

Johnson County, Iowa

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019**

Johnson County, Iowa
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019

Prepared by
Johnson County Finance Department

INTRODUCTORY SECTION

JOHNSON COUNTY, IOWA

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JOHNSON COUNTY, IOWA

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JOHNSON COUNTY, IOWA

OFFICIALS, DEPARTMENT HEADS

BOARD OF SUPERVISORS:



Janelle Rettig
County Supervisor
Term expiration: 12/31/2022



Lisa Green-Douglas
County Supervisor – Chairperson
Term Expiration: 12/31/2020



Rod Sullivan
County Supervisor
Term Expiration: 12/31/2020



Mike Carberry
County Supervisor
Term expiration: 12/31/2018



Pat Heiden
County Supervisor
Term expiration: 12/31/2022



Kurt Friese - Deceased
County Supervisor
Term Expiration: 12/31/2020



Royceann Porter – per Special Election
County Supervisor
Term Expiration: 12/31/2020

JOHNSON COUNTY, IOWA
OFFICIALS, DEPARTMENT HEADS

ELECTED OFFICIALS:



Tom Kriz
County Treasurer
Term expiration: 12/31/2022



Lonny Pulkrabek
County Sheriff
Term expiration: 12/31/2020



Janet Lyness
County Attorney
Term expiration: 12/31/2022



Travis Weipert
County Auditor
Term expiration: 12/31/2020



Kim Painter
County Recorder
Term expiration: 12/31/2022

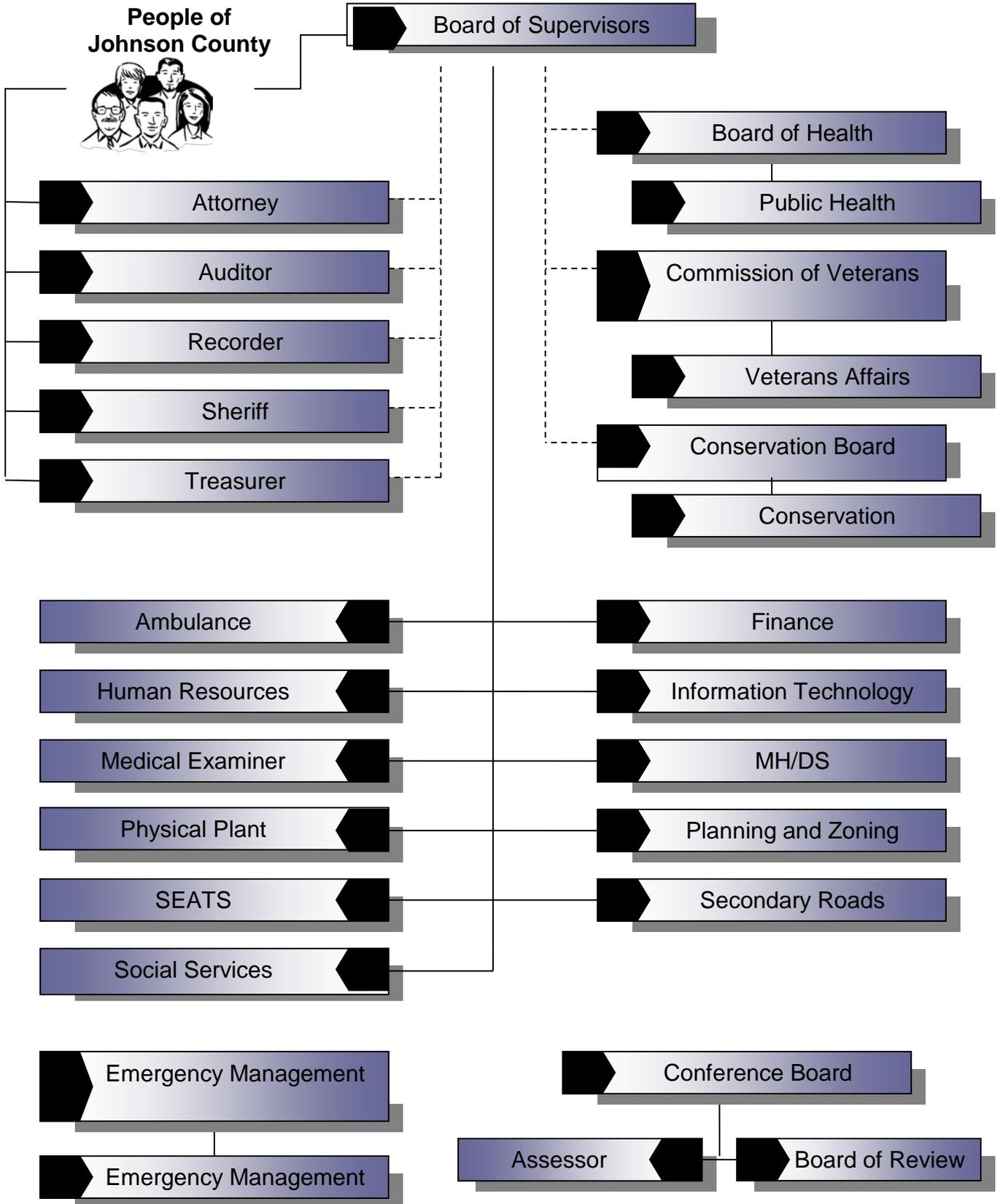
JOHNSON COUNTY, IOWA
OFFICIALS, DEPARTMENT HEADS

DEPARTMENT HEADS:

Name	Department
Fiona Johnson	Ambulance
Larry Gullett	Conservation
Dana Aschenbrenner	Finance
Lora Shramek	Human Resources
Bill Horning	Information Technology
Clayton Schuneman	Medical Examiner
Jan Shaw	Mental Health/Disability Services
Eldon Slaughter	Physical Plant
Josh Busard	Planning, Development and Sustainability
Dave Koch	Public Health
Tom Brase	SEATS
Greg Parker	Secondary Roads
Lynette Jacoby	Social Services
Gary Boseneiler	Veterans Affairs

JOHNSON COUNTY, IOWA

ORGANIZATION CHART





JOHNSON COUNTY

Finance Department

Dana Aschenbrenner, Finance Administrator

Dan Grady, Budget Analyst

John Hannaford, Budget Analyst

February 12, 2020

Board of Supervisors and Citizens
Johnson County, Iowa

The Comprehensive Annual Financial Report (CAFR) for Johnson County, Iowa for the fiscal year ended June 30, 2019, is hereby submitted in accordance with the provisions of Section 331.403 of the Code of Iowa.

This report consists of management's representations concerning the finances of the county. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal controls. Financial internal controls are established to protect the county's assets from loss, theft, misuse and to ensure that generally acceptable accounting principles (GAAP) are followed. Because the cost of internal controls should not exceed the benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from any material misstatements.

Eide Bailly LLP, a firm of licensed certified public accountants has audited Johnson County's financial statements. The goal of the independent audit was to provide a reasonable assurance that the financial statements for the fiscal year ended June 30, 2019 are free of material misstatement. The independent auditor's report is presented at the front of the Financial Section of this report.

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

Profile of Johnson County

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

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

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

Local Economy

Johnson County has the fourth largest population of the ninety-nine counties in the state of Iowa in calendar year 2017. The cities of Iowa City, Coralville, and North Liberty make up 76% of the county population according to the 2010 census. The balance of the county is made up of rural residents and seven smaller towns each with a population under 2,500.

Based on U.S. Census Bureau information, population of the county has increased by 2,050 people from 149,210 in the calendar year 2017 to 151,260 people in calendar year 2018, equaling a growth of 1.3% for the year. The 2013 US census shows the county population estimate at 139,155, which equals a 5-year growth of 12,105 people or 8.7%. Household income per capita in 2018 was \$61,640 up \$1,675 or 2.8% from 2017 household income per capita of \$59,965.

The labor force living in Johnson County who work in nonfarm employment increased from about 84,000 in calendar year 2017 with an unemployment rate of 2.9% to about 85,600 in calendar year 2018 with an unemployment rate of 2.2% according to Iowa Workforce Development. From December 2017 to December 2018, there was a net increase of 1,560 jobs or 1.9% of the labor force.

The total number of housing units in calendar year 2018 was 62,280, an increase of 1,328 over calendar year 2017 units of 60,952. In 2014, the number of housing units was 58,783. Johnson County has added 3,497 units in the last 5 years, an increase of 5.9%. The number of building permits issued (single family detached) was 49 in calendar year 2018 for a total value of \$22.9 million with an average home value of \$467,196. That is a increase in total value of \$6.5 million from the 2017 total of \$31.4 million and a increase of 73 permits issued. The average home value increased from \$387,951 in calendar year 2017 to \$467,196 in 2018 an increase of \$79,245 or 20.4%.

There has been major construction in the county for the last several years. In fiscal year 2019, the University of Iowa had construction projects in process totaling \$295 million. In addition, there were major construction projects in process for other municipalities in the area in the amount of \$58.6 million, approximately. The large amount of construction in the area has led to a shortage in the construction industry labor pool and thus has increased the cost of construction in Johnson County.

The largest employer in the county is the University of Iowa and University of Iowa Healthcare. The University of Iowa had an increase in operating revenue of \$227.6 million in fiscal year 2019 for a total of \$3.404 billion. The University of Iowa Healthcare had an increase in operating revenues of \$394.0 million in fiscal year 2019 for a total of \$1.835 billion. The overall increased funding level shows stability for these two major employers.

Long Term Financial Planning

The unassigned fund balance in the general fund as of 6/30/2019 equals \$19,499,280. This amount is greater than the 30% of the fiscal year 2019 tax asking for the General Basic Fund according to the policy guideline set by the Board of Supervisors for budgetary and planning purposes. Fiscal year 2019 ended with an increase in the general fund unassigned fund balance of \$2,029,089. As the county faces more potential cutbacks in state funding and reduced property tax credit funding, the need to keep a financial reserve has never been greater.

Relevant Financial Policies

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

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

The Debt Service levy is the only means available to the county to access a TIF area's incremental growth via property taxation. The TIF will then be contributing to the cost of county government via the Debt Service levy tax.

Without the Debt Service tax, TIF areas would contribute very little towards the cost of our county's operations, services or projects. For FY 2019, Johnson County identified ~\$19.7 million of expenses that qualify for financing via loans/bonding that include:

- \$8.3 M for all county & JECC insurance
- \$2.5 M for Herbert Hoover Highway construction projects
- \$3.4 M for capital construction, repairs and improvements
- \$3.9 M for conservation projects
- \$0.6 M for Affordable Housing
- \$1.0 M for technology and equipment purchases

These identified costs are generally unavoidable and would have been a component of the FY 2019 budgeted expenses, financed either through the General Fund tax levy or through the use of the Debt Service Fund tax levy. By using the Debt Service tax levy for these qualified bonding opportunities in FY 2019, the TIF areas within Johnson County contributed ~\$1.7 M in taxes. These additional TIF taxes have reduced the cost of the typical residential property's tax bill for those qualified expenses by 4.5% or \$17.12 per \$100,000 of taxable valuation.

Major Initiatives

Three initiatives in the Board of Supervisors Strategic Plan that had an impact in FY2019 were:

1. Continued funding for affordable housing by granting the Johnson County Housing Trust block grant funds of \$624,000. This re-occurring funding stream will leverage state and federal dollars to build more housing units that are affordable for low-income families.
2. Purchased land for the building of an Access Center that will house sobering and crisis stabilization units, and a low-barrier homeless shelter.
3. The Board of Supervisors is moving forward with a plan to revitalize the Historic Poor Farm, with the main focus being the reconstruction of the buildings on the property.

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 Johnson County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2018. This is the fifth consecutive year the county has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles (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.

The preparation of the Comprehensive Annual Financial Report could not have been completed without the cooperation and services of the staffs of the Auditor and Treasurer offices. In addition, gratitude is expressed to the independent

auditors, Eide Bailly LLP, who provided support and assistance. Thank you as well, to the Johnson County Board of Supervisors for their support.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Dana Aschenbrenner". The signature is fluid and cursive, with a large initial "D" and "A".

Dana Aschenbrenner
Finance Administrator



Government Finance Officers Association

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

Presented to

**Johnson County
Iowa**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO



FINANCIAL SECTION



Independent Auditor's Report

To the Officials of
Johnson County, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Johnson County, Iowa, (County) as of and for the year ended June 30, 2019, 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 County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Johnson County, Iowa, as of June 30, 2019, 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 of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Johnson County, Iowa's basic 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 accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the financial statements.

The combining nonmajor fund financial statements and the schedule of expenditures of federal awards 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 and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

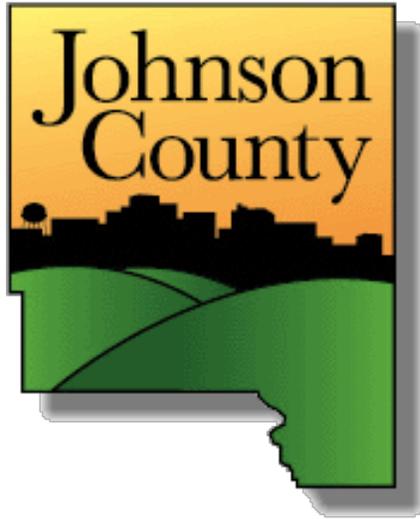
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2020, on our consideration of Johnson County, Iowa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Sully LLP".

Dubuque, Iowa
February 12, 2020



Johnson County, Iowa

Management's Discussion and Analysis (MD&A)

June 30, 2019

Johnson County, Iowa provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the year ended June 30, 2019. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2019 FINANCIAL HIGHLIGHTS

- Total net position was \$179,868,455 at June 30, 2019. This was an increase of \$19,867,134 (12.4%) compared to the prior fiscal year.
- Overall revenues of governmental activities increased 8.7% or \$7,493,971 from fiscal year 2018. Property tax revenues increased \$1,996,681; operating grants and contributions decreased \$959,474; charges for services decreased \$11,016; tax credit revenues decreased \$56,914; capital grants and contributions increased \$5,723,802 and unrestricted investment earnings increased \$942,694.
- Overall program expenses increased \$3,711,937 (5.3%) from fiscal year 2018. Public safety and legal services increased \$2,302,588; physical health and social services increased \$850,211, mental health expenses decreased \$197,253, county environment and education expenses increased \$803,908; roads and transportation expenses decreased \$389,607; governmental services to residents increased \$509,777; administration expense decreased \$146,721; non-program expenses increased \$3,891; and interest expense on the County's long-term debt decreased by \$24,857.

OVERVIEW OF FINANCIAL STATEMENTS

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

- **Management's Discussion and Analysis** - Introduces the basic financial statements and provides an analytical overview of the County's activities.
- **Government-wide Financial Statements** – Consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Johnson County as a whole and present an overall view of the County's finances.
- **Fund Financial Statements** - Focus on reporting how government services were financed in the short term and what resources remain for future spending. Fund financial statements report operations in more detail by providing information about the most significant governmental funds. The remaining statements provide financial information activities for which Johnson County acts solely as an agent or custodian for the benefit of those outside of county government (agency funds).
- **Notes to Financial Statements** - provides additional information essential to a full understanding of the data provided in the basic financial statements.
- **Required Supplementary Information** – further explains and supports the financial statements with a comparison of the County's budget for the year, the County's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes.
- **Other Supplementary Information** – provides detailed information about the non-major governmental funds and the individual Agency Funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various Federal programs benefitting the County.

Government-Wide Financial Statements

The government-wide financial statements report information about the County as a whole using the accrual basis of accounting and the economic resources measurement focus, which is similar to the accounting used by most private-sector companies. The Statement of Net Position includes all of the government's assets, deferred outflow of resources,

liabilities, and deferred inflow of resources. All of the current year's revenues and expenditures are accounted for in the statement of activities regardless of when cash is received or paid.

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

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

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

Fund Financial Statements

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

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

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

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

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

FINANCIAL ANALYSIS OF JOHNSON COUNTY -- Net Position

The County's combined net position increased from \$160,001,321 to \$179,868,455. See Table 1. Analysis will focus on changes in net position for governmental activities.

Table 1:
Net Position

	<i>Governmental Activities</i>		Total Percentage Change
	2019	2018	2018-2019
Assets			
Current Assets	\$124,374,819	\$115,464,326	7.7%
Capital Assets, Net of Accumulated Depreciation	<u>149,565,515</u>	<u>136,385,059</u>	9.7
TOTAL ASSETS	273,940,334	251,849,385	8.8
<i>Deferred outflow of resources</i>	<u>6,984,879</u>	<u>7,922,587</u>	(11.8)
Liabilities			
Current Liabilities	5,588,073	4,626,002	20.1
Long Term Liabilities	<u>32,037,466</u>	<u>36,065,163</u>	(11.2)
TOTAL LIABILITIES	37,625,539	40,691,165	(7.5)
<i>Deferred inflows of resources</i>	<u>63,431,219</u>	<u>59,079,486</u>	7.4
Net Position			
Net Investment in Capital Assets	147,967,600	131,064,633	12.9
Restricted	14,965,284	14,547,678	2.9
Unrestricted	<u>16,935,571</u>	<u>14,389,010</u>	17.7
TOTAL NET POSITION	<u>\$179,868,455</u>	<u>\$160,001,321</u>	12.4

Changes in Net Position

Net Position may serve as an indicator of a government's financial position. The total net position of governmental activities increased by 12.4% compared to fiscal year 2018. Liabilities decreased from fiscal year 2018 to fiscal year 2019, due primarily to a reduction in the Net Pension Liability. Additionally, the increase to current 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 \$14,389,010 in fiscal year 2018 to \$16,935,571 in fiscal year 2019. This increase of 17.7%, 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.

Table 2:**Changes in Net Position**

	Governmental Activities		Total Percentage
			Change
	2019	2018	2018-2019
Revenues			
Program Revenues			
Charges for Services	\$8,707,343	\$ 8,718,359	(0.1)%
Operating Grants and Contributions	12,619,539	13,579,013	(7.1)
Capital Grants and Contributions	7,648,254	1,924,452	297.4
Property and other taxes levied for:			
General Purpose	39,127,636	38,943,966	0.5
Debt Service	19,011,364	17,194,737	10.6
Other County Taxes	968,431	972,047	(0.4)
Penalties and Interest on Taxes	411,720	365,817	12.5
State tax credits	3,398,248	3,455,162	(1.6)
Unrestricted investment earnings	1,909,803	967,109	97.5
Gain (loss) on disposal of capital assets	0.00	68,231	0.0
Miscellaneous	107,987	227,461	(52.5)
TOTAL REVENUES	93,910,325	86,416,354	8.7
Expenditures			
Public Safety and Legal Services	25,347,382	23,044,794	10.0
Physical Health and Social Services	11,288,474	10,438,263	8.1
Mental Health, ID & DD	5,530,237	5,727,490	(3.4)
County Environment and Education	6,423,634	5,619,726	14.3
Roads & Transportation	12,677,748	13,067,355	(3.0)
Governmental Services to Residents	2,974,297	2,464,520	20.7
Administration	9,451,999	9,598,720	(1.5)
Nonprogram Current	12,883	8,992	43.3
Interest on long-term debt	336,537	361,394	(6.9)
TOTAL EXPENDITURES	74,043,191	70,331,254	5.3
INCREASE/(DECREASE) IN NET POSITION	19,867,134	16,085,100	23.5
Beginning	160,001,321	143,916,221	11.2
Ending	\$179,868,455	\$160,001,321	12.4

The County increased property taxes levied for fiscal year 2019 by 3.5%. This increase raised the County's property tax revenue by \$1,996,681. Based on increases in the tax levies and total assessed valuation, property tax revenue is budgeted to increase by an additional \$2.2 million, an increase of ~3.6% for fiscal year 2020.

The cost of all government services this year was \$74,043,191 compared to \$70,331,254 last year. The amount financed by taxpayers was \$45,068,055 (See Statement of Activities). Some of this cost was paid for by those who benefited from programs or other government grants and contributions. The County's program revenues increased from \$24,221,824 to \$28,975,136 from fiscal year 2018 to 2019, due to an increase in capital grants and contributions.

MAJOR FUND ANALYSIS

Governmental funds reported a combined fund balance of \$50,575,253 an increase of \$6,005,083 compared to the prior year.

- General fund revenues had a slight increase of \$66,664 due to an increase in property and other County tax revenue of \$387,768, a increase in interest and penalty on property tax of \$49,078, a decrease in intergovernmental revenue of \$433,942, an increase in licenses and permits revenue of \$5,967, a decrease in charges for services revenue of \$128,206, an increase in use of money and property revenue of \$721,950, and a decrease in miscellaneous revenue of \$535,951. Total General fund expenditures increased \$2,715,008 due to an increase in public safety and legal services expenses of \$794,239, an increase in physical health and social services expenses of \$1,075,517, an increase in county environment and education expenses of \$469,900, an increase in administration expenses of \$155,425, an increase in debt service principal of \$15,000, an increase in non-program expenses of \$1,528, an increase in capital projects expenses of \$541,521 and an increase in governmental services to residents of \$362,167. These expense increases were offset by a decrease in mental health expenses of \$668,202 and a decrease in debt service interest expense of \$32,087.
- Rural Services fund revenues increased by \$51,107 largely as a result of an increase in property tax revenue of \$51,425. Expenditures increased \$87,730 and the transfer out to the Secondary Roads fund increased \$93,587 compared to the prior year. The ending fund balance showed a decrease of \$35,797 from the prior year to a year-end total of \$471,252.
- Secondary Roads fund revenues increased by \$738,848 compared to the prior year, largely due to an increase in intergovernmental revenues of \$697,824 and an increase in miscellaneous revenue of \$42,470. Expenditures decreased in the Secondary Roads fund by \$809,074 due to a decrease in capital projects of \$1,072,889 and an increase in roads & transportation expenses of \$263,815. Interfund transfers into the Secondary Roads fund decreased by \$282,083 compared to the prior fiscal year. The ending fund balance showed an increase of \$1,488,277 from the prior year to a year-end total of \$5,829,138.
- Mental Health fund revenues increased by \$64,971 from the prior year, due largely to an increase in intergovernmental revenue of \$314,305. Expenditures increased by \$493,682 compared to the prior year largely due to an increase in the financial support requested from the East Central Region. The Mental Health fund balance increased by \$590,052 to \$3,937,116 during fiscal year 2019.
- Capital Projects fund revenues, transfers in and other financing sources increased by \$2,229,298 and expenditures increased by \$2,582,443. The fund balance increased by \$2,261,992 from \$14,111,996 to \$16,373,988 in fiscal year 2019. The revenues and expenditures of this class of fund will vary depending upon the timing of the various projects.
- Debt Service fund revenues and transfers in increased by \$1,878,557 and expenditures and transfers out also increased by \$1,917,057 compared to the prior fiscal year. The fund balance increased by \$84,453 during FY19, ending the year with a balance of \$394,465.

General Fund Budgetary Highlights

Johnson County amended the county budget twice during the 2019 fiscal year. The first amendment occurred in October 2018 and was necessary to recognize additional grant revenues and grant program expenditures, make budgetary adjustments for personnel costs and establish sufficient budgetary authority for the fiscal year's planned and ongoing capital projects expenditure activity. The second amendment occurred in May 2019. Budgetary adjustments were made for new programming grant revenues and associated expenditures, capital project expenses, various secondary roads' repairs, adjustments for merit pay, retirement payouts and other payroll related expenses.

Amendment and other budgetary information is available in the Johnson County Auditor's Office or by visiting the Johnson County Iowa Finance department's webpage.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

For fiscal year 2019 the County had a net increase of \$13,180,456 in a broad range of capital assets, including land, intangible assets, equipment, vehicles, and infrastructure. Significant expenditures were related to Secondary Roads infrastructure projects, acquisition of technology assets, purchases of vehicles and equipment, renovation of existing County buildings, several conservation and recreational related projects and land acquisitions, and the construction of a new Ambulance/Medical Examiner facility. See Table 3. More detailed information about the County's capital assets is presented in the notes to the financial statements.

Table 3

Capital Assets

	Value of Capital Assets		Total Percentage
	2019	2018	Change
			2018-2019
Non-Depreciated			
Land	\$20,425,395	\$17,085,625	19.5 %
Intangible Assets	522,891	522,891	-
Construction in Progress	<u>19,559,322</u>	<u>9,006,416</u>	117.2
Total Not Being Depreciated	40,507,608	26,614,932	52.2
Depreciable			
Buildings & Improvements	57,647,046	57,490,148	0.3
Machinery and Equipment	21,795,023	21,309,455	2.3
Infrastructure	<u>107,285,936</u>	<u>103,757,544</u>	3.4
Total Depreciable Assets	186,728,005	182,557,147	2.3
Total Accumulated Depreciation	<u>77,670,098</u>	<u>72,787,020</u>	6.7
NET CAPITAL ASSETS	<u>\$149,565,515</u>	<u>\$136,385,059</u>	9.7

The County had depreciation expense of \$5,924,581 in fiscal year 2019 and total accumulated depreciation of \$77,670,098 on June 30, 2019.

The County's fiscal year 2019 amended budget projects spending of \$30,822,113 for Secondary Roads work for the Highway 965 Phase 2, IWW Road Phase 5, Oak Crest Hill Road and other road related infrastructure, a number of conservation and recreational related infrastructure projects and enhancements, the County's technology needs, vehicle and equipment acquisitions for many county departments, and the continuing repair, renovation, enhancement, acquisition and construction of various County buildings and sites. The County annually completes a Five Year Road Plan and Capital Improvement Plan (CIP). Both can be viewed by contacting management or are available on the County's web site www.johnson-county.com.

For more detailed information on the County's capital assets please see Note 4 in the financial statements.

Long-Term Liabilities

At fiscal year-end, the County had \$13,176,202 in long-term liabilities, consisting of general obligation capital notes and compensated absences (Table 4). In 2019, the County issued \$19,732,000 in new general obligation capital loan notes with \$12,532,000 being a 120 day short term note that was paid back in the same fiscal year, and \$7,200,000 in a three year note. During fiscal year 2019 the County retired \$7,895,000 not associated with the short term notes mentioned above. More detailed information about the County’s long-term liabilities is presented in the notes to the financial statements.

Table 4
Long-Term Liabilities

	Total Year End Fiscal Year 2019		Total Percentage
	Long-Term Liabilities		Change
	6/30/2019	6/30/2018	2018-2019
General Obligation Capital Notes	\$9,945,000	\$10,640,000	(6.5) %
Compensated Absences	<u>3,231,202</u>	<u>3,276,027</u>	(1.4)
TOTAL LONG TERM LIABILITIES	<u>\$13,176,202</u>	<u>\$13,916,027</u>	(5.3) %

The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property within the County’s corporate limits (\$13,421,260,470). Johnson County, Iowa’s outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$661 million.

For more detailed information on the County’s long-term debt please see Note 6 in the financial statements.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

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

- Johnson County continues to be one of the fastest-growing counties in Iowa. Johnson County’s population grew from 130,882 residents in 2010 to an estimated 151,260 in 2018.
- Johnson County continues to enjoy a strong and vibrant economy. Johnson County’s October 2019 unemployment rate of 1.6% is below the State average of 2.6% and well below the national average of 3.6%.
- Johnson County’s taxable valuation growth of 10.0% for the FY 2019 budget year is an indication of the County’s overall economic stability, growth and continuing financial viability.
- Recent legislative changes in the taxation of commercial property will continue to cause a significant shift of the property tax burden from commercial properties to residential properties and will present an ongoing challenge to local government funding now and into the near future. We expect that the State of Iowa’s current budgetary challenges will perhaps significantly affect local government funding in the future.
- The use of tax increment financing (TIF) by most cities in Johnson County continues to pose challenges for other local governments, including Johnson County. Johnson County has the ability to tax the incremental growth in the value of these TIF districts only through the use of the debt service levy, which the County has deliberately utilized to lower the tax impact on their County’s residential property owners.
- Reorganization of Mental Health and Disability Services from a county-based system to a regional system as implemented by the State of Iowa will continue to significantly affect the provision of services and how these services are funded locally.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

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BASIC FINANCIAL STATEMENTS

JOHNSON COUNTY, IOWA
STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>Governmental Activities</u>
<u>ASSETS:</u>	
Cash, cash equivalents and pooled investments	\$ 58,329,992
Receivables:	
Property tax:	
Delinquent	124,256
Succeeding year	60,384,036
Accounts	950,574
Due from other governments	2,864,466
Inventories	230,518
Prepaid expenses	1,490,977
Non-current Assets:	
Land, construction in progress and intangible assets	40,507,608
Other capital assets, net of accumulated depreciation	<u>109,057,907</u>
Total assets	<u>273,940,334</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>	
Pension related deferred outflows	6,871,716
OPEB related deferred outflows	<u>113,163</u>
Total deferred outflows of resources	<u>6,984,879</u>
<u>LIABILITIES:</u>	
Accounts payable	3,583,577
Accrued interest payable	17,010
Salaries and benefits payable	1,330,605
Due to other governments	305,242
Contracts payable	351,639
Long-term liabilities:	
Portion due or payable within one year:	
General obligation notes	6,375,000
Compensated absences	3,231,202
Portion due or payable after one year:	
General obligation notes	3,570,000
Net pension liability	17,412,611
Total OPEB liability	<u>1,448,653</u>
Total liabilities	<u>37,625,539</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>	
Succeeding year property tax revenue	60,384,036
Pension related deferred inflows	2,767,341
OPEB related deferred inflows	<u>279,842</u>
Total deferred inflows of resources	<u>63,431,219</u>
<u>NET POSITION:</u>	
Net investment in capital assets	147,967,600
Restricted for:	
Rural services purposes	484,197
Supplemental levy purposes	2,285,816
Secondary roads purposes	5,857,931
Mental health purposes	3,972,582
Capital projects	282,998
Debt service	412,801
Other purposes	1,668,959
Unrestricted	<u>16,935,571</u>
Total net position	<u>\$ 179,868,455</u>

See Notes to Financial Statements

JOHNSON COUNTY, IOWA

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
FUNCTIONS/PROGRAMS:					
Governmental activities:					
Public safety and legal services	\$ 25,347,382	\$ 3,694,331	\$ 1,408,687	\$ -	\$ (20,244,364)
Physical health and social services	11,288,474	777,578	4,311,046	107,000	(6,092,850)
Mental health	5,530,237	722,085	382,285	681,939	(3,743,928)
County environment and education	6,423,634	506,953	98,781	2,783,122	(3,034,778)
Roads and transportation	12,677,748	91,838	6,284,704	4,012,229	(2,288,977)
Governmental services to residents	2,974,297	2,173,536	54,639	-	(746,122)
Administration	9,451,999	741,022	79,397	59,964	(8,571,616)
Non-program	12,883	-	-	4,000	(8,883)
Interest on long-term debt	336,537	-	-	-	(336,537)
Total	<u>\$ 74,043,191</u>	<u>\$ 8,707,343</u>	<u>\$ 12,619,539</u>	<u>\$ 7,648,254</u>	<u>(45,068,055)</u>
General revenues:					
Property and other County tax levied for:					
General purposes					39,127,636
Debt service					19,011,364
Other County taxes					968,431
Penalty and interest on property tax					411,720
State tax credits and replacements					3,398,248
Unrestricted investment earnings					1,909,803
Miscellaneous					<u>107,987</u>
Total general revenues					<u>64,935,189</u>
Change in net position					19,867,134
<u>NET POSITION</u> - Beginning of year					<u>160,001,321</u>
<u>NET POSITION</u> - End of year					<u>\$ 179,868,455</u>

See notes to the financial statements.

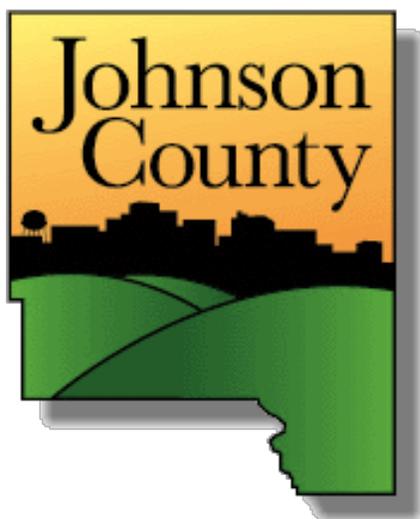
JOHNSON COUNTY, IOWA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	<u>General</u>	<u>Special Revenue</u>		
		<u>Rural Services</u>	<u>Secondary Roads</u>	<u>Mental Health</u>
<u>ASSETS</u>				
Cash, cash equivalents and pooled investments	\$ 21,987,135	\$ 481,371	\$ 5,089,249	\$ 3,833,502
Receivables:				
Property tax:				
Delinquent	86,465	13,589	-	4,989
Succeeding year	30,021,923	6,084,638	-	4,167,010
Accounts	860,698	-	9,868	10
Due from other governments	1,447,661	-	507,333	207,579
Inventories	3,911	-	226,607	-
Prepaid items	<u>197,048</u>	<u>-</u>	<u>1,019,036</u>	<u>-</u>
TOTAL ASSETS	\$ <u>54,604,841</u>	\$ <u>6,579,598</u>	\$ <u>6,852,093</u>	\$ <u>8,213,090</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
<u>LIABILITIES:</u>				
Accounts payable	\$ 496,440	\$ 93	\$ 709,634	\$ 2,162
Salaries and benefits payable	1,141,984	6,459	159,470	22,692
Contracts payable	48,684	-	124,669	-
Due to other governments	<u>199,502</u>	<u>4,211</u>	<u>389</u>	<u>48,644</u>
TOTAL LIABILITIES	<u>1,886,610</u>	<u>10,763</u>	<u>994,162</u>	<u>73,498</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>				
Unavailable revenues:				
Succeeding year property tax	30,021,923	6,084,638	-	4,167,010
Other	<u>795,973</u>	<u>12,945</u>	<u>28,793</u>	<u>35,466</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>30,817,896</u>	<u>6,097,583</u>	<u>28,793</u>	<u>4,202,476</u>
<u>FUND BALANCES:</u>				
Nonspendable:				
Inventories	3,911	-	226,607	-
Prepaid items	<u>197,048</u>	<u>-</u>	<u>1,019,036</u>	<u>-</u>
Restricted for:				
Supplemental levy purposes	2,200,096	-	-	-
Mental health purposes	-	-	-	3,937,116
Rural services purposes	-	471,252	-	-
Secondary roads purposes	-	-	4,583,495	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Other purposes	-	-	-	-
Assigned	-	-	-	-
Unassigned	<u>19,499,280</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>21,900,335</u>	<u>471,252</u>	<u>5,829,138</u>	<u>3,937,116</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ <u>54,604,841</u>	\$ <u>6,579,598</u>	\$ <u>6,852,093</u>	\$ <u>8,213,090</u>

See Notes to Financial Statements

<u>Capital Projects</u>	<u>Debt Service</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total</u>
\$ 17,204,009	\$ 393,588	\$ 1,223,906	\$ 50,212,760
-	19,213	-	124,256
-	20,110,465	-	60,384,036
-	-	25,198	895,774
173,763	-	528,130	2,864,466
-	-	-	230,518
<u>274,893</u>	<u>-</u>	<u>-</u>	<u>1,490,977</u>
<u>\$ 17,652,665</u>	<u>\$ 20,523,266</u>	<u>\$ 1,777,234</u>	<u>\$ 116,202,787</u>
\$ 1,099,863	\$ -	\$ 4,771	\$ 2,312,963
-	-	-	1,330,605
82,887	-	95,399	351,639
<u>52,496</u>	<u>-</u>	<u>-</u>	<u>305,242</u>
<u>1,235,246</u>	<u>-</u>	<u>100,170</u>	<u>4,300,449</u>
-	20,110,465	-	60,384,036
<u>43,431</u>	<u>18,336</u>	<u>8,105</u>	<u>943,049</u>
<u>43,431</u>	<u>20,128,801</u>	<u>8,105</u>	<u>61,327,085</u>
-	-	-	230,518
274,893	-	-	1,490,977
-	-	-	2,200,096
-	-	-	3,937,116
-	-	-	471,252
-	-	-	4,583,495
-	394,465	-	394,465
8,094,590	-	-	8,094,590
-	-	1,668,959	1,668,959
8,004,505	-	-	8,004,505
-	-	-	19,499,280
<u>16,373,988</u>	<u>394,465</u>	<u>1,668,959</u>	<u>50,575,253</u>
<u>\$ 17,652,665</u>	<u>\$ 20,523,266</u>	<u>\$ 1,777,234</u>	<u>\$ 116,202,787</u>



JOHNSON COUNTY, IOWA

RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

TOTAL GOVERNMENTAL FUND BALANCES \$ 50,575,253

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of assets is \$227,235,613 and the accumulated depreciation/amortization is \$77,670,098.

Land	\$ 20,425,395	
Intangible assets	522,891	
Construction in progress	19,559,322	
Infrastructure	61,323,263	
Buildings and improvements	39,569,906	
Machinery and equipment	<u>8,164,738</u>	
Total capital assets, net		149,565,515

Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows in the governmental funds. 943,049

The Internal Service Fund is used by the County to charge the costs of partial self-funding of the County's health insurance benefit plan to the individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position. 6,901,418

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 fund, as follows:

Deferred outflows of resources	6,984,879	
Deferred inflows of resources	<u>(3,047,183)</u>	3,937,696

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

General obligation capital loan notes payable	(9,945,000)	
Accrued interest on capital loan notes	(17,010)	
Compensated absences	(3,231,202)	
Net pension liability	(17,412,611)	
Total OPEB liability	<u>(1,448,653)</u>	
Total long-term liabilities		<u>(32,054,476)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 179,868,455

See Notes to Financial Statements

JOHNSON COUNTY, IOWA

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

		Special Revenue		
	<u>General</u>	<u>Rural Services</u>	<u>Secondary Roads</u>	<u>Mental Health</u>
REVENUES:				
Property and other County tax	\$ 29,321,173	\$ 5,968,811	\$ -	\$ 4,576,105
Interest and penalty on property tax	413,119	-	-	-
Intergovernmental	9,713,901	256,080	6,694,017	1,153,141
Licenses and permits	727,749	-	4,304	-
Charges for service	4,912,281	-	-	-
Use of money and property	1,564,129	-	-	-
Miscellaneous	482,354	-	109,419	-
Total revenues	<u>47,134,706</u>	<u>6,224,891</u>	<u>6,807,740</u>	<u>5,729,246</u>
EXPENDITURES:				
Operating:				
Public safety and legal services	24,202,634	107,377	-	-
Physical health and social services	11,160,839	-	-	-
Mental health	409,500	-	-	5,139,194
County environment and education	4,430,019	1,110,975	-	-
Roads and transportation	-	-	9,974,893	-
Governmental services to residents	2,728,701	-	-	-
Administration	8,490,199	-	-	-
Non-program	5,276	-	-	-
Debt service:				
Principal	435,000	-	-	-
Interest	16,846	-	-	-
Capital projects	751,985	-	1,756,054	-
Total expenditures	<u>52,630,999</u>	<u>1,218,352</u>	<u>11,730,947</u>	<u>5,139,194</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,496,293)</u>	<u>5,006,539</u>	<u>(4,923,207)</u>	<u>590,052</u>
Other financing sources (uses):				
Capital loan notes issued	3,337,500	-	-	-
Sale of capital assets	16,757	-	-	-
Transfers in	12,503,000	-	6,411,484	-
Transfers out	(9,725,402)	(5,042,336)	-	-
Total other financing sources (uses)	<u>6,131,855</u>	<u>(5,042,336)</u>	<u>6,411,484</u>	<u>-</u>
Change in fund balances	635,562	(35,797)	1,488,277	590,052
FUND BALANCES - Beginning of year	<u>21,264,773</u>	<u>507,049</u>	<u>4,340,861</u>	<u>3,347,064</u>
FUND BALANCES - End of year	<u>\$ 21,900,335</u>	<u>\$ 471,252</u>	<u>\$ 5,829,138</u>	<u>\$ 3,937,116</u>

Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
\$ -	\$ 19,252,789	\$ -	\$ 59,118,878
-	-	-	413,119
1,650,622	1,140,245	3,322,563	23,930,569
-	-	-	732,053
-	-	23,434	4,935,715
193,804	-	133,752	1,891,685
70,172	-	9,178	671,123
<u>1,914,598</u>	<u>20,393,034</u>	<u>3,488,927</u>	<u>91,693,142</u>
-	-	1,182	24,311,193
-	-	-	11,160,839
-	-	-	5,548,694
-	-	-	5,540,994
-	-	-	9,974,893
-	-	122,487	2,851,188
-	-	-	8,490,199
-	-	-	5,276
-	7,460,000	-	7,895,000
-	316,581	-	333,427
<u>11,765,330</u>	<u>-</u>	<u>2,519,744</u>	<u>16,793,113</u>
<u>11,765,330</u>	<u>7,776,581</u>	<u>2,643,413</u>	<u>92,904,816</u>
<u>(9,850,732)</u>	<u>12,616,453</u>	<u>845,514</u>	<u>(1,211,674)</u>
3,862,500	-	-	7,200,000
-	-	-	16,757
8,250,224	-	135,030	27,299,738
-	(12,532,000)	-	(27,299,738)
<u>12,112,724</u>	<u>(12,532,000)</u>	<u>135,030</u>	<u>7,216,757</u>
2,261,992	84,453	980,544	6,005,083
<u>14,111,996</u>	<u>310,012</u>	<u>688,415</u>	<u>44,570,170</u>
\$ <u>16,373,988</u>	\$ <u>394,465</u>	\$ <u>1,668,959</u>	\$ <u>50,575,253</u>

JOHNSON COUNTY, IOWA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 6,005,083

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

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

Expenditures for capital assets	\$ 15,433,591	
Capital assets contributed by the Iowa Department of Transportation	3,689,572	
Depreciation/amortization expense	(5,924,581)	
Loss on disposal of capital assets	<u>(18,126)</u>	13,180,456

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

Issued	(7,200,000)	
Repaid	<u>7,895,000</u>	695,000

Because some revenues will not be collected for several months after the County's year end, they are not considered available revenues and are recognized as deferred inflows in the governmental funds. (1,537,151)

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	44,825	
Interest on long-term debt	(3,110)	
OPEB expense	(27,706)	
Pension expense	<u>81,493</u>	95,502

The Internal Service Fund is used by the County to charge the costs of partial self-funding of the County's health insurance benefit plan to individual funds. The change in net position of the Internal Service Fund is reported with governmental activities. 1,428,244

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 19,867,134

See Notes to Financial Statements

JOHNSON COUNTY, IOWA

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2019

Internal Service -
 Employee Group
Health

CURRENT ASSETS:

Cash and cash equivalents

\$ 8,117,232

Receivables:

 Accounts

54,800

 Total assets

8,172,032

CURRENT LIABILITIES:

Claims payable

1,270,614

NET POSITION:

Unrestricted

\$ 6,901,418

See Notes to Financial Statements

JOHNSON COUNTY, IOWA

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2019

Internal Service -
Employee
Group Health

OPERATING REVENUES:

Reimbursements from operating funds	\$ 8,144,052
Reimbursements from employees and others	<u>856,062</u>
 Total operating revenues	 <u>9,000,114</u>

OPERATING EXPENSES:

Medical and health services	5,405,674
Accounting, auditing and clerical	2,316,201
Miscellaneous	<u>100</u>
 Total operating expenses	 <u>7,721,975</u>

Operating income	1,278,139
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NON-OPERATING REVENUES:

Interest income	<u>150,105</u>
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Change in Net Position	1,428,244
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<u>NET POSITION</u> - Beginning of year	<u>5,473,174</u>
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<u>NET POSITION</u> - End of year	\$ <u>6,901,418</u>
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See Notes to Financial Statements

JOHNSON COUNTY, IOWA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2019

Internal Service -
 Employee Group
Health

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from operating fund reimbursements	\$ 8,164,672
Cash received from employees and others	856,062
Cash paid for administrative fees and miscellaneous	(1,771,698)
Cash paid for medical claims and insurance premiums	<u>(5,899,900)</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES 1,349,136

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest on investments	<u>150,105</u>
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NET INCREASE IN CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS 1,499,241

CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS - Beginning of year 6,617,991

CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS - End of year \$ 8,117,232

RECONCILIATION OF OPERATING INCOME TO NET

CASH PROVIDED BY OPERATING ACTIVITIES:

Operating income	\$ 1,278,139
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in accounts receivable	20,620
Increase in accounts payable	<u>50,377</u>

Net cash provided by operating activities \$ 1,349,136

See Notes to Financial Statements

JOHNSON COUNTY, IOWA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES-
AGENCY FUNDS
JUNE 30, 2019

ASSETS

Cash, cash equivalents and pooled investments:		
County Treasurer	\$	10,254,548
Other County officials		471,407
Receivables:		
Accounts receivable		165,194
Property tax:		
Delinquent		211,476
Succeeding year		254,925,436
Special Assessments		94,911
Due from other governments		529,175
Prepaid items		87,028
	TOTAL ASSETS	<u>266,739,175</u>

LIABILITIES

Accounts payable		1,389,816
Salaries and benefits payable		65,555
Compensated absences		123,694
Due to other governments		264,942,472
Trusts payable		217,638
	TOTAL LIABILITIES	<u>266,739,175</u>
	NET POSITION	\$ <u><u>-</u></u>

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

For financial reporting purposes, Johnson County, Iowa has included all funds, organizations, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of the organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County. The County has no component units which meet the Governmental Accounting Standards Board criteria.

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

B. Basis of Presentation

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

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

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

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

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

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

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

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

The County reports the following major governmental funds:

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

Special Revenue

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

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

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

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

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

Additionally, the County reports the following funds:

Proprietary Fund

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

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Fiduciary Funds

Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units and/or other funds. The County's agency funds consist of the following:

Ag Extension, Schools, Community Colleges, Corporations, Townships and State Levies: To account for the property taxes collected by the County for the Districts.

City Special Assessments: To account for the special assessment taxes collected by the County on behalf of the corporations of Johnson County.

County Sheriff Agency Fund: To account for the funds received for court services performed by the Sheriff's department.

County Recorder, Motor Vehicle Fees and Use Tax: To account for fees and taxes collected by the County for the state.

Tax Sale Redemptions: To account for the tax sale proceeds collected by the County.

Precinct Atlas Consortium: To be the fiscal agent for the Precinct Atlas Consortium.

E911 Surcharge: To account for the collections of the continued operations of E911.

Emergency Management Services: To account for the funds held to on behalf of the Emergency Management Board.

Empowerment Board: To account for the funds held on behalf of the Empowerment Board.

County Assessor: To account for the funds held on behalf of the County Assessor Board.

City Assessor: To account for the funds held on behalf of the City Assessor Board.

County Auditor: To account for the fund activity in the County Auditor cash box.

Flood Control: To account for the fund activity of monies received to mitigate flood risks within the taxing districts.

McBride Sanitary District: To account for the fund activity of the McBride Sanitary District.

MHDS/East Central Region: To account for the fund activity of the East Central Region.

Lower Cedar Watershed Management Authority: To account for the fund activity of the Lower Cedar Watershed Management Authority.

C. Measurement Focus and Basis of Accounting

The government-wide and proprietary 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.

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting(Continued)

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

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

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

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursements grant resources to such programs, followed by categorical block grants, and then by general revenues.

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

Proprietary funds distinguish operating revenues and expenses from non-operating 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 services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

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

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

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

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Property Tax Receivable – Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the County Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is unavailable 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 1 1/2% per month penalty for delinquent payments; is based on January 1, 2017 assessed property valuations; is for the tax accrual period July 1, 2018 through June 30, 2019 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2018.

Interest and Penalty on Property Tax Receivable – Interest and penalty on property tax receivable represents the amount of interest and penalty that was due and payable but has not been collected.

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

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

Prepaid items – Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both governmental-wide and fund financial statements. The cost of prepaid items is reported as expenditures when consumed, rather than when purchased.

Capital Assets – Capital assets, which include property, furniture and equipment and intangible assets acquired after July 1, 1980, are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

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

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Deferred Outflows of Resources – Deferred outflows of resources 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. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense and contributions from the County after the measurement date but before the end of the County’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.

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

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2019. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

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

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 Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Total OPEB Liability – For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB, deferred inflows of resources related to OPEB and OPEB expense, information has been determined based on Johnson 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 Special Revenue, Mental Health, Rural Services and Secondary Roads Fund.

Deferred Inflows of Resources – Deferred inflows of resources represents an acquisition of net position application to a future year(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 in the fund financial statements consist of property tax receivable and other receivables not collected within sixty days after year end and succeeding year property tax that will not be recognized until the year for which they are levied.

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 unrecognized items not yet charged to pension and OPEB expense.

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

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

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

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

Unassigned – All amounts not included in the preceding classifications.

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

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2019, disbursements did not exceed the amounts budgeted.

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Use of Estimates

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

NOTE 2: CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS

The County's deposits in banks at June 30, 2019 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The County is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Supervisors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The County held no investments 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) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the County.

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

Concentration of Credit Risk – The County's investment policy does not allow for a prime bankers acceptance or commercial paper and other corporate debt balances to be greater than 10% of its total deposits and investments. The policy also limits the amount that can be invested in a single issue to 5% of its total deposits and investments. The County held no such investments during the year.

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

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 3: INTERFUND TRANSFERS

The detail of interfund transfers for the year ended June 30, 2019 is as follows:

<u>Transfer To</u>	<u>Amount</u>	<u>Transfer from</u>	<u>Amount</u>
Special Revenue: Secondary Roads	\$ 6,411,484	General Fund	\$ 1,369,148
		Special Revenue: Rural Basic	<u>5,042,336</u>
			<u>6,411,484</u>
Capital Projects	8,250,224	General Fund	8,250,224
Special Revenue: Conservation Trust	135,030	General Fund	106,030
		Debt Service	<u>29,000</u>
			135,030
General Basic	<u>12,503,000</u>	Debt Service	<u>12,503,000</u>
	<u>\$ 27,299,738</u>		<u>\$ 27,299,738</u>

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

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2019 was as follows:

	<u>Balance Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 17,085,625	\$ 3,339,770	\$ -	\$ 20,425,395
Intangible assets	522,891	-	-	522,891
Construction in progress	<u>9,006,416</u>	<u>14,265,607</u>	<u>3,712,701</u>	<u>19,559,322</u>
Total capital assets not being depreciated	<u>26,614,932</u>	<u>17,605,377</u>	<u>3,712,701</u>	<u>40,507,608</u>
Capital assets being depreciated:				
Buildings	56,009,678	-	-	56,009,678
Improvements other than buildings	1,480,470	156,898	-	1,637,368
Furnishings and equipment	21,309,455	1,545,197	1,059,629	21,795,023
Infrastructure	<u>103,757,544</u>	<u>3,528,392</u>	-	<u>107,285,936</u>
Total capital assets being depreciated	<u>182,557,147</u>	<u>5,230,487</u>	<u>1,059,629</u>	<u>186,728,005</u>
Less accumulated depreciation for:				
Buildings	16,312,036	1,441,789	-	17,753,825
Improvements other than buildings	262,515	60,800	-	323,315
Furnishings and equipment	13,104,790	1,566,998	1,041,503	13,630,285
Infrastructure	<u>43,107,679</u>	<u>2,854,994</u>	-	<u>45,962,673</u>
Total accumulated depreciation	<u>72,787,020</u>	<u>5,924,581</u>	<u>1,041,503</u>	<u>77,670,098</u>
Total capital assets being depreciated, net	<u>109,770,127</u>	<u>(694,094)</u>	<u>18,126</u>	<u>109,057,907</u>
Governmental activities capital assets, net	<u>\$ 136,385,059</u>	<u>\$ 16,911,283</u>	<u>\$ 3,730,827</u>	<u>\$ 149,565,515</u>

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 4: CAPITAL ASSETS (continued)

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 841,098
Physical health and social services	456,542
Mental health	4,980
County environment and education	348,148
Roads and transportation	3,661,950
Governmental services to residents	74,109
Administration	530,147
Non-program	<u>7,607</u>
Total depreciation expense - governmental activities	\$ <u>5,924,581</u>

NOTE 5: DUE TO OTHER GOVERNMENTS

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments at June 30, 2019 is as follows:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
General	Services	\$ 199,502
Special Revenue:		
Rural Services	Services	4,211
Secondary Roads	Services	389
Mental Health	Services	48,644
Capital Projects	Services	<u>52,496</u>
Total for governmental funds		\$ <u>305,242</u>
Agency:		
County Assessor	Collections	\$ 1,886,388
City Assessor		1,141,986
Schools		125,481,541
Community Colleges		10,056,895
Corporations		117,103,281
Townships		1,068,474
E911 Surcharge		709,691
Auto License and Use Tax		3,296,407
Other		<u>4,191,514</u>
Total for agency funds		\$ <u>264,936,177</u>
Total		\$ <u>265,241,419</u>

NOTE 6: LONG-TERM LIABILITIES

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

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 6: LONG-TERM LIABILITIES(Continued)

General obligation capital loan notes are direct obligations and pledge the full faith and credit of the County. These notes are generally issued as serial notes with varying amounts of principal maturing annually and with interest payable semi-annually. General obligation capital loan notes outstanding at June 30, 2019, are as follows:

General Obligation Notes

<u>Purpose</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount Originally Issued</u>	<u>Amount Outstanding End of Year</u>
County Improvements	12/2017	06/2021	1.50% - 1.75%	\$ 7,200,000	\$ 2,400,000
GO Refunding Bond	05/2018	06/2020	1.80% - 1.90%	895,000	460,000
GO Refunding Bond	05/2018	06/2021	1.80% - 2.00%	3,345,000	2,285,000
County Improvements	12/2018	06/2022	2.20% - 2.50%	<u>7,200,000</u>	<u>4,800,000</u>
				\$ <u>18,640,000</u>	\$ <u>9,945,000</u>

A summary of the County's June 30, 2019 general obligation capital loan notes is as follows:

<u>Year Ending June 30,</u>	<u>General Obligation Capital Loan Notes</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 6,375,000	\$ 211,725	\$ 6,586,725
2021	<u>3,570,000</u>	<u>83,400</u>	<u>3,653,400</u>
Total	\$ <u>9,945,000</u>	\$ <u>295,125</u>	\$ <u>10,240,125</u>

During the year ended June 30, 2019, the County retired \$7,895,000 and issued \$7,200,000 of general obligation capital loan notes. The General Obligation County Purpose Bond, Series 2017C, General Obligation Refunding Bond, Series 2018A, General Obligation Refunding Bond, Series 2018B, General Obligation County Purpose Bond, Series 2018E are owned by Hills Bank and; therefore, constitute direct borrowings.

A summary of changes in long-term liabilities for the year ended June 30, 2019, is as follows:

	<u>General Obligation Capital Loan Notes</u>	<u>Compensated Absences</u>	<u>Total</u>
Balance beginning of year	\$ 10,640,000	\$ 3,276,027	\$ 13,916,027
Increases	7,200,000	3,231,202	10,431,202
Decreases	<u>7,895,000</u>	<u>3,276,027</u>	<u>11,171,027</u>
Balance end of year	\$ <u>9,945,000</u>	\$ <u>3,231,202</u>	\$ <u>13,176,202</u>
Due within one year	\$ <u>6,375,000</u>	\$ <u>3,231,202</u>	\$ <u>9,606,202</u>

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 7: SHORT-TERM LIABILITIES

In December 2018, the County issued \$9,732,000 of General Obligation County Purpose Bonds, Series 2018D, and \$2,800,000 of General Obligation County Purpose Bonds, Series 2018C, both are short-term 120 day issues to acquire computer equipment and technology to be used in County buildings, and for various County building improvements and various County insurance programs. The Series 2018D was repaid on April 11, 2019 for \$9,795,637 and the Series 2018C was repaid on April 11, 2019 for \$2,818,309.

NOTE 8: LEASE COMMITMENTS

OPERATING LEASE

The County is leasing building facilities for the County Attorney's Office that have been classified as an operating lease, and accordingly, all rents are charged to expenditures as incurred. The lease is set to expire in 2026 with an option to renew. The County's future minimum rental commitments, accounted for as operating leases at June 30, 2019, are as follows:

Year Ended <u>June 30,</u>	<u>Total</u>
2020	\$ 160,980
2021	160,980
2022	160,980
2023	160,980
2024	160,980
Thereafter	<u>308,545</u>
	\$ <u>1,113,445</u>

NOTE 9: 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, anytime 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, except members with service before June 30, 2012, will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

Sheriffs, deputies, 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 anytime after reaching age 50 with 22 or more years of covered employment.

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 9: PENSION PLAN (Continued)

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 more than 22 years 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 on or after 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 – Contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State 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 2019, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the County contributed 9.44% of covered payroll for a total rate of 15.73%. The Sheriff, deputies and the County both contributed 9.76% of covered payroll for a total rate of 19.52%. Protection occupation members contributed 6.81% of covered payroll and the County contributed 10.21% of covered payroll for a total rate of 17.02%.

The County's contributions to IPERS for the year ended June 30, 2019 totaled \$2,890,757.

Net Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2019, the County reported a liability of \$17,412,611 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, 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 IPERS relative to the contributions of all IPERS participating employers. At June 30, 2018, the County's collective proportion was .2751570% which was a decrease of .031624% from its proportion measured as of June 30, 2017.

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 9: PENSION PLAN (Continued)

Net Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2019, the County recognized pension expense of \$2,890,257. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 204,322	\$ 624,163
Changes of assumptions	3,618,936	1,105,961
Net difference between projected and actual earnings on IPERS investments	-	779,708
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	157,701	257,509
County contributions subsequent to the measurement date	<u>2,890,757</u>	<u>-</u>
Total	\$ <u>6,871,716</u>	\$ <u>2,767,341</u>

\$2,890,757 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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 Ended <u>June 30,</u>		<u>Total</u>
2020	\$	1,473,413
2021		657,104
2022		(504,007)
2023		(309,583)
2024		<u>(103,309)</u>
	\$	<u>1,213,618</u>

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation (effective June 30, 2017)	2.60% per annum.
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25%, average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

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

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 9: PENSION PLAN (Continued)

Mortality rates used in the 2018 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of 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:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	22.0 %	6.01 %
International equity	15.0	6.48
Global smart beta equity	3.0	6.23
Core plus fixed income	27.0	1.97
Public credit	3.5	3.93
Public real assets	7.0	2.91
Cash	1.0	(0.25)
Private equity	11.0	10.81
Private real assets	7.5	4.14
Private credit	<u>3.0</u>	3.11
Total	<u>100</u> %	

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. 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, IPERS' 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 7.00%, 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% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$ 35,692,244	\$ 17,412,611	\$ 2,083,545

IPERS' Fiduciary Net Position – Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to IPERS – All legally required County contributions and legally required employee contributions which had been withheld from employee wages were remitted by the County to IPERS by June 30, 2019.

NOTE 10: RISK MANAGEMENT

Johnson County, Iowa is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 778 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability,

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 10: RISK MANAGEMENT (Continued)

automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

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

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

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's contributions to the Pool for the year ended June 30, 2019 were \$529,122.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$500,000 per claim. Claims exceeding \$500,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location. Property risks exceeding \$250,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate.

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

The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2019, no liability has been recorded in the County's financial statements. As of June 30, 2019, settled claims have not exceeded the risk pool or reinsurance coverage since the pool's inception.

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

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$1,000,000 and \$100,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 11: EMPLOYEE HEALTH INSURANCE PLAN

The Internal Service, Employee Group Health Fund was established to account for partial self funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Wellmark. Health benefits were self-insured up to a specific stop loss limitation of \$50,000 and an aggregate annual stop-loss amount of approximately \$8,279,706 for fiscal year 2019. Coverage from a private insurance company is maintained for losses in excess of the aggregate stop-loss amount.

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to Wellmark from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2019 was \$8,144,052.

Amounts payable from the Employee Group Health Fund at June 30, 2019 total \$1,129,419 which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior-year and current-year claims and to establish a reserve for catastrophic losses. That reserve was \$6,901,418 at June 30, 2019 and is reported as a designation of the Internal Service, Employee Group Health Fund net position. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years.

A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

	<u>2019</u>	<u>2018</u>
Unpaid claims beginning of year	\$ 1,210,237	\$ 1,013,733
Incurred claims (including claims incurred but not reported at June 30, 2019 and 2018)	5,405,674	5,437,147
Payments:		
Payment on claims during the fiscal year	<u>(5,486,492)</u>	<u>(5,240,643)</u>
Unpaid claims end of year	\$ <u>1,129,419</u>	\$ <u>1,210,237</u>

NOTE 12: CONSTRUCTION COMMITMENTS

The County has entered into ten contracts totaling \$22,780,787 for building, road and other construction projects. As of June 30, 2019, costs of \$15,194,986 on the projects have been incurred. The balance remaining on the projects at June 30, 2019, \$7,484,279 will be paid as work on the projects progress.

NOTE 13: LITIGATION

The County Attorney reported that as of June 30, 2019, various claims and lawsuits were on file against the County. The probability of loss, if any, is undeterminable. In most cases, any losses as a result of these claims and lawsuits would be covered by the County's insurance policies, less their deductible.

NOTE 14: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description – The County 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.

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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

OPEB Benefits – Individuals who are employed by Johnson 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.

Retired participants must be age 55 or older at retirement. At June 30, 2019 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	26
Active Employees	<u>438</u>
Total	<u>464</u>

Total OPEB Liability – The County's total OPEB liability of \$1,448,653 was measured as of June 30, 2019, and was determined by an actuarial valuation as of April 1, 2019.

Actuarial Assumptions – The total OPEB liability in the April 1, 2019 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.

Rate of Inflation (effective June 30, 2019)	3.0% per annum
Rates of salary increase (effective June 30, 2019)	3.0% per annum, including inflation
Discount Rate (effective June 30, 2019)	3.79% compounded annually, including inflation
Healthcare cost trend rate (effective June 30, 2019)	6.0% annum decreasing to an ultimate rate of 5.0%

Discount Rate – The discount rate used to measure the total OPEB liability was 3.79% 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 RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2018 generation projection of future mortality improvement.

The actuarial assumptions used in the April 1, 2019 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 1,713,649
Changes for the year:	
Service cost	48,776
Interest	53,988
Difference between expected and actual experience	(301,974)
Changes in assumptions	(6,135)
Benefit payments	<u>(59,651)</u>
Net Change	<u>(264,996)</u>
Total OPEB liability end of the year	<u>\$ 1,448,653</u>

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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

Change of assumptions reflect a change in the discount rate from 3.89% in fiscal year 2018 to 3.79% in fiscal year 2019.

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 (2.79%) or 1% higher (4.79%) than the current discount rate.

	1% Decrease (2.79%)	Discount Rate (3.79%)	1% Increase (4.79%)
Total OPEB liability	\$1,697,142	\$1,448,653	\$1,253,737

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 (5.0%) or 1% higher (7.0%) than the current healthcare cost trend rates.

	1% Decrease (5.0%)	Discount Rate (6.0%)	1% Increase (7.0%)
Total OPEB liability	\$1,231,779	\$1,448,653	\$1,730,951

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2019, the County recognized OPEB expense of \$87,357. At June 30, 2019 the County reported deferred outflows of resources related to OPEB from the following resources:

	Deferred Outflows Of Resources	Deferred Inflow Of Resources
Difference between expected and actual experience	\$ -	\$ 274,270
Change in assumptions	<u>113,163</u>	<u>5,572</u>
Total	<u>\$ 113,163</u>	<u>279,842</u>

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

Year ending June 30,	Amount
2020	\$ (15,407)
2021	(15,407)
2022	(15,407)
2023	(15,407)
2024	(15,407)
Thereafter	<u>(89,644)</u>
	<u>\$ (166,679)</u>

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 15: 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 the governments.

COUNTY TAX ABATEMENTS

The County provides tax abatements for urban renewal and economic development projects with tax increment financing as provided for in Chapters 15A and 403 of the Code of Iowa. For these types of projects, the County enters into agreements with developers which require the County, after developers meet the terms of the agreements, to rebate a portion of the property tax paid by the developers, to pay the developers as economic development grantor to pay the developers a predetermined dollar amount. No other commitments were made by the County as part of these agreements.

For the year ended June 30, 2019, the County did not abate any property tax under the urban renewal and economic development projects.

TAX ABATEMENTS OF OTHER ENTITIES

Property tax revenues of the County were reduced by the following amount for the year ended June 30, 2019 under agreements entered into by the following entities:

<u>Entity</u>	<u>Tax Abatement Program</u>	<u>Amount of Tax Abated</u>
City of Tiffin	Urban renewal and economic development projects	\$ 9,260
City of Solon	Urban renewal and economic development projects	5,128
	Urban revitalization tax abatement	71
City of Coralville	Urban renewal and economic development projects	270,714
City of Lone Tree	Urban renewal and economic development projects	3,652
City of North Liberty	Urban renewal and economic development projects	168,602
City of Iowa City	Urban renewal and economic development projects	36,122

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 16: EARLY CHILDHOOD IOWA AREA BOARD

Johnson County, Iowa is the fiscal agent for the Early Childhood Iowa Area Board, an organization formed pursuant to the provisions of Chapter 256I of the Code of Iowa. The Area Board receives state grants to administer early childhood and school ready programs. Financial transactions of the Area Board are included in the County's financial statements as an Agency Fund (Empowerment Board) because of the County's fiduciary relationship with the organization. The Area Board's financial data is for the year ended June 30, 2019 is as follows:

	<u>Early Childhood Iowa Area Board</u>			
	<u>Early Childhood State</u>	<u>School Ready Fund</u>	<u>Other</u>	<u>Total</u>
Additions:				
State grants:				
Early childhood	\$ 204,022	\$ -	\$ -	\$ 204,022
Quality improvement	-	-	-	-
Allocation for administration	10,671	19,786	-	30,457
School ready general use	-	645,523	-	645,523
Other program services	-	-	1,020	1,020
Total State of Iowa grants	<u>214,693</u>	<u>665,309</u>	<u>1,020</u>	<u>881,022</u>
Interest	-	-	-	-
Total additions	<u>214,693</u>	<u>665,309</u>	<u>1,020</u>	<u>881,022</u>
Deductions:				
Program services:				
Early childhood	193,769	-	-	193,769
Quality improvement	-	58,805	-	58,805
School ready general use	-	558,960	-	558,960
Other program services	-	-	849	849
Total program services	<u>193,769</u>	<u>617,765</u>	<u>849</u>	<u>893,576</u>
Administration	<u>18,911</u>	<u>21,287</u>	-	<u>40,198</u>
Total deductions	<u>212,680</u>	<u>639,052</u>	<u>849</u>	<u>852,581</u>
Net change	2,013	26,257	171	28,441
Balances – beginning of year	<u>22,844</u>	<u>93,679</u>	<u>245</u>	<u>116,768</u>
Balances – end of year	\$ <u>24,857</u>	\$ <u>119,936</u>	\$ <u>416</u>	\$ <u>145,209</u>

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 17: JOHNSON COUNTY, IOWA FINANCIAL INFORMATION INCLUDED IN THE EAST CENTRAL REGION

The East Central Region, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa which was signed by the County October 13, 2013, includes the following member counties: Benton, Bremer, Buchanan, Delaware, Dubuque, Iowa, Linn, Jones, and Johnson County, Iowa. The financial activity of Johnson County, Iowa's Special Revenue, Mental Health Fund is included in the East Central Region for the year ended June 30, 2019 as follows:

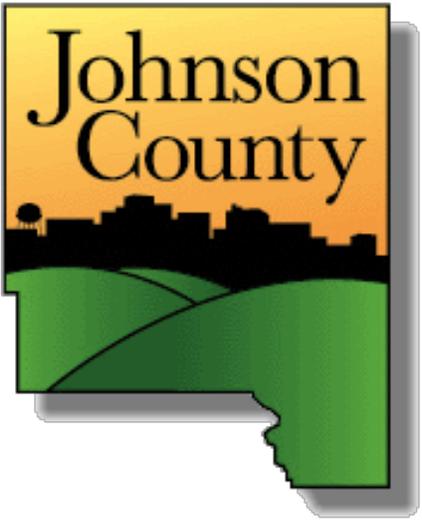
Revenues:		
Property and other county tax	\$	4,576,105
Intergovernmental revenues:		
State tax credits	\$	271,440
Other intergovernmental revenues	<u>881,701</u>	<u>1,153,141</u>
Total revenues		<u>5,729,246</u>
Expenditures:		
Services to persons with:		
Mental illness	326,171	
Intellectual disability	29,236	
Other developmental disabilities	<u>47,943</u>	403,350
General administration:		
Direct administration	332,716	
Distribution to regional fiscal agent	<u>4,403,128</u>	<u>4,735,844</u>
Total expenditures		<u>5,139,194</u>
Change in fund balance		590,052
Fund balance - Beginning of the year		<u>3,347,064</u>
Fund balance - End of the year	\$	<u>3,937,116</u>

NOTE 18: SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 12, 2020, the date the financial statements were available to be issued.

In December 2019, the County issued \$475,000 of General Obligation County Purpose Bonds Series 2019A and \$11,382,000 of General Obligation County Purpose Bonds Series 2019B (Taxable). Both are short term bonds with a maturity of April 15, 2020. Also in December 2019, the County issued \$9,525,000 of General Obligation County Purpose Bonds, Series 2019C. These bonds will mature during the next 3 fiscal years. The bonds will help fund improvements to County buildings, computer equipment, software and various other projects for the construction, reconstruction, improvement and repair of infrastructure, clean up following a disaster, vehicles for the County sheriff and emergency services, land purchase and engineering costs for various County projects.

REQUIRED SUPPLEMENTARY INFORMATION



JOHNSON COUNTY, IOWA

BUDGETARY COMPARISON STATEMENT OF
RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCES -
BUDGET AND ACTUAL (CASH BASIS) - ALL GOVERNMENTAL FUNDS
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019

	Governmental	Budgeted Amounts		Final to
	Fund Types	Original	Final	Actual
	<u>Actual</u>			<u>Variance</u>
RECEIPTS:				
Property and other County tax	\$ 59,120,697	\$ 59,015,485	\$ 59,015,485	\$ 105,212
Interest and penalty on property tax	411,188	329,000	329,000	82,188
Intergovernmental	23,126,979	20,640,600	25,140,423	(2,013,444)
Licenses and permits	739,473	685,850	720,240	19,233
Charges for service	5,014,341	4,958,120	4,958,120	56,221
Use of money and property	1,869,972	362,335	2,206,935	(336,963)
Miscellaneous	639,744	1,917,073	1,820,704	(1,180,960)
Total receipts	<u>90,922,394</u>	<u>87,908,463</u>	<u>94,190,907</u>	<u>(3,268,513)</u>
DISBURSEMENTS:				
Public safety and legal services	24,310,814	25,857,149	26,153,139	1,842,325
Physical health and social services	11,229,588	12,661,567	12,886,437	1,656,849
Mental health	5,503,710	7,397,539	7,403,352	1,899,642
County environment and education	5,486,791	5,642,211	5,679,102	192,311
Roads and transportation	9,617,854	11,452,927	11,459,099	1,841,245
Governmental services to residents	2,843,179	3,045,489	3,140,500	297,321
Administration	8,530,194	10,183,792	10,138,119	1,607,925
Non-program	5,487	6,150	8,550	3,063
Debt service	20,760,427	20,871,322	20,871,322	110,895
Capital projects	16,340,695	14,732,379	30,822,113	14,481,418
Total disbursements	<u>104,628,739</u>	<u>111,850,525</u>	<u>128,561,733</u>	<u>23,932,994</u>
Excess (deficiency) of receipts over (under) disbursements	(13,706,345)	(23,942,062)	(34,370,826)	20,664,481
Other financing sources, net	<u>19,750,461</u>	<u>19,941,000</u>	<u>19,941,000</u>	<u>(190,539)</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	6,044,116	(4,001,062)	(14,429,826)	20,473,942
BALANCE - Beginning of year	<u>44,168,644</u>	<u>27,984,059</u>	<u>44,168,644</u>	<u>-</u>
BALANCE - End of year	\$ <u>50,212,760</u>	\$ <u>23,982,997</u>	\$ <u>29,738,818</u>	\$ <u>20,473,942</u>

See Accompanying Independent Auditor's Report

JOHNSON COUNTY, IOWA

BUDGETARY COMPARISON SCHEDULE - BUDGET TO GAAP RECONCILIATION
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019

	Governmental Funds		
	<u>Cash Basis</u>	<u>Accrual Adjustments</u>	<u>Modified Accrual Basis</u>
Revenues	\$ 90,922,394	\$ 770,748	\$ 91,693,142
Expenditures	<u>104,628,739</u>	<u>(11,723,923)</u>	<u>92,904,816</u>
Net	(13,706,345)	12,494,671	(1,211,674)
Other financing sources, net	19,750,461	(12,533,704)	7,216,757
Beginning fund balances	<u>44,168,644</u>	<u>401,526</u>	<u>44,570,170</u>
Ending fund balances	\$ <u><u>50,212,760</u></u>	\$ <u><u>362,493</u></u>	\$ <u><u>50,575,253</u></u>

See Accompanying Independent Auditor's Report

JOHNSON COUNTY, IOWA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING

YEAR ENDED JUNE 30, 2019

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

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

Formal and legal budgetary control is based upon ten major classes of expenditures known as functions, not by fund. These ten functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by \$16,711,028. The budget amendments are reflected in the final budgeted amounts.

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

During the year ended June 30, 2019, disbursements did not exceed the amounts budgeted.

JOHNSON COUNTY, IOWA

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FOR THE LAST FIVE FISCAL YEARS*

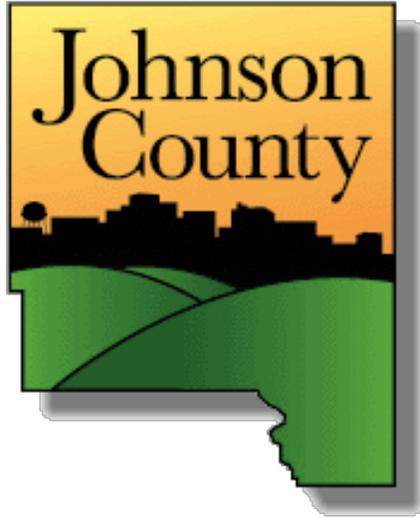
REQUIRED SUPPLEMENTARY INFORMATION

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's collective proportion of the net pension liability	0.2752 %	0.3068 %	0.3048 %	0.279 %	0.257 %
County's collective proportionate share of the net pension liability	\$ 17,412,611	\$ 20,435,487	\$ 19,180,490	\$ 13,781,545	\$ 10,195,102
County's covered payroll	\$ 29,234,232	\$ 28,708,319	\$ 27,523,506	\$ 26,348,638	\$ 25,531,199
County's collective proportionate share of the net pension liability as a percentage of its covered payroll	59.56 %	71.18 %	69.69 %	52.30 %	39.93 %
IPERS' net position as a percentage of the total pension liability	83.62 %	82.21 %	81.82 %	85.19 %	87.61 %

* In accordance with GASB 68, the amounts presented for each fiscal year were determined as of June 30 of the preceeding fiscal year.

Note: GASB Statement No. 68 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

See Accompanying Independent Auditor's Report



JOHNSON COUNTY, IOWA

SCHEDULE OF COUNTY CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST 10 FISCAL YEARS

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Statutorily required contribution	\$ 2,890,757	\$ 2,664,954	\$ 2,627,326
Contributions in relation to the statutorily required contribution	<u>(2,890,757)</u>	<u>(2,664,954)</u>	<u>(2,627,326)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
County's covered payroll	\$ 30,146,224	\$ 29,234,232	\$ 28,708,219
Contributions as a percentage of covered payroll	9.59 %	9.12 %	9.15 %

See Accompanying Independent Auditor's Report

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$	2,531,417	\$ 2,432,140	\$ 2,356,804	\$ 2,235,527	\$ 2,141,091	\$ 1,780,910	\$ 1,615,053
	<u>(2,531,417)</u>	<u>(2,432,140)</u>	<u>(2,356,804)</u>	<u>(2,235,527)</u>	<u>(2,141,091)</u>	<u>(1,780,910)</u>	<u>(1,615,053)</u>
\$	<u> -</u>	\$ <u> -</u>					
\$	27,523,506	\$ 26,348,638	\$ 25,531,199	\$ 24,678,980	\$ 24,938,736	\$ 23,381,703	\$ 22,869,595
	9.20 %	9.23 %	9.23 %	9.06 %	8.59 %	7.62 %	7.06 %

JOHNSON COUNTY, IOWA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY

YEAR ENDED JUNE 30, 2019

Changes of benefit terms:

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

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 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 7.0%
- 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 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.

JOHNSON COUNTY, IOWA

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

REQUIRED SUPPLEMENTARY INFORMATION

	2019	2018
Service Cost	\$ 48,776	\$ 53,590
Interest Cost	53,988	65,460
Diference between expected and actual experiences	(301,974)	-
Change in assumptions	(6,135)	138,883
Benefit Payments	(59,651)	(69,150)
Net change in total OPEB liability	(264,996)	188,783
Total OPEB liability beginning of year	1,713,649	1,524,866
Total OPEB liability end of year	\$ 1,448,653	\$ 1,713,649
Covered-employee payroll	28,406,731	26,771,396
Total OPEB liability as a percentage of covered-employee payroll	5.10%	6.40%

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

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

Change in benefit terms:

There were no significant changes in benefit terms.

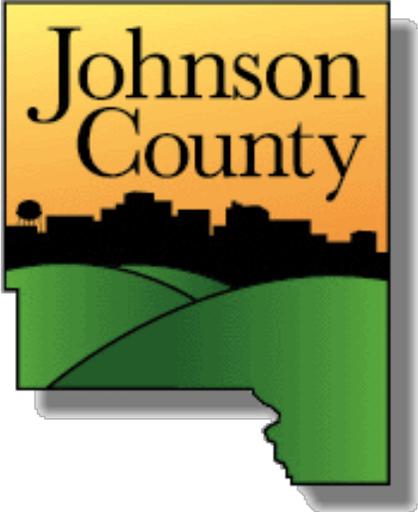
Changes in assumptions:

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, 2019	3.79%
Year ended June 30, 2018	3.89%
Year ended June 30, 2017	4.50%

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 these years for which information is available.

See Accompanying Independent Auditor's Report



SUPPLEMENTARY INFORMATION

JOHNSON COUNTY, IOWA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue		
	Law Enforcement Proceeds	Prosecutor Forfeiture Proceeds	Special Resource Enhancement
<u>ASSETS</u>			
Cash, cash equivalents and pooled investments	\$ 40,836	\$ 44,924	\$ 339,973
Receivables:			
Accounts	-	-	-
Due from other governments	-	-	-
TOTAL ASSETS	\$ 40,836	\$ 44,924	\$ 339,973
<u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES:</u>			
Accounts payable	\$ 565	\$ -	\$ 1,539
Contracts payable	-	-	-
TOTAL LIABILITIES	565	-	1,539
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Unavailable revenues:			
Other	\$ -	\$ -	\$ -
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-
<u>FUND BALANCES:</u>			
Restricted for:			
Other purposes	40,271	44,924	338,434
TOTAL FUND BALANCES	40,271	44,924	338,434
TOTAL LIABILITIES AND FUND BALANCES	\$ 40,836	\$ 44,924	\$ 339,973

See Accompanying Independent Auditor's Report

Road Construction Escrow	Special Revenue		Permanent Trust CRC	Wetland Bank Permanent Trust	Total
	Recorder's Records Management	Conservation Trust			
\$ 5,660	\$ 54,214	\$ 729,980	\$ 8,319	\$ 1,223,906	
-	2,998	21,540	660	25,198	
-	-	<u>528,130</u>	-	<u>528,130</u>	
<u>\$ 5,660</u>	<u>\$ 57,212</u>	<u>\$ 1,279,650</u>	<u>\$ 8,979</u>	<u>\$ 1,777,234</u>	
\$ -	\$ -	\$ 2,667	\$ -	\$ 4,771	
-	-	<u>95,399</u>	-	<u>95,399</u>	
-	-	<u>98,066</u>	-	<u>100,170</u>	
\$ -	\$ -	\$ 8,105	\$ -	\$ 8,105	
-	-	<u>8,105</u>	-	<u>8,105</u>	
<u>5,660</u>	<u>57,212</u>	<u>1,173,479</u>	<u>8,979</u>	<u>1,668,959</u>	
<u>5,660</u>	<u>57,212</u>	<u>1,173,479</u>	<u>8,979</u>	<u>1,668,959</u>	
<u>\$ 5,660</u>	<u>\$ 57,212</u>	<u>\$ 1,279,650</u>	<u>\$ 8,979</u>	<u>\$ 1,777,234</u>	

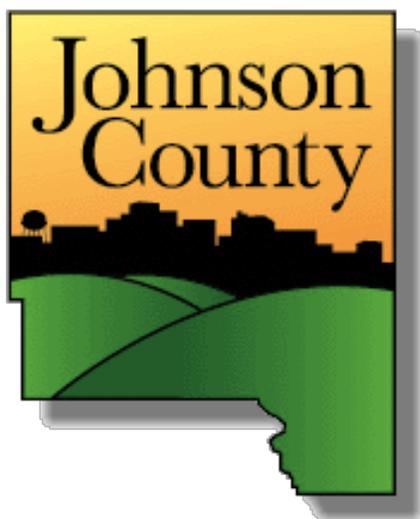
JOHNSON COUNTY, IOWA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Special Revenue		
	Law Enforcement Proceeds	Prosecutor Forfeiture Proceeds	Special Resource Enhancement
<u>REVENUES:</u>			
Intergovernmental	\$ -	\$ -	\$ 31,906
Charges for service	-	-	-
Use of money and property	793	-	7,420
Miscellaneous	-	1,130	-
Total revenues	793	1,130	39,326
<u>EXPENDITURES:</u>			
Operating:			
Public safety and legal services	565	617	-
Governmental services to residents	-	-	-
Capital projects	-	-	84,504
Total expenditures	565	617	84,504
Excess (deficiency) of revenues over (under) expenditures	228	513	(45,178)
Other financing sources:			
Transfers in	-	-	-
Change in fund balances	228	513	(45,178)
<u>FUND BALANCES</u> - Beginning of year	40,043	44,411	383,612
<u>FUND BALANCES</u> - End of year	\$ 40,271	\$ 44,924	\$ 338,434

See Accompanying Independent Auditor's Report

Road Construction <u>Escrow</u>	Special Revenue		Permanent Trust	<u>Total</u>
	Recorder's Records <u>Management</u>	Conservation <u>Trust</u>	CRC Wetland Bank <u>Permanent Trust</u>	
\$ -	\$ -	\$ 3,290,657	\$ -	\$ 3,322,563
-	23,434	-	-	23,434
-	1,409	121,361	2,769	133,752
-	-	<u>8,048</u>	-	<u>9,178</u>
-	<u>24,843</u>	<u>3,420,066</u>	<u>2,769</u>	<u>3,488,927</u>
-	-	-	-	1,182
-	122,487	-	-	122,487
-	-	<u>2,435,240</u>	-	<u>2,519,744</u>
-	<u>122,487</u>	<u>2,435,240</u>	-	<u>2,643,413</u>
-	(97,644)	984,826	2,769	845,514
-	-	<u>135,030</u>	-	<u>135,030</u>
-	(97,644)	1,119,856	2,769	980,544
<u>5,660</u>	<u>154,856</u>	<u>53,623</u>	<u>6,210</u>	<u>688,415</u>
\$ <u><u>5,660</u></u>	\$ <u><u>57,212</u></u>	\$ <u><u>1,173,479</u></u>	\$ <u><u>8,979</u></u>	\$ <u><u>1,668,959</u></u>



JOHNSON COUNTY, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<u>COUNTY AUDITOR:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
Other County Officials	\$ 4,059	\$ 114,090	\$ (115,163)	\$ 2,986
Receivables:				
Accounts Receivable	<u>137</u>	<u>253</u>	<u>(137)</u>	<u>253</u>
Total Assets	\$ <u>4,196</u>	\$ <u>114,343</u>	\$ <u>(115,300)</u>	\$ <u>3,239</u>
<u>LIABILITIES</u>				
Liabilities, Accounts Payable	\$ <u>4,196</u>	\$ <u>3,239</u>	\$ <u>(4,196)</u>	\$ <u>3,239</u>
<u>COUNTY RECORDER:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
Other County Officials	\$ 204,529	\$ 3,042,110	\$ (3,048,209)	\$ 198,430
Receivables:				
Accounts Receivable	<u>24,050</u>	<u>32,967</u>	<u>(24,050)</u>	<u>32,967</u>
Total Assets	\$ <u>228,579</u>	\$ <u>3,075,077</u>	\$ <u>(3,072,259)</u>	\$ <u>231,397</u>
<u>LIABILITIES</u>				
Liabilities, Due to Other Governments	\$ <u>228,579</u>	\$ <u>231,397</u>	\$ <u>(228,579)</u>	\$ <u>231,397</u>
<u>COUNTY SHERIFF:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
Other County Officials	\$ <u>316,965</u>	\$ <u>2,546,979</u>	\$ <u>(2,593,953)</u>	\$ <u>269,991</u>
Total Assets	\$ <u>316,965</u>	\$ <u>2,546,979</u>	\$ <u>(2,593,953)</u>	\$ <u>269,991</u>
<u>LIABILITIES</u>				
Due to Other Governments	\$ 151,310	\$ 292,262	\$ (284,210)	\$ 159,362
Trusts Payable	<u>165,655</u>	<u>2,254,317</u>	<u>(2,309,343)</u>	<u>110,629</u>
Total Liabilities	\$ <u>316,965</u>	\$ <u>2,546,579</u>	\$ <u>(2,593,553)</u>	\$ <u>269,991</u>

JOHNSON COUNTY, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<u>AGRICULTURAL EXTENSION:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ 2,164	\$ 589,494	\$ (589,231)	\$ 2,427
Receivables:				
Property Tax:				
Delinquent	774	607	(774)	607
Succeeding Year	<u>549,297</u>	<u>568,486</u>	<u>(549,297)</u>	<u>568,486</u>
Total Assets	\$ <u>552,235</u>	\$ <u>1,158,587</u>	\$ <u>(1,139,302)</u>	\$ <u>571,520</u>
<u>LIABILITIES</u>				
Liabilities, Due to Other Governments	\$ <u>552,235</u>	\$ <u>571,520</u>	\$ <u>(552,235)</u>	\$ <u>571,520</u>
<u>COUNTY ASSESSOR:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ 638,973	\$ 1,425,253	\$ (1,347,997)	\$ 716,229
Receivables:				
Property Tax:				
Delinquent	2,396	1,921	(2,396)	1,921
Succeeding Year	1,327,689	1,244,617	(1,327,689)	1,244,617
Prepaid Items	<u>12,334</u>	<u>15,089</u>	<u>(12,334)</u>	<u>15,089</u>
Total Assets	\$ <u>1,981,392</u>	\$ <u>2,686,880</u>	\$ <u>(2,690,416)</u>	\$ <u>1,977,856</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 2,804	\$ 14,492	\$ (2,804)	\$ 14,492
Salaries and Benefits Payable	30,143	33,151	(30,143)	33,151
Compensated Absences	39,403	43,825	(39,403)	43,825
Due to Other Governments	<u>1,909,042</u>	<u>1,886,388</u>	<u>(1,909,042)</u>	<u>1,886,388</u>
Total Liabilities	\$ <u>1,981,392</u>	\$ <u>1,977,856</u>	\$ <u>(1,981,392)</u>	\$ <u>1,977,856</u>
<u>CITY ASSESSOR:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ 527,503	\$ 871,793	\$ (872,316)	\$ 526,980
Receivables:				
Property Tax:				
Delinquent	650	560	(650)	560
Succeeding Year	812,625	720,606	(812,625)	720,606
Prepaid Items	<u>6,565</u>	<u>6,045</u>	<u>(6,565)</u>	<u>6,045</u>
Total Assets	\$ <u>1,347,343</u>	\$ <u>1,599,004</u>	\$ <u>(1,692,156)</u>	\$ <u>1,254,191</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 11,116	\$ 14,492	\$ (11,116)	\$ 14,492
Salaries and Benefits Payable	23,284	24,396	(23,284)	24,396
Compensated Absences	68,295	73,317	(68,295)	73,317
Due to Other Governments	<u>1,244,648</u>	<u>1,141,986</u>	<u>(1,244,648)</u>	<u>1,141,986</u>
Total Liabilities	\$ <u>1,347,343</u>	\$ <u>1,254,191</u>	\$ <u>(1,347,343)</u>	\$ <u>1,254,191</u>

See Accompanying Independent Auditor's Report

JOHNSON COUNTY, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<u>EMERGENCY MANAGEMENT:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ 176,581	\$ 3,935,362	\$ (3,912,424)	\$ 199,519
Receivables:				
Accounts Receivable	43,069	5,899	(43,069)	5,899
Due From Other Governments	599	-	(599)	-
Prepaid Items	10,380	9,828	(10,380)	9,828
Total Assets	\$ <u>230,629</u>	\$ <u>3,951,089</u>	\$ <u>(3,966,472)</u>	\$ <u>215,246</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 51,342	\$ 45,446	\$ (51,342)	\$ 45,446
Salaries and Benefits Payable	6,378	8,008	(6,378)	8,008
Compensated Absences	8,776	6,552	(8,776)	6,552
Due to Other Governments	164,133	155,240	(164,133)	155,240
Total Liabilities	\$ <u>230,629</u>	\$ <u>215,246</u>	\$ <u>(230,629)</u>	\$ <u>215,246</u>
<u>STATE LEVIES:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ 88	\$ 392,880	\$ (392,869)	\$ 99
Receivables:				
Property Tax:				
Delinquent	32	25	(32)	25
Succeeding Year	391,233	22,613	(391,233)	22,613
Total Assets	\$ <u>391,353</u>	\$ <u>415,518</u>	\$ <u>(784,134)</u>	\$ <u>22,737</u>
<u>LIABILITIES</u>				
Liabilities, Due to Other Governments	\$ <u>391,353</u>	\$ <u>22,737</u>	\$ <u>(391,353)</u>	\$ <u>22,737</u>
<u>SCHOOLS:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ 420,019	\$ 129,023,278	\$ (128,890,745)	\$ 552,552
Receivables:				
Property Tax:				
Delinquent	150,006	128,938	(150,006)	128,938
Succeeding Year	120,259,444	124,800,051	(120,259,444)	124,800,051
Total Assets	\$ <u>120,829,469</u>	\$ <u>253,952,267</u>	\$ <u>(249,300,195)</u>	\$ <u>125,481,541</u>
<u>LIABILITIES</u>				
Liabilities, Due to Other Governments	\$ <u>120,829,469</u>	\$ <u>125,481,541</u>	\$ <u>(120,829,469)</u>	\$ <u>125,481,541</u>

See Accompanying Independent Auditor's Report

JOHNSON COUNTY, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<u>COMMUNITY COLLEGES:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ 33,047	\$ 10,212,372	\$ (10,202,545)	\$ 42,874
Receivables:				
Property Tax:				
Delinquent	11,553	10,314	(11,553)	10,314
Succeeding Year	<u>9,518,086</u>	<u>10,003,707</u>	<u>(9,518,086)</u>	<u>10,003,707</u>
Total Assets	\$ <u>9,562,686</u>	\$ <u>20,226,393</u>	\$ <u>(19,732,184)</u>	\$ <u>10,056,895</u>
<u>LIABILITIES</u>				
Liabilities, Due to Other Governments	\$ <u>9,562,686</u>	\$ <u>10,056,895</u>	\$ <u>(9,562,686)</u>	\$ <u>10,056,895</u>
<u>CORPORATIONS:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ 439,646	\$ 119,208,399	\$ (119,104,497)	\$ 543,548
Receivables:				
Property Tax:				
Delinquent	91,945	67,054	(91,945)	67,054
Succeeding Year	<u>111,135,290</u>	<u>116,492,679</u>	<u>(111,135,290)</u>	<u>116,492,679</u>
Total Assets	\$ <u>111,666,881</u>	\$ <u>235,768,132</u>	\$ <u>(230,331,732)</u>	\$ <u>117,103,281</u>
<u>LIABILITIES</u>				
Liabilities, Due to Other Governments	\$ <u>111,666,881</u>	\$ <u>117,103,281</u>	\$ <u>(111,666,881)</u>	\$ <u>117,103,281</u>
<u>TOWNSHIPS:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ 3,515	\$ 1,110,518	\$ (1,107,555)	\$ 6,478
Receivables:				
Property Tax:				
Delinquent	1,832	2,057	(1,832)	2,057
Succeeding Year	<u>1,044,622</u>	<u>1,059,939</u>	<u>(1,044,622)</u>	<u>1,059,939</u>
Total Assets	\$ <u>1,049,969</u>	\$ <u>2,172,514</u>	\$ <u>(2,154,009)</u>	\$ <u>1,068,474</u>
<u>LIABILITIES</u>				
Liabilities, Due to Other Governments	\$ <u>1,049,969</u>	\$ <u>1,068,474</u>	\$ <u>(1,049,969)</u>	\$ <u>1,068,474</u>

See Accompanying Independent Auditor's Report

JOHNSON COUNTY, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<u>CITY SPECIAL ASSESSMENTS:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ 5,161	\$ 122,767	\$ (118,362)	\$ 9,566
Receivables:				
Accounts	2,047	2,532	(2,047)	2,532
Special Assessments	<u>82,843</u>	<u>94,911</u>	<u>(82,843)</u>	<u>94,911</u>
Total Assets	\$ <u>90,051</u>	\$ <u>220,210</u>	\$ <u>(203,252)</u>	\$ <u>107,009</u>
<u>LIABILITIES</u>				
Trusts Payable	\$ <u>90,051</u>	\$ <u>107,009</u>	\$ <u>(90,051)</u>	\$ <u>107,009</u>
Total Liabilities	\$ <u>90,051</u>	\$ <u>107,009</u>	\$ <u>(90,051)</u>	\$ <u>107,009</u>
<u>E911 SURCHARGE:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ 277,177	\$ 860,666	\$ (672,081)	\$ 465,762
Receivables:				
Accounts Receivable	77,726	66,171	(77,726)	66,171
Due from Other Governments	154,781	126,840	(154,781)	126,840
Prepaid Items	<u>62,124</u>	<u>55,894</u>	<u>(62,124)</u>	<u>55,894</u>
Total Assets	\$ <u>571,808</u>	\$ <u>1,109,571</u>	\$ <u>(966,712)</u>	\$ <u>714,667</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 16	\$ 4,976	\$ (16)	\$ 4,976
Due to Other Governments	<u>571,792</u>	<u>709,691</u>	<u>(571,792)</u>	<u>709,691</u>
Total Liabilities	\$ <u>571,808</u>	\$ <u>714,667</u>	\$ <u>(571,808)</u>	\$ <u>714,667</u>
<u>AUTO, LICENSE AND USE TAX:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ <u>3,270,319</u>	\$ <u>38,966,381</u>	\$ <u>(38,940,293)</u>	\$ <u>3,296,407</u>
Total Assets	\$ <u>3,270,319</u>	\$ <u>38,966,381</u>	\$ <u>(38,940,293)</u>	\$ <u>3,296,407</u>
<u>LIABILITIES</u>				
Liabilities, Due to Other Governments	\$ <u>3,270,319</u>	\$ <u>3,296,407</u>	\$ <u>(3,270,319)</u>	\$ <u>3,296,407</u>

See Accompanying Independent Auditor's Report

JOHNSON COUNTY, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2019

	Balance <u>June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2019</u>
<u>PRECINCT ATLAS CONSORTIUM:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ 30,748	\$ 92,917	\$ (123,665)	\$ -
Total Assets	\$ <u>30,748</u>	\$ <u>92,917</u>	\$ <u>(123,665)</u>	\$ <u>-</u>
<u>LIABILITIES</u>				
Due to Other Governments	\$ 30,748	\$ -	\$ (30,748)	\$ -
Total Liabilities	\$ <u>30,748</u>	\$ <u>-</u>	\$ <u>(30,748)</u>	\$ <u>-</u>
<u>EMPOWERMENT BOARD:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ 211,378	\$ 880,371	\$ (870,199)	\$ 221,550
Accounts Receivable	-	13	-	13
Prepaid Items	-	172	-	172
Total Assets	\$ <u>211,378</u>	\$ <u>880,556</u>	\$ <u>(870,199)</u>	\$ <u>221,735</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 82,251	\$ 65,875	\$ (82,251)	\$ 65,875
Due to Other Governments	129,127	155,860	(129,127)	155,860
Total Liabilities	\$ <u>211,378</u>	\$ <u>221,735</u>	\$ <u>(211,378)</u>	\$ <u>221,735</u>
<u>TAX SALES:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ 583,171	\$ 1,652,981	\$ (2,044,335)	\$ 191,817
Total Assets	\$ <u>582,655</u>	\$ <u>1,652,981</u>	\$ <u>(2,044,335)</u>	\$ <u>191,817</u>
<u>LIABILITIES</u>				
Due to Other Governments	\$ 583,171	\$ 191,817	\$ (583,171)	\$ 191,817
Total Liabilities	\$ <u>583,171</u>	\$ <u>191,817</u>	\$ <u>(583,171)</u>	\$ <u>191,817</u>

See Accompanying Independent Auditor's Report

JOHNSON COUNTY, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2019

	Balance <u>June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2019</u>
<u>FLOOD CONTROL:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ -	\$ 86,397	\$ (86,397)	\$ -
Due From Other Governments	<u>-</u>	<u>56,776</u>	<u>-</u>	<u>56,776</u>
Total Assets	\$ <u>-</u>	\$ <u>143,173</u>	\$ <u>(86,397)</u>	\$ <u>56,776</u>
<u>LIABILITIES</u>				
Due to Other Governments	<u>-</u>	<u>56,776</u>	<u>-</u>	<u>56,776</u>
Total Liabilities	\$ <u>-</u>	\$ <u>56,776</u>	\$ <u>-</u>	\$ <u>56,776</u>
<u>MCBRIDE SANITARY DISTRICT</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ -	\$ 6,476	\$ (6,476)	\$ -
Receivables:				
Succeeding Year	\$ <u>6,295</u>	\$ <u>6,443</u>	\$ <u>(6,295)</u>	\$ <u>6,443</u>
Total Assets	\$ <u>6,295</u>	\$ <u>12,919</u>	\$ <u>(12,771)</u>	\$ <u>6,443</u>
<u>LIABILITIES</u>				
Due to Other Governments	\$ <u>6,295</u>	\$ <u>6,443</u>	\$ <u>(6,295)</u>	\$ <u>6,443</u>
Total Liabilities	\$ <u>6,295</u>	\$ <u>6,443</u>	\$ <u>(6,295)</u>	\$ <u>6,443</u>
<u>MHDS/East Central Region</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ -	\$ 22,670,607	\$ (19,197,564)	\$ 3,473,043
Receivables:				
Accounts Receivable	-	57,359	-	57,359
Due From Other Governments	<u>-</u>	<u>345,526</u>	<u>-</u>	<u>345,526</u>
Total Assets	\$ <u>-</u>	\$ <u>23,073,492</u>	\$ <u>(19,197,564)</u>	\$ <u>3,875,928</u>
<u>LIABILITIES</u>				
Accounts payable	-	1,241,296	-	1,241,296
Due to Other Governments	<u>-</u>	<u>2,634,629</u>	<u>-</u>	<u>2,634,629</u>
Total Liabilities	\$ <u>-</u>	\$ <u>3,875,925</u>	\$ <u>-</u>	\$ <u>3,875,925</u>

See Accompanying Independent Auditor's Report

JOHNSON COUNTY, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2019

	Balance				Balance
	<u>June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>		<u>June 30, 2019</u>
<u>Lower Cedar Watershed Mgmt Authority</u>					
<u>ASSETS</u>					
Cash, Cash Equivalents and Pooled Investments:					
County Treasurer	\$ -	\$ 5,700	\$ -		\$ 5,700
Due from other governments	\$ -	\$ 33	\$ -		\$ 33
Total Assets	\$ -	\$ 5,733	\$ -		\$ 5,733
<u>LIABILITIES</u>					
Due to Other Governments	\$ -	\$ 5,733	\$ -		\$ 5,733
Total Liabilities	\$ -	\$ 5,733	\$ -		\$ 5,733
<u>TOTAL COMBINED FUNDS:</u>					
<u>ASSETS</u>					
Cash, Cash Equivalents and Pooled Investments:					
County Treasurer	\$ 6,619,490	\$ 332,108,133	\$ (328,473,075)		\$ 10,254,548
Other County Officials	525,553	5,703,179	(5,757,325)		471,407
Receivables:					
Property Tax:					
Delinquent	259,188	211,476	(259,188)		211,476
Succeeding Year	245,044,581	254,919,141	(245,038,286)		254,925,436
Accounts Receivable	147,029	165,194	(147,029)		165,194
Special Assessments	82,843	94,911	(82,843)		94,911
Due from Other Governments	155,380	529,175	(155,380)		529,175
Prepaid items	91,403	87,028	(91,403)		87,028
Total Assets	\$ 252,925,467	\$ 593,818,237	\$ (580,004,529)		\$ 266,739,175
<u>LIABILITIES</u>					
Accounts Payable	\$ 151,725	\$ 1,389,816	\$ (151,725)		\$ 1,389,816
Salaries and Benefits Payable	59,805	65,555	(59,805)		65,555
Due to Other Governments	252,341,757	265,069,077	(252,468,362)		264,942,472
Trust Payable	255,706	2,361,326	(2,399,394)		217,638
Compensated Absences	116,474	123,694	(116,474)		123,694
Total Liabilities	\$ 252,925,467	\$ 269,009,468	\$ (255,195,760)		\$ 266,739,175

See Accompanying Independent Auditor's Report

JOHNSON COUNTY, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019

<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.S. Department of Agriculture:			
Pass-through program from:			
Iowa Department of Public Health:			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	5888A093	\$ 36,072
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	5888A051	<u>631,152</u>
			<u>667,224</u>
SNAP Cluster			
Iowa Department of Human Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	<u>47,785</u>
Total U.S. Department of Agriculture			<u>715,009</u>
U. S. Department of Defense:			
Pass-through program from:			
Iowa State Treasurer:			
Payments to States in Lieu of Real Estate Taxes	12.112	N/A	<u>18,925</u>
U. S. Department of Housing and Urban Development:			
Pass-through program from:			
Iowa Economic Development Authority:			
CDBG - Disaster Recovery Grants Cluster National Resilient Disaster Recovery Competitions	14.272	13-NDR-007	<u>514,729</u>
U.S. Department of the Interior:			
Direct program:			
Payments in Lieu of Taxes	15.226		67,494
Pass-through program:			
Silos and Smokestacks National Heritage Area: National Heritage Area Federal Financial Assistance	15.939	P15AC00781	<u>4,000</u>
Total U.S. Department of the Interior			<u>71,494</u>
U.S. Department of Justice:			
Pass-through program from:			
Iowa Department of Justice:			
Crime Victim Assistance	16.575	VA-19-39-16	72,509
Direct program:			
State Criminal Alien Assistance Program	16.606		16,387
Pass-through program from:			
Governor's Office of Drug Control Policy:			
Public Safety Partnership and Community Policing Grants	16.710	16-CAMP-05	3,314
Public Safety Partnership and Community Policing Grants	16.710	18-COPS-Heroin-03	<u>1,181</u>
			<u>4,495</u>
Pass-through program from:			
Governor's Office of Drug Control Policy:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	16-JAG-249496	<u>33,647</u>
Total U.S. Department of Justice			<u>127,038</u>

JOHNSON COUNTY, IOWA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019

<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. S. Department of Transportation:			
Pass-through program from:			
Iowa Department of Transportation:			
Highway Planning and Construction Cluster:			
Recreational Trails Program	20.219	2017-NRT-002	69,899
Highway Planning and Construction	20.205	16-TAP-112	787,052
Highway Planning and Construction	20.205	6-17-HBPS-021	409,316
Federal Land Access Program	20.224	FLAP-CO52(116)-7L-52	<u>120,934</u>
Total Highway Planning and Construction Cluster			<u>1,387,201</u>
Pass-through program from:			
East Central Iowa Council of Governments:			
Formula Grants for Rural Areas	20.509	TF-2000-XXX	<u>77,984</u>
Iowa Department of Transportation:			
Transit Services Programs Cluster			
Job Access and Reverse Commute Program	20.516	Mobility Coord	<u>33,484</u>
Highway Safety Cluster:			
Iowa Department of Public Safety:			
State and Community Highway Safety	20.600	18-402-MOPT	<u>35,036</u>
Total U.S. Department of Transportation			<u>1,533,705</u>
U.S. Department of the Treasury:			
Pass-through program from:			
Iowans for Social and Economic Development:			
Volunteer Income Tax Assistance (VITA) Matching Grant Program	21.009	17VITA0082	<u>4,810</u>
U.S. Environmental Protection Agency:			
Pass-through program:			
Iowa Department of Natural Resources			
Drinking Water State Revolving Fund Cluster:			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	19ESDFSBMCLOV-0009	<u>12,905</u>
U.S. Department of Health and Human Services			
Pass-through program from:			
Genesis Health Systems:			
Hospital preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	5889BT03	<u>37,453</u>
Iowa Department of Public Health:			
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	MOU-2018-TB12	<u>188</u>
Immunization Cooperative Agreements	93.268	5886I487	<u>20,084</u>
Iowa Department of Human Services:			
Promoting Safe and Stable Families	93.556	DCAT4-19-005	<u>15,000</u>
Refugee and Entrant Assistance - State Administered Programs CCDF Cluster:	93.566	N/A	<u>101</u>
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	N/A	<u>11,995</u>
Foster Care - Title IV-E	93.658	N/A	<u>16,926</u>
Adoption Assistance	93.659	N/A	<u>5,732</u>
Social Services Block Grant	93.667	N/A	<u>14,181</u>
Children's Health Insurance Program	93.767	N/A	<u>331</u>

JOHNSON COUNTY, IOWA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019

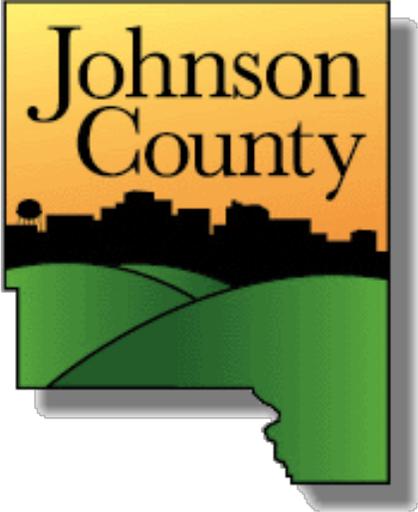
Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Agency or Pass-through Number	Program Expenditures
U.S. Department of Health and Human Services (continued):			
Medicaid Cluster:			
Medical Assistance Program	93.778	N/A	<u>77,262</u>
Iowa Department of Public Health:			
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	5885BT508	<u>4,843</u>
Iowa Department of Public Health:			
HIV Prevention Activities - Health Department Based	93.940	5886AP08	<u>162,853</u>
Maternal and Child Health Services Block Grant to the States	93.994	5887MH10	<u>104,012</u>
Total U.S. Department of Health and Human Services			<u>470,961</u>
Department of Homeland Security:			
Iowa Homeland Security and Emergency Management:			
Hazard Mitigation Grant	97.039	DR-4289-0008-01	17,901
Iowa Homeland Security and Emergency Management:			
Emergency Management Performance Grants	97.042	EMPG-17-PT-52	<u>38,659</u>
Total Department of Homeland Security			<u>56,560</u>
Total			<u>\$ 3,526,136</u>

Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Johnson County, Iowa under programs of the federal government for the year ended June 30, 2019. The information in this schedule 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 Johnson County, Iowa, it is not intended to and does not present the financial position, changes in financial position or cash flows of Johnson County, Iowa. The County received federal awards both directly from federal agencies and indirectly through pass-through entities. Federal financial assistance provided to a subrecipient is treated as an expenditure when it is paid to the subrecipient. No federal financial assistance has been provided to a subrecipient.

Summary of Significant Accounting Policies - Governmental and proprietary fund types account for the County's federal grant activity. Therefore, expenditures in the schedule of expenditures of federal awards are recognized on the modified accrual basis - when they become a demand on current available financial resources in the governmental fund types and on the full accrual basis - when expenditures are incurred in the proprietary fund types. The County's summary of significant accounting policies is presented in Note 1 in the County's basic financial statements.

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

See Accompanying Independent Auditor's Report



STATISTICAL SECTION

JOHNSON COUNTY, IOWA

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	80-88
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	89-99
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	100-103
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	104-107
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	108-113

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

JOHNSON COUNTY, IOWA

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

	<u>2019</u>	<u>2018</u>	<u>2017, as</u> <u>Restated</u>	<u>2016, as</u> <u>Restated</u>
Governmental Activities:				
Net investment in capital assets	\$ 147,967,600	\$ 131,064,633	\$ 122,677,790	\$ 105,131,206
Restricted	14,965,284	14,547,678	12,882,011	25,423,792
Unrestricted	<u>16,935,571</u>	<u>14,389,010</u>	<u>7,671,983</u>	<u>514,934</u>
Total governmental activities net position	\$ <u>179,868,455</u>	\$ <u>160,001,321</u>	\$ <u>143,231,784</u>	\$ <u>131,069,932</u>

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$	99,270,214	\$ 82,451,458	\$ 74,178,929	\$ 71,665,882	\$ 64,703,796	\$ 56,404,229
	22,194,269	24,495,898	24,635,844	17,119,728	13,075,522	14,468,481
	<u>(3,691,292)</u>	<u>7,923,601</u>	<u>5,551,352</u>	<u>4,588,757</u>	<u>5,169,333</u>	<u>5,061,024</u>
\$	<u>117,773,191</u>	\$ <u>114,870,957</u>	\$ <u>104,366,125</u>	\$ <u>93,374,367</u>	\$ <u>82,948,651</u>	\$ <u>75,933,734</u>

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Expenses:			
Governmental activities:			
Public safety and legal services	\$ 25,347,382	\$ 23,044,794	\$ 22,517,620
Physical health and social services	11,288,474	10,438,263	10,094,498
Mental health	5,530,237	5,727,490	7,221,045
County environment and education	6,423,634	5,619,726	5,618,841
Roads and transportation	12,677,748	13,067,355	13,191,877
Governmental services to residents	2,974,297	2,464,520	2,647,086
Administration	9,451,999	9,598,720	9,002,956
Non-program	12,883	8,992	6,534
Interest on long-term debt	<u>336,537</u>	<u>361,394</u>	<u>341,334</u>
Total governmental expenses	<u>74,043,191</u>	<u>70,331,254</u>	<u>70,641,791</u>
Program revenues:			
Governmental activities:			
Charges for services:			
Public safety and legal services	\$ 3,694,331	\$ 3,377,414	3,478,952
Physical health and social services	777,578	915,177	944,182
Mental health	722,085	703,008	804,875
County environment and education	506,953	717,826	452,191
Roads and transportation	91,838	73,670	112,023
Governmental services to residents	2,173,536	2,180,692	2,229,568
Administration	741,022	750,572	1,374,385
Interest on long-term debt	-	-	-
Operating grants and contributions	12,619,539	13,579,013	14,088,732
Capital grants and contributions	<u>7,648,254</u>	<u>1,924,452</u>	<u>1,071,177</u>
Total governmental program revenues	<u>28,975,136</u>	<u>24,221,824</u>	<u>24,556,085</u>
Total primary government net expense	\$ <u>(45,068,055)</u>	\$ <u>(46,109,430)</u>	\$ <u>(46,085,706)</u>
General revenues and other changes in net position			
Governmental Activities:			
Property and other County taxes	\$ 58,139,000	56,138,703	\$ 52,524,864
Other County taxes	968,431	972,047	966,735
Penalty and interest on property taxes	411,720	365,817	502,716
State tax credits	3,398,248	3,455,162	3,346,375
Unrestricted investment earnings	1,909,803	967,109	410,706
Gain (loss) on sales of capital assets	-	68,231	54,092
Miscellaneous	<u>107,987</u>	<u>227,461</u>	<u>442,070</u>
Total governmental activities	<u>64,935,189</u>	<u>62,194,530</u>	<u>58,247,558</u>
Change in net position governmental activities	\$ <u>19,867,134</u>	\$ <u>16,085,100</u>	\$ <u>12,161,852</u>

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$	21,681,544	\$ 21,423,137	\$ 21,713,703	\$ 20,188,789	\$ 19,869,844	\$ 20,543,834	\$ 26,287,797
	9,096,966	8,462,069	8,814,694	8,630,946	8,093,343	8,269,892	8,500,652
	7,383,813	5,897,981	7,977,750	6,484,037	12,976,475	12,768,105	11,402,968
	4,181,307	3,930,143	3,679,768	3,526,150	3,411,529	3,394,472	3,109,458
	11,406,730	12,708,805	10,806,794	10,141,639	10,310,104	10,407,294	10,545,409
	2,259,982	2,043,747	2,124,814	2,492,299	2,056,765	1,964,072	2,128,061
	8,591,357	8,355,864	8,462,602	7,780,572	7,644,148	7,454,214	7,162,914
	5,107	6,375	39,694	5,027	-	7,267	2,845
	<u>374,881</u>	<u>412,638</u>	<u>451,979</u>	<u>488,309</u>	<u>536,360</u>	<u>631,058</u>	<u>750,027</u>
	<u>64,981,687</u>	<u>63,240,759</u>	<u>64,071,798</u>	<u>59,737,768</u>	<u>64,898,568</u>	<u>65,440,208</u>	<u>69,890,131</u>
	3,063,034	3,024,693	2,800,091	2,984,302	2,363,822	2,642,627	2,432,821
	551,161	469,889	469,102	405,637	392,608	379,857	342,012
	934,351	887,449	3,250	91	115,816	25,045	69,511
	525,305	459,665	448,173	459,684	424,858	322,500	311,537
	54,048	63,726	90,612	86,068	106,711	58,923	210,414
	2,159,040	2,041,891	1,985,278	2,210,050	2,032,933	1,905,298	1,821,457
	1,395,337	1,239,492	1,099,596	2,023,086	661,129	556,442	738,297
	-	-	-	-	-	-	-
	<u>14,620,176</u>	<u>16,389,081</u>	<u>17,493,399</u>	<u>12,840,306</u>	<u>21,446,809</u>	<u>15,770,350</u>	<u>18,849,113</u>
	<u>393,674</u>	<u>5,851,362</u>	<u>1,839,719</u>	<u>4,462,371</u>	<u>2,037,591</u>	<u>6,656,717</u>	<u>7,855,275</u>
	<u>23,696,126</u>	<u>30,427,248</u>	<u>26,229,220</u>	<u>25,471,595</u>	<u>29,582,277</u>	<u>28,317,759</u>	<u>32,630,437</u>
\$	<u>(41,285,561)</u>	<u>(32,813,511)</u>	<u>(37,842,578)</u>	<u>(34,266,173)</u>	<u>(35,316,291)</u>	<u>(37,122,449)</u>	<u>(37,259,694)</u>
\$	49,361,895	\$ 47,684,945	\$ 45,376,991	\$ 43,060,882	\$ 42,106,709	\$ 41,877,173	\$ 40,147,711
	1,005,973	985,548	950,917	932,776	962,913	925,093	927,481
	718,558	163,223	408,283	344,982	575,376	394,528	486,976
	3,433,072	2,137,897	1,027,037	823,125	677,451	712,382	747,147
	352,970	284,516	285,224	263,505	269,894	306,885	435,754
	(3,766)	5,700	(346,498)	(276,882)	(13,531)	(183,591)	(11,036)
	<u>144,895</u>	<u>160,220</u>	<u>139,387</u>	<u>109,543</u>	<u>1,163,195</u>	<u>104,896</u>	<u>150,580</u>
	<u>55,013,597</u>	<u>51,422,049</u>	<u>47,841,341</u>	<u>45,257,931</u>	<u>45,742,007</u>	<u>44,137,366</u>	<u>42,884,613</u>
\$	<u>13,728,036</u>	<u>18,608,538</u>	<u>9,998,763</u>	<u>10,991,758</u>	<u>10,425,716</u>	<u>7,014,917</u>	<u>5,624,919</u>

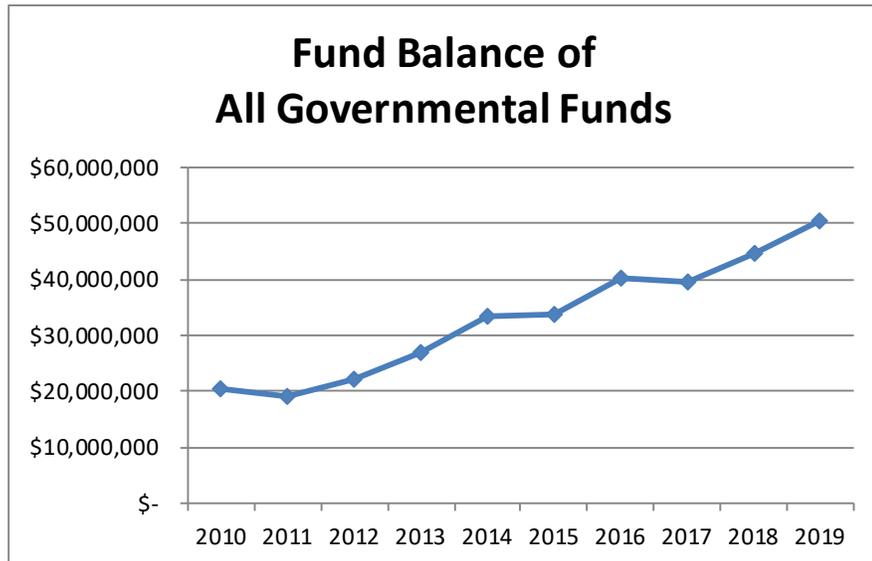
JOHNSON COUNTY, IOWA
FUND BALANCES OF GOVERNMENTAL FUNDS
FOR THE LAST TEN FISCAL YEARS
UNAUDITED
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund:					
Nonspendable	\$ 200,959	\$ 187,828	\$ 182,922	\$ 214,385	\$ 203,911
Restricted	2,200,096	3,606,754	4,110,541	2,141,961	1,585,708
Unassigned	19,499,280	17,470,191	14,964,912	14,599,342	11,619,718
Total general fund	<u>\$ 21,900,335</u>	<u>\$ 21,264,773</u>	<u>\$ 19,258,375</u>	<u>\$ 16,955,688</u>	<u>\$ 13,409,337</u>
All other governmental funds					
Nonspendable	\$ 1,520,536	\$ 1,424,282	\$ 479,015	\$ 528,678	\$ 414,356
Restricted	19,149,877	13,300,317	14,814,647	12,696,268	11,812,274
Committed	-	-	-	-	-
Assigned	8,004,505	8,580,798	-	9,956,978	8,179,074
Unassigned	-	-	4,892,323	-	-
Total all other governmental funds	<u>\$ 28,674,918</u>	<u>\$ 23,305,397</u>	<u>\$ 20,185,985</u>	<u>\$ 23,181,924</u>	<u>\$ 20,405,704</u>

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

Fund Balance of all Governmental Funds

2010	\$ 20,547,722
2011	\$ 19,058,868
2012	\$ 22,314,131
2013	\$ 27,054,220
2014	\$ 33,535,207
2015	\$ 33,815,041
2016	\$ 40,137,612
2017	\$ 39,444,360
2018	\$ 44,570,170
2019	\$ 50,575,253

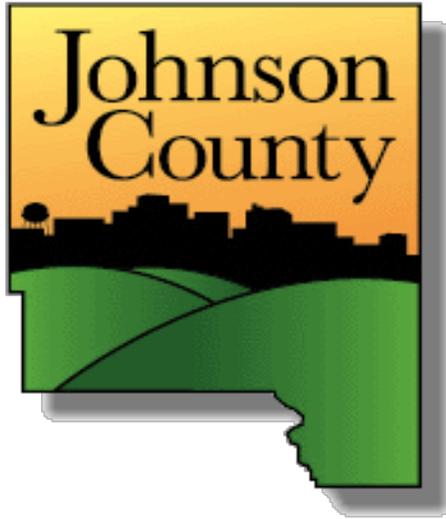


<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010*</u>
\$ 426,916	\$ 380,248	\$ 317,072	\$ 365,387	\$ -
934,199	760,182	684,053	1,261,820	1,326,333
<u>9,039,309</u>	<u>5,827,582</u>	<u>5,138,114</u>	<u>5,806,419</u>	<u>6,079,241</u>
\$ <u><u>10,400,424</u></u>	\$ <u><u>6,968,012</u></u>	\$ <u>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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenues:				
Property taxes and other county taxes	\$ 59,118,878	\$ 57,099,590	\$ 53,486,619	\$ 50,364,750
Interest and penalty on taxes	413,119	364,041	495,683	712,984
Intergovernmental	23,930,569	19,285,208	20,243,236	20,256,459
Licenses and permits	732,053	727,532	690,466	748,102
Charges for service	4,935,715	5,067,547	5,034,553	4,399,571
Use of money and property	1,891,685	1,185,881	419,210	352,742
Miscellaneous	671,123	1,225,537	1,177,049	1,544,628
Total revenues	<u>91,693,142</u>	<u>84,955,336</u>	<u>81,546,816</u>	<u>78,379,236</u>
Expenditures:				
Current:				
Public safety and legal services	24,311,193	23,533,955	21,664,656	21,009,727
Physical health and social services	11,160,839	10,085,322	9,786,384	9,017,307
Mental health	5,548,694	5,723,214	7,335,429	7,519,034
County environment and education	5,540,994	4,987,436	4,860,092	4,028,440
Roads and transportation	9,974,893	9,711,078	9,610,535	8,842,350
Governmental services to residents	2,851,188	2,383,760	2,434,856	2,197,423
Administration	8,490,199	8,334,774	7,870,598	7,728,567
Non-program	5,276	3,748	2,673	3,183
Capital projects	16,793,113	14,407,215	16,696,625	11,212,474
Debt service:				
Principal	7,895,000	7,530,000	6,520,000	6,440,000
Interest	333,427	368,457	343,236	376,495
Total expenditures	<u>92,904,816</u>	<u>87,068,959</u>	<u>87,125,084</u>	<u>78,375,000</u>
Excess (deficiency) of revenues over (under) expenditures	(1,211,674)	(2,113,623)	(5,578,268)	4,236
Other financing sources (uses):				
Sale of capital assets	16,757	39,433	85,016	18,355
Proceeds from long-term debt	7,200,000	7,200,000	4,800,000	6,300,000
Issuance of refunding bonds	-	4,240,000	-	-
Payment to refunded bond escrow agent	-	(4,240,000)	-	-
Transfers in	27,299,738	26,453,965	26,567,248	22,905,120
Transfers out	(27,299,738)	(26,453,965)	(26,567,248)	(22,905,120)
Total other financing sources (uses)	<u>7,216,757</u>	<u>7,239,433</u>	<u>4,885,016</u>	<u>6,318,335</u>
Net change in fund balances	<u>6,005,083</u>	<u>\$ 5,125,810</u>	<u>\$ (693,252)</u>	<u>\$ 6,322,571</u>
Debt Service as a percentage of noncapital expenditures	10.62%	10.67%	9.36%	10.10%

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$	48,667,704	\$ 46,330,012	\$ 43,994,487	\$ 43,064,225	\$ 42,807,106	\$ 41,076,815
	169,549	417,092	346,337	566,085	395,959	490,122
	20,813,839	19,937,570	18,001,226	24,161,443	20,933,586	21,216,527
	677,670	646,331	676,912	579,650	505,578	489,658
	4,169,605	4,118,569	4,155,377	4,068,724	3,785,002	3,581,173
	300,809	284,731	274,123	280,324	334,429	465,921
	<u>1,429,284</u>	<u>1,481,530</u>	<u>2,232,974</u>	<u>2,128,204</u>	<u>777,200</u>	<u>1,019,237</u>
	<u>76,228,460</u>	<u>73,215,835</u>	<u>69,681,436</u>	<u>74,848,655</u>	<u>69,538,860</u>	<u>68,339,453</u>
	20,735,683	20,536,016	19,651,404	19,266,352	19,737,412	25,319,933
	8,474,153	8,410,932	8,349,705	8,046,818	8,121,773	8,498,353
	5,989,761	7,887,238	6,419,857	12,999,800	12,743,965	11,375,172
	3,684,968	3,507,160	3,530,073	3,321,442	3,230,084	3,244,086
	9,083,591	8,528,073	8,735,455	7,592,330	7,212,691	7,129,285
	2,015,947	2,018,025	2,450,684	1,932,431	1,892,552	1,934,739
	7,490,403	7,384,293	7,141,290	6,803,964	6,564,119	6,465,719
	4,432	37,827	3,160	3,005	5,400	978
	16,445,471	10,197,459	5,728,384	7,716,047	9,814,804	6,935,520
	5,965,000	4,395,000	4,046,000	3,386,000	7,368,000	5,540,000
	<u>415,861</u>	<u>454,144</u>	<u>491,316</u>	<u>540,300</u>	<u>639,726</u>	<u>842,036</u>
	<u>80,305,270</u>	<u>73,356,167</u>	<u>66,547,328</u>	<u>71,608,489</u>	<u>77,330,526</u>	<u>77,285,821</u>
	(4,076,810)	(140,332)	3,134,108	3,240,166	(7,791,666)	(8,946,368)
	6,644	62,113	15,187	15,097	17,812	19,713
	4,350,000	3,150,000	5,000,000	-	6,285,000	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	21,455,078	12,741,210	13,072,326	10,741,317	13,183,733	11,340,449
	<u>(21,455,078)</u>	<u>(12,741,210)</u>	<u>(13,072,326)</u>	<u>(10,741,317)</u>	<u>(13,183,733)</u>	<u>(11,340,449)</u>
	<u>4,356,644</u>	<u>3,212,113</u>	<u>5,015,187</u>	<u>15,097</u>	<u>6,302,812</u>	<u>19,713</u>
\$	<u><u>279,834</u></u>	<u><u>3,071,781</u></u>	<u><u>8,149,295</u></u>	<u><u>3,255,263</u></u>	<u><u>(1,488,854)</u></u>	<u><u>(8,926,655)</u></u>
	11.10%	7.68%	8.06%	6.55%	13.46%	9.98%



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

<u>Fiscal</u> <u>Year</u>	<u>Property</u> <u>Taxes</u>	<u>Other</u> <u>County</u> <u>Taxes</u>	<u>Total</u>
2010	\$ 40,147,711	\$ 927,481	\$ 41,075,192
2011	41,877,173	925,093	42,802,266
2012	42,106,709	962,913	43,069,622
2013	43,060,882	932,776	43,993,658
2014	45,376,991	950,917	46,327,908
2015	47,684,945	985,548	48,670,493
2016	49,361,895	1,005,973	50,367,868
2017	52,524,864	966,735	53,491,599
2018	56,138,703	972,047	57,110,750
2019	58,139,000	968,431	59,107,431

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

<u>Year</u>	<u>Residential</u>	<u>Agriculture</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Multi-Residential</u>	<u>Railroad</u>
2010	3,073,177	217,956	1,604,842	95,839	0	18,381
2011	3,243,429	217,052	1,682,951	99,609	0	13,290
2012	3,430,150	226,215	1,687,596	98,555	0	14,878
2013	3,721,050	216,624	1,704,187	99,326	0	22,353
2014	3,944,913	226,308	1,639,062	97,793	0	27,268
2015	4,216,011	226,308	1,609,114	98,844	0	30,813
2016	4,525,712	236,105	1,485,635	87,086	0	30,461
2017	4,906,094	263,495	1,134,366	85,652	449,228	30,994
2018	5,200,791	271,486	1,193,952	85,438	429,746	29,739
2019	5,408,495	285,701	1,622,005	111,773	493,503	25,643

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

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

* Rate per \$1,000 of taxable valuation

Utility, Incl Gas & <u>Electric</u>	<u>Military Exemption</u>	Total Taxable <u>Value</u>	TIF <u>Valuation</u>	Total Direct Tax Rate, <u>Urban *</u>
167,646	(7,215)	5,170,626	721,632	9.96993
168,066	(7,162)	5,417,235	732,609	10.40072
179,442	(7,125)	5,629,711	758,896	10.08701
184,958	(7,065)	5,941,433	739,098	9.83823
186,503	(7,017)	6,114,830	838,664	10.07538
190,642	(6,889)	6,364,843	988,091	10.14914
186,026	(6,782)	6,544,243	992,789	10.37276
179,946	(6,560)	7,043,215	999,085	10.24079
171,927	(6,376)	7,376,702	1,040,613	10.55135
172,593	(6,243)	8,113,470	756,987	10.20255

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Countywide service rates:				
General basic	\$ 3.50000	\$ 3.50000	\$ 3.50000	\$ 3.50000
General supplemental	0.21176	0.53648	0.81752	1.14707
MH/DS	0.58222	0.67548	0.44559	0.47957
Debt service	<u>2.24196</u>	<u>2.13947</u>	<u>2.00829</u>	<u>1.77673</u>
Johnson County urban rate	6.53594	6.85143	6.77140	6.90337
Johnson County rural rate	<u>3.66661</u>	<u>3.69992</u>	<u>3.46939</u>	<u>3.46939</u>
Total Direct Rate	<u>10.20255</u>	<u>10.55135</u>	<u>10.24079</u>	<u>10.37276</u>
City Rates:				
Coralville	13.52770	13.52770	13.52779	13.52771
Hills	8.10000	8.10000	8.10000	8.10000
Iowa City	14.85629	16.33305	16.58305	16.65096
Lone Tree	12.95547	9.18296	9.19724	9.22462
North Liberty	11.03264	11.03264	11.03264	11.03264
Oxford	14.25606	10.14301	9.72063	10.82201
Shueyville	7.09910	7.09909	7.09997	7.09995
Solon	10.89780	10.87796	10.82552	10.83300
Swisher	8.59314	8.37053	8.10000	8.10000
Tiffin	11.80205	11.80227	11.80265	11.80309
University Heights	10.93764	10.79874	11.08828	11.05210
West Branch	12.35271	12.59382	12.59382	12.59382
School District Rates:				
Clear Creek Amana	16.57663	16.75949	16.75419	15.62084
College Community	16.60836	16.64476	16.06203	15.81016
Iowa City	14.85629	13.95855	13.98935	13.86773
Solon	16.24083	16.22396	16.11521	16.15171
West Branch	13.09246	13.75022	14.12945	14.17879

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$	3.50000	\$ 3.50000	\$ 3.50000	\$ 3.50000	\$ 3.50000	\$ 3.50000
	0.68976	1.11314	2.09274	2.46627	2.55706	2.58982
	0.49284	0.51324	0.52822	0.55747	0.57934	0.60697
	<u>2.05908</u>	<u>1.61074</u>	<u>0.62813</u>	<u>0.47402</u>	<u>0.59533</u>	<u>0.69680</u>
	6.74168	6.73712	6.74909	6.99776	7.23173	7.39359
	<u>3.40746</u>	<u>3.33826</u>	<u>3.08914</u>	<u>3.08925</u>	<u>3.16899</u>	<u>2.57634</u>
	<u>10.14914</u>	<u>10.07538</u>	<u>9.83823</u>	<u>10.08701</u>	<u>10.40072</u>	<u>9.96993</u>
	13.52771	13.52770	13.52767	13.52770	13.52770	13.41766
	8.10000	8.10000	8.10000	8.10000	8.10000	8.10000
	16.70520	16.80522	17.26864	17.84150	17.75655	17.85262
	9.23483	9.27730	9.31760	9.40564	9.49379	9.58125
	11.03264	11.03264	11.03264	11.03264	11.20264	10.90993
	9.38055	10.84265	10.93746	11.03538	11.40053	10.80329
	7.09991	7.09994	7.10000	7.09995	6.44673	7.10000
	10.97205	10.88627	10.71190	10.71202	10.76817	10.66992
	8.10000	8.10000	8.10000	8.10000	8.10000	8.10000
	11.97177	10.62359	11.97391	11.97391	10.35130	12.05957
	10.88143	10.90073	10.94865	11.06390	11.04972	10.94654
	12.04382	12.04382	12.04382	12.04382	12.04382	11.90420
	15.06516	15.11055	15.31063	15.54876	15.71002	15.67097
	14.80342	15.08387	15.80308	16.55788	17.20361	17.21168
	13.69999	13.68792	14.07327	14.59055	14.68972	14.19136
	16.35337	15.99708	16.95781	16.97452	17.18631	16.99654
	14.10551	13.97611	13.96841	14.05544	14.30683	13.96421

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

<u>Taxpayers</u>	<u>Type of Business</u>	<u>2019</u>			<u>2010</u>		
		<u>Taxable Value</u>	<u>Rank</u>	<u>Percentage of Taxable Value</u>	<u>Taxable Value</u>	<u>Rank</u>	<u>Percentage of Taxable Value</u>
Coral Ridge Mall LLC.	Retail Property	\$ 112,996,170	1	1.27 %	\$ 114,659,530	1	1.95 %
Mid American Energy	Energy Company	71,209,316	2	0.79	84,006,240	2	1.40
ACT	Standardized Testing	46,239,884	3	0.52	46,408,155	3	0.79
Ann Gerdin Trust (Heartland Express)	Trucking Company	34,935,811	4	0.39	29,941,043	6	0.51
City of Coralville	City	33,642,384	5	0.38	38,692,332	4	0.66
Greenstate Credit Union (formerly UICCU)	Financial Institution	32,752,370	6	0.37	-	-	-
Rise at Riverfront Landing	Property Leasing	30,679,064	7	0.35	-	-	-
Wal-Mart Real Estate Business	Retail Property	28,059,930	8	0.32	21,889,830	7	0.37
Hy-Vee Inc.	Grocery Store	27,866,610	9	0.31	-	-	-
BBCS Hawkeye Housing LLC	Property Leasing	27,628,800	10	0.31	-	-	-
TKG Coral North LLC	Retail Property	-	-	-	31,268,775	5	0.53
ARC	Property Leasing	-	-	-	20,991,133	8	0.36
Century Link	Telecommunications	-	-	-	20,483,656	9	0.35
Sycamore Town Center	Retail Property	-	-	-	16,411,170	10	0.28
		\$ <u>446,010,339</u>		<u>5.01</u> %	\$ <u>424,751,864</u>		<u>7.20</u> %
Total Taxable Value		\$ <u>8,870,456,555</u>			\$ <u>5,892,256,985</u>		

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

<u>Fiscal</u> <u>Year Ended</u> <u>June 30,</u>	<u>Taxes Levied</u> <u>for the Year</u>	<u>Property Taxes</u> <u>Collected in the</u> <u>Fiscal Year</u>	<u>% of</u> <u>Lew</u>	<u>Delinquent</u> <u>Tax Collections</u>	<u>Property Taxes</u> <u>Collected to Date</u>	<u>% of</u> <u>Lew</u>
2010	\$ 213,709,328	\$ 211,462,878	98.95 %	\$ 50,316	\$ 211,513,194	98.97 %
2011	225,676,348	223,034,146	98.83	97,707	223,131,853	98.87
2012	232,467,081	229,574,883	98.76	99,491	229,674,374	98.80
2013	237,360,406	234,276,345	98.70	75,783	234,352,128	98.73
2014	242,485,620	237,667,339	98.01	25,413	237,692,752	98.02
2015	257,827,389	249,774,467	96.88	81,661	249,856,128	96.91
2016	273,996,983	254,096,465	92.74	56,491	254,152,956	92.76
2017	288,034,843	273,268,221	94.87	55,663	273,323,884	94.89
2018	302,838,907	291,198,849	96.16	112,580	291,311,429	96.19
2019	322,633,087	306,036,757	94.86	157,694	306,194,451	94.90

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

JOHNSON COUNTY, IOWA
NET TAXABLE PROPERTY VALUATIONS
FOR THE LAST TWO YEARS
UNAUDITED

	2017 Valuations For FY2019 Tax Levies		
	<u>Rural</u>	<u>Urban</u>	<u>Grand Total</u>
<u>JOHNSON COUNTY BASE</u>			
Residential	\$ 1,175,034,831	4,233,459,991	\$ 5,408,494,822
Agricultural land	263,558,862	6,520,965	270,079,827
Agricultural buildings	15,491,491	129,760	15,621,251
Commercial property	107,051,219	1,514,953,964	1,622,005,183
Industrial property	9,826,290	101,946,817	111,773,107
Multiresidential	20,399,844	473,103,097	493,502,941
Railroads	11,418,059	14,224,563	25,642,622
Utilities (Without gas & elec.)	<u>51,549,081</u>	<u>28,853,899</u>	<u>80,402,980</u>
Gross Valuation	1,654,329,677	6,373,193,056	8,027,522,733
Less military tax exemptions	<u>(1,509,380)</u>	<u>(4,733,712)</u>	<u>(6,243,092)</u>
Total value for computing taxes levied	1,652,820,297	6,368,459,344	8,021,279,641
Gas & electric utilities	<u>25,860,012</u>	<u>66,329,563</u>	<u>92,189,575</u>
Total value for computing tax rates	<u>\$ 1,678,680,309</u>	<u>\$ 6,434,788,907</u>	<u>\$ 8,113,469,216</u>
<u>COUNTY TIF INCREMENT</u>			
Residential	\$ -	\$ 233,026,324	\$ 233,026,324
Agricultural land	-	494,679	494,679
Agricultural building	-	7,989	7,989
Commercial property	-	493,755,312	493,755,312
Industrial property	-	12,989,428	12,989,428
Multiresidential	-	<u>16,713,607</u>	<u>16,713,607</u>
Total value for computing taxes levied	-	<u>756,987,339</u>	<u>756,987,339</u>
Total value for computing tax rates	<u>\$ -</u>	<u>\$ 756,987,339</u>	<u>\$ 756,987,339</u>
<u>CO. DEBT SERVICE TOTAL</u>			
Residential	\$ 1,175,034,831	4,466,486,315	\$ 5,641,521,146
Agricultural land	263,558,862	7,015,644	270,574,506
Agricultural buildings	15,491,491	137,749	15,629,240
Commercial property	107,051,219	2,008,709,276	2,115,760,495
Industrial property	9,826,290	114,936,245	124,762,535
Multiresidential	20,399,844	489,816,704	510,216,548
Railroads	11,418,059	14,224,563	25,642,622
Utilities (Without gas & elec.)	<u>51,549,081</u>	<u>28,853,899</u>	<u>80,402,980</u>
Gross valuation	1,654,329,677	7,130,180,395	8,784,510,072
Less military tax exemptions	<u>(1,509,380)</u>	<u>(4,733,712)</u>	<u>(6,243,092)</u>
Total value for computing taxes levied	1,652,820,297	7,125,446,683	8,778,266,980
Gas & electric utilities	<u>25,860,012</u>	<u>66,329,563</u>	<u>92,189,575</u>
Total value for computing tax rates	<u>\$ 1,678,680,309</u>	<u>\$ 7,191,776,246</u>	<u>\$ 8,870,456,555</u>

Note: Rollbacks applied and military exemptions deducted.

2016 Valuations
For FY2018 Tax Levies

<u>Rural</u>	<u>Urban</u>	<u>Grand Total</u>
\$ 1,160,194,496	\$ 4,040,596,295	\$ 5,200,790,791
250,353,882	6,712,679	257,066,561
14,296,440	122,836	14,419,276
102,313,926	1,091,637,952	1,193,951,878
10,231,380	75,206,176	85,437,556
21,834,838	407,911,099	429,745,937
12,982,302	16,757,165	29,739,467
50,466,356	28,877,053	79,343,409
<u>1,622,673,620</u>	<u>5,667,821,255</u>	<u>7,290,494,875</u>
<u>(1,533,459)</u>	<u>(4,842,980)</u>	<u>(6,376,439)</u>
1,621,140,161	5,662,978,275	7,284,118,436
26,383,405	66,199,710	92,583,115
<u>\$ 1,647,523,566</u>	<u>\$ 5,729,177,985</u>	<u>\$ 7,376,701,551</u>
\$ -	\$ 198,826,815	\$ 198,826,815
-	716,512	716,512
-	13,605	13,605
-	769,262,218	769,262,218
-	44,317,503	44,317,503
-	27,476,261	27,476,261
<u>-</u>	<u>1,040,612,914</u>	<u>1,040,612,914</u>
<u>\$ -</u>	<u>\$ 1,040,612,914</u>	<u>\$ 1,040,612,914</u>
\$ 1,160,194,496	\$ 4,239,423,110	\$ 5,399,617,606
250,353,882	7,429,191	257,783,073
14,296,440	136,441	14,432,881
102,313,926	1,860,900,170	1,963,214,096
10,231,380	119,523,679	129,755,059
21,834,838	435,387,360	457,222,198
12,982,302	16,757,165	29,739,467
50,466,356	28,877,053	79,343,409
<u>1,622,673,620</u>	<u>6,708,434,169</u>	<u>8,331,107,789</u>
<u>(1,533,456)</u>	<u>(4,842,980)</u>	<u>(6,376,436)</u>
1,621,140,164	6,703,591,189	8,324,731,353
26,383,405	66,199,710	92,583,115
<u>\$ 1,647,523,569</u>	<u>\$ 6,769,790,899</u>	<u>\$ 8,417,314,468</u>

JOHNSON COUNTY, IOWA
NET TAXABLE PROPERTY VALUATIONS
FOR THE LAST TEN FISCAL YEARS
UNAUDITED

	Percentage change in Taxable Grand Total Valuations			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>JOHNSON COUNTY BASE</u>				
Ag dwellings	- %	- %	7.6 %	3.1 %
Non-ag residential	-	6.2	8.4	7.5
Residential (including Ag dwellings)	4.0	6.0	8.4	7.4
Agricultural land	5.1	2.8	12.9	2.7
Agricultural buildings	8.3	7.8	(7.7)	7.1
Commercial property	35.9	5.3	(23.6)	(7.7)
Industrial property	30.8	(0.3)	(1.6)	(11.9)
Railroads	(13.8)	(4.0)	1.8	(1.1)
Utilities (Without gas & elec.)	<u>1.3</u>	<u>(1.5)</u>	<u>(3.1)</u>	<u>(3.8)</u>
Total val. for comp. pr. taxes	10.1	4.9	7.8	2.8
Gas & electric utilities	<u>(0.4)</u>	<u>(6.9)</u>	<u>(3.4)</u>	<u>(1.3)</u>
Total val. for comp. levies	<u>10.0 %</u>	<u>4.7 %</u>	<u>7.6 %</u>	<u>2.8 %</u>
<u>COUNTY TIF INCREMENT</u>				
Ag dwellings				
Non-ag residential	- %	2.7 %	5.2 %	(7.0) %
Residential (including Ag dwellings)	17.2	2.7	5.2	(7.0)
Agricultural land	(31.0)	20.9	(26.7)	36.9
Agricultural buildings	(41.3)	38.2	25.1	(31.4)
Commercial property	(36.2)	5.0	(4.1)	1.8
Industrial property	(71.7)	(6.5)	<u>18.9</u>	<u>12.8</u>
Multiresidential	<u>(39.0)</u>	<u>11.8</u>		
Total val. for comp. pr. taxes	<u>(27.6)</u>	<u>4.2</u>	<u>1.0</u>	<u>17.8</u>
Total val. for comp. levies	<u>(27.6) %</u>	<u>4.2 %</u>	<u>1.0 %</u>	<u>17.8 %</u>
<u>CO. DEBT SERVICE TOTAL</u>				
Ag dwellings	- %	- %	7.6 %	3.1 %
Non-ag residential	-	5.0	8.3	6.8
Residential (including Ag dwellings)	4.5	4.4	8.3	6.7
Agricultural land	5.0	2.9	12.7	2.8
Agricultural buildings	8.3	7.9	(7.7)	7.0
Commercial property	7.5	6.2	(17.0)	(4.6)
Industrial property	(3.8)	(3.9)	4.8	(5.4)
Multiresidential	11.6	(3.5)	-	-
Railroads	(13.8)	(3.3)	1.8	(1.1)
Utilities (Without gas & elec.)	<u>1.3</u>	<u>(3.4)</u>	<u>(3.1)</u>	<u>(3.8)</u>
Total val. for comp. pr. taxes	5.4	4.8	6.9	2.5
Gas & electric utilities	<u>(0.4)</u>	<u>(6.9)</u>	<u>(3.4)</u>	<u>(1.3)</u>
Total val. for comp. levies	<u>5.3 %</u>	<u>4.7 %</u>	<u>6.8 %</u>	<u>2.5 %</u>

Note: Rollbacks applied and military exemptions deducted.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
4.6 %	11.9 %	8.4 %	5.3 %	6.9 %	5.1 %
6.9	5.9	8.5	5.8	5.5	7.6
6.9	6.0	8.5	5.8	5.6	7.6
2.6	4.2	(3.9)	3.9	1.4	3.1
(15.3)	8.4	(8.7)	8.3	(19.8)	(15.0)
(1.8)	(3.8)	1.0	0.3	4.9	6.3
1.1	(1.5)	0.8	(1.1)	3.9	10.4
13.0	22.0	50.2	11.9	(27.7)	(19.9)
<u>3.4</u>	<u>3.3</u>	<u>10.8</u>	<u>4.6</u>	<u>0.8</u>	<u>(0.4)</u>
<u>4.2</u>	<u>3.0</u>	<u>5.7</u>	<u>3.8</u>	<u>4.9</u>	<u>6.7</u>
<u>1.3</u>	<u>(1.1)</u>	<u>(2.2)</u>	<u>8.3</u>	<u>(0.2)</u>	<u>2.5</u>
<u>4.1 %</u>	<u>2.9 %</u>	<u>5.5 %</u>	<u>3.9 %</u>	<u>4.8 %</u>	<u>6.6 %</u>
8.2 %	28.4 %	(5.2) %	17.7 %	(1.8) %	4.4 %
8.2	28.4	(5.4)	17.7	(1.8)	4.3
16.1	6.1	39.3	7.2	255.1	(4.5)
11.7	(9.1)	11.5	32.3	67.4	(32.0)
21.2	9.8	(1.9)	0.5	2.0	(4.7)
<u>6.9</u>	<u>11.0</u>	<u>(3.7)</u>	<u>2.2</u>	<u>6.2</u>	<u>(14.8)</u>
<u>13.5</u>	<u>(2.6)</u>	<u>3.6</u>	<u>1.5</u>	<u>(3.6)</u>	<u>12.2</u>
<u>13.5 %</u>	<u>(2.6) %</u>	<u>3.6 %</u>	<u>1.5 %</u>	<u>(3.6) %</u>	<u>12.2 %</u>
4.6 %	11.9 %	8.1 %	5.3 %	6.9 %	5.0 %
7.0	6.7	7.9	6.2	5.2	7.5
6.9	6.9	7.9	6.2	5.3	7.4
2.7	4.2	(3.8)	3.9	1.5	3.1
(15.3)	8.4	(8.7)	8.3	(19.8)	(15.1)
4.5	(0.4)	0.3	0.3	4.1	3.2
2.5	1.4	(0.3)	(0.3)	4.5	3.4
-	-	-	-	-	-
13.0	22.0	50.2	11.9	(27.7)	(19.9)
<u>3.4</u>	<u>3.3</u>	<u>10.8</u>	<u>4.6</u>	<u>0.8</u>	<u>(0.4)</u>
<u>5.9</u>	<u>4.2</u>	<u>4.7</u>	<u>3.8</u>	<u>4.4</u>	<u>5.3</u>
<u>1.3</u>	<u>(1.1)</u>	<u>(2.2)</u>	<u>8.3</u>	<u>(0.2)</u>	<u>2.5</u>
<u>5.8 %</u>	<u>4.1 %</u>	<u>4.6 %</u>	<u>3.9 %</u>	<u>4.4 %</u>	<u>5.2 %</u>

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

<u>Fiscal Year</u>	<u>General Obligation Capital Loan Notes Outstanding (1)</u>	<u>Less: Amounts Available in Debt Service Fund (2)</u>	<u>Total</u>	<u>Percent Debt to Assessed Value</u>	<u>Outstanding Debt Per Capita*</u>	<u>Percentage of Personal Income</u>
2010	\$ 19,205,000	\$ 551,279	\$ 18,653,721	0.20 %	\$ 146.28	0.354 %
2011	18,122,000	75,127	18,046,873	0.18	135.70	0.311
2012	14,736,000	265,385	14,470,615	0.14	108.10	0.239
2013	15,690,000	376,280	15,313,720	0.15	115.52	0.242
2014	14,445,000	450,325	13,994,675	0.13	106.35	0.233
2015	12,830,000	278,157	12,551,843	0.12	90.17	0.199
2016	12,690,000	173,937	12,516,063	0.12	89.19	0.187
2017	10,970,000	187,059	10,782,941	0.10	74.87	0.158
2018	10,640,000	310,012	10,329,988	0.09	71.31	0.142
2019	9,945,000	394,465	9,550,535	0.09	63.15	0.119

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

(1) For the purposes of this schedule, the County's net general bonded debt is equal to the County's total general bonded debt as the debt obligations are retired through the use of the County's general resources.

(2) Amount restricted for Debt Service payments

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



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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Debt limit	\$ 671,063,024	\$ 613,066,404	\$ 594,176,929	\$ 537,498,905
Total Net Debt Applicable to the limit	<u>(9,945,000)</u>	<u>(10,640,000)</u>	<u>(10,970,000)</u>	<u>(12,690,000)</u>
Legal Debt Margin	<u>\$ 661,118,024</u>	<u>\$ 602,426,404</u>	<u>\$ 583,206,929</u>	<u>\$ 524,808,905</u>
% of Debt Limit to Total Net Debt	1.48%	1.77%	1.85%	2.36%

Legal Debt Margin Calculation for Fiscal Year 2018:

2018 actual valuation	\$ 13,421,260,470
Multiply by 5%	<u>5 %</u>
Debt Limit	671,063,024
Less: Outstanding GO Debt	<u>(9,945,000)</u>
Legal Debt Margin	<u>\$ 661,118,024</u>

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 566,370,725	\$ 546,388,412	\$ 535,586,818	\$ 520,003,745	\$ 508,645,689	\$ 489,943,369
<u>(14,445,000)</u>	<u>(15,690,000)</u>	<u>(14,736,000)</u>	<u>(18,122,000)</u>	<u>(19,205,000)</u>	<u>(24,745,000)</u>
\$ <u>551,925,725</u>	\$ <u>530,698,412</u>	\$ <u>520,850,818</u>	\$ <u>501,881,745</u>	\$ <u>489,440,689</u>	\$ <u>465,198,369</u>
2.55%	2.87%	2.75%	3.48%	3.78%	5.05%

JOHNSON COUNTY, IOWA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2019
UNAUDITED

<u>Governmental Unit</u>	<u>Debt</u> <u>Outstanding</u>	<u>Percent</u> <u>Applicable</u>	<u>Amount</u> <u>Applicable to</u> <u>Johnson County</u>
Direct Debt:			
Johnson County	\$ 9,945,000	100.00 %	\$ 9,945,000
Overlapping Debt:			
School Districts:			
Clear Creek-Amana School (Clear Creek)	81,155,000	99.57	80,806,034
College Community School	80,800,000	13.01	10,512,080
Highland School	300,000	3.75	11,250
Iowa City School	115,095,000	100.00	115,095,000
Lisbon School	9,730,000	3.82	371,686
Lone Tree School	3,025,000	97.55	2,950,888
Mid-Prairie School	7,310,000	24.31	1,777,061
Mt. Vernon School	12,520,000	0.11	13,772
Solon School	23,240,000	99.55	23,135,420
West Branch School	-	27.22	-
West Liberty School	1,160,000	2.00	23,200
Williamsburg School	5,515,000	0.95	52,393
Eastern Iowa Community College	6,740,000	0.04	2,696
Kirkwood Community College	80,231,000	33.58	26,941,570
Cities:			
Coralville	296,675,681	100.00	296,675,681
Hills	681,000	100.00	681,000
Iowa City	39,935,000	100.00	39,935,000
Lone Tree	348,000	100.00	348,000
North Liberty	29,795,000	100.00	29,795,000
Oxford	1,262,000	100.00	1,262,000
Shueyville	1,715,000	100.00	1,715,000
Solon	3,771,000	100.00	3,771,000
Swisher	3,500,000	100.00	3,500,000
Tiffin	12,160,000	100.00	12,160,000
University Heights	1,680,000	100.00	1,680,000
West Branch	6,715,000	3.04	204,136
Subtotal Overlapping Debt			<u>653,419,867</u>
Total Direct and Overlapping Debt			\$ <u><u>663,364,867</u></u>

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

Calculated:

Debt Outstanding X Applicable Percentage (Taxable valuations by individual levy authority for Johnson County/Total debt service property valuation for levy authority)



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

<u>Year</u>	<u>County Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment (3)</u>	<u>Labor Force (4)</u>	<u>Unemployment Rate (4)</u>
2009	129,864	\$ 5,133,292,000	\$ 39,528.21	11,654	80,200	4.3
2010	131,291	5,195,104,000	39,569.38	11,788	78,700	4.4
2011	133,733	5,649,310,000	42,243.65	11,771	79,100	4.2
2012	136,923	5,957,758,000	43,511.74	12,189	79,400	3.8
2013	139,851	6,162,583,000	44,065.35	12,489	82,700	3.3
2014	142,421	6,492,971,000	45,589.98	12,889	84,000	3.2
2015	144,251	6,770,087,000	46,932.69	13,033	83,100	3.2
2016	146,547	6,954,522,000	47,455.92	13,671	83,200	3.1
2017	149,210	7,480,793,000	50,136.00	13,981	84,000	2.9
2018	151,260	7,967,115,000	52,671.66	14,198	85,600	2.2

(1) Population from State Data Center of Iowa and US Census Bureau

(2) Personal Income from US Bureau of Economic Analysis

(3) School enrollment from Iowa Department of Education

(4) Unemployment/Labor Force data from Iowa Workforce Development

* Note: 2019 Calendar year information not available at time of publication

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

Employer:	Fiscal Year 2019			Fiscal Year 2010		
	<u>Number of Employees</u>	<u>Rank</u>	<u>% of Total County Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>% of Total County Employment</u>
University of Iowa	20,110	1	23.5 %	35,069	1	36.9 %
University of Iowa Hospital and Clinics	10,706	2	12.5	-	-	-
Veterans Health Administration	2,115	3	2.5	1,351	4	1.4
Iowa City Community School District	1,519	4	1.8	1,676	2	1.8
Mercy Healthcare, Iowa City	1,299	5	1.5	1,266	5	1.3
Pearson Educational Measurement	1,150	6	1.3	1,400	3	1.5
ACT, Inc.	1,094	7	1.3	1,221	6	1.3
Hy-Vee, Inc	1,033	8	1.2	1,166	7	1.2
City of Iowa City	962	9	1.1	957	8	1.0
Proctor & Gamble	959	10	1.1	720	10	0.8
International Auto Components (Lear Corp.)	-	-	-	838	9	0.1
Total Employees in Johnson County	<u>40,947</u>		<u>47.8 %</u>	<u>45,664</u>		<u>47.3 %</u>
Total Employees in Johnson County	<u>85,700</u>			<u>95,000</u>		

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

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

	<u>Change</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Function/Department:					
Public Safety and Legal Services:					
Ambulance	2.0	50.0	48.0	43.4	41.3
County Attorney	2.0	35.2	33.2	32.2	30.9
Sheriff	-	97.6	97.6	98.6	97.9
Medical Examiner	0.9	6.4	5.5	6.1	5.2
Physical Health and Social Services:					
Public Health	4.5	42.0	37.5	37.5	36.4
SEATS	2.9	43.3	40.4	39.7	36.1
Social Services	0.6	9.9	9.3	9.5	8.5
Veterans Affairs	-	1.0	1.0	1.0	1.0
Mental Health:					
MH/DS	(16.0)	18.0	34.0	34.0	37.0
County Environment and Education:					
Planning, Development & Sustainability	-	12.0	12.0	13.0	12.0
Conservation	3.5	29.1	25.6	25.0	21.8
Roads and Transportation:					
Secondary Roads	(1.0)	49.5	50.5	50.5	49.8
Government Services:					
Recorder	-	8.0	8.0	8.0	8.0
Auditor/Elections	1.9	11.7	9.8	19.8	13.7
Treasurer	-	15.0	15.0	15.0	14.0
Administration:					
Auditor/Accounting	0.2	14.8	14.6	16.1	17.1
Board of Supervisors	3.0	9.8	6.8	6.8	6.8
Human Resources	-	5.2	5.2	5.0	3.7
Information Services	-	13.0	13.0	13.0	11.5
Finance	-	3.0	3.0	3.0	3.0
Physical Plant	(0.7)	9.3	10.0	10.0	10.0
Total	<u>3.8</u>	<u>483.8</u>	<u>480.0</u>	<u>487.2</u>	<u>465.7</u>

Source: Johnson County Finance Department

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
40.3	40.3	39.9	40.0	39.9	37.9
30.1	29.1	33.8	34.1	33.1	33.6
93.2	92.1	92.1	91.2	103.2	101.0
5.2	5.0	4.6	4.6	3.0	3.0
36.4	37.5	37.5	36.5	38.9	38.1
36.1	34.8	34.9	32.3	29.9	31.2
8.5	8.5	8.5	9.6	9.6	9.3
1.0	1.0	0.8	0.8	1.0	0.6
37.0	36.0	37.0	35.5	41.0	40.5
11.5	11.5	11.5	10.0	9.2	9.0
20.8	18.8	18.8	17.7	17.4	16.9
49.8	48.8	48.8	48.8	49.8	49.5
8.0	8.0	8.0	9.0	9.0	9.0
13.7	12.9	18.9	13.9	14.0	14.8
14.0	14.1	15.0	15.0	15.0	16.0
17.1	17.6	19.1	19.0	18.5	18.5
6.8	6.8	7.3	7.3	6.8	6.8
3.7	3.7	3.7	3.6	3.6	3.6
11.5	11.1	11.6	11.6	11.6	11.6
3.0	3.0	-	-	-	-
<u>10.0</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>
<u>457.7</u>	<u>448.6</u>	<u>459.8</u>	<u>448.5</u>	<u>462.5</u>	<u>458.9</u>

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Function/Program:				
Public Safety and Legal Services:				
Ambulance:				
# of service calls	11752	10,770	11,439	10,348
County Attorney:				
# of felonies and aggravated misdemeanor cases	1253	1,197	1,133	1,095
County Sheriff:				
# of jail booking	N/A	5,124	5,555	5,393
# of service calls	N/A	33,762	32,665	31,192
Medical Examiner (Department started in 2009):				
# of cases investigated	1828	1,783	1,671	1,648
Physical Health and Social Services:				
Public Health:				
# children receiving health services	5220	4,225	13,771	12,393
# of hours spent on disease investigation	3595	3,371	3,130	2,075
# of food inspections	1159	1,277	1,063	1,209
SEATS:				
# of trips	130238	127,519	125,840	128,064
# of vehicles serviced	1132	727	138	
Social Services:				
# of applications for general assistance	1124	1,094	1,091	1,080
Veteran Affairs:				
# of local assistance claims	369	261	131	187
# of federal assistance claims (started tracking FY15)	106	283	343	574
Mental Health/Disability Services:				
# of clients served	125	493	553	547
County Environment and Education:				
Planning, Development & Sustainability				
# of building permits issued	447	430	440	342
Conservation:				
# of camper nights	4390	4,689	6,075	5,620
# of acres managed	2389	2,299	2,227	2,185
Roads and Transportation:				
Secondary roads:				
# miles of roads plowed	80041	40,547	21,945	22,709
# of structures repaired	60	61	64	47
Governmental Services to Residents:				
Recorder:				
# of documents recorded	25326	27,995	30,558	28,882
Treasurer:				
# of titles issued	34074	33,644	35,800	34,830
# of Registrations Issued (metric started FY14)	164801	163,830	163,277	158,168
Elections:				
# of registered voters	94148	97,002	92,138	83,395
Administration:				
Auditor:				
# of claims processed	22100	18,700	19,400	19,000
Information Technology:				
# of PC's	536	530	770	738

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
9,569	9,210	8,718	7,785	7,379	7,124
1,251	944	1,709	1,776	1,906	1,693
5,428	6,222	6,455	6,972	7,043	6,681
20,689	25,515	19,374	18,160	15,756	14,519
1,466	663	699	625	584	576
13,511	10,999	10,457	13,132	10,083	7,309
3,246	1,004	2,001	2,073	860	450
1,147	1,803	1,786	1,522	1,132	1,077
132,389	133,379	133,037	124,368	112,558	104,312
1,028	1,168	1,330	1,366	1,503	1,373
185	128	171	235	244	243
350	N/A	N/A	N/A	N/A	N/A
611	1,333	2,559	2,115	2,224	1,948
289	245	317	295	210	238
4,706	4,679	5,472	5,259	4,929	5,270
1,805	1,642	1,642	1,561	1,561	1,561
33,149	71,223	39,494	35,113	52,078	72,855
51	47	16	47	33	56
27,483	28,674	37,617	31,957	32,726	31,315
33,003	32,507	31,761	31,657	29,642	28,701
156,913	153,429	N/A	N/A	N/A	N/A
88,333	86,966	91,682	91,383	92,260	92,610
19,755	28,919	30,131	30,986	31,402	31,911
732	694	690	667	571	600

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 20,425,395	\$ 17,085,625	\$ 16,017,498	\$ 15,337,706
Intangible assets	522,891	522,891	522,891	197,926
Construction in progress	<u>19,559,322</u>	<u>9,006,416</u>	<u>12,427,632</u>	<u>16,312,686</u>
Total capital assets not being depreciated	<u>40,507,608</u>	<u>26,614,932</u>	<u>28,968,021</u>	<u>31,848,318</u>
Capital assets being depreciated:				
Buildings	56,009,678	56,009,678	46,658,585	43,512,649
Improvements other than buildings	1,637,368	1,480,470	1,344,163	1,344,163
Furnishings and equipment	21,795,023	21,309,455	18,459,284	16,849,626
Infrastructure	<u>107,285,936</u>	<u>103,757,544</u>	<u>99,862,609</u>	<u>88,086,049</u>
Total capital assets being depreciated	<u>186,728,005</u>	<u>182,557,147</u>	<u>166,324,641</u>	<u>149,792,487</u>
Less accumulated depreciation for:				
Buildings	17,753,825	16,312,036	14,977,890	13,775,133
Improvements other than buildings	323,315	262,515	207,803	157,183
Furnishings and equipment	13,630,285	13,104,790	12,483,589	12,303,100
Infrastructure	<u>45,962,673</u>	<u>43,107,679</u>	<u>40,338,922</u>	<u>37,797,536</u>
Total accumulated depreciation	<u>77,670,098</u>	<u>72,787,020</u>	<u>68,008,204</u>	<u>64,032,952</u>
 Total capital assets being depreciated, net	 <u>109,057,907</u>	 <u>109,770,127</u>	 <u>98,316,437</u>	 <u>85,759,535</u>
 Governmental activities capital assets, net	 \$ <u>149,565,515</u>	 \$ <u>136,385,059</u>	 \$ <u>127,284,458</u>	 \$ <u>117,607,853</u>

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$	13,919,180	\$ 12,858,301	\$ 12,707,628	\$ 12,770,898	\$ 12,187,273	\$ 9,069,933
	63,845	63,845	-	-	-	-
	<u>24,092,064</u>	<u>8,527,438</u>	<u>8,709,739</u>	<u>12,149,802</u>	<u>26,383,357</u>	<u>28,347,067</u>
	<u>38,075,089</u>	<u>21,449,584</u>	<u>21,417,367</u>	<u>24,920,700</u>	<u>38,570,630</u>	<u>37,417,000</u>
	38,089,044	37,859,957	38,653,053	38,181,220	22,177,093	15,043,550
	1,121,352	1,121,352	1,089,033	60,204	-	-
	16,091,962	15,258,472	14,250,702	14,241,701	14,206,099	13,868,340
	<u>77,826,460</u>	<u>77,197,637</u>	<u>67,904,042</u>	<u>59,598,105</u>	<u>55,766,584</u>	<u>54,342,496</u>
	<u>133,128,818</u>	<u>131,437,418</u>	<u>121,896,830</u>	<u>112,081,230</u>	<u>92,149,776</u>	<u>83,254,386</u>
	12,470,288	11,503,647	11,501,923	10,837,082	10,056,015	9,622,401
	114,345	72,953	31,830	3,558	-	-
	11,868,776	11,409,424	11,047,698	10,983,123	10,760,151	10,188,983
	<u>35,294,932</u>	<u>33,004,520</u>	<u>30,863,817</u>	<u>28,776,284</u>	<u>27,078,445</u>	<u>25,157,610</u>
	<u>59,748,341</u>	<u>55,990,544</u>	<u>53,445,268</u>	<u>50,600,047</u>	<u>47,894,611</u>	<u>44,968,994</u>
	<u>73,380,477</u>	<u>75,446,874</u>	<u>68,451,562</u>	<u>61,481,183</u>	<u>44,255,165</u>	<u>38,285,392</u>
\$	<u><u>111,455,566</u></u>	\$ <u><u>96,896,458</u></u>	\$ <u><u>89,868,929</u></u>	\$ <u><u>86,401,883</u></u>	\$ <u><u>82,825,795</u></u>	\$ <u><u>75,702,392</u></u>

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Function/Department:				
Public Safety and Legal Services:				
Ambulance:				
# vehicles	10	8	8	7
# buildings	1	1	1	1
Sheriff:				
# vehicles	55	55	65	58
# buildings	1	1	1	1
Medical Examiner:				
# vehicles	2	2	2	2
Physical Health and Social Services:				
Public Health:				
# vehicles	12	11	9	8
SEATS:				
# vehicles	27	24	24	24
# buildings	2	2	2	2
FLEET:				
# vehicles	4	4	4	4
Mental Health:				
MH/DS:				
# vehicles	3	3	3	3
County Environment and Education:				
Planning and Zoning:				
# vehicles	6	5	5	5
Conservation:				
# vehicles	38	36	22	21
# buildings	32	32	31	31
Roads and Transportation:				
Secondary Roads:				
# vehicles	90	90	90	92
# buildings	20	20	20	20
Government Services:				
Auditor/Elections:				
# vehicles	3	3	3	3
Administration:				
Information Services:				
# vehicles	-	-	-	-
Physical Plant				
# vehicles	5	5	4	4
# buildings	9	8	8	11

Source: Johnson County Finance Department

2015 2014 2013 2012 2011 2010

7	8	8	8	7	9
1	1	1	1	1	1
57	51	60	52	48	54
1	1	1	1	1	1
2	2	2	2	2	-
8	9	9	9	9	9
24	24	24	24	24	23
1	1	1	1	1	1
-	-	-	-	-	-
3	3	3	4	4	4
5	5	5	5	5	5
21	21	21	19	17	15
27	27	27	27	26	23
92	88	89	87	87	85
19	21	18	18	19	19
3	3	3	3	3	3
-	1	1	1	1	1
4	5	5	4	3	3
11	13	13	14	15	13



COMPLIANCE SECTION



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

To the Officials of Johnson County, Iowa

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Johnson County, Iowa, (County) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 12, 2020.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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 accompanying schedule of findings and questioned costs as item 2019-001 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2019 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County and are reported in Part IV of the accompanying Schedule of Findings and Questioned Costs. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

County's Response to the Finding

The County's response to the 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 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.



Dubuque, Iowa
February 12, 2020



Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Officials of Johnson County, Iowa

Report on Compliance for Each Major Federal Program

We have audited Johnson County, 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, 2019. 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 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, 2019.

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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

Dubuque, Iowa
February 12, 2020

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

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
CDBG - Disaster Recovery Grants Cluster:	
National Disaster Resilience Competition	14.272
Highway Planning and Construction Cluster:	
Highway Planning and Construction	20.205
Recreational Trails Program	20.219
Federal Lands Access Program	20.224

Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
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Auditee qualified as low-risk auditee?	No
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Part II: Findings Related to the Financial Statements:

Material Weakness

2019-001 Material Audit Adjustments

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 material audit adjustments to the Comprehensive Annual Financial Report (CAFR), including the Schedule of Expenditures of Federal Awards, which are necessary in order present accurate financial information.

Cause – There is a limited number of office employees with varying levels of experience with reporting requirements. This significantly limits the County’s review procedures.

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 receive relevant training and that additional review procedures be implemented in preparing the financial statements.

Views of Responsible Officials – We will continue to refine our audit review procedures and the training of our support staff, particularly in those areas that are complex in nature and with a high degree of activity annually.

Part III: Findings and Questioned Costs for Federal Awards:

There were no federal findings and questioned costs to report.

Part IV: Other Findings Related to Required Statutory Reporting:

- 2019-IA-A Certified Budget** – Disbursements during the year ended June 30, 2019, did not exceed the amounts budgeted by function or department.
- 2019-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.
- 2019-IA-C Travel Expense** – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- 2019-IA-D Business Transactions** – There were no business transactions between the County and County Officials or employees for the year ended June 30, 2019.
- 2019-IA-E Bond Coverage** – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.
- 2019-IA-F Board Minutes** – No transactions were found that we believe should have been approved in the Board minutes but were not.
- 2019-IA-G Deposits and Investments** – No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County’s investment policy were noted.
- 2019-IA-H Resource Enhancement and Protection Certification** – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- 2019-IA-I County Extension Office** – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an Extension Council separate and distinct from County operations and, consequently, is not included in the governmental funds balance sheet or statement of revenues, expenditures, and changes in fund balances.
- Disbursements during the year ended June 30, 2019, for the County Extension Office did not exceed the amount budgeted.
- 2019-IA-J Early Childhood Iowa Area Board** – Johnson 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.