

Johnson County, Iowa



F.W. Kent Park, Johnson County



Popular Annual Financial Report
For the year ended June 30, 2018

Message from the Board

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Johnson County Auditor

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Johnson County Conservation

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Johnson County Secondary Roads

@JCSecondaryRoad



Johnson County

Johnson County Ambulance

Johnson County Auditor

Johnson County Conservation

Emergency Management

Johnson County Public Health

Johnson County Sheriff



Johnson County Board of Supervisors, from left to right: Kurt Friese, Mike Carberry, Janelle Rettig, Lisa Green-Douglass, Rod Sullivan

We are pleased to present Johnson County's annual report for Fiscal Year 2018 (July 1, 2017 to June 30, 2018). This report gives us an opportunity to see how we've grown over the last year and look forward to the future. Johnson County has steadily grown in the nearly two centuries since its establishment in 1837. In 1900, the county's population was 24,817; currently we are the second-fastest growing county in the State of Iowa, with a population approaching 150,000.

As our County grows, so do the services and resources we provide for our residents. In Fiscal Year 2018, our new Ambulance Service and Medical Examiner Facility opened. We celebrated the two-year anniversary of our Community ID program. We adopted a new Comprehensive Plan, which will help guide the county's future for the next 10 years. We also continued to expand our solar energy initiatives and were recognized for our efforts with a SolSmart Gold designation. Additionally, we celebrated being named No. 1 in the State of Iowa for workplace safety, which, in addition to being a testament to our employees, translates to a significant cost savings for our taxpayers.

We encourage our residents to get involved with their County government and help us continue to grow. Today's technology makes it very simple to drop us an email, view or listen to Board of Supervisors meetings through our live-streaming function, sign up for electronic communications, follow us on social media and more. We also welcome "old-school" contact—attend a meeting, stop by our office or pick up the phone to share your thoughts. As your Board of Supervisors, it is our pleasure to serve you.

About Johnson County

Quick facts

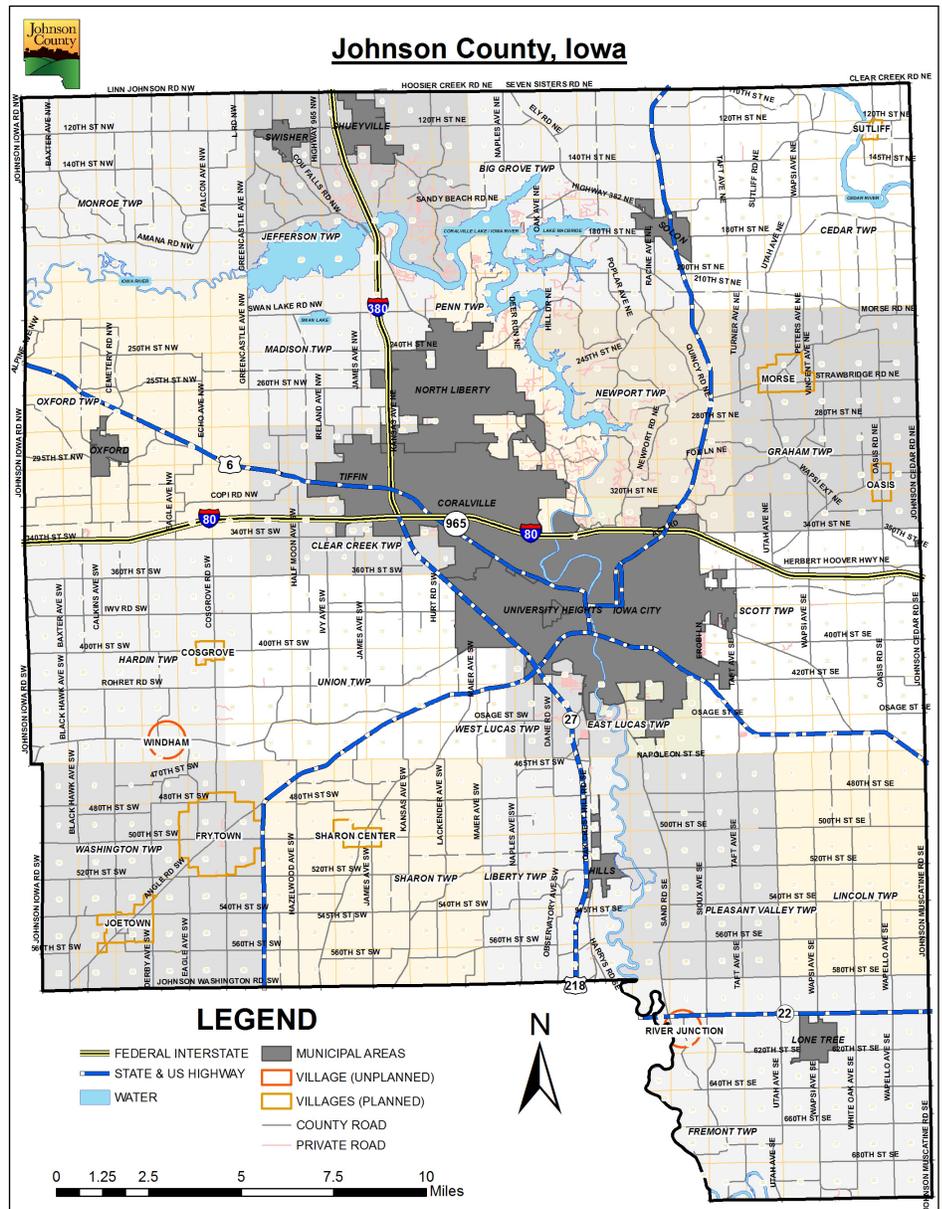
- Johnson County FY18 final budgeted expenses: **\$122,726,959**
- Percent of FY18 budget from property taxes: **62 percent**
- Employees: **524**
- Square miles: **614**
- Approx. miles of secondary roads: **920**
- Manages approx. **2,336 acres** in the form of parks, preserves and natural areas, and **35.7 miles** of hard-surfaced trails

Demographics

- Total population: **149,210**
- Per capita personal income: **\$50,136.00**
- Labor force: **84,000**
- Unemployment: **2.9 %**
- Public school enrollment: **13,981**
- Private school enrollment: **1,066**
- Median age: **29.9**

Top 10 employers

- University of Iowa: **19,365**
- UI Hospitals and Clinics: **10,340**
- Veterans Health Administration: **2,300**
- Iowa City Community School Dist.: **2,005**
- Mercy Iowa City: **1,347**
- Hy-Vee, Inc.: **1,222**
- Pearson Educational Measurement: **1,150**
- Proctor & Gamble: **1,130**
- ACT, Inc: **1,074**
- City of Iowa City: **942**



11 municipalities

- Coralville
- Hills
- Iowa City
- Lone Tree
- North Liberty
- Oxford
- Shueyville
- Solon
- Swisher
- Tiffin
- University Heights

9 unincorporated villages

- Cosgrove
- Frytown
- Joetown
- Morse
- Oasis
- River Junction
- Sharon Center
- Sutliff
- Windham

Year in Review

Ambulance Service and Medical Examiner Facility opens



The Johnson County Ambulance Service and Medical Examiner Facility opened at the beginning of FY2018.

The building was designed to not only keep pace with Johnson County's current need for services, but also to address future needs. The total cost was approximately \$7.69 million. A portion was funded from cash reserves; the remainder was funded with property taxes.

The building features many sustainability elements, such as a green roof, in-floor heating and a roof-mounted solar array.

No. 1 in the state for workplace safety

Johnson County was recently named No. 1 in the state for workplace safety by the Iowa Municipalities Workers' Compensation Association (IMWCA). As an employer, Johnson County has the best Experience Modification Factor (EMF) out of 79 counties in the IMWCA program and the second best overall EMF of the nearly 500 entities and organizations in IMWCA. The EMF is based on an entity's workplace injury history—both the number of injuries and the severity of those injuries. All IMWCA entities are evaluated by the National Council on Compensation Insurance (NCCI), an independent rate-setting organization for Iowa and 37 other states. The cost of workers' compensation insurance is determined in part by claims against it. Johnson County's EMF recently decreased from .64 to .60, the lowest the County has had. That translates to a significant savings in insurance premiums.



A celebration of Johnson County's community partners

The Board of Supervisors allocated more than \$2.25 million through various grant and fund allocation processes to more than three dozen community partners, including social services organizations, libraries, and economic development groups. The board directed additional funds to address food insecurity and, for the second year, the Board committed \$600,000 to address critical affordable housing needs.

The Board of Supervisors awarded additional funding to social service agencies to meet emergency needs, implement innovative programming, and assist with environmental sustainability efforts.



Community ID program turns two



The County celebrated the two-year anniversary of the Community ID program.

The Johnson County Community ID is a local government-issued photo identification available to residents of Johnson County. Johnson County established the Community ID to ensure all members of the community are welcomed and able to fully participate in the economic and social life of the county.

The Community ID can be used at participating establishments to open a bank account; confirm identity when using credit cards; interact with schools, city and county agencies and law enforcement officials; and enjoy discounts offered by participating community businesses, institutions and partners.

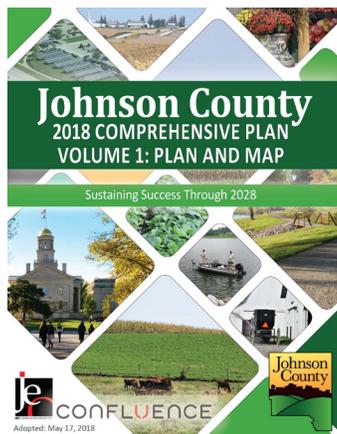
County earns SolSmart 'Gold' for solar energy support

Johnson County received a Gold community designation from the national SolSmart program for making it faster, easier and more affordable for residents in the unincorporated areas to use solar for their homes or businesses, and easier for solar companies to complete the solar permitting process. The award made Johnson County the first county in both Iowa and the Midwest to earn the Gold Community designation, currently SolSmart's highest designation.

SolSmart recognized different steps the County took to remove obstacles and encourage solar use including providing a clear solar project checklist, streamlining the permitting process to a three-day turnaround, and keeping fees reasonable. The County's designation also recognized efforts by the Board of Supervisors and staff to incorporate solar into strategic and comprehensive planning, installing solar on County facilities and advocating for solar in state-level conversations.



New Comprehensive Plan adopted



The Board of Supervisors adopted the 2018 Comprehensive Plan: *Sustaining Success Through 2028*. Creating the plan involved an 18-month process that engaged residents, stakeholders and leaders through the assistance of staff and consultants. As the plan's title indicates, it will help guide the county's future for the next 10 years.

Previously, Johnson County adopted a land use plan in 1998 and updated it in 2008—plans that helped guide the physical development of the county's unincorporated areas. The 2018 comprehensive plan is a more all-encompassing document, considering not just land use but also sustainability, local economy including agriculture and infrastructure and amenities—and their interconnections to quality of life.

Johnson County is the second fastest-growing county in Iowa with consistent double-digit growth every decade over the past 100 years. The comprehensive plan provides a basis for balancing this growth with preservation of agricultural and environmentally sensitive areas.

Glossary and FY2017 PAFR award

Glossary of terms

Appropriation

An authorization made by the governing body to establish legal authority for officials to obligate and expend resources.

Assessed Value

A value that is established for real estate or other property by a government as a basis for levying taxes.

Deferred Inflows of Revenues

Represent an acquisition of net position that applies to a future year(s) and will not be recognized as an inflow of resources (revenue) until that time.

Deferred Outflows of Revenues

Represent a consumption of net position that applies to a future year(s) and will not be recognized as an outflow of resources (expense/expenditure) until then.

Fund Balance

The difference between fund assets and fund liabilities. Also known as surplus funds or cash reserves.

General Fund

The fund used to account for the activities of a government that are carried out primarily to provide services to citizens and that are financed primarily through taxes and intergovernmental revenues.

Levy

The total amount of taxes imposed by the government.

Levy Rate

The rate used in calculating taxes based upon the value of property, expressed in an amount per thousand dollars of assessed value.

Property Tax

Taxes levied according to the property's taxable value and the tax rate.

Rollback

The reduction in taxable value of property as computed annually by the State of Iowa.

Net Investment in Capital Assets

Equals capital assets net of accumulated depreciation and any outstanding borrowings used for their acquisition.

Restricted Net Position

Assets are reported as restricted when there are limitations imposed on their use by legislation, creditors, grantors or laws or regulations of other governments.

Unrestricted Net Position

Represents the difference between assets and liabilities not restricted for use.



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**Johnson County
Iowa**

For its Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrell
Executive Director/CEO

Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Financial Reporting to Johnson County, Iowa, for its Popular Financial Report for the fiscal year ended June 30, 2017. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Financial Reporting is valid for a period of one year only. Johnson County has received a Popular Award for the last three consecutive years (fiscal years ended 2015, 2016 and 2017).

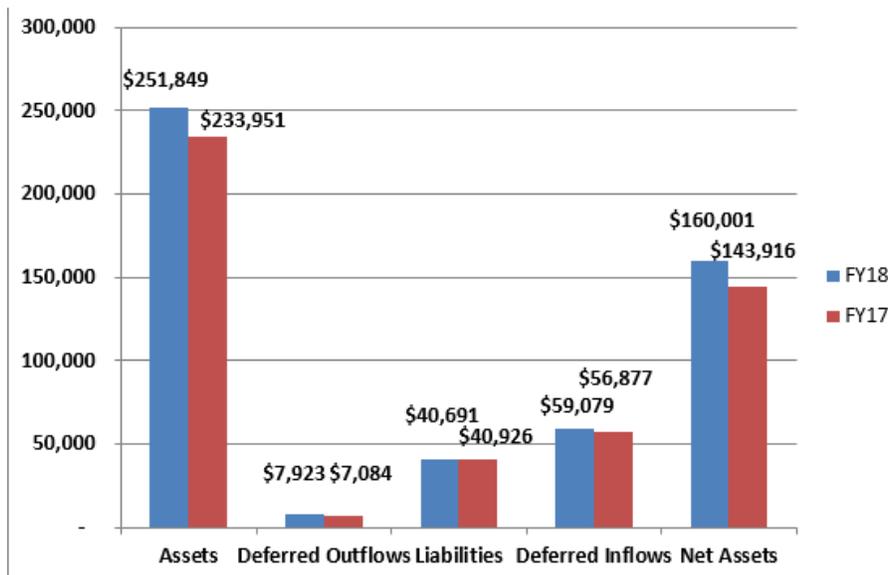
Financial Highlights FY2018

Total net position was \$160,001,321 at June 30, 2018. This was an increase of \$16,085,100 (11.2 percent) compared to the prior fiscal year.

Overall revenues of governmental activities increased 4.4 percent or \$3,612,711 from fiscal year 2017. Property tax revenues increased \$3,619,151; operating grants and contributions decreased \$509,719; charges for services decreased \$677,817; tax credit revenues increased \$108,787; and capital grants and contributions increased \$853,275.

Overall program expenses decreased \$373,900 (0.5 percent) from fiscal year 2017. Public safety and legal services increased \$701,570; physical health and social services increased \$443,644; mental health expenses decreased \$1,468,987; county environment and education expenses increased \$38,368; roads and transportation expenses decreased \$51,507; governmental services to residents decreased \$147,551; administration expenses increased \$795,845; non-program expenses increased \$2,458; and interest expenses on the County's long-term debt increased by \$20,060.

Statement of Net Position



Net Position may serve as an indicator of a government's financial position. The total net position of governmental activities increased by 11.2 percent compared to fiscal year 2017. Liabilities remained relatively unchanged from fiscal year 2017 to fiscal year 2018, exhibiting a slight increase.

Additionally, the increase to assets was primarily a result of increases in both the County's overall cash position and in the succeeding year taxes receivable. The largest portion of the County's net position is invested in capital assets (land, buildings, equipment), net of related debt. The debt related to investment in capital assets is liquidated with sources other than capital assets.

Restricted net position represent resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net position increased from \$8,246,001 in fiscal year 2017 to \$14,389,010 in fiscal year 2018. This increase of 74.5 percent is primarily due to the effect of the County's increase in total assets exceeding the increases seen in the County's liabilities, deferred inflows, net investment in capital assets and restricted net position at fiscal year-end.

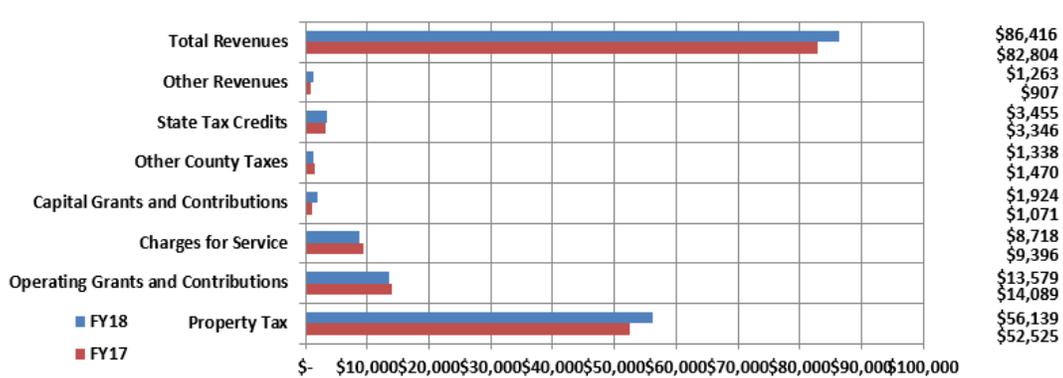
Financial Highlights FY2018

Statement of activities

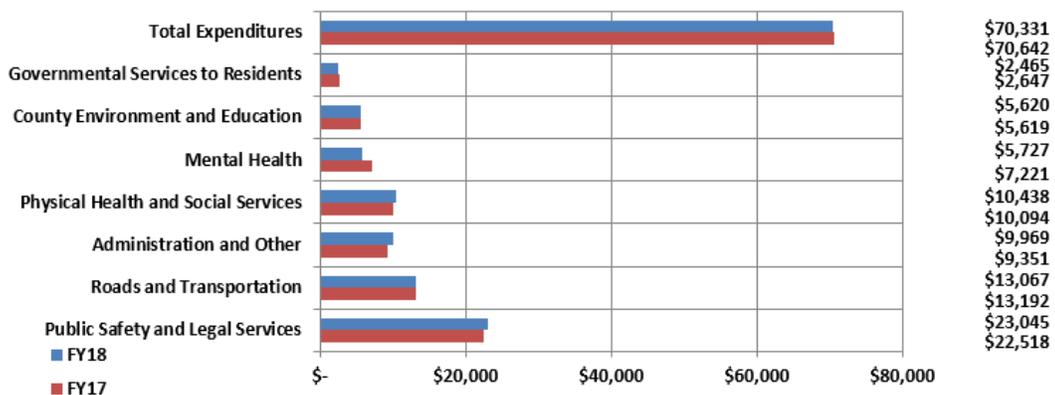
The County increased property taxes levied for 2018 by 6.2 percent. This increase raised the County's property tax revenue by approximately \$3,068,843. Based on increases in the tax levies and total assessed valuation, property tax revenue is budgeted to increase by an additional \$2 million for fiscal year 2019.

The cost of all government services this year was approximately \$70,331,000 compared to \$70,642,000 last year. The amount financed by taxpayers was \$45,109,430 (See Statement of Activities). Some of the cost was paid for by those who benefited from programs or other government grants and contributions. The County's program revenues decreased from \$24,476,085 to \$24,221,824 from fiscal year 2017 to 2018, due to an decrease in charges for service and operating grants.

Government-wide Revenues (Expressed in thousands)



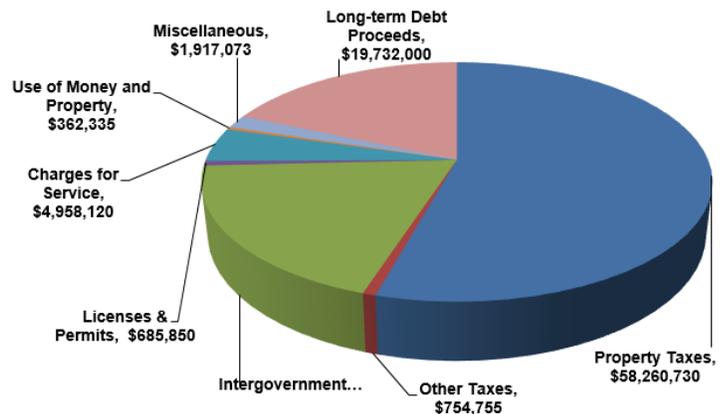
Government-wide Expenditures (Expressed in thousands)



FY 2019 Budget Highlights

Revenue summary

Financial Year 2019 Budgeted Revenue	
Property Taxes	\$ 58,260,730
Other Taxes	\$ 754,755
Intergovernmental	\$ 20,640,600
Licenses & Permits	\$ 685,850
Charges for Service	\$ 4,958,120
Use of Money and Property	\$ 362,335
Miscellaneous	\$ 1,917,073
Long-term Debt Proceeds	\$ 19,732,000
Total Revenues	\$ 107,311,463



Revenues (excluding operating transfers in, debt proceeds, and fixed asset sales) for FY19 are \$87,579,463, a decrease of \$122,775 or -0.1% compared to the FY18 originally budgeted revenues. Property taxes are the largest source of revenue for Johnson County. In FY19, Net Current Property Taxes of \$58,260,730 will be 66.3 percent of total county revenues. Net current property taxes increased by \$2,080,627 or 3.7 percent from FY18. Net current property tax revenue has increased an average of 6.2 percent over the last five fiscal years.

The countywide levy rate decreased by \$0.31548 making the total FY19 countywide levy rate \$6.53594 per thousand dollars of taxable value. Rural residents will pay \$10.20255 per thousand dollars of taxable value which includes the additional rural levy rate of \$3.66661 per thousand dollars of taxable value. Residential property taxpayers in Iowa City will pay on average \$11.43 or 3.0 percent less than in FY18 per \$100,000 of assessed property value. Ag land taxpayers in unincorporated (rural) areas will pay on average \$7.89 or 1.4 percent more than in FY18 per \$100,000 of assessed property value. Commercial property taxpayers in Iowa City will pay on average \$8.64 or 1.5 percent more than in FY18 and commercial taxpayers in other Johnson County cities will pay on average \$15.24 or 2.5 percent less than in FY18 per \$100,000 of assessed property value.

The residential property rollback rate is 55.6209 percent in FY19, down from 56.9391 percent in FY18, meaning that homeowners were taxed on slightly less (~2.3 percent) of their assessed property value in FY19 compared to FY18.

Intergovernmental revenue is the second highest portion of total revenues at \$20,640,600 or 23.5 percent of the total, a decrease of \$2,222,103 or 9.7 percent compared to the FY18 original budget. Of the Intergovernmental revenue total, the largest amount is the ~\$5.8 million in road use taxes for the Secondary Roads fund. In addition, the county expects to receive \$3,327,278 in tax credits and replacements and \$1,499,042 from the City of Iowa City from its paratransit services contract.

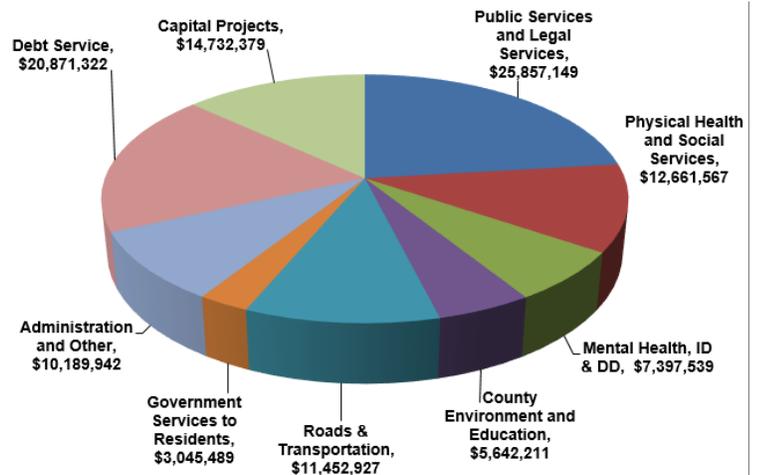
The remaining 10.2 percent or \$9,007,133 of total budgeted revenues is made up of several other sources that include: Charges for Service \$4,958,120; Miscellaneous Revenues \$1,917,073; Other County Taxes \$754,755 (mobile home taxes and utility replacement excise taxes); Licenses and Permit Fees \$685,850; and the Use of Money and Property \$362,335 (depository interest and rental charges earned).

Other Financing Sources are inflows of current financial resources that are not reported as revenues by the county. The total in FY19 for this category of sources is \$35,264,711. Long Term Debt Proceeds is the largest portion of Other Financing Sources. At \$19,732,000 or 56.0 percent of the total Other Financing Sources, it's an increase of \$1,570,000 or 8.6 percent compared to the FY18 budgeted debt proceeds. Operating Transfers In (transfers of monies between county funds) is the second largest portion of Other Financing Sources. At \$15,323,711 or 43.5 percent of the total Other Financing Sources, it is a decrease of \$3,098,437 or 16.8 percent compared to the original FY18 budgeted amount. Proceeds of Fixed Asset Sales are the remaining component of Other Financing Sources. They comprise 0.6 percent of the total budgeted Other Financing Sources in the FY19 budget. Proceeds of Fixed Asset Sales are budgeted at \$209,500 in FY19, the same amount was budgeted in FY18.

FY 2019 Budget Highlights

Expenditure summary

Financial Year 2019 Budgeted Expenditures	
Public Services and Legal Services	\$ 25,857,149
Physical Health and Social Services	\$ 12,661,567
Mental Health, ID & DD	\$ 7,397,539
County Environment and Education	\$ 5,642,211
Roads & Transportation	\$ 11,452,927
Government Services to Residents	\$ 3,045,489
Administration and Other	\$ 10,189,942
Debt Service	\$ 20,871,322
Capital Projects	\$ 14,732,379
Total Expenditures	\$ 111,850,525



Expenditures (excluding transfers out) for FY19 totaled \$111,850,525 and increased by \$1,433,036 or 1.3 percent compared to the FY18 originally budgeted expenditures. Increased personnel costs of \$2,821,693 are due to annual wage and health insurance premium increases, 11.3 full-time equivalent (FTE) of additional staff, and an increase in part-time staff hours and their hourly wages. The following service areas make up the expenditures for the county:

Public Safety and Legal Services expenditures total \$25,857,149; an increase of \$1,261,902 and a 5.1 percent increase compared to FY18. This service area added 5.8 FTE, contributing to the increase from FY18 to FY19.

Physical Health and Social Services expenditures total \$12,661,567; an increase of \$1,827,630 and a 16.9 percent increase compared to FY18. The increase in expenditures is split fairly evenly between Public Health, SEATS and Social Services.

Mental Health and Disability Services expenditures total \$7,397,539; a decrease of \$1,159,779 and a 13.6 percent decrease compared to FY18. The decrease is due to the Targeted Case Management (TCM) department's reduction in personnel and related expenses.

County Environment and Education expenditures total \$5,642,211; an increase of \$422,919 and an 8.1 percent increase compared to FY18. The majority of the expenditure increase in this area comes from the addition of 3.5 FTE for the Conservation department.

Roads and Transportation expenditures total \$11,452,927; an increase of \$1,203,954 and a 11.7 percent increase compared to FY18. The majority of the increase is for additional bridge repairs and road surface repairs scheduled in FY19.

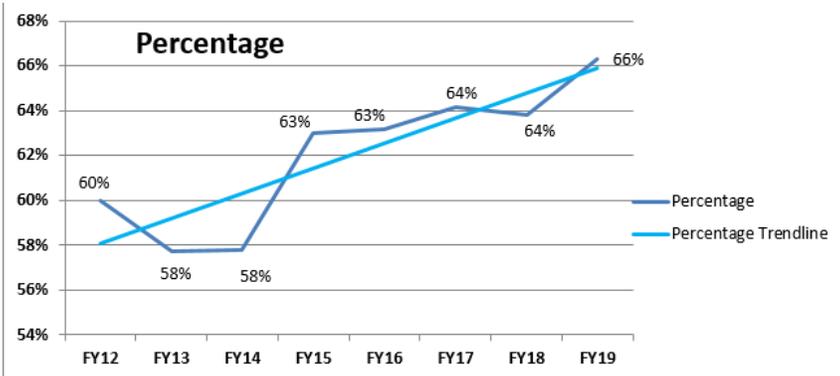
Government Services to Residents expenditures total \$3,045,489; an increase of \$347,166 and a 12.9 percent increase compared to FY18. The increase in expenditures is due to the Recorder's Office digitizing more records in FY19.

Administration expenditures total \$10,183,792; an increase of \$562,262 and a 5.8 percent increase compared to FY18. The majority of the expenditure increase is from the expense of the County Attorney leased space and property taxes on that space.

Debt Service expenditures total \$20,871,322, an increase of \$1,986,664 and a 10.5 percent increase compared to FY18. The majority of the expenditure increase is for principal repayment and interest costs, particularly those expenditures related to the county's short-term debt borrowings.

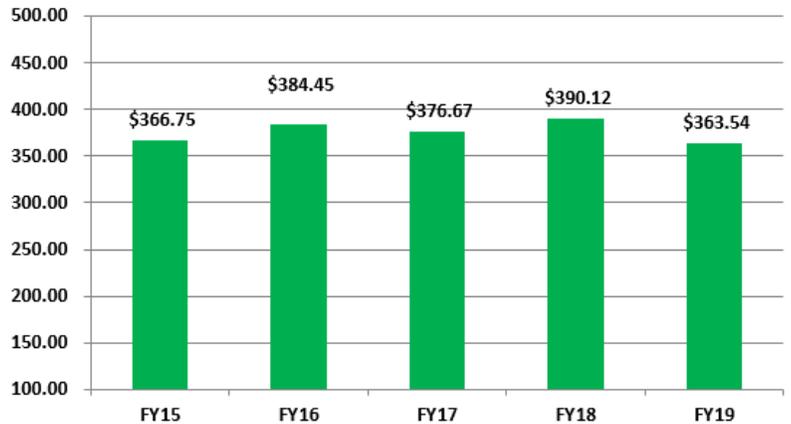
Capital Projects expenditures total \$14,732,379, a decrease of \$5,019,742 or 25.4 percent compared to FY18. Budgeted decreases for Technology (voting equipment), decrease for Conservation Trust (construction costs), decrease for Conservation Bond (land improvement costs) and decrease for Capital Projects (County Attorney furnishings).

FY 2019 Budget Highlights



Even though it may appear that taxes as a percentage of the total budgeted revenues are changing drastically as you look at the graph, in reality, there has been a modest increase over the last five years as evidenced by the trend line.

The decrease in property tax from fiscal year 2018 to fiscal year 2019 is due to the change in the state rollback rate and a decrease in the countywide levy rate. The FY18 levy rate was 6.851 and the FY19 countywide levy rate decreased to 6.535 due to an initiative of the Board of Supervisors to keep the tax bill either the same or lower than the prior fiscal year.
Note: Iowa City residential property owner.



Report Disclosure

The Statement of Activities and Statement of Net Position are prepared on the accrual basis for the year ended June 30, 2018. Information summarized on these pages is from the Financial Section of the County's Comprehensive Annual Financial Report (CAFR). The CAFR is prepared in accordance with generally accepted accounting principles (GAAP). Information, including County demographics, is presented in greater detail in the CAFR which is available from the Johnson County Finance Department and at the Johnson County website under Departments/Finance/Audit Reports. The budgeted revenue and expenditures summaries included governmental funds only.

Financial Budget Award

Johnson County was awarded a Certificate of Achievement for Excellence in Financial Reporting for its Fiscal Year 2017 Comprehensive Annual Financial Report (CAFR) by the Government Finance Officers Association.

Elected Officials

Attorney Janet Lyness

The County Attorney is the County's Attorney and represents the State of Iowa in certain legal situations.

Some of the County Attorney's duties include prosecution of County and State criminal cases, victim assistance, assisting with payment of fines, advising Johnson County departments and offices, juvenile services, prosecuting Child in Need of Assistance cases, representing applicants in involuntary commitments, and forfeiting property connected to criminal activity.

Auditor Travis Weipert

The Auditor serves as:

- **County Commissioner of Elections**
- **County Commissioner of Registration** maintaining voter registration records
- **Clerk to the Board of Supervisors** and responsible for managing the County's central accounting system, processing payroll, paying bills and tabulating taxable valuations
- **Mapmaker** maintaining real estate ownership information.

Recorder Kim Painter

The Recorder's Office provides direct service to the County's citizens and also serves as a repository for many public records. Deeds, mortgages and contracts are some of the many real estate documents recorded in the Recorder's Office.

The Office also:

- Registers and titles boats, snowmobiles and all-terrain vehicles
- Issues hunting, fishing and trapping licenses
- Processes marriage licenses
- Stores birth, death and marriage records and provides certified copies of these documents.

Treasurer Tom Kriz

The County Treasurer collects and distributes property taxes and prepares reports for the State Treasurer, maintains bank accounts for the various County funds and conducts tax sales on property for which the taxes have not been paid.

The Treasurer's Office is also home to the Motor Vehicle department, which handles registration of cars, trucks and other motorized vehicles.

Sheriff Lonny Pulkrabek

The Sheriff's Office is composed of:

- **Patrol Division** handles routine and emergency calls for residents of unincorporated areas of the County, and provides contracted law enforcement for seven incorporated towns in the County. Specialty units include a K-9 Unit, Sheriff's Emergency Response Team (SERT), Water Search and Rescue, Water Patrol, and Johnson County Metro Bomb Squad.
- **Jail Division** oversees a jail that has the capacity to house 92 inmates.
- **Records Division** maintains records for individuals who are booked into the jail, maintains officers' investigative reports and issues permits to acquire and carry handguns.
- **Civil Division** is responsible for executing and serving legal process documents including Sheriff's sales, subpoenas and garnishments.
- **Investigative Division** handles more in-depth investigations that may require additional specialized training, such as burglary, robbery, sexual assault, fraud, murder and arson.
- **Reserve Division** is composed of volunteer Deputies who assist the full-time Deputies and the Sheriff with patrol, traffic control, security or any other area deemed necessary.

Departments and Offices

Ambulance, Director Fiona Johnson
Assessor (Iowa City), Assessor Brad Comer
County Assessor, Assessor Tom Van Buer
Attorney, Count Attorney Janet Lyness
Auditor, County Auditor Travis Weipert
Board of Supervisors, Executive Director Mike Hensch
Conservation, Director Larry Gullett
Emergency Management, Director Dave Wilson
Finance, Director Dana Aschenbrenner
Human Resources, Director Lora Shramek
Information Technology, Director Bill Horning
Medical Examiner, Administrative Director Clayton Schuneman

Mental Health Services, Director Jan Shaw
Physical Plant, Facilities Manager Eldon Slaughter
Planning, Development and Sustainability, Director Josh Busard
Public Health, Director Dave Koch
Recorder, County Recorder Kim Painter
SEATS and Fleet, Director Tom Brase
Secondary Roads, County Engineer Greg Parker
Sheriff, County Sheriff Lonny Pulkrabek
Social Services, Director Lynette Jacoby
Treasurer County Treasurer Tom Kriz
Veterans Affairs, Director Gary Boseneiler