

As the County completed the year, its governmental funds reported a combined fund balance of \$57,591,000 or \$5,880,000 less than last year. The nonspendable fund balance of \$2,451,000 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 \$18,002,000.

General fund – General fund revenues decreased \$1,486,000 or 1.7% while expenditures increased \$2,989,000 or 3.9%. The overall revenue increase included a \$907,000 increase in property tax revenue, a \$1,639,000 decrease in intergovernmental revenue, a \$64,000 increase in charges for services, and a \$489,000 or 21.2% decrease in use of money and property. The property tax increase was the result of valuation growth of 3.4% and an increase in the general fund levy rate of \$0.04. Intergovernmental revenue decreased due to programming limitations resulting from the impact of COVID-19, including closing the Options program serving adults with disabilities. Charges for services increased slightly due to auto registration fees and inmate revenues. The decrease in use of money and property is the result of COVID-19 on investment earnings from money market accounts. The public safety expenditure increase included five new positions in the Sheriff's Office. The physical health and social services decrease was due to reduced programming in the public health clinic and daycare, in the Public Health and Linn County Community Services departments, also due to COVID-19.

Mental health fund – Total fund balance decreased \$7,576,000 due to the reduction in the MHDS levy rate of \$0.22 to reduce fund balance to less than 20% of expenditures by the end of fiscal year 2020 as required by legislation. This limit on fund balance was increased to 40% after the budget was adopted. The ending fund balance of \$3,197,000 is 35% of total expenditures for the fund.

Secondary roads fund – Revenues and expenditures decreased in the Secondary Roads fund due to the completion of the Prospect Meadows ballpark road improvements projects that were reimbursed by a state RISE grant and Prospect Meadows in FY19. Fund balance increased from \$3,495,000 to \$5,449,000 due to delays in planned projects.

Capital projects fund – Fiscal year 2020 expenditures of \$40,916,000 included \$988,000 in road and bridge construction projects and \$3,243,000 in conservation LOST and Legacy bond projects, in addition to the Dr. Percy and Lileah Harris building and other building projects.

General Fund Budgetary Highlights

In accordance with the Code of Iowa, the Board of Supervisors annually adopts a budget following required public notice and hearing for all governmental funds. The County budget is prepared on the cash basis. Over the course of the year, the County amended its general fund budget three times.

The first amendment was made in December of 2019 and was to increase expenditures for the carryforward of funding for uncompleted projects. The general fund expenditure budget increased by \$324,000; the mental health fund increased by \$4,052,000; the Secondary Roads fund increased by \$1,078,000; Capital Projects increased by \$4,202,000 and other nonmajor funds increased by \$50,000.

In May of 2020, the second amendment increased the general fund budget by \$1,198,000 including \$300,000 for additional funding to the Self-Retained Insurance fund, \$205,000 for bond issuance costs and \$694,000 for increased operating costs associated with COVID-19. The mental health fund decreased by \$2,417,000 due to delays in construction of the Access Center and other projects. The capital projects fund decreased by \$8,558,000 due to conservation and road construction project delays. The Secondary Roads fund increased expenditures by \$194,000 for increased maintenance projects. There were also smaller decreases in other nonmajor funds that totaled \$77,000.

The final amendment of fiscal year 2020 was in June, with \$2,000,000 added to the capital projects fund to record expenditures for the Dr. Percy and Lileah Harris Building paid out of the trust account at year end.

Actual general fund revenue received in fiscal year 2020 was 1.6% less than the final budget, primarily due to decreased property tax collections from the State of Iowa moving back the date penalties and interest began to accrue on unpaid tax bills and there was also no tax sale in fiscal year 2020. Actual general fund expenditures were \$2,484,000 or 3.0% lower than the final budget, due to unspent grant proceeds and reduced salaries and benefits related to COVID-19.

Capital Assets and Debt Administration

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

	Governmental Activities	
	2020	2019
Land	\$ 23,417	\$ 23,127
Buildings	62,136	62,892
Improvements other than buildings	19,128	19,542
Machinery and equipment	11,689	12,086
Infrastructure	84,057	85,707
Construction in progress	44,583	8,197
Total	<u>\$ 245,010</u>	<u>\$ 211,551</u>

Capital Assets

The County's investment in capital assets for its governmental activities as of June 30, 2020 was \$245,010,000 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, and infrastructure. The net increase of in the County's investment in capital assets for the current fiscal year was \$33,459 or 15.8%. Major capital asset events during the fiscal year included the following:

- Construction in progress additions for the Dr. Percy and Lileah Harris Building of \$30,818,000.
- Construction in progress additions for the renovation of the new LIFTS transit building of \$1,590,000.
- Construction in progress additions for the new mental health and substance abuse Access Center building of \$1,295,000.

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 \$58,845,000. 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)

	2019	Additions	Payments	2020
Governmental -				
General obligation bonds	\$ 34,550	\$ 29,225	\$ 4,930	\$ 58,845
Limited obligation bonds - Monroe Township	450	-	25	425
Total	<u>\$ 35,000</u>	<u>\$ 29,225</u>	<u>\$ 4,955</u>	<u>\$ 59,270</u>

Moody's Investor Services rated 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 6 on pages 47 – 49 of this report.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the County was 3.9% at the end of fiscal year 2020, below the national average of 6.9%. Total estimated Linn County employment decreased from 125,200 in fiscal year 2019 to 113,900 in fiscal 2020. Personal income increased 2.2% to \$11.4 billion while per capita personal income increased \$2,113 to \$56,660.

In fiscal year 2021, property taxes levied will increase \$8,896,000 or 12.9% from the fiscal 2020 budget, the result of valuation growth of 3.5%, a \$0.02 increase in the general fund levy rate, a \$0.55 increase in the MHDS levy rate and a \$0.01 increase in the debt service levy rate. The prior property tax levy rate of \$5.84 in both fiscal years 2019 and 2020, was temporarily decreased to reduce the fund balance in the MHDS fund. Net property tax revenue represents 59.6% of total revenues compared to 57.3% in fiscal 2020. Rural residents will pay \$9.11 per thousand dollars of taxable value, including the rural services levy rate of \$2.71. The rural rate is the same as in fiscal year 2020.

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, 2020

	Governmental Activities
ASSETS:	
Pooled cash and investments	\$ 61,392,896
Receivables:	
Accounts	190,716
Property taxes:	
Delinquent	1,273,339
Succeeding year	80,727,408
Interest and penalties on property taxes	40,491
Accrued interest	57,513
Due from other governments	6,342,765
Due from individuals and private entities	166,523
Inventories and prepaid expenses	2,451,489
Investment in joint venture	4,970,000
Capital assets:	
Land and construction in progress	68,000,151
Other capital assets net of accumulated depreciation	177,010,100
Total capital assets	245,010,251
TOTAL ASSETS	402,623,391
DEFERRED OUTFLOWS OF RESOURCES -	
OPEB related deferred outflows	2,658,404
Pension related deferred outflows	9,115,180
TOTAL DEFERRED OUTFLOWS OF RESOURCES	11,773,584
LIABILITIES:	
Accounts payable	7,377,971
Salaries and benefits payable	1,209,967
Accrued interest payable	67,677
Long-term liabilities other than pension and OPEB	
Due within one year	7,863,511
Due in more than one year	61,386,775
Total long-term liabilities other than pension and OPEB	69,250,286
Net pension liability	25,904,835
Total OPEB liability	8,719,928
TOTAL LIABILITIES	112,530,664
DEFERRED INFLOWS OF RESOURCES:	
Succeeding year property tax	80,727,408
OPEB related deferred inflows	181,900
Pension related deferred inflows	8,689,027
TOTAL DEFERRED INFLOWS OF RESOURCES	89,598,335
NET POSITION:	
Net investment in capital assets	188,328,064
Restricted for:	
Supplemental levy purposes	7,769,101
MHDS services	3,379,457
Secondary roads	5,918,979
Capital projects	10,961,765
Other purposes	5,081,358
Debt service	735,506
Unrestricted	(9,906,254)
TOTAL NET POSITION	\$ 212,267,976

See notes to financial statements.

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program	
		Charges for Services	Operating Grants and Contributions
Governmental activities:			
Public safety and legal services	\$ 31,545,623	\$ 7,508,789	\$ 175,753
Physical health and social services	16,690,816	1,367,482	4,279,180
Mental health	11,300,485	2,528,224	286,771
County environment and education	9,944,264	1,399,336	2,580,833
Roads and transportation	18,542,264	1,565,657	10,361,238
Governmental services to residents	5,683,291	4,257,214	26,100
Administration	24,906,267	459,443	311,910
Interest on long-term debt	1,880,251	-	-
Total governmental activities	<u>120,493,261</u>	<u>19,086,145</u>	<u>18,021,785</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 and transfers

Change in net position

Net position - beginning

Net position - ending

See notes to financial statements.

Revenues	Net (Expense) Revenue and Changes in Net Position
Capital Grants and Contributions	Governmental Activities
\$ -	\$ (23,861,081)
141,234	(10,902,920)
1,139,064	(7,346,426)
862,919	(5,101,176)
4,471,066	(2,144,303)
38,728	(1,361,249)
-	(24,134,914)
-	(1,880,251)
<u>6,653,011</u>	<u>(76,732,320)</u>

61,014,567
4,675,049
263,450
2,714,531
1,844,875
3,250,339
1,538,200
<u>2,197,149</u>
<u>77,498,160</u>
765,840
<u>211,502,136</u>
<u>\$ 212,267,976</u>

COUNTY OF LINN, IOWA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

		Special Revenue Funds	
	General	MHDS Services	Secondary Roads
ASSETS:			
Cash and investments:			
Pooled cash and investments	\$ 24,773,787	4,340,805	\$ 4,407,124
Other county officials	739,216	-	20
Receivables:			
Accounts	132,804	491	43,864
Property taxes:			
Delinquent	1,059,177	35,585	-
Succeeding year	63,353,941	7,531,760	-
Interest and penalties on property taxes	40,491	-	-
Accrued interest	57,450	-	-
Due from other governments	2,451,450	155,646	1,545,883
Due from individuals and private entities	166,523	-	-
Inventories	390,367	-	1,107,619
Prepaid items	849,309	-	-
TOTAL ASSETS	<u>\$ 94,014,515</u>	<u>\$ 12,064,287</u>	<u>\$ 7,104,510</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:			
Liabilities:			
Accounts payable	\$ 1,049,841	\$ 1,143,733	\$ 1,083,143
Salaries and benefits payable	1,085,975	9,337	102,388
Total liabilities	<u>2,135,816</u>	<u>1,153,070</u>	<u>1,185,531</u>
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	63,353,941	7,531,760	-
Other	1,856,649	182,875	469,610
Total deferred inflows of resources	<u>65,210,590</u>	<u>7,714,635</u>	<u>469,610</u>
Fund balances:			
Nonspendable	1,239,676	-	1,107,619
Restricted	7,426,330	3,196,582	4,341,750
Unassigned	18,002,103	-	-
Total fund balances	<u>26,668,109</u>	<u>3,196,582</u>	<u>5,449,369</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 94,014,515</u>	<u>\$ 12,064,287</u>	<u>\$ 7,104,510</u>

See notes to financial statements.

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 17,264,382	\$ 5,342,119	\$ 56,128,217
-	14,224	753,460
2,160	11,397	190,716
-	178,577	1,273,339
-	9,841,707	80,727,408
-	-	40,491
-	63	57,513
1,530,725	659,061	6,342,765
-	-	166,523
-	43,939	1,541,925
-	60,255	909,564
<u>\$ 18,797,267</u>	<u>\$ 16,151,342</u>	<u>\$ 148,131,921</u>
\$ 2,301,750	\$ 55,504	\$ 5,633,971
-	12,267	1,209,967
<u>2,301,750</u>	<u>67,771</u>	<u>6,843,938</u>
-	9,841,707	80,727,408
284,009	176,490	2,969,633
<u>284,009</u>	<u>10,018,197</u>	<u>83,697,041</u>
-	104,194	2,451,489
16,211,508	5,961,180	37,137,350
-	-	18,002,103
<u>16,211,508</u>	<u>6,065,374</u>	<u>57,590,942</u>
<u>\$ 18,797,267</u>	<u>\$ 16,151,342</u>	<u>\$ 148,131,921</u>

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

Total fund balances for governmental funds	\$ 57,590,942
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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.	245,010,251
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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.	4,970,000
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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.	2,969,633
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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.	2,767,219
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Pension and OPEB 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	\$ 11,773,584	
Deferred inflows of resources	(8,870,927)	
		2,902,657

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	(67,677)	
Bonds payable	(59,270,000)	
Unamortized premium on general obligation bonds	(3,196,474)	
Capital leases	(230,954)	
Net pension liability	(25,904,835)	
Other post employment benefits	(8,719,928)	
Compensated absences	(6,552,858)	
Total long-term debt liabilities		(103,942,726)

Total net position of governmental activities	<u>\$ 212,267,976</u>
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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, 2020

		Special Revenue Funds	
	General	MHDS Services	Secondary Roads
REVENUES:			
Property taxes	\$ 55,257,217	\$ 918,053	\$ -
Other county taxes	2,418,583	39,719	-
Interest and penalty on taxes	266,770	-	-
Intergovernmental	15,112,005	573,053	8,474,674
Licenses and permits	921,641	-	84,669
Charges for services	7,554,671	140	177,271
Use of money and property	1,832,116	-	-
Miscellaneous	1,180,050	-	96,324
Total revenues	<u>84,543,053</u>	<u>1,530,965</u>	<u>8,832,938</u>
EXPENDITURES:			
Current:			
Public safety and legal services	31,377,935	-	-
Physical health and social services	16,322,223	-	-
Mental health	-	9,115,632	-
County environment and education	7,832,411	-	-
Roads and transportation	2,048,632	-	12,576,168
Governmental services to residents	5,227,364	-	-
Administration	16,995,488	-	-
Capital projects	244,765	-	1,075,394
Debt service	-	-	-
Total expenditures	<u>80,048,818</u>	<u>9,115,632</u>	<u>13,651,562</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,494,235</u>	<u>(7,584,667)</u>	<u>(4,818,624)</u>
OTHER FINANCING SOURCES (USES):			
Sale of capital assets	20,085	-	90,210
Issuance of long-term debt	204,575	-	-
Premium on issuance of long-term debt	-	-	-
Provision for capital leases and installment purchases	209,340	8,720	-
Transfers in	-	-	6,692,089
Transfers out	(6,559,330)	-	-
Total other financing sources (uses)	<u>(6,125,330)</u>	<u>8,720</u>	<u>6,782,299</u>
NET CHANGE IN FUND BALANCES	(1,631,095)	(7,575,947)	1,963,675
FUND BALANCES - BEGINNING OF YEAR	28,302,346	10,772,529	3,494,916
INCREASE (DECREASE) IN INVENTORY RESERVES	<u>(3,142)</u>	<u>-</u>	<u>(9,222)</u>
FUND BALANCES - END OF YEAR	<u>\$ 26,668,109</u>	<u>\$ 3,196,582</u>	<u>\$ 5,449,369</u>

See notes to financial statements.

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 8,536,637	\$ 64,711,907
4,990,198	2,114,760	9,563,260
-	-	266,770
1,955,496	2,836,905	28,952,133
-	240,020	1,246,330
34,039	469,023	8,235,144
215,179	1,026	2,048,321
248,307	80,419	1,605,100
<u>7,443,219</u>	<u>14,278,790</u>	<u>116,628,965</u>
-	378,155	31,756,090
-	54,650	16,376,873
-	2,495,349	11,610,981
59,672	721,436	8,613,519
-	427,524	15,052,324
-	17,557	5,244,921
-	-	16,995,488
40,856,123	195,585	42,371,867
-	6,767,574	6,767,574
<u>40,915,795</u>	<u>11,057,830</u>	<u>154,789,637</u>
<u>(33,472,576)</u>	<u>3,220,960</u>	<u>(38,160,672)</u>
1,087	-	111,382
29,020,425	-	29,225,000
2,727,469	-	2,727,469
-	-	218,060
3,763,304	2,350,000	12,805,393
(1,500,000)	(4,746,063)	(12,805,393)
<u>34,012,285</u>	<u>(2,396,063)</u>	<u>32,281,911</u>
539,709	824,897	(5,878,761)
15,671,799	5,229,010	63,470,600
-	11,467	(897)
<u>\$ 16,211,508</u>	<u>\$ 6,065,374</u>	<u>\$ 57,590,942</u>

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

Net change in fund balances - total governmental funds		\$ (5,878,761)
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	\$ 45,945,619	
Depreciation	<u>(11,408,203)</u>	34,537,416
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(1,081,504)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		1,501,672
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	(29,225,000)	
Premium or discount on issuance of bonds	(2,727,469)	
Bond principal payments	<u>4,955,000</u>	(26,997,469)
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.		(106,971)
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.		(897)
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		4,487,957
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	(720,143)	
Pension expense	(5,495,827)	
OPEB expense	(651,186)	
Amortization of bond premium	38,064	
Interest on long-term debt	<u>(15,530)</u>	(6,844,622)
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>1,149,019</u>
Change in net position of governmental activities		<u>\$ 765,840</u>

See notes to financial statements

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2020

	Internal Service Funds
ASSETS:	
Current assets:	
Pooled cash and investments	\$ 4,511,219
Total current assets	4,511,219
TOTAL ASSETS	4,511,219
LIABILITIES:	
Current liabilities:	
Accounts payable	1,744,000
Total current liabilities	1,744,000
NET POSITION:	
Unrestricted	2,767,219
TOTAL NET POSITION	\$ 2,767,219

See notes to financial statements.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2020

	Internal Service Funds
OPERATING REVENUES - Charges for services	\$ 16,014,353
OPERATING EXPENSES:	
Claims and administrative expenses	14,865,334
TOTAL OPERATING EXPENSES	14,865,334
OPERATING LOSS	1,149,019
CHANGE IN NET POSITION	1,149,019
TOTAL NET POSITION - BEGINNING	1,618,200
TOTAL NET POSITION - ENDING	\$ 2,767,219

See notes to financial statements.

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2020

	Internal Service Funds
CASH FLOWS FROM (FOR) OPERATING ACTIVITIES:	
Cash received from other funds	\$ 15,259,919
Cash received from insurance claims	690,209
Cash received from employees	754,434
Cash paid to employees	(31,984)
Cash paid for insurance claims and premiums	(16,183,229)
Cash paid for services	584,670
NET CASH FROM (FOR) OPERATING ACTIVITIES	<u>1,074,019</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>1,074,019</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>3,437,200</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 4,511,219</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:	
OPERATING LOSS	<u>\$ 1,149,019</u>
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH FROM (FOR) OPERATING ACTIVITIES:	
Decrease in accounts receivable	-
Increase in accounts payable	<u>(75,000)</u>
Total adjustments	<u>(75,000)</u>
NET CASH FROM (FOR) OPERATING ACTIVITIES	<u><u>\$ 1,074,019</u></u>

See notes to financial statements.

STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2020

	Deferred Compensation Trust Fund	Agency Funds
ASSETS:		
Cash and investments:		
Pooled cash and investments	\$ -	\$ 13,765,016
Cash - Other county officials	-	744,394
Investments	761,552	-
Receivables:		
Property taxes:		
Delinquent	-	5,919,211
Succeeding year	-	346,559,575
Special assessments	-	210,774
Due from individuals and private entities	-	1,333
TOTAL ASSETS	<u>761,552</u>	<u>367,200,303</u>
LIABILITIES:		
Due to other governments	-	366,922,731
Due to individuals and private entities	-	277,572
TOTAL LIABILITIES	<u>-</u>	<u>367,200,303</u>
NET POSITION - Held in trust for deferred compensation	<u>\$ 761,552</u>	<u>\$ -</u>

See notes to financial statements.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2020

	Deferred Compensation Trust Fund
ADDITIONS:	
Employee contributions	\$ 5,675
Net increase in the fair value of investments	<u>40,894</u>
Total additions	<u>46,569</u>
DEDUCTIONS - Redemption of contributions to employee or beneficiaries	<u>15,911</u>
CHANGE IN NET POSITION	30,658
TOTAL NET POSITION - BEGINNING	<u>730,894</u>
TOTAL NET POSITION - ENDING	<u><u>\$ 761,552</u></u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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.

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

A. Reporting Entity

For financial reporting purposes, 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 MHDS 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.

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 and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current 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. Investments are reported at fair value. 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.

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, 2018 assessed property valuations; is for the tax accrual period July 1, 2019 through June 30, 2020 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2019.

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, 2020, 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 acquisition 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, OPEB 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.

Advances from Grantors – Advances from grantors represents grant proceeds which have been received by the County but will be spent in succeeding fiscal years.

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, 2020. The compensated absences liability attributable to the governmental activities will be paid primarily by the General fund and the MHDS 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. Bond premiums and discounts and gains (losses) on refundings, are deferred and amortized over the life of the bonds.

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. The net pension liability attributable to the governmental activities will be paid primarily by the General fund and the MHDS Services, Rural Services, and Secondary Roads Special Revenue funds.

Total OPEB Liability – For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been determined based on the County’s actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

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. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax receivable and other receivables not collected within sixty days after year end.

Deferred inflows of resources in the statement of net position consist of succeeding year property tax receivables that will not be recognized until the year for which it is levied, and other unrecognized items not yet charged to pension and OPEB 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. The general fund is the only fund that reports a positive unassigned fund balance.

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, 2020, fund balances are composed of the following:

		Major			Other	
	General	MHDS Services	Secondary Roads	Capital Projects	Governmental	Total
Fund balances:						
Nonspendable:						
Inventories	\$ 390,367	\$ -	\$ 1,107,619	\$ -	\$ 43,939	\$ 1,541,925
Prepaid items	849,309	-	-	-	60,255	909,564
Subtotal nonspendable	1,239,676	-	1,107,619	-	104,194	2,451,489
Restricted:						
Supplemental levy purposes	7,426,330	-	-	-	-	7,426,330
Mental health purposes	-	3,196,582	-	-	-	3,196,582
Secondary roads	-	-	4,341,750	-	-	4,341,750
Capital projects	-	-	-	16,211,508	-	16,211,508
Other purposes:						
Rural services	-	-	-	-	1,386,457	1,386,457
County direct services	-	-	-	-	1,705,028	1,705,028
Other	-	-	-	-	2,869,695	2,869,695
Subtotal restricted	7,426,330	3,196,582	4,341,750	16,211,508	5,961,180	37,137,350
Unassigned	18,002,103	-	-	-	-	18,002,103
Total fund balance	\$ 26,668,109	\$ 3,196,582	\$ 5,449,369	\$ 16,211,508	\$ 6,065,374	\$ 57,590,942

E. Budgets and Budgetary Accounting

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

2. CASH AND INVESTMENTS

The County's deposits in banks at June 30, 2020 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, 2020, the carrying amount of the County's deposits with financial institutions, which include certificates of deposit, was \$58,009,779, and the bank balances were \$49,706,495.

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 9).

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, 2020, the County had the following investments:

Investment Type:	Fair Value	Less than 1 Year	1-5 Years	Totals
Certificates of deposit	\$ 233,831	\$ -	\$ 233,831	\$ 233,831
Money market mutual funds	988,565	988,565	-	988,565
US Treasury Note	1,744,558	-	1,744,558	1,744,558
FFCB	4,925,241	751,373	4,173,868	4,925,241
FHLB	2,422,841	503,530	1,919,311	2,422,841
FHLMC	6,956,144	302,082	6,654,062	6,956,144
FNMA	768,630	-	768,630	768,630
Total	<u>\$ 18,039,810</u>	<u>\$ 2,545,550</u>	<u>\$ 15,494,260</u>	<u>\$ 18,039,810</u>

The County uses the fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

All of the County's investments are valued using level 1 inputs, except for U.S. Agencies and U.S. Treasuries, which are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions (level 2 inputs). There have been no changes in valuation methodologies at June 30, 2020 compared to June 30, 2019.

The County had no other investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

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 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 \$761,552 at June 30, 2020. GNMA's are fully backed by the United States Government.

As of June 30, 2020 the County had the following ratings:

Investment Type:	Moody's	Standard & Poors
US Treasury Note	Aaa	N/A
FHLB	Aaa	AA+
FFCB	Aaa	AA+
FHLB	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, 2020 as they are held by financial institutions in the name of the County.

The County has no formal policy related to specific deposits or investment risk.

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, 2020. 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 \$2.71 for the year ended June 30, 2020.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 23,126,556	\$ 364,835	\$ 74,800	\$ 23,416,591
Construction in progress	8,197,717	41,425,178	5,039,335	44,583,560
Total capital assets not being depreciated	31,324,273	41,790,013	5,114,135	68,000,151
Capital assets being depreciated:				
Infrastructure	136,626,449	3,066,528	-	139,692,977
Buildings	88,393,683	2,271,130	270,953	90,393,860
Improvements other than buildings	24,703,689	956,979	-	25,660,668
Machinery and equipment	30,363,414	2,975,104	2,763,068	30,575,450
Total capital assets being depreciated	280,087,235	9,269,741	3,034,021	286,322,955
Less accumulated depreciation for:				
Infrastructure	50,919,447	4,716,777	-	55,636,224
Buildings	25,502,187	2,911,479	156,250	28,257,416
Improvements other than buildings	5,161,892	1,371,423	-	6,533,315
Machinery and equipment	18,277,114	2,408,524	1,799,738	18,885,900
Total accumulated depreciation	99,860,640	11,408,203	1,955,988	109,312,855
Total capital assets being depreciated, net	180,226,595	(2,138,462)	1,078,033	177,010,100
Governmental activities capital assets, net	\$ 211,550,868	\$ 39,651,551	\$ 6,192,168	\$ 245,010,251

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 588,615
Physical health and social services	288,996
Mental health	39,980
County environment and education	1,322,920
Roads and transportation	5,674,056
Governmental services to residents	182,625
Administration	3,311,011
Total depreciation expense - governmental activities	<u>\$ 11,408,203</u>

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

	Contract Amount	Expended To Date	Remaining Commitment
Software	\$ 1,314,892	\$ 681,242	\$ 633,650
Conservation trails and bridges	43,671,305	42,279,720	1,391,585
Building projects	4,131,815	3,343,631	788,184
Road construction projects	5,386,519	5,201,558	184,961
	<u>\$ 54,504,531</u>	<u>\$ 51,506,151</u>	<u>\$ 2,998,380</u>

5. TAX ABATEMENTS

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

Tax Abatements of Other Entities

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2020 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Cedar Rapids	Urban renewal and economic development projects	\$ 1,067,874
City of Center Point	Urban renewal and economic development projects	6,807
City of Central City	Urban renewal and economic development projects	3,063
City of Ely	Urban renewal and economic development projects	87,382
City of Hiawatha	Urban renewal and economic development projects	169,816
City of Lisbon	Urban renewal and economic development projects	4,282
City of Marion	Urban renewal and economic development projects	612,401
City of Robins	Urban renewal and economic development projects	38
City of Walford	Urban renewal and economic development projects	1,164

6. LONG-TERM OBLIGATION ACTIVITY

Changes in long-term obligations for the year ended June 30, 2020 are as follows:

	Balance			Balance		Due in
	June 30, 2019	Increases	Decreases	June 30, 2020	Due Within One Year	More than One Year
General obligation bonds	\$ 34,550,000	\$ 29,225,000	\$ 4,930,000	\$ 58,845,000	\$ 3,520,000	\$ 55,325,000
Premium on bonds	507,069	2,727,469	38,064	3,196,474	174,437	3,022,037
Limited obligation bonds	450,000	-	25,000	425,000	25,000	400,000
Capital lease obligations	123,983	218,060	111,089	230,954	102,479	128,475
Compensated absences	5,832,715	4,355,681	3,635,538	6,552,858	4,041,595	2,511,263
	<u>\$ 41,463,767</u>	<u>\$ 36,526,210</u>	<u>\$ 8,739,691</u>	<u>\$ 69,250,286</u>	<u>\$ 7,863,511</u>	<u>\$ 61,386,775</u>

General Obligation Bonds

General obligation bonds totaling \$58,845,000 are outstanding as of June 30, 2020. The bonds have interest rates ranging from 1.90% to 5.00% and mature in varying annual amounts ranging from \$65,000 to \$2,015,000 per year with final maturities due in the year ended June 30, 2039. 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, 2020, are comprised of the following individual issues:

	Date of Issue	Amount Issued	Interest Rates	Outstanding June 30, 2020
General Obligation Bonds:				
Joint Communications	October, 2011	\$ 7,650,000	1.00 - 2.70%	\$ 3,325,000
Other Buildings	September, 2014	1,750,000	2.00 - 3.50%	1,220,000
Urban Renewal County Purpose	June, 2017	7,300,000	1.45 - 2.90%	3,855,000
Refunding	November, 2017	9,575,000	2.00 - 3.00%	8,115,000
Land and Water Legacy	June, 2018	5,515,000	3.00 - 3.25%	5,090,000
Urban Renewal Economic Development	June, 2018	1,520,000	2.63 - 5.00%	1,360,000
Land and Water Legacy	January, 2019	6,735,000	3.00 - 3.50%	6,530,000
County Building	January, 2019	1,500,000	3.00 - 3.50%	1,455,000
Certificates of Participation	September, 2019	29,225,000	2.00 - 5.00%	27,895,000
				<u>\$ 58,845,000</u>

Summary of Principal and Interest Maturities

Annual debt service requirements to service all outstanding general obligation bonds as of June 30, 2020 are as follows:

Year Ending June 30	Principal	Interest	Total
2021	\$ 3,520,000	\$ 1,941,785	\$ 5,461,785
2022	3,635,000	1,829,712	5,464,712
2023	3,750,000	1,709,705	5,459,705
2024	3,845,000	1,615,134	5,460,134
2025	3,980,000	1,482,169	5,462,169
2026-2030	17,305,000	5,630,838	22,935,838
2031-2035	12,465,000	3,121,000	15,586,000
2036-2040	10,345,000	792,863	11,137,863
	<u>\$ 58,845,000</u>	<u>\$ 18,123,206</u>	<u>\$ 76,968,206</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 3.00% 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, 2020 are as follows:

Year Ending June 30	Principal	Interest	Township Repayment	Total
2021	\$ 25,000	\$ 12,927	\$ (37,927)	\$ -
2022	25,000	12,167	(37,167)	-
2023	25,000	11,406	(36,406)	-
2024	25,000	10,675	(35,675)	-
2025	30,000	9,885	(39,885)	-
2026-2030	155,000	45,143	(200,143)	-
2030-2034	140,000	14,206	(154,206)	-
	<u>\$ 425,000</u>	<u>\$ 116,409</u>	<u>\$ (541,409)</u>	<u>\$ -</u>

Capital Lease Obligations

Dr. Percy and Lileah Harris Building - During the fiscal year ended June 30, 2018, the County entered into various agreements to construct a public health and child development building. To finance the construction, the County entered into an agreement to lease land it owns to Bankers Trust Company, NA (Trustee) as trustee, and in return lease that land back from Bankers for a term of 50 years. The lease terminates after 20 years if the County makes all of the payments under the Lease Purchase Agreement. The Trustee entered into a Ground Sublease with Rinderknecht Associates, Inc. (Developer) so that the Developer can construct the facility on the site. The County will then lease the facility back from the Trustee under a lease purchase agreement being accounted for as a capital lease by the County. The capital lease agreement requires payments necessary to pay the Trustee for the total proceeds of principal payments that the Trustee will obtain by selling Certificates of Participation in the lease to investors. On September 30, 2019, \$29,225,000 of General Obligation Certificates of Participation were issued. The certificates mature on June 1, 2039 with interest rates ranging from 2.00% to 5.00%. Once the Certificates of Participation are repaid, ownership of the building transfers to the County.

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, 2020, the statutory limit for the County was \$1,007,912,289 providing a legal debt margin of \$949,067,289.

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, 2020, there were 20 series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$29,509,431.

7. 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% 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% 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 - 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 2020, pursuant to the required rate, Regular members contributed 6.29% of pay and the County contributed 9.44% for a total rate of 15.73%. Sheriff and deputy members and the County both contributed 9.51% of pay for a total rate of 19.02%. Protection occupation members contributed 6.61% of pay and the County contributed 9.91% for a total rate of 16.52%.

The County's contributions to IPERS for the year ended June 30, 2020 were \$4,504,337.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2020, the County reported a liability of \$25,904,835 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019, the County's collective proportion was .4474%, which was a decrease of 0.03% from its collective proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$5,495,827. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 221,086	\$ 1,249,364
Changes of assumptions	4,074,932	1,636,628
Net difference between projected and actual earnings on pension plan investments	-	4,573,517
Changes in proportion and differences between County contributions and proportionate share of contributions	314,825	1,229,518
County contributions subsequent to the measurement date	4,504,337	-
Total	<u>\$ 9,115,180</u>	<u>\$ 8,689,027</u>

Contributions of \$4,504,337 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, 2021. 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
2021	\$ 46,830
2022	(1,651,851)
2023	(1,383,022)
2024	(975,223)
2025	(114,920)
	<u>\$ (4,078,186)</u>

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions - The total pension liability in the June 30, 2019 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	2017	2.60% per annum
Rates of salary increase	2017	3.25 to 16.25%, average, including inflation. Rates vary by membership group
Long-term investment rate of return	2017	7.00%, compounded annually, net of investment expense, including inflation
Wage growth	2017	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2019 valuation were based on the RP-2014 employee and health annuitant tables with MP-2017 generational adjustments.

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
Core plus fixed income	27.0%	1.71%
Domestic equity	22.0%	5.60%
International equity	15.0%	6.08%
Private equity	11.0%	10.13%
Private real assets	7.5%	4.76%
Public real assets	7.0%	2.81%
Public credit	3.5%	3.32%
Global smart beta equity	3.0%	5.82%
Private credit	3.0%	3.01%
Cash	1.0%	-0.21%
Total	100.0%	

Discount Rate - The discount rate used to measure the total pension liability was 7.0%. 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 IPERS 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 7.0%, 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 (6.0%) or 1-percentage-point higher (8.0%) than the current rate.

	1.0% Decrease (6.0%)	Discount Rate (7.0%)	1.0% Increase (8.0%)
County's proportionate share of the net pension liability (asset)	\$ 56,099,815	\$ 25,904,835	\$ 584,208

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, 2020, 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.

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description – The County administers a single-employer benefit plan which provides medical, prescription drug and dental benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No.75. The Plan does not issue a stand-alone financial report.

OPEB Benefits – Individuals who are employed by Linn County and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical, prescription drug and dental benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

COUNTY OF LINN, IOWA

Retired participants must be age 55 or older at retirement. At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	50
Active employees	714
Total	764

Total OPEB Liability – The County’s total OPEB liability of \$8,719,928 was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Assumption	Effective Date June 30,	Rate
Rate of inflation	2020	2.60% per annum
Rates of salary increase	2020	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation
Discount rate	2020	2.66%, compounded annually, net of investment expense, including inflation
Health cost trend rate	2020	8.00% initial rate decreasing by .5% annually to an ultimate rate of 4.50%

Discount Rate – The discount rate used to measure the total OPEB liability was 2.66% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the SOA Pub-210 total dataset mortality table fully generational using Scale MP-2019. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability beginning of year	\$ 5,813,822
Changes for the year:	
Service cost	443,836
Interest	214,031
Differences between expected and actual experiences	1,861,509
Changes in assumptions	709,316
Benefit payments	(322,586)
Net changes	2,906,106
Total OPEB liability end of year	\$ 8,719,928

Changes of assumptions reflect a change in the discount rate from 3.51% in fiscal year 2019 to 2.66% in fiscal year 2020.

Sensitivity of the County's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.66%) or 1% higher (3.66%) than the current discount rate.

	1.0% Decrease (1.66%)	Discount Rate (2.66%)	1.0% Increase (3.66%)
Total OPEB liability	\$ 9,242,657	\$ 8,719,928	\$ 8,213,617

Sensitivity of the County's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (7.50%) or 1% higher (9.50%) than the current healthcare cost trend rates.

	1.0% Decrease (7.00%)	Healthcare Cost Trend Rate (8.00%)	1.0% Increase (9.00%)
Total OPEB liability	\$ 7,863,116	\$ 8,719,928	\$ 9,719,645

OPEB Expense, Deferred Outflows of Resources Related to OPEB, and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2020, the County recognized OPEB expense of \$977,242. At June 30, 2020, the County reported deferred outflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,806,512	\$ 181,900
Changes in assumptions	851,892	-
Total	<u>\$ 2,658,404</u>	<u>\$ 181,900</u>

The amount reported as deferred outflows and inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30	Total
2021	\$ 319,375
2022	319,375
2023	319,375
2024	319,375
2025	319,375
Thereafter	879,629
	<u>\$ 2,476,504</u>

9. 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).

10. 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. All claim payments are expected to be paid within 60 days and are considered a current liability. Changes in the balances of employee health and dental claims liabilities during the past year are as follows:

	Year Ended June 30, 2020	Year Ended June 30, 2019
Accounts payable - beginning of year	\$ 1,040,000	\$ 754,019
Incurred claims	13,064,216	13,164,193
Claim payments	<u>(13,043,216)</u>	<u>(12,878,212)</u>
Accounts payable - end of year	<u>\$ 1,061,000</u>	<u>\$ 1,040,000</u>

Self-insurance is in effect for 2020, in addition to 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, 2020, the Employee Health and Dental Fund held \$3,820,036 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, 2020	Year Ended June 30, 2019
Accounts payable - beginning of year	\$ -	\$ -
Incurred claims	5,994	37,280
Claim payments	(5,994)	(37,280)
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. All claim payments are expected to be paid within 60 days and are considered a current liability. Changes in the balances of claims liabilities during the past year are as follows:

	Year Ended June 30, 2020	Year Ended June 30, 2019
Accounts payable - beginning of year	\$ 779,000	\$ 757,000
Incurred claims	1,801,118	2,281,729
Claim payments	(1,897,118)	(2,259,729)
Accounts payable - end of year	<u>\$ 683,000</u>	<u>\$ 779,000</u>

At June 30, 2020, the Self-Insurance Fund had \$691,183 pooled cash and investments available for payment of these claims.

11. TRANSFER RECONCILIATION

The detail of interfund transfers for the year ended June 30, 2020 is as follows:

	Interfund Transfers In	Interfund Transfers Out
General fund	\$ -	\$ 6,559,330
Secondary roads fund	6,692,089	-
Capital projects fund	3,763,304	1,500,000
Nonmajor governmental funds	<u>2,350,000</u>	<u>4,746,063</u>
Total	<u>\$ 12,805,393</u>	<u>\$ 12,805,393</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.

In the year ended June 30, 2020, the County made the following transfers:

General fund and Rural Services fund made transfers to Secondary Roads fund in accordance with state statutes	\$ 6,692,089
General fund made transfers to Capital projects fund for the remainder of annual capital improvement funding	3,763,304
General fund made transfers to Debt Service fund to increase fund balance in accordance with budget projections	850,000
Capital projects fund made a transfer to Debt Service fund for the first year payment of Conservation LOST funding for the Dows Farm debt payment	1,500,000

12. LEASE COMMITMENTS

Capital Leases

The County has also entered into various lease agreements as lessee for financing the acquisition of copy machines valued at \$230,954. There was no depreciation expense reported for the fiscal year.

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, 2020:

<u>Year Ending June 30</u>	<u>Capital Leases</u>	<u>Operating Leases</u>
2021	\$ 102,529	\$ 102,666
2022	82,560	94,903
2023	46,794	62,369
2024	-	63,928
2025	-	65,526
Total minimum lease payments	231,883	<u>\$ 389,392</u>
Less amounts representing interest	(929)	
Present value of minimum lease payments	<u>\$ 230,954</u>	

Operating Leases

The County leases building facilities for certain County department offices that have been classified as operating leases and, accordingly, all rents are charged to expenditures as incurred. The leases expire at various dates through 2024. Lease expenditures for the year ended June 30, 2020, for all operating leases were \$117,196.

13. 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, 2020 is as follows:

	Early Childhood	School Ready	Total
Revenues:			
State of Iowa grants:			
Early childhood	\$ 384,123	\$ -	\$ 384,123
Quality improvement	-	76,847	76,847
Allocation for administration	20,217	34,270	54,487
Other grant programs	-	1,031,959	1,031,959
Total State of Iowa grants	404,340	1,143,076	1,547,416
Interest on investments	2,644	3,240	5,884
Total revenue	406,984	1,146,316	1,553,300
Expenditures:			
Program services:			
Early childhood	381,161	-	381,161
Quality improvement	-	87,353	87,353
Other program services	-	933,779	933,779
Total program services	381,161	1,021,132	1,402,293
Administration	18,024	50,600	68,624
Total expenditures	399,185	1,071,732	1,470,917
Net change in fund balance	7,799	74,584	82,383
Fund balance at beginning of year	86,478	136,589	223,067
Fund balance at end of year	\$ 94,277	\$ 211,173	\$ 305,450

14. 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.

The COVID-19 outbreak is disrupting business across a range of industries in the United States and financial markets have experienced a significant decline. As a result, local, regional and national economies, including that of the County, may be adversely impacted. The extent of the financial impact of COVID-19 will depend on future developments, including the duration and spread, which are uncertain and cannot be predicted. Due to the uncertainties surrounding the outbreak, management cannot presently estimate the potential impact to the County's operations and finances. The County will continue to monitor the impact the pandemic is having on its financial position and make adjustments as needed.

15. 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, 2020, the agency's equity was \$50.8 million of which 9.8% or \$4,970,000 was the County's equity interest. The previous year, the equity interest for the County was \$4,914,000. 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.

16. 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, 2020 as follows:

Revenues:

Property and other county tax		\$	918,053
Intergovernmental revenues:			
State tax credits	\$	39,719	
Other intergovernmental revenues		<u>573,053</u>	612,772
Other revenue			<u>140</u>
Total revenues			<u>1,530,965</u>

Expenditures:

Services to persons with:			
Mental illness		124,262	
Intellectual and developmental disabilities		<u>22,279</u>	146,541
General administration			
Direct administration		508,563	
Distribution to regional fiscal agent		<u>8,460,528</u>	8,969,091
Total expenditures			<u>9,115,632</u>
Other financing uses - capital leases			<u>8,720</u>

Excess of revenues over expenditures		(7,575,947)
Fund balance beginning of the year		<u>10,772,529</u>
Fund balance end of the year	\$	<u>3,196,582</u>

17. SUBSEQUENT EVENTS

On August 10, 2020, Linn County was hit by a fast-moving violent wind event called a derecho. The wind gusts observed during the derecho were comparable to an EF3 tornado or major hurricane. Most of the homes and businesses damaged by the storm will be repaired with private insurance proceeds. Buildings owned by the County sustained damages estimated at \$1,600,000. Insurance proceeds will cover a large portion of this loss. Residents were instructed to place organic storm debris in the roadside right-of-way for collection by contractors hired by the County. This work was completed in December, 2020 and is projected to cost approximately \$15,000,000 with Federal Emergency Management Agency, FEMA, reimbursements expected in late fiscal year 2021.

18. PROSPECTIVE ACCOUNTING CHANGES

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

Statement No. 84, Fiduciary Activities, is effective for fiscal year ending June 30, 2021. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how such activities should be reported.

Statement No. 87, Leases, is effective for fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, is effective for fiscal year ending June 30, 2022. The objectives are to enhance the relevant and comparability of information about capital assets and the associated cost of borrowing for a reporting period as well as to simplify accounting for interest cost incurred before the end of the construction period.

Statement No. 90, Majority Equity Interests, is effective for fiscal year ending June 30, 2021. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

Statement No. 91, Conduit Debt Obligations, is effective for fiscal year ending June 30, 2023. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements with conduit debt obligations, and (3) related note disclosures.

Statement No. 92, Omnibus 2020, issued January 2020, will be effective for the County beginning with its fiscal year ending June 30, 2022, except for the new requirements related to the effective date of Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

Statement No. 93, Replacement of Interbank Offered Rates, issued March 2020, will be effective for the County beginning with its fiscal year ending June 2022. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR).

Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, issued March 2020, will be effective for the County beginning with its fiscal year ending June 30, 2023. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public arrangements (PPPs).

Statement No. 96, Subscription-Based Information Technology Arrangements, issued in May 2020, will be effective for fiscal year ending June 30, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments).

Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, issued June 2020, will be effective for the fiscal year ended June 30, 2022. This Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans.

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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 65,691,634	\$ 65,691,634	\$ 64,619,809	\$ (1,071,825)
Other county taxes	8,518,752	8,518,752	9,509,924	991,172
Interest and penalty on taxes	588,000	588,000	263,608	(324,392)
Intergovernmental	27,281,239	28,668,483	29,693,711	1,025,228
Licenses and permits	1,262,230	1,272,230	1,225,821	(46,409)
Charges for services	7,837,690	7,943,674	8,378,780	435,106
Use of money and property	2,157,370	1,783,065	1,991,346	208,281
Miscellaneous	1,367,680	1,661,200	1,619,058	(42,142)
Total revenues	<u>114,704,595</u>	<u>116,127,038</u>	<u>117,302,057</u>	<u>1,175,019</u>
EXPENDITURES:				
Operating:				
Public safety and legal services	31,723,227	32,076,828	31,777,138	299,690
Physical health and social services	17,129,338	17,243,899	16,521,626	722,273
Mental health	10,888,202	12,223,841	10,806,476	1,417,365
County environment and education	8,425,268	8,738,756	8,586,522	152,234
Roads and transportation	15,979,908	16,886,494	15,291,796	1,594,698
Governmental services to residents	5,111,418	5,118,935	5,075,663	43,272
Administration	17,427,517	18,060,658	17,012,228	1,048,430
Debt service	6,791,682	6,767,576	6,767,575	1
Capital projects	43,774,329	42,179,895	41,858,637	321,258
Total expenditures	<u>157,250,889</u>	<u>159,296,882</u>	<u>153,697,661</u>	<u>5,599,221</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(42,546,294)</u>	<u>(43,169,844)</u>	<u>(36,395,604)</u>	<u>6,774,240</u>
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	41,900	112,630	110,452	(2,178)
General long-term debt proceeds	31,500,000	31,952,469	31,952,469	-
Transfers in	26,143,354	27,600,190	27,600,190	-
Transfers out	(26,143,354)	(27,600,190)	(27,600,190)	-
Total other financing sources (uses)	<u>31,541,900</u>	<u>32,065,099</u>	<u>32,062,921</u>	<u>(2,178)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(11,004,394)</u>	<u>(11,104,745)</u>	<u>(4,332,683)</u>	<u>6,772,062</u>
FUND BALANCES - BEGINNING	<u>60,107,594</u>	<u>60,107,594</u>	<u>60,107,594</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 49,103,200</u>	<u>\$ 49,002,849</u>	<u>\$ 55,774,911</u>	<u>\$ 6,772,062</u>

See accompanying independent auditor's report.

BUDGETARY COMPARISON SCHEDULE
 BUDGET TO GAAP RECONCILIATION
 YEAR ENDED JUNE 30, 2020

	Governmental Fund Types		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 117,302,057	\$ (673,092)	\$ 116,628,965
Expenditures	<u>153,697,661</u>	<u>1,091,976</u>	<u>154,789,637</u>
Net	(36,395,604)	(1,765,068)	(38,160,672)
Total other financing sources	32,062,921	218,990	32,281,911
Beginning fund balances	60,107,594	3,363,006	63,470,600
Increase in reserve for inventories	<u>-</u>	<u>(897)</u>	<u>(897)</u>
Ending fund balances	<u>\$ 55,774,911</u>	<u>\$ 1,816,031</u>	<u>\$ 57,590,942</u>

See accompanying independent auditor's report.

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION –
BUDGETARY REPORTING
YEAR ENDED JUNE 30, 2020

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis for governmental funds following required public notice and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon 10 major classes of expenditures known as functions, not by fund or fund type. These 10 functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service, and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, three budget amendments increased budgeted expenditures by \$2,045,993. 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.

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 LAST SIX FISCAL YEARS
 (AMOUNTS EXPRESSED IN THOUSANDS)

	2020	2019	2018	2017	2016	2015
County's collective proportion of the net pension liability (asset)	0.4474%	0.4763%	0.5402%	0.5238%	0.5111%	0.4966%
County's collective proportionate share of the net pension liability (asset)	\$ 25,905	\$ 30,143	\$ 35,987	\$ 32,965	\$ 25,249	\$ 19,695
County's covered payroll	\$ 47,900	\$ 44,028	\$ 45,811	\$ 42,510	\$ 41,507	\$ 40,936
County's collective proportionate share of the net pension liability as a percentage of its covered payroll	53.98%	68.46%	78.56%	77.55%	60.83%	48.11%
Plan fiduciary net position as a percentage of the total pension liability	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

See accompanying independent auditor's report.

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

	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 4,504	\$ 4,545	\$ 4,235	\$ 4,246	\$ 3,994
Contributions in relation to the statutorily required contribution	(4,504)	(4,545)	(4,235)	(4,246)	(3,994)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	48,518	47,990	44,028	45,811	42,510
Contributions as a percentage of covered payroll	9.28%	9.47%	9.62%	9.27%	9.40%

See accompanying independent auditor's report.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 3,953	\$ 3,908	\$ 3,645	\$ 3,584	\$ 3,073
<u>(3,953)</u>	<u>(3,908)</u>	<u>(3,645)</u>	<u>(3,584)</u>	<u>(3,073)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
41,507	40,936	40,571	41,181	39,996
9.52%	9.55%	8.98%	8.70%	7.68%

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY
YEAR ENDED JUNE 30, 2020

Changes of benefit terms:

Legislation enacted in 2010 modified benefit terms for 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% per year measured from the member's first unreduced retirement age to a 6% reduction for each year of retirement before age 65.

Changes of assumptions:

The 2018 valuation implemented the following refinements as a result of a demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of a quadrennial an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

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

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% 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 (unfunded actuarial liability) 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.

SCHEDULE OF CHANGES IN THE COUNTY'S
TOTAL OPEB LIABILITY, RELATED RATIOS AND NOTES
LAST THREE FISCAL YEARS

	2020	2019	2018
Service cost	\$ 443,836	\$ 419,248	\$ 331,154
Interest cost	214,031	226,369	188,402
Difference between expected and actual experiences	1,861,509	(233,872)	227,755
Changes in assumptions	709,316	134,529	175,136
Benefit payments	(322,586)	(322,009)	(524,095)
Net change in total OPEB liability	2,906,106	224,265	398,352
Total OPEB liability beginning of year	5,813,822	5,589,557	5,191,205
Total OPEB liability end of year	<u>\$ 8,719,928</u>	<u>\$ 5,813,822</u>	<u>\$ 5,589,557</u>
Covered-employee payroll	\$ 47,467,160	\$ 49,328,361	\$ 45,810,762
Total OPEB liability as a percentage of covered-employee payroll	18.4%	11.8%	12.2%

Notes to Schedule of Changes in the County's Total OPEB Liability and Related Ratios

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Year ended June 30, 2020	2.66%
Year ended June 30, 2019	3.51%
Year ended June 30, 2018	3.87%
Year ended June 30, 2017	3.58%

Note: GASB Statement No. 75 requires ten years of information 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.

COMBINING FUND FINANCIAL STATEMENTS AND OTHER SUPPLEMENTAL INFORMATION

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 monies received under the State Resource Enhancement and Protection Act. This account is restricted in accordance with the Iowa Code Section 455A, 19.

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

Community Care Fund – To account for Public Health funds used for implementation of TAVHealth Community Care Coordination.

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, 2020

	Special			
	Rural Services	County Direct Services	Inmate Commissary	Gifts and Donations
ASSETS:				
Cash and investments:				
Pooled cash and investments	\$ 1,244,891	\$ 1,621,287	\$ 185,328	\$ 25
Other county officials	-	500	-	-
Receivables:				
Accounts	-	5,893	5,504	-
Property taxes:				
Delinquent	76,105	-	-	-
Succeeding year	4,559,011	-	-	-
Accrued interest	-	-	-	-
Due from other governments	146,122	87,939	-	-
Inventories	28,650	-	15,289	-
Prepaid items	-	-	-	-
TOTAL ASSETS	<u>\$ 6,054,779</u>	<u>\$ 1,715,619</u>	<u>\$ 206,121</u>	<u>\$ 25</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 28,498	\$ 986	\$ 25,182	\$ -
Salaries and benefits payable	10,183	-	2,084	-
Total liabilities	<u>38,681</u>	<u>986</u>	<u>27,266</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	4,559,011	-	-	-
Other	70,630	9,605	-	-
Total deferred inflows of resources	<u>4,629,641</u>	<u>9,605</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	28,650	-	15,289	-
Restricted	1,357,807	1,705,028	163,566	25
Total fund balances	<u>1,386,457</u>	<u>1,705,028</u>	<u>178,855</u>	<u>25</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 6,054,779</u>	<u>\$ 1,715,619</u>	<u>\$ 206,121</u>	<u>\$ 25</u>

Revenue Funds						
Sheriff Gifts and Donations	Recorder's Records Management	Conservation REAP	Air Pollution Title V	Community Care	Debt Service	Total
\$ 68,770	\$ 100,666	\$ 19,381	\$ 1,395,992	\$ 72,745	\$ 633,034	\$ 5,342,119
-	13,724	-	-	-	-	14,224
-	-	-	-	-	-	11,397
-	-	-	-	-	102,472	178,577
-	-	-	-	-	5,282,696	9,841,707
-	-	63	-	-	-	63
-	-	-	-	-	425,000	659,061
-	-	-	-	-	-	43,939
-	-	-	-	60,255	-	60,255
<u>\$ 68,770</u>	<u>\$ 114,390</u>	<u>\$ 19,444</u>	<u>\$ 1,395,992</u>	<u>\$ 133,000</u>	<u>\$ 6,443,202</u>	<u>\$ 16,151,342</u>
\$ -	\$ -	\$ -	\$ 88	\$ 750	\$ -	\$ 55,504
-	-	-	-	-	-	12,267
-	-	-	88	750	-	67,771
-	-	-	-	-	5,282,696	9,841,707
-	-	-	-	-	96,255	176,490
-	-	-	-	-	5,378,951	10,018,197
-	-	-	-	60,255	-	104,194
68,770	114,390	19,444	1,395,904	71,995	1,064,251	5,961,180
<u>68,770</u>	<u>114,390</u>	<u>19,444</u>	<u>1,395,904</u>	<u>132,250</u>	<u>1,064,251</u>	<u>6,065,374</u>
<u>\$ 68,770</u>	<u>\$ 114,390</u>	<u>\$ 19,444</u>	<u>\$ 1,395,992</u>	<u>\$ 133,000</u>	<u>\$ 6,443,202</u>	<u>\$ 16,151,342</u>

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	<u>Rural Services</u>	<u>County Direct Services</u>	<u>Inmate Commissary</u>	<u>Gifts and Donations</u>
REVENUES:				
Property taxes	\$ 3,861,588	\$ -	\$ -	\$ -
Other county taxes	1,927,503	-	-	-
Intergovernmental	266,578	2,116,536	-	-
Licenses and permits	-	-	-	-
Charges for services	-	47,064	364,541	-
Use of money and property	-	-	-	-
Miscellaneous	9,034	-	-	-
Total revenues	<u>6,064,703</u>	<u>2,163,600</u>	<u>364,541</u>	<u>-</u>
EXPENDITURES:				
Current:				
Public safety and legal services	1,500	-	376,655	-
Physical health and social services	-	-	-	-
Mental health	-	2,495,349	-	-
County environment and education	651,666	-	-	-
Roads and transportation	427,524	-	-	-
Governmental services to residents	-	-	-	-
Capital projects	54,588	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>1,135,278</u>	<u>2,495,349</u>	<u>376,655</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,929,425</u>	<u>(331,749)</u>	<u>(12,114)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	<u>(4,746,063)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(4,746,063)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	183,362	(331,749)	(12,114)	-
FUND BALANCES - BEGINNING OF YEAR	1,181,050	2,036,777	201,547	25
DECREASE IN INVENTORY RESERVES	<u>22,045</u>	<u>-</u>	<u>(10,578)</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,386,457</u>	<u>\$ 1,705,028</u>	<u>\$ 178,855</u>	<u>\$ 25</u>

Special Revenue Funds						
Sheriff Gifts and Donations	Recorder's Records Management	Conservation REAP	Air Pollution Title V	Community Care	Debt Service	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,675,049	\$ 8,536,637
-	-	-	-	-	187,257	2,114,760
-	-	57,383	2,474	-	393,934	2,836,905
-	-	-	240,020	-	-	240,020
-	46,828	-	10,590	-	-	469,023
-	-	1,026	-	-	-	1,026
1,885	-	-	-	69,500	-	80,419
<u>1,885</u>	<u>46,828</u>	<u>58,409</u>	<u>253,084</u>	<u>69,500</u>	<u>5,256,240</u>	<u>14,278,790</u>
-	-	-	-	-	-	378,155
-	-	-	-	54,650	-	54,650
-	-	-	-	-	-	2,495,349
-	-	-	69,770	-	-	721,436
-	-	-	-	-	-	427,524
-	17,557	-	-	-	-	17,557
-	-	140,997	-	-	-	195,585
-	-	-	-	-	6,767,574	6,767,574
-	<u>17,557</u>	<u>140,997</u>	<u>69,770</u>	<u>54,650</u>	<u>6,767,574</u>	<u>11,057,830</u>
<u>1,885</u>	<u>29,271</u>	<u>(82,588)</u>	<u>183,314</u>	<u>14,850</u>	<u>(1,511,334)</u>	<u>3,220,960</u>
-	-	-	-	-	2,350,000	2,350,000
-	-	-	-	-	-	(4,746,063)
-	-	-	-	-	2,350,000	(2,396,063)
1,885	29,271	(82,588)	183,314	14,850	838,666	824,897
66,885	85,119	102,032	1,212,590	117,400	225,585	5,229,010
-	-	-	-	-	-	11,467
<u>\$ 68,770</u>	<u>\$ 114,390</u>	<u>\$ 19,444</u>	<u>\$ 1,395,904</u>	<u>\$ 132,250</u>	<u>\$ 1,064,251</u>	<u>\$ 6,065,374</u>

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.

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2020

	Employee Health and Dental Fund	Self- Insurance Fund	Total
ASSETS:			
Pooled cash and investments	\$ 3,820,036	\$ 691,183	\$ 4,511,219
TOTAL ASSETS	<u>3,820,036</u>	<u>691,183</u>	<u>4,511,219</u>
LIABILITIES:			
Current liabilities - accounts payable	<u>1,061,000</u>	<u>683,000</u>	<u>1,744,000</u>
Total current liabilities	<u>1,061,000</u>	<u>683,000</u>	<u>1,744,000</u>
NET POSITION - Unrestricted	<u>\$ 2,759,036</u>	<u>\$ 8,183</u>	<u>\$ 2,767,219</u>

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020

	Employee Health and Dental Fund	Self- Insurance Fund	Total
OPERATING REVENUES - Charges for services	\$ 13,714,353	\$ 2,300,000	\$ 16,014,353
OPERATING EXPENSES -			
Claims and administrative expenses	<u>13,064,216</u>	<u>1,801,118</u>	<u>14,865,334</u>
CHANGE IN NET POSITION	650,137	498,882	1,149,019
TOTAL NET POSITION - BEGINNING	<u>2,108,899</u>	<u>(490,699)</u>	<u>1,618,200</u>
TOTAL NET POSITION - ENDING	<u>\$ 2,759,036</u>	<u>\$ 8,183</u>	<u>\$ 2,767,219</u>

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020

	Employee Health and Dental Fund	Self- Insurance Fund	Total
CASH FLOWS FOR OPERATING ACTIVITIES:			
Cash received from other funds	\$ 12,959,919	\$ 2,300,000	\$ 15,259,919
Cash received from insurance claims	690,209	-	690,209
Cash received from employees	754,434	-	754,434
Cash paid to employees	(31,984)	-	(31,984)
Cash paid for insurance claims and premiums	(12,844,897)	(1,625,244)	(14,470,141)
Cash paid for services	<u>(856,544)</u>	<u>(271,874)</u>	<u>(1,128,418)</u>
NET CASH FOR OPERATING ACTIVITIES	<u>671,137</u>	<u>402,882</u>	<u>1,074,019</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	671,137	402,882	1,074,019
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>3,148,899</u>	<u>288,301</u>	<u>3,437,200</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,820,036</u>	<u>\$ 691,183</u>	<u>\$ 4,511,219</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FOR OPERATING ACTIVITIES:			
OPERATING INCOME (LOSS)	<u>\$ 650,137</u>	<u>\$ 498,882</u>	<u>\$ 1,149,019</u>
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH FOR OPERATING ACTIVITIES:			
Increase in accounts payable	<u>21,000</u>	<u>(96,000)</u>	<u>(75,000)</u>
Total adjustments	<u>21,000</u>	<u>(96,000)</u>	<u>(75,000)</u>
NET CASH FOR OPERATING ACTIVITIES	<u>\$ 671,137</u>	<u>\$ 402,882</u>	<u>\$ 1,074,019</u>

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)

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, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<u>AGRICULTURAL EXTENSION SERVICE FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 3,245	\$ 610,704	\$ 610,048	\$ 3,901
Receivables - Property taxes:				
Delinquent	1,584	610,704	\$ 602,849	9,439
Succeeding year	<u>597,650</u>	<u>617,290</u>	<u>597,650</u>	<u>617,290</u>
TOTAL ASSETS	<u>\$ 602,479</u>	<u>\$ 1,838,698</u>	<u>\$ 1,810,547</u>	<u>\$ 630,630</u>
LIABILITIES - Due to other governments	<u>\$ 602,479</u>	<u>\$ 1,237,433</u>	<u>\$ 1,209,282</u>	<u>\$ 630,630</u>
<u>MOTOR VEHICLE LICENSE AND USE TAX FUND</u>				
ASSETS - Pooled cash and investments	<u>\$ 5,598,541</u>	<u>\$ 70,940,222</u>	<u>\$ 69,951,569</u>	<u>\$ 6,587,194</u>
LIABILITIES - Due to other governments	<u>\$ 5,598,541</u>	<u>\$ 70,940,222</u>	<u>\$ 69,951,569</u>	<u>\$ 6,587,194</u>
<u>MONIES AND CREDITS FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 32,117	\$ 106,390	\$ 138,192	\$ 315
Receivables - Property taxes - delinquent	-	106,390	106,390	-
TOTAL ASSETS	<u>\$ 32,117</u>	<u>\$ 212,780</u>	<u>\$ 244,582</u>	<u>\$ 315</u>
LIABILITIES - Due to other governments	<u>\$ 32,117</u>	<u>\$ 106,390</u>	<u>\$ 138,192</u>	<u>\$ 315</u>

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES –
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2020 (CONTINUED)

COMMUNITY COLLEGE TAXING DISTRICT FUND	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
ASSETS:				
Pooled cash and investments	\$ 73,739	\$ 14,327,094	\$ 14,309,455	\$ 91,378
Receivables - Property taxes:				
Delinquent	38,359	14,327,094	14,143,506	221,947
Succeeding year	<u>14,057,062</u>	<u>15,156,224</u>	<u>14,057,062</u>	<u>15,156,224</u>
TOTAL ASSETS	<u>\$ 14,169,160</u>	<u>\$ 43,810,412</u>	<u>\$ 42,510,023</u>	<u>\$ 15,469,549</u>
LIABILITIES - Due to other governments	<u>\$ 14,169,160</u>	<u>\$ 29,705,265</u>	<u>\$ 28,404,876</u>	<u>\$ 15,469,549</u>
<u>CITY TAXING DISTRICTS FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 835,533	\$ 150,066,787	\$ 149,993,848	\$ 908,472
Receivables:				
Property taxes:				
Delinquent	347,080	149,906,345	148,011,482	2,241,943
Succeeding year	147,030,644	153,018,345	147,030,644	153,018,345
Special assessments	<u>83,599</u>	<u>160,442</u>	<u>73,585</u>	<u>170,456</u>
TOTAL ASSETS	<u>\$ 148,296,856</u>	<u>\$ 453,151,919</u>	<u>\$ 445,109,559</u>	<u>\$ 156,339,216</u>
LIABILITIES - Due to other governments	<u>\$ 148,296,856</u>	<u>\$ 305,497,531</u>	<u>\$ 297,455,171</u>	<u>\$ 156,339,216</u>
<u>SCHOOL TAXING DISTRICTS FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 968,229	\$ 190,975,128	\$ 190,731,940	\$ 1,211,417
Receivables - Property taxes:				
Delinquent	493,056	190,975,128	188,569,702	2,898,482
Succeeding year	<u>142,309,250</u>	<u>149,275,971</u>	<u>142,309,250</u>	<u>149,275,971</u>
TOTAL ASSETS	<u>\$ 143,770,535</u>	<u>\$ 531,226,227</u>	<u>\$ 521,610,892</u>	<u>\$ 153,385,870</u>
LIABILITIES - Due to other governments	<u>\$ 143,770,535</u>	<u>\$ 343,149,581</u>	<u>\$ 333,534,246</u>	<u>\$ 153,385,870</u>

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES –
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2020 (CONTINUED)

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<u>TAX SALE REDEMPTION FUND</u>				
ASSETS - Pooled cash and investments	\$ (6,573)	\$ 2,488,057	\$ 2,390,220	\$ 91,264
LIABILITIES - Due to individuals and private entities	\$ (6,573)	\$ 2,488,057	\$ 2,390,220	\$ 91,264
<u>COUNTY RECORDER AGENCY FUND</u>				
ASSETS:				
Cash - Other county officials	\$ 226,446	\$ 4,059,536	\$ 4,064,871	\$ 221,111
Due from individuals and private entities	1,685	1,333	1,685	1,333
TOTAL ASSETS	\$ 228,131	\$ 4,060,869	\$ 4,066,556	\$ 222,444
LIABILITIES:				
Due to other governments	\$ 228,131	\$ 4,060,869	\$ 4,066,556	\$ 222,444
LIABILITIES - Due to other governments	\$ 228,131	\$ 4,060,869	\$ 4,066,556	\$ 222,444
<u>COUNTY SHERIFF AGENCY FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 26,343	\$ 505,941	\$ 505,941	\$ 26,343
Cash - Other county officials	938,672	10,685,680	11,101,069	523,283
TOTAL ASSETS	\$ 965,015	\$ 11,191,621	\$ 11,607,010	\$ 549,626
LIABILITIES:				
Due to other governments	\$ 909,578	\$ (54,263)	\$ 367,933	\$ 487,382
Due to individuals and private entities	55,437	10,739,943	10,733,136	62,244
TOTAL LIABILITIES	\$ 965,015	\$ 10,685,680	\$ 11,101,069	\$ 549,626

(Continued)

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES –
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2020 (CONTINUED)

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<u>FIRE TAXING DISTRICTS FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 1,277	\$ 346,676	\$ 344,820	\$ 3,133
Receivables - Property taxes:				
Delinquent	794	346,676	340,022	7,448
Succeeding year	<u>313,109</u>	<u>-</u>	<u>(12,914)</u>	<u>326,023</u>
TOTAL ASSETS	<u>\$ 315,180</u>	<u>\$ 693,352</u>	<u>\$ 671,928</u>	<u>\$ 336,604</u>
LIABILITIES - Due to other governments	<u>\$ 315,180</u>	<u>\$ 354,124</u>	<u>\$ 332,700</u>	<u>\$ 336,604</u>
<u>TAX FINANCING FUNDS</u>				
ASSETS:				
Pooled cash and investments	\$ 256,280	\$ 20,640,845	\$ 20,812,603	\$ 84,522
Receivables - Property taxes:				
Delinquent	16,972	20,640,845	20,181,766	476,051
Succeeding year	<u>20,423,898</u>	<u>23,886,245</u>	<u>20,423,898</u>	<u>23,886,245</u>
TOTAL ASSETS	<u>\$ 20,697,150</u>	<u>\$ 65,167,935</u>	<u>\$ 61,418,267</u>	<u>\$ 24,446,818</u>
LIABILITIES - Due to other governments	<u>\$ 20,697,150</u>	<u>\$ 45,003,141</u>	<u>\$ 41,253,473</u>	<u>\$ 24,446,818</u>
<u>TOWNSHIP TAXING DISTRICTS FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 3,317	\$ 860,240	\$ 855,333	\$ 8,224
Receivables - Property taxes:				
Delinquent	2,699	860,240	849,414	13,525
Succeeding year	<u>867,873</u>	<u>922,784</u>	<u>867,873</u>	<u>922,784</u>
TOTAL ASSETS	<u>\$ 873,889</u>	<u>\$ 2,643,264</u>	<u>\$ 2,572,620</u>	<u>\$ 944,533</u>
LIABILITIES - Due to other governments	<u>\$ 873,889</u>	<u>\$ 1,796,549</u>	<u>\$ 1,725,905</u>	<u>\$ 944,533</u>

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES –
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2020 (CONTINUED)

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<u>EMERGENCY MANAGEMENT FUND</u>				
ASSETS - Pooled cash and investments	<u>\$ 685,131</u>	<u>\$ 793,299</u>	<u>\$ 1,073,967</u>	<u>\$ 404,463</u>
LIABILITIES - Due to other governments	<u>\$ 685,131</u>	<u>\$ 793,299</u>	<u>\$ 1,073,967</u>	<u>\$ 404,463</u>
<u>COUNTY ASSESSOR FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 1,732,763	\$ 1,337,217	\$ 1,404,777	\$ 1,665,203
Receivables - Property taxes:				
Delinquent	4,488	1,334,701	1,319,405	19,784
Succeeding year	<u>1,325,000</u>	<u>1,324,725</u>	<u>1,325,000</u>	<u>1,324,725</u>
TOTAL ASSETS	<u>\$ 3,062,251</u>	<u>\$ 3,996,643</u>	<u>\$ 4,049,182</u>	<u>\$ 3,009,712</u>
LIABILITIES - Due to other governments	<u>\$ 3,062,251</u>	<u>\$ 4,334,437</u>	<u>\$ 4,386,976</u>	<u>\$ 3,009,712</u>
<u>CITY ASSESSOR FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 1,965,232	\$ 1,798,494	\$ 1,904,572	\$ 1,859,154
Receivables - Property taxes:				
Delinquent	5,751	1,798,494	1,774,294	29,951
Succeeding year	<u>1,750,000</u>	<u>1,900,000</u>	<u>1,750,000</u>	<u>1,900,000</u>
TOTAL ASSETS	<u>\$ 3,720,983</u>	<u>\$ 5,496,988</u>	<u>\$ 5,428,866</u>	<u>\$ 3,789,105</u>
LIABILITIES - Due to other governments	<u>\$ 3,720,983</u>	<u>\$ 3,728,445</u>	<u>\$ 3,660,323</u>	<u>\$ 3,789,105</u>

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES –
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2020 (CONTINUED)

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<u>OTHER AGENCY FUNDS</u>				
ASSETS:				
Cash and investments:				
Pooled cash and investments	\$ 1,243,971	\$ 4,295,793	\$ 4,719,731	\$ 820,033
Cash - Other county officials	-	151	151	-
Receivables:				
Property taxes:				
Delinquent	182	33,348	32,889	641
Succeeding year	138,458	131,968	138,458	131,968
Special assessments	<u>15,057</u>	<u>508,427</u>	<u>483,166</u>	<u>40,318</u>
TOTAL ASSETS	<u>\$ 1,397,668</u>	<u>\$ 4,969,687</u>	<u>\$ 5,374,395</u>	<u>\$ 992,960</u>
LIABILITIES:				
Due to other governments	\$ 1,148,009	\$ 3,855,801	\$ 4,134,914	\$ 868,896
Due to individuals and private entities	<u>249,659</u>	<u>613,070</u>	<u>738,665</u>	<u>124,064</u>
TOTAL LIABILITIES	<u>\$ 1,397,668</u>	<u>\$ 4,468,871</u>	<u>\$ 4,873,579</u>	<u>\$ 992,960</u>
<u>TOTAL ALL AGENCY FUNDS</u>				
ASSETS:				
Cash and investments:				
Pooled cash and investments	\$ 13,419,145	\$ 460,092,887	\$ 459,747,016	\$ 13,765,016
Cash - Other county officials	1,165,118	14,745,216	15,165,940	744,394
Receivables:				
Property taxes:				
Delinquent	910,965	380,939,965	375,931,719	5,919,211
Succeeding year	328,812,944	346,233,552	328,486,921	346,559,575
Special assessments	98,656	668,869	556,751	210,774
Due from individuals and private entities	<u>1,685</u>	<u>1,333</u>	<u>1,685</u>	<u>1,333</u>
TOTAL ASSETS	<u>\$ 344,408,513</u>	<u>\$ 1,202,681,822</u>	<u>\$ 1,179,890,032</u>	<u>\$ 367,200,303</u>
LIABILITIES:				
Due to other governments	\$ 344,109,990	\$ 814,508,824	\$ 791,696,083	\$ 366,922,731
Due to individuals and private entities	<u>298,523</u>	<u>13,841,070</u>	<u>13,862,021</u>	<u>277,572</u>
TOTAL LIABILITIES	<u>\$ 344,408,513</u>	<u>\$ 828,349,894</u>	<u>\$ 805,558,104</u>	<u>\$ 367,200,303</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.....	91
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.....	101
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	
Debt Capacity.....	115
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.....	120
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	123
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)

	2011	2012	2013	2014
Governmental Activities				
Net investment in capital assets	\$ 102,976	\$ 124,818	\$ 141,823	\$ 147,507
Restricted	5,991	13,872	11,953	16,122
Unrestricted	<u>37,183</u>	<u>33,767</u>	<u>28,464</u>	<u>26,073</u>
Total governmental activities net position	<u>\$ 146,150</u>	<u>\$ 172,457</u>	<u>\$ 182,240</u>	<u>\$ 189,702</u>
Business-type activities				
Net investment in capital assets	\$ 48	\$ 57	\$ 45	\$ 33
Unrestricted	<u>480</u>	<u>488</u>	<u>522</u>	<u>549</u>
Total business-type activities net position	<u>\$ 528</u>	<u>\$ 545</u>	<u>\$ 567</u>	<u>\$ 582</u>
Primary government				
Net investment in capital assets	\$ 103,024	\$ 124,875	\$ 141,868	\$ 147,540
Restricted	5,991	13,872	11,953	16,122
Unrestricted	<u>37,663</u>	<u>34,255</u>	<u>28,986</u>	<u>26,622</u>
Total primary government net position	<u>\$ 146,678</u>	<u>\$ 173,002</u>	<u>\$ 182,807</u>	<u>\$ 190,284</u>

Note: The County adopted GASB Statement Number 75 in fiscal year 2018. Although the beginning net position on the basic financial statements was restated, this schedule has not been adjusted for years prior to 2018.

2015	2016	2017	2018	2019	2020
\$ 154,959	\$ 161,959	\$ 168,127	\$ 177,056	\$ 183,817	\$ 188,328
21,880	23,450	30,473	36,620	32,078	33,871
(3,156)	993	3,209	(4,600)	(4,393)	(9,906)
<u>\$ 173,683</u>	<u>\$ 186,402</u>	<u>\$ 201,809</u>	<u>\$ 209,076</u>	<u>\$ 211,502</u>	<u>\$ 212,293</u>

\$ 21	\$ 13	\$ -	\$ -	\$ -	\$ -
560	563	-	-	-	-
<u>\$ 581</u>	<u>\$ 576</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\$ 154,980	\$ 161,972	\$ 168,127	\$ 177,056	\$ 183,817	\$ 188,328
21,880	23,450	30,473	36,620	32,078	33,871
(2,596)	1,556	3,209	(4,600)	(4,393)	(9,906)
<u>\$ 174,264</u>	<u>\$ 186,978</u>	<u>\$ 201,809</u>	<u>\$ 209,076</u>	<u>\$ 211,502</u>	<u>\$ 212,293</u>

COUNTY OF LINN, IOWA

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

	2011	2012	2013	2014
Expenses:				
Governmental activities:				
Public safety and legal services	\$ 23,474	\$ 24,807	\$ 24,646	\$ 25,074
Physical health and social services	22,964	22,122	15,611	13,645
Mental health	33,032	31,599	20,668	14,727
County environment and education	6,543	6,994	7,061	7,167
Roads and transportation	16,906	16,235	17,755	17,065
Governmental services to residents	5,046	4,065	4,556	4,076
Administration	11,526	12,900	14,398	16,311
Nonprogram	30	12	-	-
Interest on long-term debt	326	639	662	649
Total governmental activities	119,847	119,373	105,357	98,714
Business-type activities:				
Mental health	499	374	338	298
Total primary government expenses	\$ 120,346	\$ 119,747	\$ 105,695	\$ 99,012
Program Revenues				
Governmental activities:				
Charges for services:				
Public safety and legal services	\$ 6,467	\$ 6,028	\$ 5,900	\$ 4,906
Mental health	8,685	9,218	7,817	6,493
Government services to residents	3,533	4,135	3,702	3,600
Other activities	3,093	4,725	3,989	4,585
Operating grants and contributions	53,405	44,552	24,604	20,480
Capital grants and contributions	23,914	16,374	7,507	2,082
Total governmental activities program revenues	99,097	85,032	53,519	42,146
Business-type activities - charges for services	561	390	359	313
Total primary government program revenues	\$ 99,658	\$ 85,422	\$ 53,878	\$ 42,459
Net (expense)/revenue				
Governmental activities	\$ (20,750)	\$ (34,341)	\$ (51,838)	\$ (56,568)
Business-type activities	62	16	21	15
Total primary government net expense	\$ (20,688)	\$ (34,325)	\$ (51,817)	\$ (56,553)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property and other county taxes	\$ 51,074	\$ 54,637	\$ 56,263	\$ 58,003
Other county taxes	2,798	2,959	3,001	3,023
State replacements and credits	1,259	1,262	1,505	1,853
Investment income	1,002	780	50	358
Other general revenue	1,154	1,238	802	793
Transfers - internal activity	-	-	-	-
Total governmental activities	57,287	60,876	61,621	64,030
Business-type activities				
Investment income	1	1	1	-
Transfers - internal activity	-	-	-	-
Total business-type activities	1	1	1	-
Total primary government	\$ 57,288	\$ 60,877	\$ 61,622	\$ 64,030
Change in Net Position:				
Governmental activities	\$ 36,537	\$ 26,535	\$ 9,783	\$ 7,462
Business-type activities	63	17	22	15
Total primary government	\$ 36,600	\$ 26,552	\$ 9,805	\$ 7,477

2015	2016	2017	2018	2019	2020
\$ 24,628	\$ 25,292	\$ 26,452	\$ 29,496	\$ 30,942	\$ 31,546
15,802	14,607	14,415	16,330	16,717	16,691
13,794	13,472	12,754	11,098	10,604	11,300
7,238	3,460	7,446	9,105	10,003	9,944
15,915	25,746	17,844	18,983	23,206	18,542
4,378	3,458	4,700	5,151	5,203	5,683
17,067	14,571	18,201	21,641	19,148	24,907
-	-	-	-	-	-
686	676	650	896	710	1,880
99,508	101,282	102,462	112,700	116,533	120,493
292	253	9	-	-	-
\$ 99,800	\$ 101,535	\$ 102,471	\$ 112,700	\$ 116,533	\$ 120,493
\$ 6,279	\$ 6,750	\$ 6,706	\$ 7,018	\$ 7,267	\$ 7,509
8,728	5,353	5,976	4,517	3,505	2,528
3,518	3,845	3,809	4,031	3,778	4,257
4,522	5,805	5,107	5,940	6,202	4,792
20,368	18,867	19,846	18,767	19,659	18,022
2,703	3,388	4,962	8,062	3,013	6,653
46,118	44,008	46,406	48,335	43,424	43,761
290	247	-	-	-	-
\$ 46,408	\$ 44,255	\$ 46,406	\$ 48,335	\$ 43,424	\$ 43,761
\$ (53,390)	\$ (57,274)	\$ (56,056)	\$ (64,365)	\$ (73,109)	\$ (76,732)
(2)	(6)	(9)	-	-	-
\$ (53,392)	\$ (57,280)	\$ (56,065)	\$ (64,365)	\$ (73,109)	\$ (76,732)
\$ 58,617	\$ 59,403	\$ 59,897	\$ 63,167	\$ 63,130	\$ 65,953
4,119	4,480	4,667	4,476	4,295	4,560
2,755	2,884	3,182	3,374	3,193	3,250
158	306	484	1,099	2,121	1,538
1,296	2,919	2,664	2,759	2,796	2,197
-	-	569	-	-	-
66,945	69,992	71,463	74,875	75,535	77,498
1	1	2	-	-	-
-	-	(569)	-	-	-
1	1	(567)	-	-	-
\$ 66,946	\$ 69,993	\$ 70,896	\$ 74,875	\$ 75,535	\$ 77,498
\$ 13,555	\$ 12,718	\$ 15,407	\$ 10,510	\$ 2,426	\$ 766
(1)	(5)	(576)	-	-	-
\$ 13,554	\$ 12,713	\$ 14,831	\$ 10,510	\$ 2,426	\$ 766

COUNTY OF LINN, IOWA

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

Fiscal Year	Property Taxes	Other County Taxes	Total
2011	\$ 51,074	\$ 2,798	\$ 53,872
2012	54,637	2,959	57,596
2013	56,263	3,001	59,264
2014	58,003	3,023	61,026
2015	58,617	4,119	62,736
2016	59,403	4,480	63,883
2017	59,897	4,667	64,564
2018	63,167	4,476	67,643
2019	63,130	4,295	67,425
2020	65,953	4,559	70,512



COUNTY OF LINN, IOWA

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

	2011	2012	2013	2014	2015
General fund					
Nonspendable	\$ 580	\$ 462	\$ 518	\$ 631	\$ 596
Restricted	899	1,776	770	-	454
Unassigned	<u>14,527</u>	<u>17,489</u>	<u>21,016</u>	<u>19,263</u>	<u>19,884</u>
Total general fund	<u>\$ 16,006</u>	<u>\$ 19,727</u>	<u>\$ 22,304</u>	<u>\$ 19,894</u>	<u>\$ 20,934</u>
All other government funds					
Nonspendable	\$ 1,322	\$ 1,217	\$ 1,073	\$ 1,171	\$ 1,038
Restricted	4,687	15,348	10,577	14,202	21,345
Committed	-	-	-	-	876
Unassigned	<u>-</u>	<u>-</u>	<u>(8)</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 6,009</u>	<u>\$ 16,565</u>	<u>\$ 11,642</u>	<u>\$ 15,373</u>	<u>\$ 23,259</u>

2016	2017	2018	2019	2020
\$ 744	\$ 856	\$ 790	\$ 839	\$ 1,240
977	314	2,803	7,676	7,426
<u>18,314</u>	<u>21,017</u>	<u>20,980</u>	<u>19,787</u>	<u>18,002</u>
<u>\$ 20,035</u>	<u>\$ 22,187</u>	<u>\$ 24,573</u>	<u>\$ 28,302</u>	<u>\$ 26,668</u>
\$ 1,057	\$ 1,140	\$ 1,084	\$ 1,315	\$ 1,211
26,450	31,995	36,222	33,854	29,711
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 27,507</u>	<u>\$ 33,135</u>	<u>\$ 37,306</u>	<u>\$ 35,169</u>	<u>\$ 30,922</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)

	2011	2012	2013	2014
REVENUES:				
Property taxes	\$ 51,122	\$ 54,679	\$ 56,265	\$ 58,005
Other county taxes	8,029	7,718	7,781	7,927
Interest and penalty on taxes	740	760	667	624
Intergovernmental	71,560	77,054	39,063	28,173
Licenses and permits	1,153	867	1,139	1,008
Charges for services	7,685	8,180	7,602	7,462
Use of money and property	922	861	621	510
Miscellaneous	924	2,548	1,942	1,670
Total revenues	<u>142,135</u>	<u>152,667</u>	<u>115,080</u>	<u>105,379</u>
EXPENDITURES:				
Current:				
Public safety and legal services	23,220	24,452	24,567	24,778
Physical health and social services	22,744	21,731	15,578	13,528
Mental health	32,986	31,371	20,648	14,873
County environment and education	6,264	6,857	6,765	7,101
Roads and transportation	11,991	11,790	11,815	12,775
Governmental services to residents	3,982	4,062	4,485	4,046
Administration	11,263	12,283	13,239	14,740
Capital projects	37,350	32,077	19,041	10,787
Debt service:				
Principal	25	1,150	1,100	1,105
Interest	308	628	663	650
Total expenditures	<u>150,133</u>	<u>146,401</u>	<u>117,901</u>	<u>104,383</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,998)	6,266	(2,821)	996
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	685	169	301	231
Proceeds from sale of long-term debt	13,255	7,650	-	-
Premium on issuance of long-term debt	-	-	-	-
Provision for capital leases and installment purchases	40	129	100	48
Refunding of existing debt	-	-	-	-
Transfers in	15,439	15,811	18,611	18,291
Transfers out	(15,439)	(15,811)	(18,611)	(18,291)
Total other financing sources (uses)	<u>13,980</u>	<u>7,948</u>	<u>401</u>	<u>279</u>
NET CHANGE IN FUND BALANCES	<u>\$ 5,982</u>	<u>\$ 14,214</u>	<u>\$ (2,420)</u>	<u>\$ 1,275</u>
Debt service as a percentage of noncapital expenditures	0.30%	1.57%	1.82%	1.92%

	2015	2016	2017	2018	2019	2020
\$	58,633	\$ 59,345	\$ 59,883	\$ 63,170	\$ 63,097	\$ 64,712
	8,721	8,871	9,153	8,820	8,648	9,563
	682	617	456	546	572	267
	34,503	31,272	31,854	31,518	32,337	28,952
	996	1,256	1,230	1,101	1,268	1,246
	8,108	7,756	7,581	7,655	8,273	8,235
	577	700	796	1,438	2,455	2,048
	<u>1,656</u>	<u>1,777</u>	<u>1,970</u>	<u>3,337</u>	<u>1,611</u>	<u>1,606</u>
	<u>113,876</u>	<u>111,594</u>	<u>112,923</u>	<u>117,585</u>	<u>118,261</u>	<u>116,629</u>
	25,258	26,412	27,331	28,666	30,576	31,756
	15,684	14,517	14,702	15,795	16,496	16,377
	13,691	13,420	13,091	11,077	10,420	11,611
	6,807	7,314	7,725	7,786	7,822	8,614
	12,640	13,022	12,185	12,862	14,860	15,052
	4,332	4,139	4,667	4,845	4,773	5,245
	14,806	13,911	14,942	16,202	16,615	16,995
	12,426	14,184	16,847	19,316	19,583	42,372
	1,115	1,255	1,265	1,421	3,325	4,955
	<u>702</u>	<u>678</u>	<u>653</u>	<u>760</u>	<u>741</u>	<u>1,813</u>
	<u>107,461</u>	<u>108,852</u>	<u>113,408</u>	<u>118,730</u>	<u>125,211</u>	<u>154,790</u>
	6,415	2,742	(485)	(1,145)	(6,950)	(38,161)
	198	634	122	130	21	111
	2,300	-	7,300	16,610	8,235	29,225
	-	-	-	426	113	2,728
	109	71	142	114	36	218
	-	-	-	(9,695)	-	-
	18,432	22,478	8,084	8,282	18,847	12,805
	<u>(18,432)</u>	<u>(22,478)</u>	<u>(7,515)</u>	<u>(8,282)</u>	<u>(18,847)</u>	<u>(12,805)</u>
	<u>2,607</u>	<u>705</u>	<u>8,133</u>	<u>7,585</u>	<u>8,405</u>	<u>32,282</u>
\$	<u>9,022</u>	<u>\$ 3,447</u>	<u>\$ 7,648</u>	<u>\$ 6,440</u>	<u>\$ 1,455</u>	<u>\$ (5,879)</u>
	1.98%	2.08%	2.09%	2.22%	3.85%	6.22%

COUNTY OF LINN, IOWA

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

Fiscal Year	Residential Property (1)	Commercial Property	Industrial Property	Utility Property	Agricultural Property
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
2016	6,480,280	2,726,202	412,893	555,339	352,025
2017	6,856,046	2,452,580	430,526	551,831	378,580
2018	7,197,948	2,518,646	445,019	549,203	389,815
2019	7,339,752	2,957,226	466,251	542,530	402,623
2020	7,663,622	3,027,170	478,418	531,285	414,945

- (1) For FY 17 and subsequent years, multiresidential value moved from commercial property to residential property
- (2) Per \$1,000 of taxable value. For detail of components of direct rate, see pages 103-110.
- (3) Includes tax incremental financing value and military exemption.

Less: Tax Incremental Financing Value					Less: Military Exemption	Total Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value (3)	
\$	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%
	576,897		19,290		9,930,552		6.14225		17,327,400	60.75%
	588,118		18,693		10,062,752		6.14108		17,714,863	60.23%
	462,572		18,484		10,619,575		6.14108		18,311,836	60.62%
	610,740		17,779		11,079,863		5.83902		19,472,178	60.13%
	645,368		17,335		11,452,737		5.83902		20,158,246	60.10%

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					City of Hiawatha
		Cedar Rapids Schools	College Community Schools	Marion Schools	Linn-Mar Schools		
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	0.28228	
	City	15.21621	15.21621	15.21621	15.21621	15.21621	
	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		16.09%	15.26%	15.62%	14.35%	15.95%	
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	0.24328	
	City	15.21621	15.21621	15.21621	15.21621	15.21621	
	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		16.17%	15.60%	15.44%	14.84%	15.92%	
Fiscal Year	Taxing Body	City of Cedar Rapids					City of Hiawatha
		Cedar Rapids Schools	College Community Schools	Marion Schools	Linn-Mar Schools		
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	0.21871	
	City	15.21621	15.21621	15.21621	15.21621	15.21621	
	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		16.15%	15.88%	15.38%	15.12%	16.05%	

City of Marion						
Cedar Rapids Schools	Marion Schools	Linn-Mar Schools	City of Mount Vernon	City of Center Point	City of Lisbon	City of Robins
\$ 5.09197	\$ 5.09197	\$ 5.09197	\$ 5.09197	\$ 5.09197	\$ 5.09197	\$ 5.09197
0.96824	0.96824	0.96824	0.96824	0.96824	0.96824	0.96824
0.00808	0.00808	0.00808	0.00808	0.00808	0.00808	0.00808
6.06829	6.06829	6.06829	6.06829	6.06829	6.06829	6.06829
15.17046	16.30509	19.73839	19.25608	18.56470	18.83771	19.73839
0.92566	0.92566	0.92566	0.92566	0.92566	0.92566	0.92566
0.51507	0.51507	0.51507	0.51507	0.51507	0.51507	0.51507
16.63603	16.63603	13.63603	12.99703	12.62257	13.02786	9.01063
0.05717	0.05717	0.05717	0.05717	0.05717	0.05717	0.05717
\$ 39.37268	\$ 40.50731	\$ 40.94061	\$ 39.81930	\$ 38.75346	\$ 39.43176	\$ 36.31521
15.41%	14.98%	14.82%	15.24%	15.66%	15.39%	16.71%
\$ 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
\$ 36.37163	\$ 38.17070	\$ 39.75290	\$ 39.67972	\$ 40.60647	\$ 40.75092	\$ 34.84333
16.80%	16.01%	15.37%	15.40%	15.05%	15.00%	17.54%
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
\$ 5.05243	\$ 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
\$ 36.53992	\$ 38.44118	\$ 39.11002	\$ 38.47457	\$ 40.46127	\$ 38.50945	\$ 33.50961
16.73%	15.90%	15.63%	15.89%	15.11%	15.87%	18.24%

(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		
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	\$ 38.26789	\$ 37.87295	\$ 40.24754	\$ 40.05688	\$ 38.09673	
Percent of Linn County to totals		15.97%	16.14%	15.19%	15.26%	16.04%	
2015	Direct County:						
	General	\$ 5.15311	\$ 5.15311	\$ 5.15311	\$ 5.15311	\$ 5.15311	
	MH-DD	0.82865	0.82865	0.82865	0.82865	0.82865	
	Debt service	0.16015	0.16015	0.16015	0.16015	0.16015	
	Subtotal direct	6.14191	6.14191	6.14191	6.14191	6.14191	
	School District	15.48446	14.80342	18.41490	17.00411	15.48446	
	Comm college	1.05754	1.05754	1.05754	1.05754	1.05754	
	Assessor	0.32345	0.32345	0.32345	0.32345	0.36758	
	City	15.21621	15.21621	15.21621	15.21621	15.20483	
	Other (1)	0.05357	0.05357	0.05357	0.05357	0.05357	
	Total Levy	\$ 38.27714	\$ 37.59610	\$ 41.20758	\$ 39.79679	\$ 38.30989	
Percent of Linn County to totals		16.05%	16.34%	14.90%	15.43%	16.03%	
Fiscal Year	Taxing Body	City of Cedar Rapids					City of Hiawatha
		Cedar Rapids Schools	College Community Schools	Marion Schools	Linn-Mar Schools		
2016	Direct County:						
	General	\$ 5.15652	\$ 5.15652	\$ 5.15652	\$ 5.15652	\$ 5.15652	
	MH-DD	0.82525	0.82525	0.82525	0.82525	0.82525	
	Debt service	0.16048	0.16048	0.16048	0.16048	0.16048	
	Subtotal direct	6.14225	6.14225	6.14225	6.14225	6.14225	
	School District	15.38030	15.81016	18.55533	17.37861	15.38030	
	Comm college	1.06125	1.06125	1.06125	1.06125	1.06125	
	Assessor	0.32165	0.32165	0.32165	0.32165	0.35481	
	City	15.21621	15.21621	15.21621	15.21621	15.40867	
	Other (1)	0.05748	0.05748	0.05748	0.05748	0.05748	
	Total Levy	\$ 38.17914	\$ 38.60900	\$ 41.35417	\$ 40.17745	\$ 38.40476	
Percent of Linn County to totals		16.09%	15.91%	14.85%	15.29%	15.99%	

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
\$ 5.08019	\$ 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
<u>0.16378</u>	<u>0.16378</u>	<u>0.16378</u>	<u>0.16378</u>	<u>0.16378</u>	<u>0.16378</u>	<u>0.16378</u>
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
<u>0.05330</u>	<u>0.05330</u>	<u>0.05330</u>	<u>0.05330</u>	<u>0.05330</u>	<u>0.05330</u>	<u>0.05330</u>
<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>
\$ 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
<u>0.16015</u>	<u>0.16015</u>	<u>0.16015</u>	<u>0.16015</u>	<u>0.16015</u>	<u>0.16015</u>	<u>0.16015</u>
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
<u>0.05357</u>	<u>0.05357</u>	<u>0.05357</u>	<u>0.05357</u>	<u>0.05357</u>	<u>0.05357</u>	<u>0.05357</u>
<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>
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
\$ 5.15652	\$ 5.15652	\$ 5.15652	\$ 5.15652	\$ 5.15652	\$ 5.15652	\$ 5.15652
0.82525	0.82525	0.82525	0.82525	0.82525	0.82525	0.82525
<u>0.16048</u>	<u>0.16048</u>	<u>0.16048</u>	<u>0.16048</u>	<u>0.16048</u>	<u>0.16048</u>	<u>0.16048</u>
6.14225	6.14225	6.14225	6.14225	6.14225	6.14225	6.14225
15.38030	18.55533	17.37861	18.30883	17.88447	17.54384	17.37861
1.06125	1.06125	1.06125	1.06125	1.06125	1.06125	1.06125
0.35481	0.35481	0.35481	0.35481	0.35481	0.35481	0.35481
13.58625	13.58625	13.58625	12.99985	12.99247	13.33056	7.97127
<u>0.05748</u>	<u>0.05748</u>	<u>0.05748</u>	<u>0.05748</u>	<u>0.05748</u>	<u>0.05748</u>	<u>0.05748</u>
<u>\$ 36.58234</u>	<u>\$ 39.75737</u>	<u>\$ 38.58065</u>	<u>\$ 38.92447</u>	<u>\$ 38.49273</u>	<u>\$ 38.49019</u>	<u>\$ 32.96567</u>
<u>16.79%</u>	<u>15.45%</u>	<u>15.92%</u>	<u>15.78%</u>	<u>15.96%</u>	<u>15.96%</u>	<u>18.63%</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		
2017	Direct County:						
	General	\$ 5.18600	\$ 5.18600	\$ 5.18600	\$ 5.18600	\$ 5.18600	
	MH-DD	0.79460	0.79460	0.79460	0.79460	0.79460	
	Debt service	0.16048	0.16048	0.16048	0.16048	0.16048	
	Subtotal direct	6.14108	6.14108	6.14108	6.14108	6.14108	
	School District	15.37507	16.06203	18.57839	17.37723	15.37507	
	Comm college	1.08048	1.08048	1.08048	1.08048	1.08048	
	Assessor	0.34474	0.34474	0.34474	0.34474	0.34474	
	City	15.21621	15.21621	15.21621	15.21621	15.21621	
	Other (1)	0.05496	0.05496	0.05496	0.05496	0.05496	
	Total Levy	<u>\$ 38.21254</u>	<u>\$ 38.89950</u>	<u>\$ 41.41586</u>	<u>\$ 40.21470</u>	<u>\$ 38.38477</u>	
Percent of Linn County to totals		16.07%	15.79%	14.83%	15.27%	16.00%	
2018	Direct County:						
	General	\$ 5.22453	\$ 5.22453	\$ 5.22453	\$ 5.22453	\$ 5.22453	
	MH-DD	0.75607	0.75607	0.75607	0.75607	0.75607	
	Debt service	0.16048	0.16048	0.16048	0.16048	0.16048	
	Subtotal direct	6.14108	6.14108	6.14108	6.14108	6.14108	
	School District	15.37529	16.64476	18.01606	17.37544	15.37529	
	Comm college	1.13174	1.13174	1.13174	1.13174	1.13174	
	Assessor	0.32883	0.32883	0.32883	0.32883	0.32883	
	City	15.21621	15.21621	15.21621	15.21621	15.21621	
	Other (1)	0.05334	0.05334	0.05334	0.05334	0.05334	
	Total Levy	<u>\$ 38.24649</u>	<u>\$ 39.51596</u>	<u>\$ 40.88726</u>	<u>\$ 40.24664</u>	<u>\$ 38.43215</u>	
Percent of Linn County to totals		16.06%	15.54%	15.02%	15.26%	15.98%	
Fiscal Year	Taxing Body	City of Cedar Rapids					City of Hiawatha
		Cedar Rapids Schools	College Community Schools	Marion Schools	Linn-Mar Schools		
2019	Direct County:						
	General	\$ 5.36000	\$ 5.36000	\$ 5.36000	\$ 5.36000	\$ 5.36000	
	MH-DD	0.30645	0.30645	0.30645	0.30645	0.30645	
	Debt service	0.17257	0.17257	0.17257	0.17257	0.17257	
	Subtotal direct	5.83902	5.83902	5.83902	5.83902	5.83902	
	School District	15.07020	16.60836	17.99203	17.37262	15.07020	
	Comm college	1.20354	1.20354	1.20354	1.20354	1.20354	
	Assessor	0.29933	0.29933	0.29933	0.29933	0.29933	
	City	15.21621	15.21621	15.21621	15.21621	15.21621	
	Other (1)	0.05452	0.05452	0.05452	0.05452	0.05452	
	Total Levy	<u>\$ 37.68282</u>	<u>\$ 39.22098</u>	<u>\$ 40.60465</u>	<u>\$ 39.98524</u>	<u>\$ 37.66457</u>	
Percent of Linn County to totals		15.50%	14.89%	14.38%	14.60%	15.50%	

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
\$ 5.18600	\$ 5.18600	\$ 5.18600	\$ 5.18600	\$ 5.18600	\$ 5.18600	\$ 5.18600
0.79460	0.79460	0.79460	0.79460	0.79460	0.79460	0.79460
<u>0.16048</u>	<u>0.16048</u>	<u>0.16048</u>	<u>0.16048</u>	<u>0.16048</u>	<u>0.16048</u>	<u>0.16048</u>
6.14108	6.14108	6.14108	6.14108	6.14108	6.14108	6.14108
15.37507	18.57839	17.37723	18.46902	17.90938	17.50000	17.37723
1.08048	1.08048	1.08048	1.08048	1.08048	1.08048	1.08048
0.32149	0.32149	0.32149	0.32149	0.32149	0.32149	0.32149
13.82108	13.82108	13.82108	12.99900	13.01369	12.98365	7.96103
<u>0.05496</u>	<u>0.05496</u>	<u>0.05496</u>	<u>0.05496</u>	<u>0.05496</u>	<u>0.05496</u>	<u>0.05496</u>
<u>\$ 36.79416</u>	<u>\$ 39.99748</u>	<u>\$ 38.79632</u>	<u>\$ 39.06603</u>	<u>\$ 38.52108</u>	<u>\$ 38.08166</u>	<u>\$ 32.93627</u>
<u>16.69%</u>	<u>15.35%</u>	<u>15.83%</u>	<u>15.72%</u>	<u>15.94%</u>	<u>16.13%</u>	<u>18.65%</u>
\$ 5.22453	\$ 5.22453	\$ 5.22453	\$ 5.22453	\$ 5.22453	\$ 5.22453	\$ 5.22453
0.75607	0.75607	0.75607	0.75607	0.75607	0.75607	0.75607
<u>0.16048</u>	<u>0.16048</u>	<u>0.16048</u>	<u>0.16048</u>	<u>0.16048</u>	<u>0.16048</u>	<u>0.16048</u>
6.14108	6.14108	6.14108	6.14108	6.14108	6.14108	6.14108
15.37529	18.01606	17.37544	18.41273	18.34506	17.23160	17.37544
1.13174	1.13174	1.13174	1.13174	1.13174	1.13174	1.13174
0.31890	0.31890	0.31890	0.31890	0.31890	0.31890	0.31890
13.98943	13.98943	13.98943	12.99899	13.00255	12.59770	7.67714
<u>0.05334</u>	<u>0.05334</u>	<u>0.05334</u>	<u>0.05334</u>	<u>0.05334</u>	<u>0.05334</u>	<u>0.05334</u>
<u>\$ 37.00978</u>	<u>\$ 39.65055</u>	<u>\$ 39.00993</u>	<u>\$ 39.05678</u>	<u>\$ 38.99267</u>	<u>\$ 37.47436</u>	<u>\$ 32.69764</u>
<u>16.59%</u>	<u>15.49%</u>	<u>15.74%</u>	<u>15.72%</u>	<u>15.75%</u>	<u>16.39%</u>	<u>18.78%</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
\$ 5.36000	\$ 5.36000	\$ 5.36000	\$ 5.36000	\$ 5.36000	\$ 5.36000	\$ 5.36000
0.30645	0.30645	0.30645	0.30645	0.30645	0.30645	0.30645
<u>0.17257</u>	<u>0.17257</u>	<u>0.17257</u>	<u>0.17257</u>	<u>0.17257</u>	<u>0.17257</u>	<u>0.17257</u>
5.83902	5.83902	5.83902	5.83902	5.83902	5.83902	5.83902
15.07020	17.99203	17.37262	18.41273	18.34813	18.50000	17.37262
1.20354	1.20354	1.20354	1.20354	1.20354	1.20354	1.20354
0.29558	0.29558	0.29558	0.29558	0.29558	0.29558	0.29558
14.22338	14.22338	14.22338	12.99899	13.01397	11.44085	7.92171
<u>0.05452</u>	<u>0.05452</u>	<u>0.05452</u>	<u>0.05452</u>	<u>0.05452</u>	<u>0.05452</u>	<u>0.05452</u>
<u>\$ 36.68624</u>	<u>\$ 39.60807</u>	<u>\$ 38.98866</u>	<u>\$ 38.80438</u>	<u>\$ 38.75476</u>	<u>\$ 37.33351</u>	<u>\$ 32.68699</u>
<u>15.92%</u>	<u>14.74%</u>	<u>14.98%</u>	<u>15.05%</u>	<u>15.07%</u>	<u>15.64%</u>	<u>17.86%</u>

(Continued)

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		
2020	Direct County:						
	General	\$ 5.32543	\$ 5.32543	\$ 5.32543	\$ 5.32543	\$ 5.32543	\$ 5.32543
	MH-DD	0.08800	0.08800	0.08800	0.08800	0.08800	0.08800
	Debt service	0.42559	0.42559	0.42559	0.42559	0.42559	0.42559
	Subtotal direct	5.83902	5.83902	5.83902	5.83902	5.83902	5.83902
	School District	15.07063	16.60706	17.97287	18.01522	18.01522	15.07063
	Comm college	1.21331	1.21331	1.21331	1.21331	1.21331	1.21331
	Assessor	0.25546	0.25546	0.25546	0.25546	0.25546	0.28789
	City	15.43621	15.43621	15.43621	15.43621	15.43621	14.99971
	Other (1)	0.05498	0.05498	0.05498	0.05498	0.05498	0.05498
	Total Levy	<u>\$ 37.86961</u>	<u>\$ 39.40604</u>	<u>\$ 40.77185</u>	<u>\$ 40.81420</u>	<u>\$ 40.81420</u>	<u>\$ 37.46554</u>
Percent of Linn County to totals		<u>15.42%</u>	<u>14.82%</u>	<u>14.32%</u>	<u>14.31%</u>	<u>14.31%</u>	<u>15.59%</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

City of Marion			City of Mount Vernon	City of Center Point	City of Lisbon	City of Robins
Cedar Rapids Schools	Marion Schools	Linn-Mar Schools				
\$ 5.32543	\$ 5.32543	\$ 5.32543	\$ 5.32543	\$ 5.32543	\$ 5.32543	\$ 5.32543
0.08800	0.08800	0.08800	0.08800	0.08800	0.08800	0.08800
0.42559	0.42559	0.42559	0.42559	0.42559	0.42559	0.42559
5.83902	5.83902	5.83902	5.83902	5.83902	5.83902	5.83902
15.07063	17.97287	18.01522	18.41273	18.32760	18.43473	18.01522
1.21331	1.21331	1.21331	1.21331	1.21331	1.21331	1.21331
0.28789	0.28789	0.28789	0.28789	0.28789	0.28789	0.28789
14.22338	14.22338	14.22338	12.99739	13.01903	11.82900	7.71136
0.05498	0.05498	0.05498	0.05498	0.05498	0.05498	0.05498
<u>\$ 36.68921</u>	<u>\$ 39.59145</u>	<u>\$ 39.63380</u>	<u>\$ 38.80532</u>	<u>\$ 38.74183</u>	<u>\$ 37.65893</u>	<u>\$ 33.12178</u>
15.91%	14.75%	14.73%	15.05%	15.07%	15.51%	17.63%

COUNTY OF LINN, IOWA

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

Taxpayer	Type of Business	2020		
		Taxable Value (1)	Rank	Percentage of Taxable Value
Interstate Power & Light Co.	Utility company	\$ 211,192	1	1.84%
Archer Daniels Midland Company	Grain Processors	134,599	2	1.18%
Transamerica Life Insurance Company	Insurance	57,574	3	0.50%
Lindale Mall LLC	Shopping mall, real estate	45,703	4	0.40%
Rockwell Collins International	Aviation/Aerospace	37,551	5	0.33%
Terraza 5 LLC	Realty Investment	37,192	6	0.33%
St Lukes Methodist Hospital	Hospital, medical center	36,861	7	0.32%
International Paper Co	Packaging materials	36,153	8	0.32%
NextEra Energy Duane Arnold LLC	Nuclear utility	31,003	9	0.27%
A Shapiro LLC	Legal	30,406	10	0.27%
Qwest	Telecommunications			
SDG Macerich Properties	Shopping mall, real estate	-	-	-
Mid-American Energy	Utility Company	-	-	-
Florida Power & Light	Duane Arnold Nuclear Utilit	-	-	-
Robert K Miell	Housing/Residential	-	-	-
Total		<u>\$ 658,234</u>		<u>5.75%</u>

(1) As of January 1, 2018

Source: Linn County Auditor's Office

(2) As of January 1, 2009

2011			
Taxable Value (2)	Rank	Percentage of Taxable Value	
\$ 250,499	1	2.99%	
107,530	2	1.29%	
80,403	3	0.96%	
	-	-	
39,053	6	0.47%	
	-	-	
	-	-	
49,150	4	0.59%	
	-	-	
	-	-	
42,836	5	0.51%	
34,400	7	0.41%	
31,374	8	0.38%	
31,314	9	0.37%	
28,042	10	0.34%	
<u>\$ 694,601</u>		<u>8.30%</u>	

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	
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	58,622	96.08%	10
2016	62,251	59,314	95.28%	31
2017	63,032	59,883	95.00%	-
2018	66,527	63,139	94.91%	31
2019	69,027	62,954	91.20%	143
2020	68,853	64,704	93.97%	8

(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
\$	51,122	97.57%
	54,679	97.82%
	56,265	97.20%
	58,005	96.78%
	58,632	96.10%
	59,345	95.33%
	59,883	95.00%
	63,170	94.95%
	63,097	91.41%
	64,712	93.99%

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

Fiscal Year	General Obligation Bonds	Limited Obligation Bonds	Capital Leases	Total	Percentage of Personal Income (1)	Percentage of Taxable Value (2)	Debt Per Capita (1)
2011	\$ 14,230	\$ -	\$ 96	\$ 14,326	0.15%	0.17%	\$ 66.95
2012	20,730	-	159	20,889	0.21%	0.24%	97.02
2013	19,630	-	187	19,817	0.20%	0.22%	91.65
2014	18,525	-	148	18,673	0.19%	0.20%	85.73
2015	19,160	530	170	19,860	0.19%	0.20%	90.28
2016	17,925	510	157	18,592	0.18%	0.19%	83.79
2017	23,980	490	196	24,666	0.23%	0.25%	110.06
2018	30,046	470	196	30,712	0.28%	0.29%	136.15
2019	35,057	450	123	35,630	0.32%	0.32%	156.98
2020	62,041	425	231	62,697	0.55%	0.55%	274.56

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 120 for personal income and population data.

(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on pages 101-102.

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 (1)	Per Capita (2)
2011	\$ 14,230	\$ 3	\$ 14,227	0.16%	\$ 66.49
2012	20,730	-	20,730	0.23%	96.28
2013	19,630	-	19,630	0.20%	90.78
2014	18,525	47	18,478	0.18%	84.83
2015	19,160	648	18,512	0.18%	84.16
2016	17,925	631	17,294	0.16%	77.94
2017	23,980	645	23,335	0.22%	104.12
2018	30,046	705	29,341	0.26%	130.07
2019	35,057	226	34,831	0.30%	153.46
2020	62,041	1,064	60,977	0.50%	267.02

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 101-102.

(2) Population data can be found in the Schedule of Demographics and Economic Statistics on page 120.

COUNTY OF LINN, IOWA

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$ 744,879	\$ 773,396	\$ 794,264	\$ 806,859	\$ 847,709
Total net debt applicable to limit	<u>(14,230)</u>	<u>(20,730)</u>	<u>(19,630)</u>	<u>(18,525)</u>	<u>(19,160)</u>
Legal debt margin	<u>\$ 730,649</u>	<u>\$ 752,666</u>	<u>\$ 774,634</u>	<u>\$ 788,334</u>	<u>\$ 828,549</u>
Total net debt applicable to limit as a percentage of debt limit	1.91%	2.68%	2.47%	2.30%	2.26%

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

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 866,520	\$ 885,743	\$ 915,592	\$ 973,609	\$ 1,007,912
<u>(17,925)</u>	<u>(23,980)</u>	<u>(29,620)</u>	<u>(34,550)</u>	<u>(58,845)</u>
<u>\$ 848,595</u>	<u>\$ 861,763</u>	<u>\$ 885,972</u>	<u>\$ 939,059</u>	<u>\$ 949,067</u>
2.07%	2.71%	3.24%	3.55%	5.84%

Legal Debt Margin Calculation for Fiscal 2020

2018 actual valuation of property	\$ 19,527,581
Plus: TIF increment	648,001
Less: military exemption	<u>(17,336)</u>
Actual value for debt limit calculations	20,158,246
Multiply by 5%	<u>0.05</u>
Debt limit	1,007,912
Less: outstanding general obligation debt	<u>(58,845)</u>
Legal debt margin	<u>\$ 949,067</u>

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2020

		<u>Debt Outstanding</u>	<u>Percentage Applicable (1)</u>	<u>Amount Applicable To Linn County</u>
Direct - Linn County				
General obligation bonds	\$ 62,041,474			
Limited obligation bonds	425,000			
Capital leases	<u>230,954</u>			
Direct debt - Linn County		\$ 62,697,428	100.00%	<u>\$ 62,697,428</u>
Overlapping:				
School Districts:				
Anamosa		12,170,000	5.98%	727,766
Cedar Rapids		2,200,000	100.00%	2,200,000
Center Point-Urbana		13,285,000	61.05%	8,110,493
Central City		1,820,000	100.00%	1,820,000
College Community		111,995,000	85.27%	95,498,137
Linn-Mar		72,865,000	100.00%	72,865,000
Lisbon		8,625,000	66.24%	5,713,200
Marion		6,362,000	100.00%	6,362,000
Monticello		14,625,000	2.02%	295,425
Mount Vernon		14,850,000	97.37%	14,459,445
North Linn		2,240,000	67.55%	1,513,120
Solon		22,100,000	0.43%	95,030
Springville		3,690,000	100.00%	3,690,000
Kirkwood Community College		79,810,000	44.09%	35,188,229
Cities:				
Alburnett		1,805,000	100.00%	1,805,000
Cedar Rapids		196,149,000	100.00%	196,149,000
Center Point		5,495,000	100.00%	5,495,000
Central City		525,000	100.00%	525,000
Coggon		135,000	100.00%	135,000
Ely		3,890,000	100.00%	3,890,000
Fairfax		8,326,000	100.00%	8,326,000
Hiawatha		21,780,000	100.00%	21,780,000
Lisbon		1,359,000	100.00%	1,359,000
Marion		63,130,000	100.00%	63,130,000
Mount Vernon		10,627,000	100.00%	10,627,000
Palo		2,555,000	100.00%	2,555,000
Robins		4,240,535	100.00%	4,240,535
Springville		1,410,000	100.00%	1,410,000
Walker		<u>1,450,000</u>	100.00%	<u>1,450,000</u>
Subtotal Overlapping Debt				<u>571,414,380</u>
Total Direct and Overlapping Debt				<u>\$ 634,111,808</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>
2011	213,983	\$ 9,429,782	\$ 43,224	36.71	34,652	3,097	6.0%
2012	215,312	9,811,699	45,570	36.86	33,361	3,012	5.4%
2013	216,235	9,742,021	45,659	37.07	33,492	2,912	4.9%
2014	217,821	10,030,300	47,369	37.29	33,901	2,863	4.5%
2015	219,971	10,415,460	48,829	37.43	35,537	3,161	3.7%
2016	221,900	10,533,420	49,480	37.54	37,682	3,429	3.9%
2017	224,115	10,665,370	50,479	37.67	38,118	3,320	3.5%
2018	225,582	10,944,490	52,510	37.77	38,388	3,304	2.7%
2019	226,972	11,186,660	54,547	37.84	38,342	3,227	2.4%
2020	228,358	11,409,370	56,660	37.88	38,451	3,151	3.9%

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

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

(3) Source: Iowa Department of Education

(4) Source: Iowa Workforce Development

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	Fiscal Year 2020		
	Employees	Rank	Percentage of Total County Employment
Collins Aerospace	7,825	1	4.66%
Transamerica Life Insurance Company	4,000	2	2.38%
Unity Point Health - St. Lukes Hospital	2,979	3	1.77%
Cedar Rapids Community Schools	2,879	4	1.71%
Nordstrom Direct	2,150	5	1.28%
Mercy Medical Center	2,140	6	1.27%
Hy Vee Food Stores	2,130	7	1.27%
Kirkwood Community College	1,623	8	0.97%
City of Cedar Rapids	1,568	9	0.93%
Four Oaks	1,100	10	0.65%
Linn-Mar Community School District	-	-	-
Whirlpool Corporation	-	-	-
Pepsico	-	-	-
	<u>28,394</u>		<u>16.89%</u>

Sources: City of Cedar Rapids Official Statement

Note: Total employment encompasses the Cedar Rapids Metropolitan Statistical Area

Fiscal Year 2011		
Employees	Rank	Percentage of Total County Employment
8,600	1	5.59%
3,987	2	2.59%
1,644	7	1.07%
2,843	3	1.85%
-	-	-
1,724	6	1.12%
2,044	5	1.33%
1,444	8	0.94%
-	-	-
929	10	-
2,300	4	1.49%
1,058	9	0.69%
<u>26,573</u>		<u>16.67%</u>

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	2011	2012	2013	2014
Public Safety and Legal Services:				
Sheriff:				
Correctional facility inmate bookings	12,870	11,743	11,841	11,354
Correctional facility average daily population	365	324	345	343
Arrests by uniform patrol officers	N/A	N/A	N/A	676
Attorney:				
Felony cases filed	830	803	785	774
Juvenile cases filed	790	724	769	772
Physical Health and Social Services:				
Health Department - food inspections	1,980	1,628	1,732	1,833
Community Services:				
Child Development Center - children served	768	756	732	696
Financial Assistance - unduplicated households served	1,135	1,043	1,004	1,082
Veteran Affairs:				
Director outreach appointments	1,006	1,085	1,042	1,087
Claims issued	631	636	691	584
Mental Health:				
Community Services - unduplicated clients served	768	765	285	253
County Environment and Education:				
Conservation:				
Camping permits - days	50,721	54,640	48,523	51,209
Boat rentals	3,030	5,507	2,046	2,904
Planning & Development - inspections	4,423	4,577	3,974	4,087
Roads and Transportation:				
Public transportation: - rides	89,236	80,778	79,324	74,498
Engineering / Secondary Roads:				
Miles of road maintained - hard surface	380	379	378	359
Miles of road maintained - unpaved	795	794	793	793
Governmental Services to Residents:				
Auditor - registered voters	148,659	150,192	152,465	152,745
Recorder - documents recorded/processed	67,170	66,181	72,832	75,263
Treasurer:				
Titles processed	61,057	61,424	62,069	61,104
Registrations processed	300,894	298,185	298,138	299,406
Administration:				
Auditor - payments processed	55,704	50,248	47,424	42,018
Facility and Support Services - pieces of outgoing mail	781,484	671,298	654,428	548,154
Information Technology - clients served	550	685	948	933

Source: Individual county department.

2015	2016	2017	2018	2019	2020
12,000	10,320	10,208	10,395	10,091	7,852
349	350	353	365	379	324
676	852	842	816	831	774
882	881	895	907	941	877
805	736	777	645	813	850
1,442	1,900	1,250	1,207	1,363	1,007
732	684	720	699	744	739
1,074	980	1,061	1,052	1,055	796
940	1,053	721	721	641	335
599	651	541	480	348	267
240	240	185	189	189	180
59,413	74,648	76,647	76,176	64,281	69,630
2,726	1,869	1,444	1,388	1,153	1,319
4,961	5,544	5,678	4,766	4,499	4,935
80,000	80,000	72,266	75,531	76,835	59,043
359	359	348	349	349	350
754	754	749	749	749	750
147,486	150,717	148,669	150,873	151,500	155,409
82,027	99,353	89,941	89,929	109,138	81,513
62,658	64,737	68,401	66,492	64,733	64,469
303,172	312,751	317,116	315,618	302,161	317,146
39,514	38,082	35,982	35,341	34,315	34,059
841,197	519,208	622,748	528,098	516,063	538,932
936	833	739	686	794	800

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	2011	2012	2013	2014
<u>Function</u>				
Public Safety and Legal Services -				
Sheriff -				
Correctional facility capacity	401	401	401	401
Physical Health and Social Services:				
Health Department -				
Vehicles	N/A	N/A	23	22
Community Services -				
Vehicles	N/A	N/A	9	13
Mental Health:				
Community Services -				
Vehicles	N/A	N/A	14	7
County Environment and Education:				
Conservation:				
Park acreage managed - developed and undeveloped	7,030	7,051	7,175	7,289
Parks, natural areas and preserves (1)	19	19	18	18
Nature center	1	1	1	1
Planning & Development -				
Vehicles	N/A	N/A	5	5
Roads and Transportation:				
Public Transportation -				
Miles driven	331,999	326,173	317,404	310,501
Engineering / Secondary Roads:				
Buildings/bunkers	N/A	N/A	14	14
Construction/heavy operating vehicles and equipment	N/A	N/A	165	167
Bridges	246	246	259	259
Administration:				
Facility and Support Services:				
Square feet maintained	497,724	537,024	537,024	554,984
Information Technology				
Servers (2)	35	94	97	113

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

(1) Prior to 2017, natural areas and preserves not included

2015	2016	2017	2018	2019	2020
401	401	401	401	401	401
24	23	23	23	23	24
14	20	20	23	21	19
7	9	12	6	7	8
7,305	7,305	7,456	7,471	8,307	8,344
18	18	28	28	29	31
1	1	1	1	1	1
5	5	5	5	5	5
323,151	318,075	319,691	310,254	304,423	263,750
14	14	14	14	14	14
165	173	166	165	159	159
259	259	247	247	247	254
576,000	576,000	576,000	576,000	576,000	656,367
109	121	118	133	9	10

COUNTY OF LINN, IOWA

FULL-TIME EQUIVALENT EMPLOYEES BY DEPARTMENT
LAST TEN FISCAL YEARS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Department										
Attorney	38	37	37	37	37	36	36	38	39	40
Auditor	18	18	19	16	16	17	17	17	16	16
Board of Supervisors	10	10	10	9	9	9	9	11	9	9
Child Support Recovery Unit	22	20	-	-	-	-	-	-	-	-
Conservation	39	41	42	42	42	43	43	44	35	36
Engineering	71	68	66	69	69	69	67	67	66	67
Facilities	32	31	28	30	30	31	31	31	35	33
Finance and Budget	4	4	4	4	4	4	5	4	4	5
Human Resources	5	5	5	5	5	5	5	5	4	6
Information Technology	17	16	17	21	21	22	22	23	21	21
LIFTS	22	22	22	22	22	22	22	22	21	22
Linn County Community Services	231	216	213	192	198	197	166	150	144	146
Planning and Development	13	14	14	14	14	14	15	12	15	14
Public Health	59	46	47	48	47	47	51	51	51	49
Purchasing	4	4	4	4	4	4	3	3	3	3
Recorder	14	14	14	14	14	14	14	14	13	14
Risk Management	3	3	3	3	3	3	3	3	2	3
Sheriff	178	178	182	183	184	186	189	191	199	198
Soil Conservation	1	1	1	1	1	1	1	1	2	2
Treasurer	34	35	35	35	35	35	36	37	38	37
Veteran Affairs	3	3	3	3	4	4	4	5	5	5
	818	786	766	752	759	763	739	729	722	726

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, each major fund, and the aggregate remaining fund information of County of Linn, Iowa, (County) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 5, 2021.

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) as a basis for designing 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 have not been identified. We did identify a certain deficiency in internal control, described in the schedule of findings and questioned costs, issued under separate cover, as item 2020-001 that we consider to be a material weakness.

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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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2020 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County and are reported in Part IV of the schedule of findings and questioned costs, issued under separate cover. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

County's Response to Finding

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

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

Dubuque, Iowa
January 5, 2021



Information to Comply with *Government Auditing Standards*
and the Uniform Guidance
June 30, 2020

County of Linn, Iowa

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Officials of the County of Linn, Iowa:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of County of Linn, Iowa, (County) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 5, 2021.

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) as a basis for designing 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 have not been identified. We did identify a certain deficiency in internal control, described in the schedule of findings and questioned costs, issued under separate cover, as item 2020-001 that we consider to be a material weakness.

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2020 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 Response to Finding

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

Purpose of this Report

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

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

Dubuque, Iowa
January 5, 2021



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 the Uniform Guidance

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 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, 2020. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe 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 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered 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 the Uniform Guidance, 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 a 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 and therefore, material weaknesses and significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2020-002 be a significant deficiency.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Linn, Iowa as of and for the year ended June 30, 2020, and have issued our report thereon dated January 5, 2021, 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 the Uniform Guidance 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.

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

Dubuque, Iowa
March 8, 2021

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Amounts Passed- Through to Subrecipients</u>
Department of Agriculture				
Child Nutrition Cluster				
Pass-Through Program From				
Iowa Department of Education				
School Breakfast Program	10.553	57-8022	\$ 10,496	\$ -
National School Lunch Program	10.555	57-8022	16,464	-
			<u>26,960</u>	<u>-</u>
Total Child Nutrition Cluster				
Direct Program				
Child and Adult Care Food Program	10.558		<u>48,936</u>	<u>-</u>
SNAP Cluster				
Pass-Through Program From				
Iowa Department of Human Services				
Human Services Administrative				
Reimbursement				
State Administrative Matching				
Grants for the Supplemental				
Nutrition Assistance Program	10.561	N/A	107,553	-
Iowa Department of Public Health				
State Administrative Matching				
Grants for Food Stamp Program	10.561	5880NU26	<u>11,608</u>	<u>-</u>
			<u>119,161</u>	<u>-</u>
Pass-Through Program From				
Natural Resources Conservation Service				
Soil and Water Conservation	10.902	NR186114XXXXC012	<u>28,081</u>	<u>-</u>
Environmental Quality Incentives Program	10.912	NR186114XC012	<u>10,246</u>	<u>-</u>
Conservation Stewardship Program	10.924	NR186114XC012	<u>10,246</u>	<u>-</u>
Total Department of Agriculture			<u>243,630</u>	<u>-</u>
Department of the Interior Fish and Wildlife Service				
Direct Program				
Fish and Wildlife Management Assistance	15.608		<u>32,097</u>	<u>-</u>
Pass-Through Program From				
Iowa Department of Natural Resources				
North American Wetlands Conservation Fund	15.623	F17AP00530	25,000	-
North American Wetlands Conservation Fund	15.623	F18AP00506	<u>30,000</u>	<u>-</u>
			<u>55,000</u>	<u>-</u>
Total Department of the Interior Fish and Wildlife Service			<u>87,097</u>	<u>-</u>

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amounts Passed- Through to Subrecipients
Department of Justice				
Pass-Through Program From				
Iowa Department of Human Rights				
Juvenile Justice and Delinquency				
Prevention Allocation to States	16.540	CJP-18-6001	\$ 31,139	\$ -
Governor's Office of Drug Control Policy				
Project Safe Neighborhoods	16.609	18-PSN-002	29,019	-
Edward Byrne Memorial Justice	16.738	2017-DJ-BX-1010	23,905	23,905
Assistance Grant Program	16.738	2018-DJ-BX-0922	23,154	23,154
Edward Byrne Memorial Justice				
Assistance Grant Program			47,059	47,059
Total Department of Justice			107,217	47,059
Department of Transportation				
Highway Planning and Construction Cluster				
Pass-Through Program From				
University of Northern Iowa				
Highway Planning and Construction	20.205	18-TAP-101	15,460	-
Pass-Through Program From				
East Central Iowa Council of Governments				
COVID-19 - Formula Grants for Rural Areas	20.509	N/A	109,657	-
Formula Grants for Rural Areas	20.509	N/A	91,463	-
			201,120	-
Highway Safety Cluster				
Pass-Through Program From				
Governor's Traffic Safety Bureau				
National Priority Safety Programs	20.616	PAP-19-405d- M6OT, Task 26	5,284	-
National Priority Safety Programs	20.616	PAP-20-405d- M6OT	33,945	-
Total Highway Safety Cluster			39,229	-
Total Department of Transportation			255,809	-

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Amounts Passed- Through to Subrecipients</u>
Environmental Protection Agency 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	20ESDAQBCPAU L-0001	\$ 17,500	\$ -
Drinking Water State Revolving Fund Cluster Capitalization Grants for Drinking Water State Revolving Funds	66.468	19ESDFSBCLO V-0010	16,815	-
Performance Partnership Grants	66.605	20ESDAQBCPAU L-0001	<u>74,278</u>	<u>-</u>
Total Environmental Protection Agency			<u>108,593</u>	<u>-</u>
Department of Health and Human Services Pass-Through Program From Iowa Department of Human Services Human Services Administrative Reimbursement				
Guardianship Assistance	93.090		<u>17</u>	<u>-</u>
Association of Food and Drug Officials Food and Drug Administration Research	93.103	07486	<u>2,644</u>	<u>-</u>
Iowa Department of Public Health Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	MOU-2020-TB02	1,425	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	MOU-2019-TB02	<u>5,950</u>	<u>-</u>
			<u>7,375</u>	<u>-</u>
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	5885BT457	<u>18,218</u>	<u>14,849</u>
Immunization Cooperative Grants	93.268	5880I453	<u>4,277</u>	
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	5885BT457	<u>21,150</u>	<u>-</u>
Iowa Secretary of State's Office COVID-19 - Help America Vote Act Requirements Payments	93.401	N/A	<u>26,100</u>	<u>-</u>

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Amounts Passed- Through to Subrecipients</u>
Department of Health and Human Services (continued)				
Pass-Through Program From (continued)				
Iowa Department of Public Health				
Improving the Health of Americans				
through Prevention and Management of				
Diabetes and Heart Disease and Stroke	93.426	5880CD32	\$ 8,800	\$ -
PPHF 2012 Prevention and Public Health				
Fund	93.539	5880I453	25,840	-
Iowa Department of Human Services				
Promoting Safe and Stable Families	93.556	DCAT4-19-0066	15,000	-
Promoting Safe and Stable Families	93.556	DCAT4-19-0009	33,975	-
			48,975	-
Human Services Administrative				
Reimbursement				
Refugee and Entrant Assistance -				
State Administered Programs	93.566	N/A	59	-
Child Care and Development Fund Cluster				
Human Services Administrative				
Reimbursement				
Child Care and Development Block				
Grant	93.575	N/A	12,000	-
Child Care and Development Block Grant	93.575	ACFS-11-034	9,345	-
			21,345	-
Human Services Administrative				
Reimbursement				
Child Care Mandatory and				
Matching Funds of the Child				
Care and Development Fund	93.596	N/A	25,500	-
Total Child Care and Development Block Grant			46,845	-
Refugee and Entrant Assistance				
Discretionary Grant	93.576	REF-18-003	4,381	-

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amounts Passed- Through to Subrecipients
Department of Health and Human Services (continued)				
Pass-Through Program From (continued)				
Iowa Department of Human Services				
Human Services Administrative				
Reimbursement				
Foster Care - Title IV-E	93.658	N/A	\$ 36,254	\$ -
Adoption Assistance	93.659	N/A	14,785	-
Social Services Block Grant	93.667	N/A	31,258	-
Children's Health Insurance Program	93.767	N/A	3,571	-
Medicaid Cluster				
Medical Assistance Program	93.778	N/A	162,758	-
Cancer Prevention and Control				
Programs for State, Territorial, and				
Tribal Organizations	93.898	5889NB16	7,606	-
Iowa Department of Public Health				
HIV Care Formula Grants	93.917	5889AP09	67,625	-
HIV Care Formula Grants	93.917	5880AP09	12,765	-
HIV Care Formula Grants	93.917	5880HC08	437,894	-
			518,284	
HIV Prevention Activities - Health				
Department Based	93.940	5889A909	9,998	-
HIV Prevention Activities - Health				
Department Based	93.940	5880AP09	13,428	-
			23,426	-
Total Department of Health and Human Services			1,012,623	14,849
Executive Office of the President				
Pass-Through Program From				
Iowa Department of Public Safety				
High Intensity Drug Trafficking Areas Program	95.001	G19MW0002A	89,434	-
High Intensity Drug Trafficking Areas Program	95.001	G20MW0002A	79,413	-
Total Executive Office of the President			168,847	-
Department of Homeland Security				
Pass-Through Program From				
United Way of America				
Emergency Food and Shelter National				
Board Program	97.024	33-2964	20,978	20,978
Iowa Department of Public Defense				
Emergency Food and Shelter National				
Board Program	97.024	36-2964	73,751	73,751
Total Department of Homeland Security			94,729	94,729
Total Federal Assistance			\$ 2,078,545	\$ 156,637

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the County of Linn, Iowa (County) under programs of the federal government for the year ended June 30, 2020. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of the County.

Note 2 - Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect Cost Rate

The County has not elected to use the 10% de minimis cost rate.

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

Financial Statements

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

Federal Awards

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	Yes
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 Uniform Guidance 2 CFR 200.516:	Yes
Identification of major programs:	
<u>Name of Federal Program</u>	<u>CFDA Number</u>
Formula Grants for Rural Areas	20.509
HIV Care Formula Grants	93.917
High Intensity Drug Trafficking Areas Program	95.001
Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	No

Part II: Findings Related to the Financial Statements:

Material Weakness

2020-001 Material Audit Adjustment

Criteria: A properly designed system of internal control over financial reporting allows entities to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles.

Condition: During the course of our engagement, we proposed a material audit adjustment to the financial statements was not identified as a result of the County's existing internal controls and, therefore, could have resulted in a misstatement of the County's financial statements.

Cause: The audit adjustment was to increase accounts payable at June 30, 2020 for the Dr. Percy & Lileah Harris Building. Contractor payments for the project are made directly from a trust account and not through the standard disbursement process. The building has been completed, but the final payment will not be released until the project is approved. Due to the unique nature of the lease purchase agreement, the final payment was not originally included as an accounts payable accrual.

Effect: The effect of this condition was financial data not in accordance with generally accepted accounting principles.

Recommendation: We recommend the finance staff continue to improve internal controls to identify unique circumstances impacting the financial data.

Views of Responsible Officials: The County agrees.

Part III: Findings and Questioned Costs for Federal Awards:

**2020-002 U.S. Department of Health and Human Services
Iowa Department of Public Health
CFDA 93.917, 5880HC08, 2020
HIV Care Formula Grants**

Allowable Costs

Significant Deficiency in Internal Control over Compliance

Criteria: The Uniform Guidance, Section 200.303 Internal Controls, requires the non-federal entity establish and maintain effective internal controls over federal awards that provide reasonable assurance that awards are being managed in compliance with federal statutes, regulations and the terms and conditions of the federal award.

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

As described in the 2020 compliance supplement, Part 3 includes the requirements of uniform guidance and 2 CFR part 200, subpart F. We consider factors such as the County's internal controls and the internal controls over compliance requirements and tests as prescribed in 2 CFR part 200, subpart F.

Improper Payments

Under uniform guidance, Public Law (Pub. L.) No. 107-300, the Improper Payments Information Act of 2002, as amended by Pub. L. No. 111-204, the Improper Payments Elimination and Recovery Act, Executive Order 13520 on reducing improper payments, and the June 18, 2010 Presidential memorandum to enhance payment accuracy, Federal agencies are required to take actions to prevent improper payments, review Federal awards for such payments, and, as applicable, reclaim improper payments. Improper payment includes this specific criteria:

"Any payment that an agency's review is unable to discern whether a payment was proper as a result of insufficient or lack of documentation."

Condition: We selected a sample of 60 expenditures and reviewed the overall grant activity for the year ended June 30, 2020. We noted the following in our testing:

- 1 of the 60 transactions tested involved ineffective controls over the review of an employee's payrate being charged to the grant, causing a \$330 overcharge to the Iowa Department of Public Health.

Cause: Due to insufficient controls over the expenditure review process (documentation) the controls are not operating as designed (or not properly implemented to prevent, detect and correct errors timely).

Effect: Failure to document the correct expenditures charged to the grant may result in disallowed costs.

Questioned Costs: None reported.

Context/Sampling: A nonstatistical sample of 60 expenditures submitted for reimbursement were selected for testing, which accounted for \$123,086 of \$518,285 of federal program expenditures.

Repeat Finding from Prior Years: Yes, prior year finding 2019-002.

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

Recommendation: We recommend that the County review the approval process for expenditures to determine why the controls failed and to design and implement controls that will prevent, detect and correct this from occurring in the future. The County needs to exercise judgment in determining the most appropriate and cost-effective internal control in a given environment or circumstance to provide reasonable assurance for compliance with Federal program requirements. The uniform guidance also refers non-Federal entities to the following two documents for best practices:

- “Standards for Internal Control in the Federal Government” (Green Book) issued by the Comptroller General.
- “Internal Control Framework” issued by the Committee on Sponsoring Organizations (COSO).

Views of Responsible Officials: Management agrees with finding.

Part IV: Other Findings Related to Required Statutory Reporting:

- 2020-IA-A Certified Budget** – Disbursements during the year ended June 30, 2020, did not exceed the amounts budgeted by function. In addition, disbursements by department did not exceed the amounts appropriated.
- 2020-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.
- 2020-IA-C Travel Expense** – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- 2020-IA-D Business Transactions** – Business transactions between the County and County Officials or employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
Judy Cummings, Options employee, spouse is owner of Aqua Technologies	Supplies	\$ 21,244

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 Judy Cummings were not entered into through competitive bidding.

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

- 2020-IA-E Restricted Donor Activity** – No transactions were noted between the County, County officials, County employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.
- 2020-IA-F 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.
- 2020-IA-G Board Minutes** – No transactions were found that we believe should have been approved in the Board minutes but were not.
- 2020-IA-H 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.
- 2020-IA-I 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).
- 2020-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.
- 2020-IA-K Annual Urban Renewal Report** – The fiscal year 2019 Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on or before December 1.