

Johnson County, Iowa

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018**

Johnson County, Iowa
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018

Prepared by
Johnson County Finance Department

INTRODUCTORY SECTION

JOHNSON COUNTY, IOWA

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JOHNSON COUNTY, IOWA

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OFFICIALS, DEPARTMENT HEADS

BOARD OF SUPERVISORS:



Janelle Rettig
County Supervisor – Chairperson
Term expiration: 12/31/2018



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



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



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



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

JOHNSON COUNTY, IOWA
OFFICIALS, DEPARTMENT HEADS

ELECTED OFFICIALS:



Tom Kriz
County Treasurer
Term expiration: 12/31/2018



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



Janet Lyness
County Attorney
Term expiration: 12/31/2018



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



Kim Painter
County Recorder
Term expiration: 12/31/2018

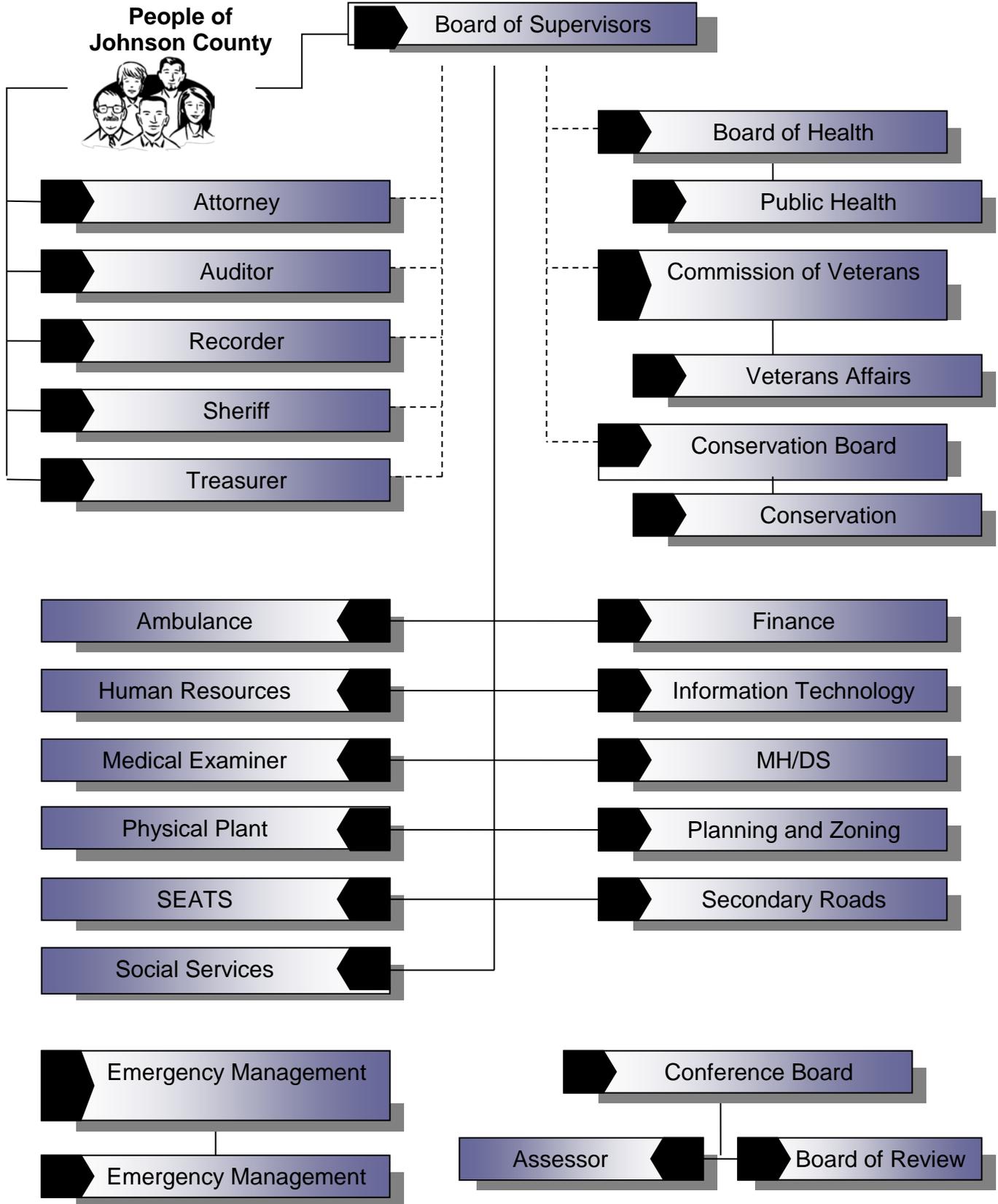
JOHNSON COUNTY, IOWA
OFFICIALS, DEPARTMENT HEADS

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 21, 2019

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, 2018, 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, 2018 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 2,663 people from 146,547 in the calendar year 2016 to 149,210 people in calendar year 2017, equaling a growth of 1.8% for the year. The 2012 US census shows the county population estimate at 136,783, which equals a 5-year growth of 12,427 people or 9.1%. Household income per capita in 2017 was \$50,136 up \$2,680 or 5.7% from 2016 household income per capita of \$47,456.

The labor force living in Johnson County who work in nonfarm employment increased from about 83,200 in calendar year 2016 with an unemployment rate of 3.1% to about 84,000 in calendar year 2017 with an unemployment rate of 2.9% according to Iowa Workforce Development. From December 2016 to December 2017, there was a net increase of 800 jobs or 0.9% of the labor force.

The total number of housing units in calendar year 2017 was 60,952, an increase of 1,401 over calendar year 2016 units of 59,551. In 2013, the number of housing units was 56,543. Johnson County has added 4,409 units in the last 5 years, an increase of 7.8%. The number of building permits issued (single family detached) was 38 in calendar year 2017 for a total value of \$14.7 million with an average home value of \$387,951. That is a decrease in total value of \$10 million from the 2016 total of \$24.7 million and a decrease of 43 permits issued. The average home value increased from \$305,665 in calendar year 2016 to \$387,951 in 2017 an increase of \$82,286 or 26.9%.

There has been major construction in the county for the last several years. In fiscal year 2018, the University of Iowa had construction projects totaling \$261 million. In addition, there were major construction projects for other businesses in the amount of \$15.3 million. 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 revenue of \$62.3 million in fiscal year 2017 for a total of \$1.509 billion. The University of Iowa Healthcare had an increase in revenues of \$164.0 million in fiscal year 2017 for a total of \$1.666 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 6/30/2018 equals \$17,470,191. This amount is greater than the 30% of the fiscal year 2018 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 2018 ended with an increase in the general fund balance of \$2,006,398. 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 2018, Johnson County identified ~\$18.2 M of expenses that qualify for financing via loans/bonding that include:

- \$9.4 M for all county & JECC insurance
- \$2.1 M for IWW Road & 120th Street construction projects
- \$0.7 M for capital repairs & improvements
- \$3.5 M for conservation projects
- \$0.6 M for Affordable Housing
- \$1.9 M for technology and equipment purchases

These identified costs are generally unavoidable and would have been a component of the FY 2018 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 2018, the TIF areas within Johnson County contributed ~\$2.2 M in taxes. These additional TIF taxes have reduced the cost of the typical residential property's tax bill for those qualified expenses by 6.9% or \$27.05 per \$100,000 of taxable valuation.

Major Initiatives

Three initiatives in the Board of Supervisors Strategic Plan that had an impact in FY2018 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. Implemented improvements on several county buildings in including HVAC and courtroom renovations at the county courthouse and high efficiency windows and lights at the Health and Human Services building.
3. Increasing sustainability and reducing the county's carbon footprint was a priority in FY18. The county erected a new solar array at the Ambulance/ME building that is 68.6 kW in size. In addition, the county concentrated on planting sustainable landscaping in several areas that aids in wastewater management.

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, 2017. This is the fourth 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 long, sweeping underline.

Dana Aschenbrenner
Finance Administrator



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

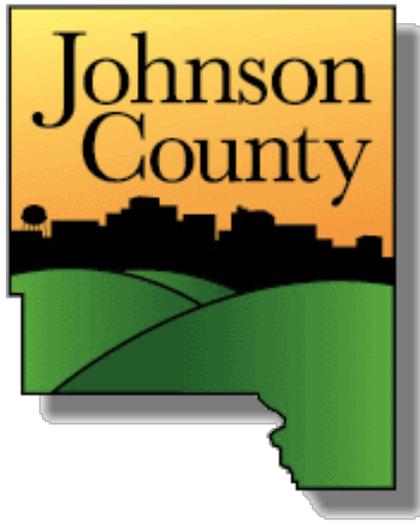
Johnson County
Iowa

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

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, 2018, 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 1(G) and 17 to the financial statements, the County has adopted the provisions of GASB Statement No.75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which has resulted in a restatement of the net position as of July 1, 2017. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of 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 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.

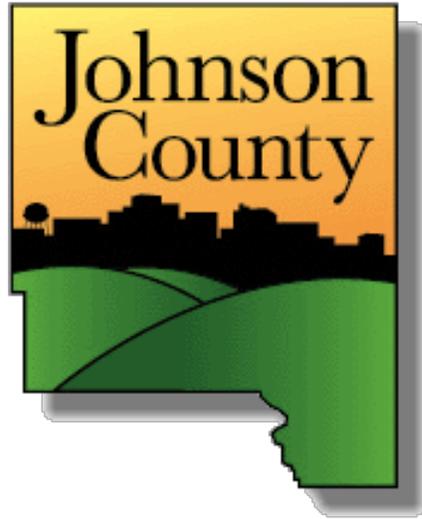
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2019, 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.

EIDE BAILLY LLP

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

Dubuque, Iowa
February 21, 2019



Johnson County, Iowa

Management's Discussion and Analysis (MD&A)

June 30, 2018

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, 2018. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2018 FINANCIAL HIGHLIGHTS

- Total net position was \$160,001,321 at June 30, 2018. This was an increase of \$16,085,100 (11.2%) compared to the prior fiscal year.
- Overall revenues of governmental activities increased 4.4% or \$3,612,711 from fiscal year 2017. Property tax revenues increased \$3,619,151; operating grants and contributions decreased \$509,719; charges for services decreased \$677,817; tax credit revenues increased \$108,787; capital grants and contributions increased \$853,275 and unrestricted investment earnings increased \$556,403.
- Overall program expenses decreased \$373,900 (0.5%) from fiscal year 2017. Public safety and legal services increased \$701,570; physical health and social services increased \$443,644, mental health expenses decreased \$1,468,987, county environment and education expenses increased \$38,368; roads and transportation expenses decreased \$51,507; governmental services to residents decreased \$147,551; administration expense increased \$795,845; non-program expenses increased \$2,458; and interest expense on the County's long-term debt increased by \$20,060.
- The County implemented Governmental Accounting Standards Board Statement No. 75 *Accounting and Financial reporting for Postemployment Benefits Other Than Pensions*, during fiscal year 2018. The beginning net position was restated by \$574,018 to retroactively report the change in the OPEB liability as of July 1, 2017. The County also restate the beginning net position by \$110,419 to adjust capital asset balances. Amounts for June 30, 2017, and the year then ended have been restated.

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, 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 \$143,916,221 to \$160,001,321. 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
	2018	2017, as restated	2017-2018
Assets			
Current Assets	\$115,464,326	\$106,516,651	8.4%
Non-current Assets	-	150,000	(100.0)
Capital Assets, Net of Accumulated Depreciation	<u>136,385,059</u>	<u>127,394,877</u>	7.1
TOTAL ASSETS	251,849,385	234,061,528	7.6
<i>Deferred outflow of resources</i>	<u>7,922,587</u>	<u>7,084,413</u>	11.8
Liabilities			
Current Liabilities	4,626,002	5,505,147	(16.0)
Long Term Liabilities	<u>36,065,163</u>	<u>34,847,582</u>	3.5
TOTAL LIABILITIES	40,691,165	40,352,729	0.8
<i>Deferred inflows of resources</i>	<u>59,079,486</u>	<u>56,876,991</u>	3.9
Net Position			
Net Investment in Capital Assets	131,064,633	122,788,209	6.7
Restricted	14,547,678	12,882,011	12.9
Unrestricted	<u>14,389,010</u>	<u>8,246,001</u>	74.5
TOTAL NET POSITION	<u>\$160,001,321</u>	<u>\$143,916,221</u>	11.2

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 11.2% compared to fiscal year 2017. Liabilities remained relatively unchanged from fiscal year 2017 to fiscal year 2018, exhibiting a slight increase. Additionally, the increase to 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 \$8,246,001 in fiscal year 2017 to \$14,389,010 in fiscal

year 2018. This increase of 74.5%, 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
	2018	2017, as restated	Change 2017-2018
Revenues			
Program Revenues			
Charges for Services	\$8,718,359	\$ 9,396,176	(7.2)%
Operating Grants and Contributions	13,579,013	14,088,732	(3.6)
Capital Grants and Contributions	1,924,452	1,071,177	79.7
Property and other taxes levied for:			
General Purpose	38,943,966	37,142,354	4.9
Debt Service	17,194,737	15,382,510	11.8
Other County Taxes	972,047	966,735	0.5
Penalties and Interest on Taxes	365,817	502,716	(27.2)
State tax credits	3,455,162	3,346,375	3.3
Unrestricted investment earnings	967,109	410,706	135.5
Gain (loss) on disposal of capital assets	68,231	54,092	26.1
Miscellaneous	<u>227,461</u>	<u>442,070</u>	(48.5)
TOTAL REVENUES	86,416,354	82,803,643	4.4
Expenditures			
Public Safety and Legal Services	23,044,794	22,303,224	3.3
Physical Health and Social Services	10,438,263	9,994,619	4.4
Mental Health, ID & DD	5,727,490	7,196,477	(20.4)
County Environment and Education	5,619,726	5,581,358	0.7
Roads & Transportation	13,067,355	13,118,862	(0.4)
Governmental Services to Residents	2,464,520	2,612,071	(5.6)
Administration	9,598,720	8,802,875	9.0
Nonprogram Current	8,992	6,534	37.6
Interest on long-term debt	<u>361,394</u>	<u>341,334</u>	5.9
TOTAL EXPENDITURES	70,331,254	69,957,354	0.5
INCREASE/(DECREASE) IN NET POSITION	16,085,100	12,846,289	25.2
Beginning, as restated	<u>143,916,221</u>	<u>131,069,932</u>	9.8
Ending	<u>\$160,001,321</u>	<u>\$143,916,221</u>	11.2

The County increased property taxes levied for fiscal year 2018 by 6.8%. This increase raised the County's property tax revenue by \$3,688,008. Based on increases in the tax levies and total assessed valuation, property tax revenue is budgeted to increase by an additional \$2 million, an increase of ~3.5% for fiscal year 2019.

The cost of all government services this year was \$70,331,254 compared to \$69,957,354 last year. The amount financed by taxpayers was \$46,109,430 (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 decreased slightly from \$24,556,085 to \$24,221,824 from fiscal year 2017 to 2018, due to a decrease in charges for service and operating grants and contributions.

MAJOR FUND ANALYSIS

Governmental funds reported a combined fund balance of \$44,570,170 an increase of \$5,125,810 compared to the prior year.

- General fund revenues had an overall decrease of \$1,010,458 due to an decrease in property and other County tax revenue of \$558,230, a decrease in interest and penalty on property tax of \$131,642, a decrease in intergovernmental revenue of \$1,188,121, an increase in licenses and permits revenue of \$39,466, an increase in charges for services revenue of \$35,830, an increase in use of money and property revenue of \$475,317, and an increase in miscellaneous revenue of \$316,922. Total General fund expenditures increased \$1,771,811 due to an increase in public safety and legal services expenses of \$1,776,986, an increase in physical health and social services expenses of \$298,938, an increase in county environment and education expenses of \$70,294, an increase in administration expenses of \$464,176, an increase in debt service principal of \$20,000, an increase in non-program expenses of \$1,075, and an increase in capital projects expenses of \$66,035. These expense increases were offset by a decrease in mental health expenses of \$848,605, a decrease in governmental services to residents expenses of \$64,089 and a decrease in debt service interest expense of \$12,999.
- Rural Services fund revenues increased by \$590,047 largely as a result of an increase in property tax revenue of \$564,245 and an increase in intergovernmental revenue of \$25,802. Expenditures increased \$160,355 and the transfer out to the Secondary Roads fund increased \$390,026 compared to the prior year. The ending fund balance showed an increase of \$94,413 from the prior year to a year-end total of \$507,049.
- Secondary Roads fund revenues decreased by \$228,556 compared to the prior year, largely due to a decrease in intergovernmental revenues of \$203,481 and a decrease in miscellaneous revenue of \$22,675. Expenditures decreased in the Secondary Roads fund by \$102,174 due to a decrease in capital projects of \$202,717 and an increase in roads & transportation expenses of \$100,543. Interfund transfers into the Secondary Roads fund increased by \$946,301 compared to the prior fiscal year. The ending fund balance showed an increase of \$240,308 from the prior year to a year-end total of \$4,340,861.
- Mental Health fund revenues increased by \$1,616,451 from the prior year, due largely to an increase in property tax revenue of \$1,789,619. Expenditures decreased by \$763,610 compared to the prior year largely due to a reduction in the financial support requested from the East Central Region. The Mental Health fund balance increased by \$1,018,763 to \$3,347,064 during fiscal year 2018.
- Capital Projects fund revenues, transfers in and other financing sources increased by \$1,288,581 and expenditures decreased by \$3,292,428. The fund balance increased by \$2,615,137 from \$11,496,859 to \$14,111,996 in fiscal year 2018. 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 \$1,880,051 and expenditures and transfers out also increased by \$1,770,220 compared to the prior fiscal year. The fund balance increased by \$122,953 during FY18, ending the year with a balance of \$310,012.

General Fund Budgetary Highlights

Johnson County amended the county budget twice during the 2018 fiscal year. The first amendment occurred in November 2017 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 2018. 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 2018 the County had a net increase of \$8,990,182 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
	2018	2017, as restated	Change 2017-2018
Non-Depreciated			
Land	\$17,085,625	\$16,089,178	6.2 %
Intangible Assets	522,891	522,891	-
Construction in Progress	<u>9,006,416</u>	<u>12,427,632</u>	(27.5)
Total Not Being Depreciated	26,614,932	29,039,072	(8.3)
Depreciable			
Buildings & Improvements	57,490,148	48,045,358	19.7
Machinery and Equipment	21,309,455	18,459,284	15.4
Infrastructure	<u>103,757,544</u>	<u>99,862,609</u>	3.9
Total Depreciable Assets	182,557,147	166,367,251	9.7
Total Accumulated Depreciation	<u>72,787,020</u>	<u>68,012,075</u>	7.0
NET CAPITAL ASSETS	<u>\$136,385,059</u>	<u>\$127,394,877</u>	7.1

The County had depreciation expense of \$5,558,349 in fiscal year 2018 and total accumulated depreciation of \$72,787,020 on June 30, 2018.

The County's fiscal year 2019 amended budget projects spending of \$30,298,421 for Secondary Roads work for the IWV Road project, Old Highway 218 and 120th Street NW projects 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 \$36,065,163 in long-term liabilities, consisting of general obligation capital notes, compensated absences, net pension liability, and total OPEB liability (Table 4). In 2018, the County issued \$18,162,000 in new general obligation capital loan notes with \$10,962,000 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 2018 the County retired \$11,770,000 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 2018		Total Percentage
	Long-Term Liabilities		Change
	6/30/2018	6/30/2017, As restated	2017-2018
General Obligation Capital Notes	\$10,640,000	\$10,970,000	(3.0) %
Compensated Absences	3,276,027	3,172,226	3.3
Net pension liability	20,435,487	19,180,490	6.5
Total OPEB Liability, as restated	<u>1,713,649</u>	<u>1,524,866</u>	12.4
TOTAL LONG TERM LIABILITIES	<u>\$36,065,163</u>	<u>\$34,847,582</u>	3.5%

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 (\$12,261,328,086). Johnson County, Iowa's outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$602 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 149,210 in 2017.
- Johnson County continues to enjoy a strong and vibrant economy. Johnson County's October 2018 unemployment rate of 1.4% is below the State average of 1.9% and well below the national average of 3.8%.
- 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, 2018

	<u>Governmental Activities</u>
<u>ASSETS:</u>	
Cash, cash equivalents and pooled investments	\$ 50,786,635
Receivables:	
Property tax:	
Delinquent	136,992
Succeeding year	58,328,680
Accounts	1,232,175
Due from other governments	3,367,734
Inventories	209,582
Prepaid expenses	1,402,528
Non-current Assets:	
Land, construction in progress and intangible assets	26,614,932
Other capital assets, net of accumulated depreciation	<u>109,770,127</u>
Total assets	<u>251,849,385</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>	
Pension related deferred outflows	7,796,564
OPEB related deferred outflows	<u>126,023</u>
Total deferred outflows of resources	<u>7,922,587</u>
<u>LIABILITIES:</u>	
Accounts payable	2,937,312
Accrued interest payable	13,900
Salaries and benefits payable	1,239,860
Due to other governments	253,858
Contracts payable	181,072
Long-term liabilities:	
Portion due or payable within one year:	
General obligation notes	5,495,000
Compensated absences	3,276,027
Portion due or payable after one year:	
General obligation notes	5,145,000
Net pension liability	20,435,487
Total OPEB liability	<u>1,713,649</u>
Total liabilities	<u>40,691,165</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>	
Succeeding year property tax revenue	58,328,680
Pension related deferred inflows	<u>750,806</u>
Total deferred inflows of resources	<u>59,079,486</u>
<u>NET POSITION:</u>	
Net investment in capital assets	131,064,633
Restricted for:	
Rural services purposes	519,138
Supplemental levy purposes	3,255,250
Secondary roads purposes	4,442,737
Mental health purposes	3,543,493
Capital projects	1,338,740
Debt service	330,578
Other purposes	1,117,742
Unrestricted	<u>14,389,010</u>
Total net position	<u>\$ 160,001,321</u>

JOHNSON COUNTY, IOWA

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

	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	\$ 23,044,794	\$ 3,377,414	\$ 1,334,286	\$ -	\$ (18,333,094)
Physical health and social services	10,438,263	915,177	4,235,658	-	(5,287,428)
Mental health	5,727,490	703,008	1,105,635	-	(3,918,847)
County environment and education	5,619,726	717,826	630,259	1,792,808	(2,478,833)
Roads and transportation	13,067,355	73,670	5,958,992	114,644	(6,920,049)
Governmental services to residents	2,464,520	2,180,692	104,625	-	(179,203)
Administration	9,598,720	750,572	209,558	-	(8,638,590)
Non-program	8,992	-	-	17,000	8,008
Interest on long-term debt	361,394	-	-	-	(361,394)
Total	<u>\$ 70,331,254</u>	<u>\$ 8,718,359</u>	<u>\$ 13,579,013</u>	<u>\$ 1,924,452</u>	<u>(46,109,430)</u>
General revenues:					
Property and other County tax levied for:					
General purposes					38,943,966
Debt service					17,194,737
Other County taxes					972,047
Penalty and interest on property tax					365,817
State tax credits and replacements					3,455,162
Unrestricted investment earnings					967,109
Gain on sale of capital assets					68,231
Miscellaneous					<u>227,461</u>
Total general revenues					<u>62,194,530</u>
Change in net position					16,085,100
<u>NET POSITION</u> - Beginning of year, as restated					<u>143,916,221</u>
<u>NET POSITION</u> - End of year					<u>\$ 160,001,321</u>

See notes to the financial statements.

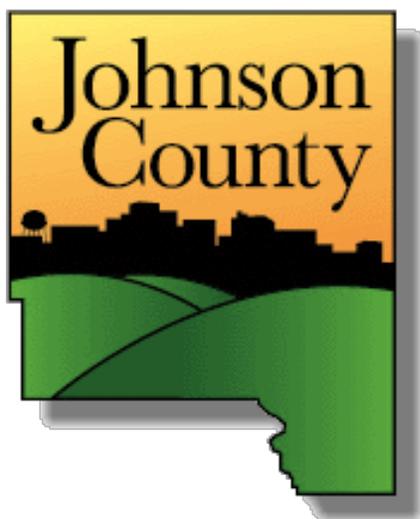
JOHNSON COUNTY, IOWA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	<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	\$ 21,235,524	\$ 513,948	\$ 3,221,446	\$ 3,367,356
Receivables:				
Property tax:				
Delinquent	95,328	13,347	-	6,478
Succeeding year	28,944,939	5,844,963	-	4,517,116
Accounts	1,034,598	-	15,420	-
Due from other governments	1,118,744	-	543,057	190,282
Inventories	4,150	-	205,432	-
Prepaid items	183,678	-	1,007,226	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	\$ <u>52,616,961</u>	\$ <u>6,372,258</u>	\$ <u>4,992,581</u>	\$ <u>8,081,232</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
<u>LIABILITIES:</u>				
Accounts payable	\$ 458,790	\$ -	\$ 363,711	\$ 76
Salaries and benefits payable	1,070,351	6,209	142,790	20,510
Contracts payable	-	-	42,486	-
Due to other governments	244,519	1,948	857	37
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>1,773,660</u>	<u>8,157</u>	<u>549,844</u>	<u>20,623</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>				
Unavailable revenues:				
Succeeding year property tax	28,944,939	5,844,963	-	4,517,116
Other	633,589	12,089	101,876	196,429
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>29,578,528</u>	<u>5,857,052</u>	<u>101,876</u>	<u>4,713,545</u>
<u>FUND BALANCES:</u>				
Nonspendable:				
Inventories	4,150	-	205,432	-
Prepaid items	183,678	-	1,007,226	-
Restricted for:				
Supplemental levy purposes	3,177,427	-	-	-
Mental health purposes	-	-	-	3,347,064
Rural services purposes	-	507,049	-	-
Secondary roads purposes	-	-	3,128,203	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Other purposes	429,327	-	-	-
Assigned	-	-	-	-
Unassigned	17,470,191	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCES	<u>21,264,773</u>	<u>507,049</u>	<u>4,340,861</u>	<u>3,347,064</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ <u>52,616,961</u>	\$ <u>6,372,258</u>	\$ <u>4,992,581</u>	\$ <u>8,081,232</u>

See Notes to Financial Statements

<u>Capital Projects</u>	<u>Debt Service</u>	Other Nonmajor Governmental <u>Funds</u>	<u>Total</u>
\$ 14,818,544	\$ 308,739	\$ 703,087	\$ 44,168,644
-	21,839	-	136,992
-	19,021,662	-	58,328,680
18,853	-	87,884	1,156,755
388,535	-	1,127,116	3,367,734
-	-	-	209,582
<u>211,624</u>	<u>-</u>	<u>-</u>	<u>1,402,528</u>
<u>\$ 15,437,556</u>	<u>\$ 19,352,240</u>	<u>\$ 1,918,087</u>	<u>\$ 108,770,915</u>
\$ 884,228	\$ -	\$ 10,270	\$ 1,717,075
-	-	-	1,239,860
46,300	-	92,286	181,072
<u>6,497</u>	<u>-</u>	<u>-</u>	<u>253,858</u>
<u>937,025</u>	<u>-</u>	<u>102,556</u>	<u>3,391,865</u>
-	19,021,662	-	58,328,680
<u>388,535</u>	<u>20,566</u>	<u>1,127,116</u>	<u>2,480,200</u>
<u>388,535</u>	<u>19,042,228</u>	<u>1,127,116</u>	<u>60,808,880</u>
-	-	-	209,582
211,624	-	-	1,402,528
-	-	-	3,177,427
-	-	-	3,347,064
-	-	-	507,049
-	-	-	3,128,203
-	310,012	-	310,012
5,319,574	-	-	5,319,574
-	-	688,415	1,117,742
8,580,798	-	-	8,580,798
-	-	-	17,470,191
<u>14,111,996</u>	<u>310,012</u>	<u>688,415</u>	<u>44,570,170</u>
<u>\$ 15,437,556</u>	<u>\$ 19,352,240</u>	<u>\$ 1,918,087</u>	<u>\$ 108,770,915</u>



JOHNSON COUNTY, IOWA

RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2018

TOTAL GOVERNMENTAL FUND BALANCES \$ 44,570,170

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 \$209,172,079 and the accumulated depreciation/amortization is \$72,787,020.

Land	\$ 17,085,625	
Intangible assets	522,891	
Construction in progress	9,006,416	
Infrastructure	60,649,865	
Buildings and improvements	40,915,597	
Machinery and equipment	<u>8,204,665</u>	
Total capital assets, net		136,385,059

Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows in the governmental funds. 2,480,200

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. 5,473,174

Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental fund, as follows:

Deferred outflows of resources	7,922,587	
Deferred inflows of resources	<u>(750,806)</u>	7,171,781

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	(10,640,000)	
Accrued interest on capital loan notes	(13,900)	
Compensated absences	(3,276,027)	
Net pension liability	(20,435,487)	
Total OPEB liability	<u>(1,713,649)</u>	
Total long-term liabilities		<u>(36,079,063)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 160,001,321

JOHNSON COUNTY, IOWA

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	<u>General</u>	<u>Special Revenue</u>		
		<u>Rural Services</u>	<u>Secondary Roads</u>	<u>Mental Health</u>
REVENUES:				
Property and other County tax	\$ 28,933,405	\$ 5,917,386	\$ -	\$ 4,825,439
Interest and penalty on property tax	364,041	-	-	-
Intergovernmental	10,147,843	256,398	5,996,193	838,836
Licenses and permits	721,782	-	5,750	-
Charges for service	5,040,487	-	-	-
Use of money and property	842,179	-	-	-
Miscellaneous	1,018,305	-	66,949	-
Total revenues	<u>47,068,042</u>	<u>6,173,784</u>	<u>6,068,892</u>	<u>5,664,275</u>
EXPENDITURES:				
Operating:				
Public safety and legal services	23,408,395	103,305	-	-
Physical health and social services	10,085,322	-	-	-
Mental health	1,077,702	-	-	4,645,512
County environment and education	3,960,119	1,027,317	-	-
Roads and transportation	-	-	9,711,078	-
Governmental services to residents	2,366,534	-	-	-
Administration	8,334,774	-	-	-
Non-program	3,748	-	-	-
Debt service:				
Principal	420,000	-	-	-
Interest	48,933	-	-	-
Capital projects	210,464	-	2,828,943	-
Total expenditures	<u>49,915,991</u>	<u>1,130,622</u>	<u>12,540,021</u>	<u>4,645,512</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,847,949)</u>	<u>5,043,162</u>	<u>(6,471,129)</u>	<u>1,018,763</u>
Other financing sources (uses):				
Issuance of refunding bonds	895,000	-	-	-
Payment to refunded bond escrow agent	(895,000)	-	-	-
Capital loan notes issued	3,714,000	-	-	-
Sale of capital assets	21,563	-	17,870	-
Transfers in	10,962,000	-	6,693,567	-
Transfers out	(9,843,216)	(4,948,749)	-	-
Total other financing sources (uses)	<u>4,854,347</u>	<u>(4,948,749)</u>	<u>6,711,437</u>	<u>-</u>
Change in fund balances	2,006,398	94,413	240,308	1,018,763
FUND BALANCES - Beginning of year	<u>19,258,375</u>	<u>412,636</u>	<u>4,100,553</u>	<u>2,328,301</u>
FUND BALANCES - End of year	<u>\$ 21,264,773</u>	<u>\$ 507,049</u>	<u>\$ 4,340,861</u>	<u>\$ 3,347,064</u>

See Notes to Financial Statements

<u>Capital Projects</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
\$ -	\$ 17,423,360	\$ -	\$ 57,099,590
-	-	-	364,041
338,819	1,091,117	616,002	19,285,208
-	-	-	727,532
-	-	27,060	5,067,547
87,182	-	256,520	1,185,881
<u>124,945</u>	<u>-</u>	<u>15,338</u>	<u>1,225,537</u>
<u>550,946</u>	<u>18,514,477</u>	<u>914,920</u>	<u>84,955,336</u>
-	-	22,255	23,533,955
-	-	-	10,085,322
-	-	-	5,723,214
-	-	-	4,987,436
-	-	-	9,711,078
-	-	17,226	2,383,760
-	-	-	8,334,774
-	-	-	3,748
-	7,110,000	-	7,530,000
-	319,524	-	368,457
<u>9,182,887</u>	<u>-</u>	<u>2,184,921</u>	<u>14,407,215</u>
<u>9,182,887</u>	<u>7,429,524</u>	<u>2,224,402</u>	<u>87,068,959</u>
<u>(8,631,941)</u>	<u>11,084,953</u>	<u>(1,309,482)</u>	<u>(2,113,623)</u>
-	3,345,000	-	4,240,000
-	(3,345,000)	-	(4,240,000)
3,486,000	-	-	7,200,000
-	-	-	39,433
8,461,078	-	337,320	26,453,965
<u>(700,000)</u>	<u>(10,962,000)</u>	<u>-</u>	<u>(26,453,965)</u>
<u>11,247,078</u>	<u>(10,962,000)</u>	<u>337,320</u>	<u>7,239,433</u>
2,615,137	122,953	(972,162)	5,125,810
<u>11,496,859</u>	<u>187,059</u>	<u>1,660,577</u>	<u>39,444,360</u>
\$ <u><u>14,111,996</u></u>	\$ <u><u>310,012</u></u>	\$ <u><u>688,415</u></u>	\$ <u><u>44,570,170</u></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, 2018

CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 5,125,810

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	\$ 13,063,088	
Capital assets contributed by the Iowa Department of Transportation	1,485,443	
Depreciation/amortization expense	<u>(5,558,349)</u>	8,990,182

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	(11,440,000)	
Repaid	<u>11,770,000</u>	330,000

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.

1,393,597

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	(103,801)	
Interest on long-term debt	7,063	
Pension expense	(649,088)	
OPEB expense	<u>(62,760)</u>	(808,586)

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.

1,054,097

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 16,085,100

JOHNSON COUNTY, IOWA

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2018

Internal Service -
 Employee Group
Health

CURRENT ASSETS:

Cash and cash equivalents

\$ 6,617,991

Receivables:

 Accounts

75,420

 Total assets

6,693,411

CURRENT LIABILITIES:

 Claims payable

1,220,237

NET POSITION:

 Unrestricted

\$ 5,473,174

See Notes to Financial Statements

JOHNSON COUNTY, IOWA

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2018

Internal Service -
Employee
Group Health

OPERATING REVENUES:

Reimbursements from operating funds	\$ 7,239,979
Reimbursements from employees and others	<u>837,327</u>
 Total operating revenues	 <u>8,077,306</u>

OPERATING EXPENSES:

Medical and health services	5,437,147
Accounting, auditing and clerical	1,651,335
Miscellaneous	<u>100</u>
 Total operating expenses	 <u>7,088,582</u>

Operating income	988,724
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NON-OPERATING REVENUES:

Interest income	<u>65,373</u>
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Change in Net Position	1,054,097
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<u>NET POSITION</u> - Beginning of year	<u>4,419,077</u>
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<u>NET POSITION</u> - End of year	\$ <u>5,473,174</u>
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See Notes to Financial Statements

JOHNSON COUNTY, IOWA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2018

Internal Service -
Employee Group
Health

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from operating fund reimbursements	\$ 7,606,879
Cash received from employees and others	837,327
Cash paid for administrative fees and miscellaneous	(1,643,311)
Cash paid for medical claims and insurance premiums	<u>(5,238,195)</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES 1,562,700

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest on investments	<u>65,373</u>
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NET INCREASE IN CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS 1,628,073

CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS - Beginning of year 4,989,918

CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS - End of year \$ 6,617,991

RECONCILIATION OF OPERATING INCOME TO NETCASH PROVIDED BY OPERATING ACTIVITIES:

Operating income	\$ 988,724
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in accounts receivable	366,900
Increase in accounts payable	<u>207,076</u>

Net cash provided by operating activities \$ 1,562,700

See Notes to Financial Statements

JOHNSON COUNTY, IOWA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES-
AGENCY FUNDS
JUNE 30, 2018

ASSETS

Cash, cash equivalents and pooled investments:		
County Treasurer		\$ 6,619,490
Other County officials		525,553
Receivables:		
Accounts receivable		147,029
Property tax:		
Delinquent		259,188
Succeeding year		245,044,581
Special Assessments		82,843
Due from other governments		155,380
Prepaid items		91,403
	TOTAL ASSETS	<u>252,925,467</u>

LIABILITIES

Accounts payable		151,725
Salaries and benefits payable		59,805
Compensated absences		116,474
Due to other governments		252,341,757
Trusts payable		255,706
	TOTAL LIABILITIES	<u>252,925,467</u>
	NET POSITION	\$ <u><u>-</u></u>

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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, 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.

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.

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

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.

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:

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

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.

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.

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.

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting(Continued)

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 for the investment in the Iowa Public Agency Investment Trust and 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.

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

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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 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, 2016 assessed property valuations; is for the tax accrual period July 1, 2017 through June 30, 2018 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2017.

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.

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, 2018

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, 2018. 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, 2018

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 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 the unamortized portion of the net difference between projected and actual earnings, the difference between actual and expected experience, the changes of assumptions, and the changes in proportion on IPERS’ investments.

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, 2018, disbursements did not exceed the amounts budgeted.

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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.

G. Implementation of GASB 75

As of July 1, 2017, the County adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. The implementation of this standard replaces the requirements GASB Statement No. 45 Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, and requires governments calculate and report the costs and obligations associated with postemployment benefits other than pensions (OPEB) in their basic financial statements. Employers are required to recognize OPEB amounts for all benefits provided through the plan which include the total OPEB liability deferred outflows of resources, deferred inflows of resources, and OPEB expense. The effect of the implementation of this standard on beginning net position is disclosed in Note 17 and the additional disclosures required by this standard are included in Note 13.

NOTE 2: CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS

The County's deposits in banks at June 30, 2018 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, 2018

NOTE 3: INTERFUND TRANSFERS

The detail of interfund transfers for the year ended June 30, 2018 is as follows:

<u>Transfer To</u>	<u>Amount</u>	<u>Transfer from</u>	<u>Amount</u>
Special Revenue: Secondary Roads	\$ 6,693,567	General Fund	\$ 1,244,818
		Capital Project	500,000
		Special Revenue: Rural Basic	<u>4,948,749</u>
			6,693,567
		General Fund	8,461,078
Capital Projects	8,461,078	General Fund	137,320
Special Revenue: Conservation Trust	337,320	Capital Projects	200,000
General Basic	<u>10,962,000</u>	Debt Service	<u>10,962,000</u>
	\$ <u>26,453,965</u>		\$ <u>26,453,965</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, 2018 was as follows:

	<u>Balance Beginning of Year, as Restated</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 16,089,178	\$ 996,447	\$ -	\$ 17,085,625
Intangible assets	522,891	-	-	522,891
Construction in progress	<u>12,427,632</u>	<u>11,417,949</u>	<u>14,839,165</u>	<u>9,006,416</u>
Total capital assets not being depreciated	<u>29,039,701</u>	<u>12,414,396</u>	<u>14,839,165</u>	<u>26,614,932</u>
Capital assets being depreciated:				
Buildings	46,701,195	9,308,483	-	56,009,678
Improvements other than buildings	1,344,163	136,307	-	1,480,470
Furnishings and equipment	18,459,284	3,633,575	783,404	21,309,455
Infrastructure	<u>99,862,609</u>	<u>3,894,935</u>	-	<u>103,757,544</u>
Total capital assets being depreciated	<u>166,367,251</u>	<u>16,973,300</u>	<u>783,404</u>	<u>182,557,147</u>
Less accumulated depreciation for:				
Buildings	14,981,761	1,330,275	-	16,312,036
Improvements other than buildings	207,803	54,712	-	262,515
Furnishings and equipment	12,483,589	1,404,605	783,404	13,104,790
Infrastructure	<u>40,338,922</u>	<u>2,768,757</u>	-	<u>43,107,679</u>
Total accumulated depreciation	<u>68,012,075</u>	<u>5,558,349</u>	<u>783,404</u>	<u>72,787,020</u>
Total capital assets being depreciated, net	<u>98,355,176</u>	<u>11,414,951</u>	-	<u>109,770,127</u>
Governmental activities capital assets, net	\$ <u>127,394,877</u>	\$ <u>23,829,347</u>	\$ <u>14,839,165</u>	\$ <u>136,385,059</u>

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 4: CAPITAL ASSETS (continued)

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 663,455
Physical health and social services	453,516
Mental health	4,980
County environment and education	349,205
Roads and transportation	3,528,213
Governmental services to residents	74,850
Administration	478,886
Non-program	<u>5,244</u>
Total depreciation expense - governmental activities	\$ <u>5,558,349</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, 2018 is as follows:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
General	Services	\$ 244,519
Special Revenue:		
Rural Services	Services	1,948
Secondary Roads	Services	857
Mental Health	Services	37
Capital Projects	Services	<u>6,497</u>
Total for governmental funds		\$ <u>253,858</u>
Agency:		
County Assessor	Collections	\$ 1,909,042
City Assessor		1,244,648
Schools		120,829,469
Community Colleges		9,562,686
Corporations		111,666,881
Townships		1,049,969
E911 Surcharge		571,792
Auto License and Use Tax		3,270,319
Other		<u>2,236,951</u>
Total for agency funds		\$ <u>252,341,757</u>
Total		\$ <u>252,595,615</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. During the year, the County refunded \$4,240,000 of general obligation capital loan notes. The refunding was undertaken to reduce total debt service payments. The results of the transaction is a reduction of \$165,433 in future debt service payments for an economic gain of \$160,497.

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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, 2018, 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	12/2016	06/2019	0.65% - 1.00%	\$ 4,800,000	\$ 1,600,000
County Improvements	12/2017	06/2021	1.50% - 1.75%	7,200,000	4,800,000
GO Refunding Bond	05/2018	06/2020	1.80% - 1.90%	895,000	895,000
GO Refunding Bond	05/2018	06/2021	1.80% - 2.00%	<u>3,345,000</u>	<u>3,345,000</u>
				\$ <u>16,240,000</u>	\$ <u>10,640,000</u>

A summary of the County's June 30, 2018 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>
2019	\$ 5,495,000	\$ 179,574	\$ 5,674,574
2020	3,975,000	95,325	4,070,325
2021	<u>1,170,000</u>	<u>23,400</u>	<u>1,193,400</u>
Total	\$ <u>10,640,000</u>	\$ <u>298,299</u>	\$ <u>10,938,299</u>

During the year ended June 30, 2018, the County retired \$11,770,000 and issued \$11,440,000 of general obligation capital loan notes.

A summary of changes in long-term liabilities for the year ended June 30, 2018, is as follows:

	<u>General Obligation Capital Loan Notes</u>	<u>Net Pension Liability</u>	<u>Total OPEB Liability</u>	<u>Compensated Absences</u>	<u>Total</u>
Balance beginning of year, as restated	\$ 10,970,000	\$ 19,180,490	\$ 1,524,866	\$ 3,172,226	\$ 34,847,582
Increases	11,440,000	1,254,997	257,933	3,276,027	16,228,957
Decreases	<u>11,770,000</u>	-	<u>69,150</u>	<u>3,172,226</u>	<u>15,011,376</u>
Balance end of year	\$ <u>10,640,000</u>	\$ <u>20,435,487</u>	\$ <u>1,713,649</u>	\$ <u>3,276,027</u>	\$ <u>36,065,163</u>
Due within one year	\$ <u>5,495,000</u>	\$ -	\$ -	\$ <u>3,276,027</u>	\$ <u>8,771,027</u>

NOTE 7: SHORT-TERM LIABILITIES

In December 2017, the County issued \$8,162,000 of General Obligation County Purpose Bonds, Series 2017A, and \$2,800,000 of General Obligation County Purpose Bonds, Series 2017B, 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 2017A was repaid on April 16, 2018 for \$8,198,729 and the Series 2017B was repaid on April 16, 2018 for \$2,812,600.

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 8: 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.

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"

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 8: PENSION PLAN (Continued)

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 2018, pursuant to the required rate, Regular members contributed 5.95% of covered payroll and the County contributed 8.93% of covered payroll for a total rate of 14.88%. The Sheriff, deputies and the County both contributed 9.38% of covered payroll for a total rate of 18.76%. Protection occupation members contributed 6.56% of covered payroll and the County contributed 9.84% of covered payroll for a total rate of 16.40%.

The County's contributions to IPERS for the year ended June 30, 2018 totaled \$2,664,954.

Net Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2018, the County reported a liability of \$20,435,487 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, 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, 2017, the County's collective proportion was .3067808% which was an increase of .0020052% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$3,314,042. At June 30, 2018, 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	\$ 306,744	\$ 330,770
Changes of assumptions	4,631,594	64,681
Net difference between projected and actual earnings on IPERS investments	-	300,324
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	193,272	55,031
County contributions subsequent to the measurement date	<u>2,664,954</u>	-
Total	\$ <u>7,796,564</u>	\$ <u>750,806</u>

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 8: PENSION PLAN (Continued)

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

\$2,664,954 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>Total</u>
2019	\$ 511,934
2020	2,109,437
2021	1,293,622
2022	136,665
2023	<u>329,146</u>
	<u>\$ 4,380,804</u>

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2017 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, 2017 valuation were based on the results of actuarial experience studies dated March 24, 2017.

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

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 8: PENSION PLAN (Continued)

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	24.0 %	6.25 %
International equity	16.0	6.71
Core plus fixed income	27.0	2.25
Public credit	3.5	3.46
Public real assets	7.0	3.27
Cash	1.0	(0.31)
Private equity	11.0	11.15
Private real assets	7.5	4.18
Private credit	<u>3.0</u>	4.25
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 <u>(6.00%)</u>	Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
County's proportionate share of the net pension liability	\$ 38,269,939	\$ 20,435,487	\$ 5,471,053

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, 2018.

NOTE 9: 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 775 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, 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.

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 9: RISK MANAGEMENT (Continued)

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, 2018 were \$564,432.

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, 2018, no liability has been recorded in the County's financial statements. As of June 30, 2018, 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, 2018

NOTE 10: 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 \$8,213,880 for fiscal year 2018. 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, 2018 was \$7,239,979.

Amounts payable from the Employee Group Health Fund at June 30, 2018 total \$1,210,237 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 \$5,473,174 at June 30, 2018 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>2018</u>	<u>2017</u>
Unpaid claims beginning of year	\$ 1,013,733	\$ 997,174
Incurred claims (including claims incurred but not reported at June 30, 2018 and 2017)	5,437,147	5,153,439
Payments:		
Payment on claims during the fiscal year	<u>(5,240,643)</u>	<u>(5,136,880)</u>
Unpaid claims end of year	\$ <u>1,210,237</u>	\$ <u>1,013,733</u>

NOTE 11: CONSTRUCTION COMMITMENTS

The County has entered into seven contracts totaling \$15,295,534 for building, road and other construction projects. As of June 30, 2018, costs of \$7,662,343 on the projects have been incurred. The balance remaining on the projects at June 30, 2018, \$7,633,191 will be paid as work on the projects progress.

NOTE 12: LITIGATION

The County Attorney reported that as of June 30, 2018, 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 13: 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, 2018

NOTE 13: 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, 2018 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	30
Active Employees	<u>445</u>
Total	<u>475</u>

Total OPEB Liability – The County's total OPEB liability of \$1,713,649 was measured as of June 30, 2018, and was determined by an actuarial valuation as of April 1, 2017.

Actuarial Assumptions – The total OPEB liability in the April 1, 2017 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, 2018)	3.0% per annum
Rates of salary increase (effective June 30, 2018)	3.0% per annum, including inflation
Discount Rate (effective June 30, 2018)	3.89% compounded annually, including inflation
Healthcare cost trend rate (effective June 30, 2018)	5.0% annum

Discount Rate – The discount rate used to measure the total OPEB liability was 3.89% 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 2016 with MP 2016 generation projection of future mortality improvement.

The actuarial assumptions used in the April 1, 2017 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, as restated	1,524,866
Changes for the year:	
Service cost	53,590
Interest	65,460
Changes in assumptions	138,883
Benefit payments	<u>(69,150)</u>
Net Change	<u>188,783</u>
Total OPEB liability end of the year	<u>1,713,649</u>

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 13: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Change of assumptions reflect a change in the discount rate from 4.50% in fiscal year 2017 to 3.89% in fiscal year 2018.

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 (2.89%) or 1% higher (4.89%) than the current discount rate.

	1% Decrease (2.89%)	Discount Rate (3.89%)	1% Increase (4.89%)
Total OPEB liability	\$1,982,560	\$1,713,649	\$1,499,550

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 (4.0%) or 1% higher (6.0%) than the current healthcare cost trend rates.

	1% Decrease (4.0%)	Discount Rate (5.0%)	1% Increase (6.0%)
Total OPEB liability	\$1,474,776	\$1,713,649	\$2,020,079

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2018, the County recognized OPEB expense of \$131,910. At June 30, 2018 the County reported deferred outflows of resources related to OPEB from the following resources:

	Deferred Outflows Of Resources
Change in assumptions	\$ 126,023
Total	\$ 126,023

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

Year ending June 30,	Amount
2019	\$ 12,860
2020	12,860
2021	12,860
2022	12,860
2023	12,860
Thereafter	61,723
	\$ 126,023

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 14: 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, 2018, 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, 2018 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	\$ 2,345
City of Solon	Urban renewal and economic development projects	31,807
	Urban revitalization tax abatement	242
City of Coralville	Urban renewal and economic development projects	297,498
City of Lone Tree	Urban renewal and economic development projects	6,675
City of North Liberty	Urban renewal and economic development projects	186,638
City of Oxford	Urban renewal and economic development projects	26,009
City of Iowa City	Urban renewal and economic development projects	51,591

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 15: 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, 2018 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	\$ 211,045	\$ -	\$ -	\$ 211,045
Quality improvement	-	60,702	-	60,702
Allocation for administration	11,108	20,042	-	31,150
School ready general use	-	587,326	-	587,326
Other program services	-	-	4,699	4,699
Total State of Iowa grants	<u>222,153</u>	<u>668,070</u>	<u>4,699</u>	<u>894,922</u>
Interest	<u>1,017</u>	<u>2,868</u>	<u>-</u>	<u>3,885</u>
Total additions	<u>223,170</u>	<u>670,938</u>	<u>4,699</u>	<u>898,807</u>
Deductions:				
Program services:				
Early childhood	92,413	-	-	92,413
Quality improvement	118,517	61,640	-	180,157
School ready general use	-	615,452	-	615,452
Other program services	-	-	5,554	5,554
Total program services	<u>210,930</u>	<u>677,092</u>	<u>5,554</u>	<u>893,576</u>
Administration	<u>10,436</u>	<u>21,885</u>	<u>-</u>	<u>32,321</u>
Total deductions	<u>221,366</u>	<u>698,977</u>	<u>5,554</u>	<u>925,897</u>
Net change	1,804	(28,039)	(855)	(27,090)
Balances – beginning of year	<u>21,040</u>	<u>121,718</u>	<u>1,100</u>	<u>143,858</u>
Balances – end of year	\$ <u>22,844</u>	\$ <u>93,679</u>	\$ <u>245</u>	\$ <u>116,768</u>

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 16: 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, 2018 as follows:

Revenues:		
Property and other county tax	\$	4,825,439
Intergovernmental revenues:		
State tax credits	\$	302,140
Other intergovernmental revenues	<u>536,696</u>	<u>838,836</u>
Total revenues		<u>5,664,275</u>
Expenditures:		
Services to persons with:		
Mental illness	306,775	
Intellectual disability	32,896	
Other developmental disabilities	<u>42,560</u>	382,231
General administration:		
Direct administration	320,901	
Distribution to regional fiscal agent	<u>3,942,380</u>	<u>4,263,281</u>
Total expenditures		<u>4,645,512</u>
Change in fund balance		1,018,763
Fund balance - Beginning of the year		<u>2,328,301</u>
Fund balance - End of the year		<u>\$3,347,064</u>

NOTE 17: RESTATEMENT

During the year ended June 30, 2018, it was determined that some of the additions to construction in progress, furnishings and equipment, and accumulated depreciation had not been properly recorded for the year ended June 30, 2017. Additionally, with the implementation of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB), beginning net position for governmental activities was restated to retroactively report the change in valuation of the beginning total OPEB liability, as follows:

	Governmental Activities
Government Wide net position June 30, 2017, as previously reported	\$ 143,231,784
Total OPEB obligation measured under previous standards	2,098,884
Total OPEB liability at June 30, 2017	(1,524,866)
Adjustments to land	71,680
Adjustments to buildings	42,610
Adjustments to accumulated depreciation	<u>(3,871)</u>
Government Wide net position June 30, 2017, as restated	<u>\$ 143,916,221</u>

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 18: SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 22, 2019, the date the financial statements were available to be issued.

In December 2018, the County issued \$9,732,000 of General Obligation County Purpose Bonds Series 2018D (Taxable) and \$2,800,000 of General Obligation County Purpose Bonds Series 2018C. Both are short term bonds with a maturity of April 15, 2019. Also in December 2018, the County issued \$7,200,000 of General Obligation County Purpose Bonds, Series 2018E. 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, 2018

	Governmental Fund Types <u>Actual</u>	<u>Budgeted Amounts</u>		Final to Actual Variance
		<u>Original</u>	<u>Final</u>	
<u>RECEIPTS:</u>				
Property and other County tax	\$ 57,098,813	\$ 56,972,985	\$ 56,972,985	\$ 125,828
Interest and penalty on property tax	365,396	329,000	329,000	36,396
Intergovernmental	19,861,599	22,862,703	25,500,870	(5,639,271)
Licenses and permits	717,857	712,875	712,875	4,982
Charges for service	4,973,951	4,479,720	4,506,403	467,548
Use of money and property	1,184,484	301,224	1,044,424	140,060
Miscellaneous	<u>1,410,588</u>	<u>2,372,731</u>	<u>2,747,820</u>	<u>(1,337,232)</u>
Total receipts	<u>85,612,688</u>	<u>88,031,238</u>	<u>91,814,377</u>	<u>(6,201,689)</u>
<u>DISBURSEMENTS:</u>				
Public safety and legal services	23,331,585	24,595,247	24,949,971	1,618,386
Physical health and social services	10,217,611	10,833,937	11,376,353	1,158,742
Mental health	5,755,285	8,557,318	8,564,124	2,808,839
County environment and education	4,991,514	5,219,292	5,196,861	205,347
Roads and transportation	9,640,461	10,248,973	10,566,150	925,689
Governmental services to residents	2,395,908	2,698,323	2,699,762	303,854
Administration	8,286,907	9,621,530	9,413,148	1,126,241
Non-program	3,342	6,090	6,090	2,748
Debt service	18,860,457	18,884,658	18,884,658	24,201
Capital projects	<u>16,571,659</u>	<u>19,752,121</u>	<u>31,069,842</u>	<u>14,498,183</u>
Total disbursements	<u>100,054,729</u>	<u>110,417,489</u>	<u>122,726,959</u>	<u>22,672,230</u>
Excess (deficiency) of receipts over (under) disbursements	(14,442,041)	(22,386,251)	(30,912,582)	16,470,541
Other financing sources, net	<u>18,199,349</u>	<u>18,371,500</u>	<u>18,371,500</u>	<u>(172,151)</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	3,757,308	(4,014,751)	(12,541,082)	16,298,390
<u>BALANCE</u> - Beginning of year	<u>40,411,336</u>	<u>24,947,558</u>	<u>40,411,336</u>	<u>-</u>
<u>BALANCE</u> - End of year	\$ <u>44,168,644</u>	\$ <u>20,932,807</u>	\$ <u>27,870,254</u>	\$ <u>16,298,390</u>

See Accompanying Independent Auditor's Report

JOHNSON COUNTY, IOWA

BUDGETARY COMPARISON SCHEDULE - BUDGET TO GAAP RECONCILIATION
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2018

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 85,612,688	\$ (1,157,352)	\$ 84,955,336
Expenditures	<u>100,054,729</u>	<u>(13,485,770)</u>	<u>87,068,959</u>
Net	(14,442,041)	12,328,418	(2,113,623)
Other financing sources, net	18,199,349	(10,959,916)	7,239,433
Beginning fund balances	<u>40,411,336</u>	<u>(966,976)</u>	<u>39,444,360</u>
 Ending fund balances	 <u>\$ 44,168,644</u>	 <u>\$ 401,526</u>	 <u>\$ 44,570,170</u>

See Accompanying Independent Auditor's Report

JOHNSON COUNTY, IOWA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING

YEAR ENDED JUNE 30, 2018

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 \$12,309,470. 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, 2018, 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 FOUR FISCAL YEARS*

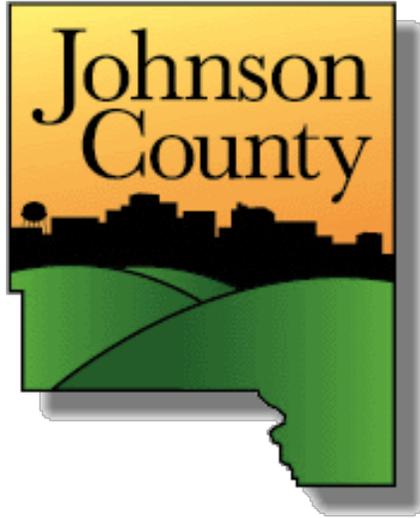
REQUIRED SUPPLEMENTARY INFORMATION

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's collective proportion of the net pension liability	0.3068 %	0.3048 %	0.279 %	0.257 %
County's collective proportionate share of the net pension liability	\$ 20,435,487	\$ 19,180,490	\$ 13,781,545	\$ 10,195,102
County's covered payroll	\$ 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	71.18 %	69.69 %	52.30 %	39.93 %
IPERS' net position as a percentage of the total pension liability	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 is

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>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contribution	\$ 2,664,954	\$ 2,627,326	\$ 2,531,417
Contributions in relation to the statutorily required contribution	<u>(2,664,954)</u>	<u>(2,627,326)</u>	<u>(2,531,417)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
County's covered payroll	\$ 29,234,232	\$ 28,708,219	\$ 27,523,506
Contributions as a percentage of covered payroll	9.12 %	9.15 %	9.20 %

See Accompanying Independent Auditor's Report

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 2,432,140	\$ 2,356,804	\$ 2,235,527	\$ 2,141,091	\$ 1,780,910	\$ 1,615,053	\$ 1,534,007
<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>(1,534,007)</u>
\$ <u>-</u>						
\$ 26,348,638	\$ 25,531,199	\$ 24,678,980	\$ 24,938,736	\$ 23,381,703	\$ 22,869,595	\$ 21,665,183
9.23 %	9.23 %	9.06 %	8.59 %	7.62 %	7.06 %	7.08 %

JOHNSON COUNTY, IOWA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY

YEAR ENDED JUNE 30, 2018

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 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 CURRENT YEAR

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2018</u>
Service Cost	\$ 53,590
Interest Cost	65,460
Change in assumptions	138,883
Benefit Payments	<u>(69,150)</u>
Net change in total OPEB liability	<u>188,783</u>
Total OPEB liability beginning of year, as restated	<u>1,524,866</u>
Total OPEB liability end of year	<u><u>\$1,713,649</u></u>
Covered-employee payroll	26,771,396
Total OPEB liability as a percentage of covered-employee payroll	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.

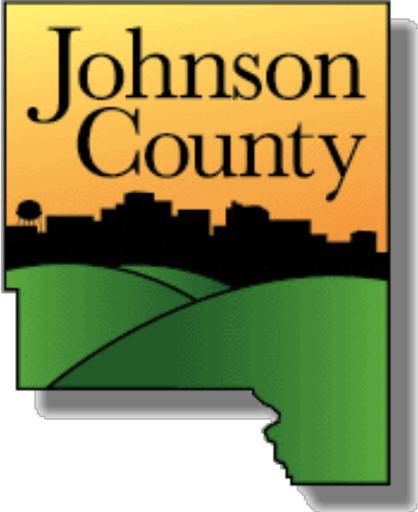
Changes in assumptions:

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, 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, 2018

	Special Revenue		
	Law Enforcement Proceeds	Prosecutor Forfeiture Proceeds	Special Resource Enhancement
<u>ASSETS</u>			
Cash, cash equivalents and pooled investments	\$ 40,043	\$ 44,411	\$ 383,612
Receivables:			
Accounts	-	-	-
Due from other governments	-	-	-
TOTAL ASSETS	\$ 40,043	\$ 44,411	\$ 383,612
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES:</u>			
Accounts payable	\$ -	\$ -	\$ -
Contracts payable	-	-	-
TOTAL LIABILITIES	-	-	-
 <u>DEFERRED INFLOWS OF RESOURCES:</u>			
Unavailable revenues:			
Other	\$ -	\$ -	\$ -
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-
 <u>FUND BALANCES:</u>			
Restricted for:			
Other purposes	40,043	44,411	383,612
TOTAL FUND BALANCES	40,043	44,411	383,612
TOTAL LIABILITIES AND FUND BALANCES	\$ 40,043	\$ 44,411	\$ 383,612

Road Construction <u>Escrow</u>	Special Revenue		Permanent Trust CRC	<u>Total</u>
	Recorder's Records Management	Conservation Trust	Wetland Bank Permanent Trust	
\$ 5,660	\$ 151,593	\$ 71,558	\$ 6,210	\$ 703,087
-	3,263	84,621	-	87,884
<u>-</u>	<u>-</u>	<u>1,127,116</u>	<u>-</u>	<u>1,127,116</u>
\$ <u>5,660</u>	\$ <u>154,856</u>	\$ <u>1,283,295</u>	\$ <u>6,210</u>	\$ <u>1,918,087</u>
\$ -	\$ -	\$ 10,270	\$ -	\$ 10,270
<u>-</u>	<u>-</u>	<u>92,286</u>	<u>-</u>	<u>92,286</u>
<u>-</u>	<u>-</u>	<u>102,556</u>	<u>-</u>	<u>102,556</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,127,116</u>	\$ <u>-</u>	\$ <u>1,127,116</u>
<u>-</u>	<u>-</u>	<u>1,127,116</u>	<u>-</u>	<u>1,127,116</u>
<u>5,660</u>	<u>154,856</u>	<u>53,623</u>	<u>6,210</u>	<u>688,415</u>
<u>5,660</u>	<u>154,856</u>	<u>53,623</u>	<u>6,210</u>	<u>688,415</u>
\$ <u>5,660</u>	\$ <u>154,856</u>	\$ <u>1,283,295</u>	\$ <u>6,210</u>	\$ <u>1,918,087</u>

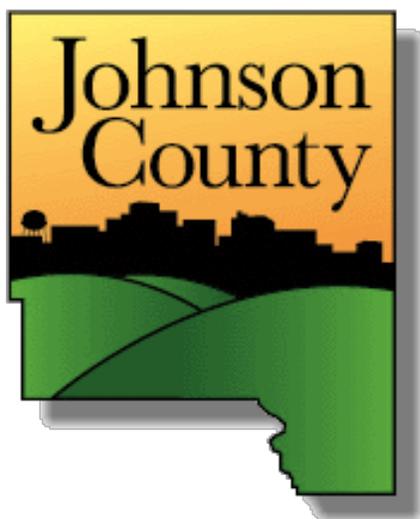
JOHNSON COUNTY, IOWA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Special Revenue		
	Law Enforcement Proceeds	Prosecutor Forfeiture Proceeds	Special Resource Enhancement
<u>REVENUES:</u>			
Intergovernmental	\$ 85	\$ -	\$ 38,691
Charges for service	-	-	-
Use of money and property	509	-	3,804
Miscellaneous	-	996	-
Total revenues	594	996	42,495
<u>EXPENDITURES:</u>			
Operating:			
Public safety and legal services	18,173	4,082	-
Governmental services to residents	-	-	-
Capital projects	-	-	13,434
Total expenditures	18,173	4,082	13,434
Excess (deficiency) of revenues over (under) expenditures	(17,579)	(3,086)	29,061
Other financing sources:			
Transfers in	-	-	-
Change in fund balances	(17,579)	(3,086)	29,061
<u>FUND BALANCES</u> - Beginning of year	57,622	47,497	354,551
<u>FUND BALANCES</u> - End of year	\$ 40,043	\$ 44,411	\$ 383,612

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	Special Revenue			Permanent Trust	Total
	Road Construction Escrow	Recorder's Records Management	Conservation Trust	CRC Wetland Bank Permanent Trust	
\$ -	\$ -	\$ 577,226	\$ -	\$ 616,002	
-	27,060	-	-	27,060	
-	2,164	243,833	6,210	256,520	
-	-	14,342	-	15,338	
-	29,224	835,401	6,210	914,920	
-	-	-	-	22,255	
-	17,226	-	-	17,226	
-	-	2,171,487	-	2,184,921	
-	17,226	2,171,487	-	2,224,402	
-	11,998	(1,336,086)	6,210	(1,309,482)	
-	-	337,320	-	337,320	
-	11,998	(998,766)	6,210	(972,162)	
5,660	142,858	1,052,389	-	1,660,577	
\$ 5,660	\$ 154,856	\$ 53,623	\$ 6,210	\$ 688,415	



JOHNSON COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>COUNTY AUDITOR:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
Other County Officials	\$ 2,526	\$ 123,915	\$ (122,382)	\$ 4,059
Receivables:				
Accounts Receivable	<u>48</u>	<u>137</u>	<u>(48)</u>	<u>137</u>
Total Assets	\$ <u>2,574</u>	\$ <u>124,052</u>	\$ <u>(122,430)</u>	\$ <u>4,196</u>
<u>LIABILITIES</u>				
Liabilities, Accounts Payable	\$ <u>2,574</u>	\$ <u>4,196</u>	\$ <u>(2,574)</u>	\$ <u>4,196</u>
<u>COUNTY RECORDER:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
Other County Officials	\$ 190,195	\$ 2,748,459	\$ (2,734,125)	\$ 204,529
Receivables:				
Accounts Receivable	<u>21,594</u>	<u>24,050</u>	<u>(21,594)</u>	<u>24,050</u>
Total Assets	\$ <u>211,789</u>	\$ <u>2,772,509</u>	\$ <u>(2,755,719)</u>	\$ <u>228,579</u>
<u>LIABILITIES</u>				
Liabilities, Due to Other Governments	\$ <u>211,789</u>	\$ <u>228,579</u>	\$ <u>(211,789)</u>	\$ <u>228,579</u>
<u>COUNTY SHERIFF:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
Other County Officials	\$ <u>299,492</u>	\$ <u>5,304,207</u>	\$ <u>(5,286,734)</u>	\$ <u>316,965</u>
Total Assets	\$ <u>299,492</u>	\$ <u>5,304,207</u>	\$ <u>(5,286,734)</u>	\$ <u>316,965</u>
<u>LIABILITIES</u>				
Due to Other Governments	\$ 40,471	\$ 329,919	\$ (219,080)	\$ 151,310
Trusts Payable	<u>259,021</u>	<u>4,974,288</u>	<u>(5,067,654)</u>	<u>165,655</u>
Total Liabilities	\$ <u>299,492</u>	\$ <u>5,304,207</u>	\$ <u>(5,286,734)</u>	\$ <u>316,965</u>

JOHNSON COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>AGRICULTURAL EXTENSION:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ 1,941	\$ 575,775	\$ (575,552)	\$ 2,164
Receivables:				
Property Tax:				
Delinquent	670	774	(670)	774
Succeeding Year	<u>533,547</u>	<u>549,297</u>	<u>(533,547)</u>	<u>549,297</u>
Total Assets	\$ <u>536,158</u>	\$ <u>1,125,846</u>	\$ <u>(1,109,769)</u>	\$ <u>552,235</u>
<u>LIABILITIES</u>				
Liabilities, Due to Other Governments	\$ <u>536,158</u>	\$ <u>552,235</u>	\$ <u>(536,158)</u>	\$ <u>552,235</u>
<u>COUNTY ASSESSOR:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ 535,622	\$ 1,268,186	\$ (1,164,835)	\$ 638,973
Receivables:				
Property Tax:				
Delinquent	1,852	2,396	(1,852)	2,396
Succeeding Year	1,173,132	1,327,689	(1,173,132)	1,327,689
Prepaid Items	<u>7,229</u>	<u>12,334</u>	<u>(7,229)</u>	<u>12,334</u>
Total Assets	\$ <u>1,717,835</u>	\$ <u>2,610,605</u>	\$ <u>(2,347,048)</u>	\$ <u>1,981,392</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 7,376	\$ 2,804	\$ (7,376)	\$ 2,804
Salaries and Benefits Payable	30,320	30,143	(30,320)	30,143
Compensated Absences	52,437	39,403	(52,437)	39,403
Due to Other Governments	<u>1,627,702</u>	<u>1,909,042</u>	<u>(1,627,702)</u>	<u>1,909,042</u>
Total Liabilities	\$ <u>1,717,835</u>	\$ <u>1,981,392</u>	\$ <u>(1,717,835)</u>	\$ <u>1,981,392</u>
<u>CITY ASSESSOR:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ 406,824	\$ 894,603	\$ (773,924)	\$ 527,503
Receivables:				
Property Tax:				
Delinquent	562	650	(562)	650
Succeeding Year	830,622	812,625	(830,622)	812,625
Prepaid Items	<u>4,338</u>	<u>6,565</u>	<u>(4,338)</u>	<u>6,565</u>
Total Assets	\$ <u>1,242,346</u>	\$ <u>1,714,443</u>	\$ <u>(1,609,446)</u>	\$ <u>1,347,343</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 6,038	\$ 11,116	\$ (6,038)	\$ 11,116
Salaries and Benefits Payable	22,715	23,284	(22,715)	23,284
Compensated Absences	68,486	68,295	(68,486)	68,295
Due to Other Governments	<u>1,145,107</u>	<u>1,244,648</u>	<u>(1,145,107)</u>	<u>1,244,648</u>
Total Liabilities	\$ <u>1,242,346</u>	\$ <u>1,347,343</u>	\$ <u>(1,242,346)</u>	\$ <u>1,347,343</u>

See Accompanying Independent Auditor's Report

JOHNSON COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
<u>EMERGENCY MANAGEMENT:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ 186,977	\$ 3,844,179	\$ (3,854,575)	\$ 176,581
Receivables:				
Accounts Receivable	717	43,069	(717)	43,069
Due From Other Governments	7,886	599	(7,886)	599
Prepaid Items	<u>10,058</u>	<u>10,380</u>	<u>(10,058)</u>	<u>10,380</u>
Total Assets	\$ <u>205,638</u>	\$ <u>3,898,227</u>	\$ <u>(3,873,236)</u>	\$ <u>230,629</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 38,053	\$ 51,342	\$ (38,053)	\$ 51,342
Salaries and Benefits Payable	6,039	6,378	(6,039)	6,378
Compensated Absences	6,757	8,776	(6,757)	8,776
Due to Other Governments	<u>154,789</u>	<u>164,133</u>	<u>(154,789)</u>	<u>164,133</u>
Total Liabilities	\$ <u>205,638</u>	\$ <u>230,629</u>	\$ <u>(205,638)</u>	\$ <u>230,629</u>
<u>STATE LEVIES:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ 82	\$ 268,024	\$ (268,018)	\$ 88
Receivables:				
Property Tax:				
Delinquent	28	32	(28)	32
Succeeding Year	<u>266,298</u>	<u>391,233</u>	<u>(266,298)</u>	<u>391,233</u>
Total Assets	\$ <u>266,408</u>	\$ <u>659,289</u>	\$ <u>(534,344)</u>	\$ <u>391,353</u>
<u>LIABILITIES</u>				
Liabilities, Due to Other Governments	\$ <u>266,408</u>	\$ <u>391,353</u>	\$ <u>(266,408)</u>	\$ <u>391,353</u>
<u>SCHOOLS:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ 381,887	\$ 112,888,046	\$ (112,849,914)	\$ 420,019
Receivables:				
Property Tax:				
Delinquent	122,722	150,006	(122,722)	150,006
Succeeding Year	<u>104,650,285</u>	<u>120,259,444</u>	<u>(104,650,285)</u>	<u>120,259,444</u>
Total Assets	\$ <u>105,154,894</u>	\$ <u>233,297,496</u>	\$ <u>(217,622,921)</u>	\$ <u>120,829,469</u>
<u>LIABILITIES</u>				
Liabilities, Due to Other Governments	\$ <u>105,154,894</u>	\$ <u>120,829,469</u>	\$ <u>(105,154,894)</u>	\$ <u>120,829,469</u>

See Accompanying Independent Auditor's Report

JOHNSON COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
<u>COMMUNITY COLLEGES:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ 27,978	\$ 8,856,090	\$ (8,851,021)	\$ 33,047
Receivables:				
Property Tax:				
Delinquent	9,309	11,553	(9,309)	11,553
Succeeding Year	<u>8,211,908</u>	<u>9,518,086</u>	<u>(8,211,908)</u>	<u>9,518,086</u>
Total Assets	\$ <u>8,249,195</u>	\$ <u>18,385,729</u>	\$ <u>(17,072,238)</u>	\$ <u>9,562,686</u>
<u>LIABILITIES</u>				
Liabilities, Due to Other Governments	\$ <u>8,249,195</u>	\$ <u>9,562,686</u>	\$ <u>(8,249,195)</u>	\$ <u>9,562,686</u>
<u>CORPORATIONS:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ 392,033	\$ 119,752,847	\$ (119,705,234)	\$ 439,646
Receivables:				
Property Tax:				
Delinquent	70,186	91,945	(70,186)	91,945
Succeeding Year	<u>111,374,202</u>	<u>111,135,290</u>	<u>(111,374,202)</u>	<u>111,135,290</u>
Total Assets	\$ <u>111,836,421</u>	\$ <u>230,980,082</u>	\$ <u>(231,149,622)</u>	\$ <u>111,666,881</u>
<u>LIABILITIES</u>				
Liabilities, Due to Other Governments	\$ <u>111,836,421</u>	\$ <u>111,666,881</u>	\$ <u>(111,836,421)</u>	\$ <u>111,666,881</u>
<u>TOWNSHIPS:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ 4,963	\$ 1,080,215	\$ (1,081,663)	\$ 3,515
Receivables:				
Property Tax:				
Delinquent	1,614	1,832	(1,614)	1,832
Succeeding Year	<u>1,015,161</u>	<u>1,044,622</u>	<u>(1,015,161)</u>	<u>1,044,622</u>
Total Assets	\$ <u>1,021,738</u>	\$ <u>2,126,669</u>	\$ <u>(2,098,438)</u>	\$ <u>1,049,969</u>
<u>LIABILITIES</u>				
Liabilities, Due to Other Governments	\$ <u>1,021,738</u>	\$ <u>1,049,969</u>	\$ <u>(1,021,738)</u>	\$ <u>1,049,969</u>

See Accompanying Independent Auditor's Report

JOHNSON COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
<u>CITY SPECIAL ASSESSMENTS:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ 13,452	\$ 129,143	\$ (137,434)	\$ 5,161
Receivables:				
Accounts	1,916	2,047	(1,916)	2,047
Special Assessments	<u>39,403</u>	<u>82,843</u>	<u>(39,403)</u>	<u>82,843</u>
Total Assets	\$ <u>54,771</u>	\$ <u>214,033</u>	\$ <u>(178,753)</u>	\$ <u>90,051</u>
<u>LIABILITIES</u>				
Trusts Payable	\$ <u>54,771</u>	\$ <u>90,051</u>	\$ <u>(54,771)</u>	\$ <u>90,051</u>
Total Liabilities	\$ <u>54,771</u>	\$ <u>90,051</u>	\$ <u>(54,771)</u>	\$ <u>90,051</u>
<u>E911 SURCHARGE:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ 168,557	\$ 790,027	\$ (681,407)	\$ 277,177
Receivables:				
Accounts Receivable	72,534	77,726	(72,534)	77,726
Due from Other Governments	93,062	154,781	(93,062)	154,781
Prepaid Items	<u>39,550</u>	<u>62,124</u>	<u>(39,550)</u>	<u>62,124</u>
Total Assets	\$ <u>373,703</u>	\$ <u>1,084,658</u>	\$ <u>(886,553)</u>	\$ <u>571,808</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 4,927	\$ 16	\$ (4,927)	\$ 16
Due to Other Governments	<u>368,776</u>	<u>571,792</u>	<u>(368,776)</u>	<u>571,792</u>
Total Liabilities	\$ <u>373,703</u>	\$ <u>571,808</u>	\$ <u>(373,703)</u>	\$ <u>571,808</u>
<u>AUTO, LICENSE AND USE TAX:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ <u>3,284,729</u>	\$ <u>38,240,954</u>	\$ <u>(38,255,364)</u>	\$ <u>3,270,319</u>
Total Assets	\$ <u>3,284,729</u>	\$ <u>38,240,954</u>	\$ <u>(38,255,364)</u>	\$ <u>3,270,319</u>
<u>LIABILITIES</u>				
Liabilities, Due to Other Governments	\$ <u>3,284,729</u>	\$ <u>3,270,319</u>	\$ <u>(3,284,729)</u>	\$ <u>3,270,319</u>

See Accompanying Independent Auditor's Report

JOHNSON COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
<u>PRECINCT ATLAS CONSORTIUM:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ 248,647	\$ 381,746	\$ (599,645)	\$ 30,748
Due from Other Governments	-	-	-	-
Total Assets	\$ <u>248,647</u>	\$ <u>381,746</u>	\$ <u>(599,645)</u>	\$ <u>30,748</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 248,647	\$ -	\$ (248,647)	\$ -
Due to Other Governments	-	30,748	-	30,748
Total Liabilities	\$ <u>248,647</u>	\$ <u>30,748</u>	\$ <u>(248,647)</u>	\$ <u>30,748</u>
<u>EMPOWERMENT BOARD:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ 222,654	\$ 895,607	\$ (906,883)	\$ 211,378
Total Assets	\$ <u>222,654</u>	\$ <u>895,607</u>	\$ <u>(906,883)</u>	\$ <u>211,378</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 50,353	\$ 82,251	\$ (50,353)	\$ 82,251
Due to Other Governments	172,301	129,127	(172,301)	129,127
Total Liabilities	\$ <u>222,654</u>	\$ <u>211,378</u>	\$ <u>(222,654)</u>	\$ <u>211,378</u>
<u>TAX SALES:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ 582,655	\$ 1,692,432	\$ (1,691,916)	\$ 583,171
Total Assets	\$ <u>582,655</u>	\$ <u>1,692,432</u>	\$ <u>(1,691,916)</u>	\$ <u>583,171</u>
<u>LIABILITIES</u>				
Due to Other Governments	\$ 582,655	\$ 583,171	\$ (582,655)	\$ 583,171
Total Liabilities	\$ <u>582,655</u>	\$ <u>583,171</u>	\$ <u>(582,655)</u>	\$ <u>583,171</u>

See Accompanying Independent Auditor's Report

JOHNSON COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>FLOOD CONTROL:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ -	\$ 25,207	\$ (25,207)	\$ -
Total Assets	\$ -	\$ 25,207	\$ (25,207)	\$ -
<u>LIABILITIES</u>				
Due to Other Governments	-	-	-	-
Total Liabilities	\$ -	\$ -	\$ -	\$ -
<u>MCBRIDE SANITARY DISTRICT</u>				
<u>ASSETS</u>				
Receivables:				
Succeeding Year	\$ -	\$ 6,295	\$ -	\$ 6,295
Total Assets	\$ -	\$ 6,295	\$ -	\$ 6,295
<u>LIABILITIES</u>				
Due to Other Governments	\$ -	\$ 6,295	\$ -	\$ 6,295
Total Liabilities	\$ -	\$ 6,295	\$ -	\$ 6,295
<u>TOTAL COMBINED FUNDS:</u>				
<u>ASSETS</u>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ 6,459,001	\$ 291,583,081	\$ (291,422,592)	\$ 6,619,490
Other County Officials	492,213	8,176,581	(8,143,241)	525,553
Receivables:				
Property Tax:				
Delinquent	206,943	259,188	(206,943)	259,188
Succeeding Year	228,055,155	245,044,581	(228,055,155)	245,044,581
Accounts Receivable	96,809	147,029	(96,809)	147,029
Special Assessments	39,403	82,843	(39,403)	82,843
Due from Other Governments	100,948	155,380	(100,948)	155,380
Prepaid items	61,175	91,403	(61,175)	91,403
Total Assets	\$ 235,511,647	\$ 545,540,086	\$ (528,126,266)	\$ 252,925,467
<u>LIABILITIES</u>				
Accounts Payable	\$ 357,968	\$ 151,725	\$ (357,968)	\$ 151,725
Salaries and Benefits Payable	59,074	59,805	(59,074)	59,805
Due to Other Governments	234,653,133	252,520,366	(234,831,742)	252,341,757
Trust Payable	313,792	5,064,339	(5,122,425)	255,706
Compensated Absences	127,680	116,474	(127,680)	116,474
Total Liabilities	\$ 235,511,647	\$ 257,912,709	\$ (240,498,889)	\$ 252,925,467

See Accompanying Independent Auditor's Report

JOHNSON COUNTY, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
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	\$ 43,572
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	5888A051	<u>580,530</u>
			<u>624,102</u>
SNAP Cluster Iowa Department of Human Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	<u>42,800</u>
Total U.S. Department of Agriculture			<u>666,902</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>115,196</u>
U. S. Department of Housing and Urban Development: Pass-through program from: Iowa Economic Development Authority: CDBG - Disaster Recovery Grants Cluster National Disaster Resiliency Program	14.272	13-NDR-007	<u>283,874</u>
U.S. Department of the Interior: Direct program: Payments in Lieu of Taxes	15.226		<u>66,030</u>
U.S. Department of Justice: Direct program: Law Enforcement Assistance - Narcotics & Dangerous Drugs Training	16.004		<u>2,261</u>
Pass-through program from: Iowa Department of Justice: Crime Victim Assistance	16.575	VA-17-39-16	<u>97,581</u>
Pass-through program from: Governor's Office of Drug Control Policy: Public Safety Partnership and Community Policing Grants	16.710	16-CAMP-05	<u>5,338</u>
Pass-through program from: Governor's Office of Drug Control Policy: Edward Byrne Memorial Justice Assistance Grant Program	16.738	15-JAG-197460	<u>29,529</u>
Total U.S. Department of Justice			<u>134,709</u>

JOHNSON COUNTY, IOWA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018

<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:			
Federal Recreational Trails Program (F RTP)	20.219	2017-NRT-002	8,000
Highway Planning and Construction	20.205	16-TAP-112	470,389
Federal Land Access Program (FLAP)	20.224	FLAP-CO52(116)-7L-52	979,066
Total Highway Planning and Construction Cluster			<u>1,457,455</u>
Pass-through program from:			
East Central Iowa Council of Governments:			
Formula Grants for Rural Areas	20.509	TF-2000-XXX	<u>81,739</u>
Iowa Department of Transportation:			
Transit Services Programs Cluster			
Job Access and Reverse Commute (JARC) Program	20.516	Mobility Coord	<u>45,775</u>
Highway Safety Cluster:			
Iowa Department of Public Safety:			
State and Community Highway Safety	20.600	PAP-16-402-MOPT	<u>8,670</u>
Iowa Homeland Security and Emergency Management:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	HMEP-18-05	<u>599</u>
Total U.S. Department of Transportation			<u>1,594,238</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>5,591</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	Area 5A	<u>27,145</u>
Iowa Department of Public Health:			
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	MOU-2018-TB12	<u>2,075</u>
Immunization Cooperative Agreements	93.268	5886I487	<u>14,658</u>
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	5886EL01	<u>150,000</u>
Iowa Department of Human Services:			
Refugee and Entrant Assistance - State Administered Programs	93.566	N/A	<u>53</u>
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	N/A	<u>11,544</u>
Foster Care - Title IV-E	93.658	N/A	<u>15,503</u>
Adoption Assistance	93.659	N/A	<u>4,908</u>
Social Services Block Grant	93.667	N/A	<u>12,635</u>
Children's Health Insurance Program	93.767	N/A	<u>310</u>

JOHNSON COUNTY, IOWA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018

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>69,132</u>
Iowa Department of Public Health:			
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	5885BT508	<u>96,230</u>
Iowa Department of Public Health:			
HIV Prevention Activities - Health Department Based	93.940	5886AP08	<u>142,366</u>
Maternal and Child Health Services Block Grant to the States	93.994	5887MH10	<u>176,331</u>
Total U.S. Department of Health and Human Services			<u>722,890</u>
Department of Homeland Security:			
Iowa Homeland Security and Emergency Management:			
Hazard Mitigation Grant	97.039	DR-4289-0008-01	4,163
Iowa Homeland Security and Emergency Management:			
Emergency Management Performance Grants	97.042	EMPG-17-PT-52	<u>71,006</u>
Total Department of Homeland Security			<u>75,169</u>
Total			<u>\$ 3,664,599</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, 2018. 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>2018</u>	2017, as <u>Restated</u>	2016, as <u>Restated</u>	<u>2015</u>
Governmental Activities:				
Net investment in capital assets	\$ 131,064,633	\$ 122,677,790	\$ 105,131,206	\$ 99,270,214
Restricted	14,547,678	12,882,011	25,423,792	22,194,269
Unrestricted	<u>14,389,010</u>	<u>7,671,983</u>	<u>514,934</u>	<u>(3,691,292)</u>
Total governmental activities net position	\$ <u>160,001,321</u>	\$ <u>143,231,784</u>	\$ <u>131,069,932</u>	\$ <u>117,773,191</u>

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$	82,451,458	\$ 74,178,929	\$ 71,665,882	\$ 64,703,796	\$ 56,404,229	\$ 41,327,037
	24,495,898	24,635,844	17,119,728	13,075,522	14,468,481	17,876,926
	<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>11,198,015</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>	\$ <u>70,401,978</u>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenses:			
Governmental activities:			
Public safety and legal services	\$ 23,044,794	\$ 22,517,620	\$ 21,681,544
Physical health and social services	10,438,263	10,094,498	9,096,966
Mental health	5,727,490	7,221,045	7,383,813
County environment and education	5,619,726	5,618,841	4,181,307
Roads and transportation	13,067,355	13,191,877	11,406,730
Governmental services to residents	2,464,520	2,647,086	2,259,982
Administration	9,598,720	9,002,956	8,591,357
Non-program	8,992	6,534	5,107
Interest on long-term debt	<u>361,394</u>	<u>341,334</u>	<u>374,881</u>
Total governmental expenses	<u>70,331,254</u>	<u>70,641,791</u>	<u>64,981,687</u>
Program revenues:			
Governmental activities:			
Charges for services:			
Public safety and legal services	\$ 3,377,414	3,478,952	3,063,034
Physical health and social services	915,177	944,182	551,161
Mental health	703,008	804,875	934,351
County environment and education	717,826	452,191	525,305
Roads and transportation	73,670	112,023	54,048
Governmental services to residents	2,180,692	2,229,568	2,159,040
Administration	750,572	1,374,385	1,395,337
Interest on long-term debt	-	-	-
Operating grants and contributions	13,579,013	14,088,732	14,620,176
Capital grants and contributions	<u>1,924,452</u>	<u>1,071,177</u>	<u>393,674</u>
Total governmental program revenues	<u>24,221,824</u>	<u>24,556,085</u>	<u>23,696,126</u>
Total primary government net expense	\$ <u>(46,109,430)</u>	\$ <u>(46,085,706)</u>	\$ <u>(41,285,561)</u>
General revenues and other changes in net position			
Governmental Activities:			
Property and other County taxes	\$ 56,138,703	\$ 52,524,864	\$ 49,361,895
Other County taxes	972,047	966,735	1,005,973
Penalty and interest on property taxes	365,817	502,716	718,558
State tax credits	3,455,162	3,346,375	3,433,072
Unrestricted investment earnings	967,109	410,706	352,970
Gain (loss) on sales of capital assets	68,231	54,092	(3,766)
Miscellaneous	<u>227,461</u>	<u>442,070</u>	<u>144,895</u>
Total governmental activities	<u>62,194,530</u>	<u>58,247,558</u>	<u>55,013,597</u>
Change in net position governmental activities	\$ <u>16,085,100</u>	\$ <u>12,161,852</u>	\$ <u>13,728,036</u>

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$	21,423,137	\$ 21,713,703	\$ 20,188,789	\$ 19,869,844	\$ 20,543,834	\$ 26,287,797	\$ 25,889,961
	8,462,069	8,814,694	8,630,946	8,093,343	8,269,892	8,500,652	7,790,846
	5,897,981	7,977,750	6,484,037	12,976,475	12,768,105	11,402,968	12,115,555
	3,930,143	3,679,768	3,526,150	3,411,529	3,394,472	3,109,458	3,054,765
	12,708,805	10,806,794	10,141,639	10,310,104	10,407,294	10,545,409	12,232,833
	2,043,747	2,124,814	2,492,299	2,056,765	1,964,072	2,128,061	2,108,543
	8,355,864	8,462,602	7,780,572	7,644,148	7,454,214	7,162,914	6,599,152
	6,375	39,694	5,027	-	7,267	2,845	4,098
	412,638	451,979	488,309	536,360	631,058	750,027	369,150
	<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>	<u>70,164,903</u>
	3,024,693	2,800,091	2,984,302	2,363,822	2,642,627	2,432,821	2,336,386
	469,889	469,102	405,637	392,608	379,857	342,012	283,240
	887,449	3,250	91	115,816	25,045	69,511	1,660
	459,665	448,173	459,684	424,858	322,500	311,537	326,823
	63,726	90,612	86,068	106,711	58,923	210,414	50,651
	2,041,891	1,985,278	2,210,050	2,032,933	1,905,298	1,821,457	1,789,628
	1,239,492	1,099,596	2,023,086	661,129	556,442	738,297	623,397
	-	-	-	-	-	-	-
	16,389,081	17,493,399	12,840,306	21,446,809	15,770,350	18,849,113	19,994,108
	<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>2,121,626</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>27,527,519</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>	<u>(42,637,384)</u>
\$	47,684,945	\$ 45,376,991	\$ 43,060,882	\$ 42,106,709	\$ 41,877,173	\$ 40,147,711	\$ 38,143,161
	985,548	950,917	932,776	962,913	925,093	927,481	1,023,547
	163,223	408,283	344,982	575,376	394,528	486,976	324,254
	2,137,897	1,027,037	823,125	677,451	712,382	747,147	768,528
	284,516	285,224	263,505	269,894	306,885	435,754	679,216
	5,700	(346,498)	(276,882)	(13,531)	(183,591)	(11,036)	166,471
	160,220	139,387	109,543	1,163,195	104,896	150,580	174,925
	<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>41,280,102</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>	<u>(1,357,282)</u>

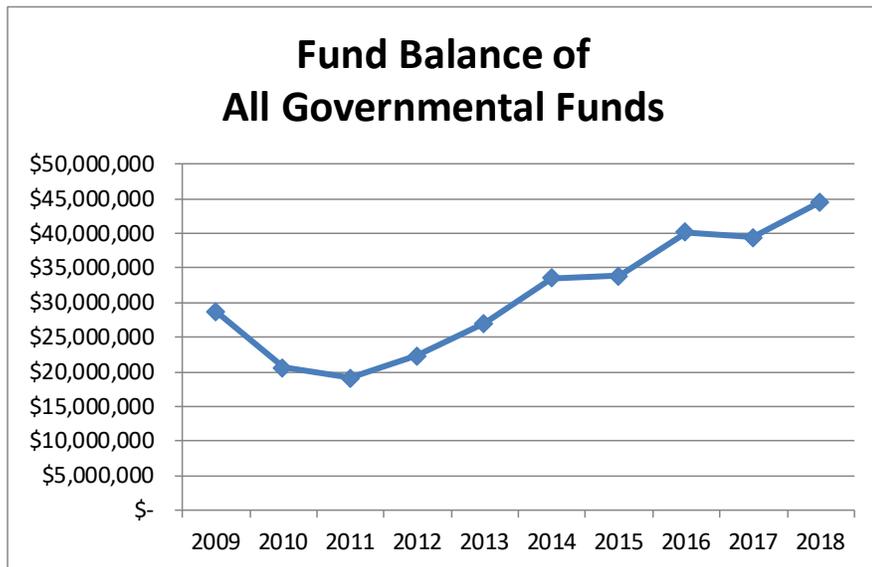
JOHNSON COUNTY, IOWA
FUND BALANCES OF GOVERNMENTAL FUNDS
FOR THE LAST TEN FISCAL YEARS
UNAUDITED
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund:					
Nond spendable	\$ 187,828	\$ 182,922	\$ 214,385	\$ 203,911	\$ 426,916
Restricted	3,606,754	4,110,541	2,141,961	1,585,708	934,199
Unassigned	<u>17,470,191</u>	<u>14,964,912</u>	<u>14,599,342</u>	<u>11,619,718</u>	<u>9,039,309</u>
Total general fund	<u>\$ 21,264,773</u>	<u>\$ 19,258,375</u>	<u>\$ 16,955,688</u>	<u>\$ 13,409,337</u>	<u>\$ 10,400,424</u>
All other governmental funds					
Nond spendable	\$ 1,424,282	\$ 479,015	\$ 528,678	\$ 414,356	\$ 347,039
Restricted	13,300,317	14,814,647	12,696,268	11,812,274	11,455,613
Committed	-	-	-	-	-
Assigned	8,580,798	-	9,956,978	8,179,074	11,332,131
Unassigned	<u>-</u>	<u>4,892,323</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 23,305,397</u>	<u>\$ 20,185,985</u>	<u>\$ 23,181,924</u>	<u>\$ 20,405,704</u>	<u>\$ 23,134,783</u>

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

Fund Balance of all Governmental Funds

2009	\$ 28,768,720
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



	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010*</u>	<u>2009*</u>
\$	380,248	\$ 317,072	\$ 365,387	\$ -	\$ -
	760,182	684,053	1,261,820	1,326,333	654,429
	<u>5,827,582</u>	<u>5,138,114</u>	<u>5,806,419</u>	<u>6,079,241</u>	<u>11,517,043</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>	<u><u>12,171,472</u></u>
\$	523,589	\$ 344,283	\$ 393,260	\$ -	\$ -
	16,322,720	5,081,094	4,412,155	13,142,148	16,597,248
	3,239,899	10,749,515	7,008,287	-	-
	-	-	-	-	-
	-	-	(188,460)	-	-
\$	<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>	<u><u>16,597,248</u></u>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Revenues:				
Property taxes and other county taxes	\$ 57,099,590	\$ 53,486,619	\$ 50,364,750	\$ 48,667,704
Interest and penalty on taxes	364,041	495,683	712,984	169,549
Intergovernmental	19,285,208	20,243,236	20,256,459	20,813,839
Licenses and permits	727,532	690,466	748,102	677,670
Charges for service	5,067,547	5,034,553	4,399,571	4,169,605
Use of money and property	1,185,881	419,210	352,742	300,809
Miscellaneous	<u>1,225,537</u>	<u>1,177,049</u>	<u>1,544,628</u>	<u>1,429,284</u>
Total revenues	<u>84,955,336</u>	<u>81,546,816</u>	<u>78,379,236</u>	<u>76,228,460</u>
Expenditures:				
Current:				
Public safety and legal services	23,533,955	21,664,656	21,009,727	20,735,683
Physical health and social services	10,085,322	9,786,384	9,017,307	8,474,153
Mental health	5,723,214	7,335,429	7,519,034	5,989,761
County environment and education	4,987,436	4,860,092	4,028,440	3,684,968
Roads and transportation	9,711,078	9,610,535	8,842,350	9,083,591
Governmental services to residents	2,383,760	2,434,856	2,197,423	2,015,947
Administration	8,334,774	7,870,598	7,728,567	7,490,403
Non-program	3,748	2,673	3,183	4,432
Capital projects	14,407,215	16,696,625	11,212,474	16,445,471
Debt service:				
Principal	7,530,000	6,520,000	6,440,000	5,965,000
Interest	<u>368,457</u>	<u>343,236</u>	<u>376,495</u>	<u>415,861</u>
Total expenditures	<u>87,068,959</u>	<u>87,125,084</u>	<u>78,375,000</u>	<u>80,305,270</u>
Excess (deficiency) of revenues over (under) expenditures	(2,113,623)	(5,578,268)	4,236	(4,076,810)
Other financing sources (uses):				
Sale of capital assets	39,433	85,016	18,355	6,644
Proceeds from long-term debt	7,200,000	4,800,000	6,300,000	4,350,000
Issuance of refunding bonds	4,240,000	-	-	-
Payment to refunded bond escrow agent	(4,240,000)	-	-	-
Transfers in	26,453,965	26,567,248	22,905,120	21,455,078
Transfers out	<u>(26,453,965)</u>	<u>(26,567,248)</u>	<u>(22,905,120)</u>	<u>(21,455,078)</u>
Total other financing sources (uses)	<u>7,239,433</u>	<u>4,885,016</u>	<u>6,318,335</u>	<u>4,356,644</u>
Net change in fund balances	\$ <u>5,125,810</u>	\$ <u>(693,252)</u>	\$ <u>6,322,571</u>	\$ <u>279,834</u>
Debt Service as a percentage of noncapital expenditures	10.67%	9.36%	10.10%	11.10%

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$	46,330,012	\$ 43,994,487	\$ 43,064,225	\$ 42,807,106	\$ 41,076,815	\$ 39,070,345
	417,092	346,337	566,085	395,959	490,122	324,254
	19,937,570	18,001,226	24,161,443	20,933,586	21,216,527	21,999,336
	646,331	676,912	579,650	505,578	489,658	490,984
	4,118,569	4,155,377	4,068,724	3,785,002	3,581,173	3,480,681
	284,731	274,123	280,324	334,429	465,921	673,363
	<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>780,778</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>	<u>66,819,741</u>
	20,536,016	19,651,404	19,266,352	19,737,412	25,319,933	25,195,898
	8,410,932	8,349,705	8,046,818	8,121,773	8,498,353	7,686,737
	7,887,238	6,419,857	12,999,800	12,743,965	11,375,172	12,068,767
	3,507,160	3,530,073	3,321,442	3,230,084	3,244,086	2,991,567
	8,528,073	8,735,455	7,592,330	7,212,691	7,129,285	7,590,893
	2,018,025	2,450,684	1,932,431	1,892,552	1,934,739	2,051,121
	7,384,293	7,141,290	6,803,964	6,564,119	6,465,719	6,264,547
	37,827	3,160	3,005	5,400	978	2,320
	10,197,459	5,728,384	7,716,047	9,814,804	6,935,520	15,657,116
	4,395,000	4,046,000	3,386,000	7,368,000	5,540,000	2,370,000
	<u>454,144</u>	<u>491,316</u>	<u>540,300</u>	<u>639,726</u>	<u>842,036</u>	<u>245,773</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>	<u>82,124,739</u>
	(140,332)	3,134,108	3,240,166	(7,791,666)	(8,946,368)	(15,304,998)
	62,113	15,187	15,097	17,812	19,713	236,757
	3,150,000	5,000,000	-	6,285,000	-	20,760,708
	-	-	-	-	-	-
	-	-	-	-	-	-
	12,741,210	13,072,326	10,741,317	13,183,733	11,340,449	20,962,962
	<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>(20,962,962)</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>20,997,465</u>
\$	<u>3,071,781</u>	<u>8,149,295</u>	<u>3,255,263</u>	<u>(1,488,854)</u>	<u>(8,926,655)</u>	<u>5,692,467</u>
	7.68%	8.06%	6.55%	13.46%	9.98%	8.01%



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>
2009	\$ 38,143,161	\$ 1,023,547	\$ 39,166,708
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

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>
2009	2,857,798	215,186	1,509,657	86,798	0	22,933
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

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

<u>Utility, Incl Gas & Electric</u>	<u>Military Exemption</u>	<u>Total Taxable Value</u>	<u>TIF Valuation</u>	<u>Total Direct Tax Rate, Urban *</u>
165,505	(7,265)	4,850,612	748,490	7.49147
167,646	(7,215)	5,170,626	721,632	7.39359
168,066	(7,162)	5,417,235	732,609	7.23173
179,442	(7,125)	5,629,711	758,896	6.99776
184,958	(7,065)	5,941,433	739,098	6.74909
186,503	(7,017)	6,114,830	838,664	6.73712
190,642	(6,889)	6,364,843	988,091	6.74169
186,026	(6,782)	6,544,243	992,789	6.90337
179,946	(6,560)	7,043,215	999,085	6.77140
171,927	(6,376)	7,376,702	1,040,613	6.85149

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Countywide service rates:				
General basic	\$ 3.50000	\$ 3.50000	\$ 3.50000	\$ 3.50000
General supplemental	0.53648	0.81752	1.14707	0.68976
MH/DS	0.67548	0.44559	0.47957	0.49284
Debt service	<u>2.13947</u>	<u>2.00829</u>	<u>1.77673</u>	<u>2.05908</u>
Johnson County urban rate	6.85143	6.77140	6.90337	6.74168
Johnson County rural rate	<u>3.69992</u>	<u>3.46939</u>	<u>3.46939</u>	<u>3.40746</u>
Total Direct Rate	<u>10.55135</u>	<u>10.24079</u>	<u>10.37276</u>	<u>10.14914</u>
City Rates:				
Coralville	13.52770	13.52779	13.52771	13.52771
Hills	8.10000	8.10000	8.10000	8.10000
Iowa City	16.33305	16.58305	16.65096	16.70520
Lone Tree	9.18296	9.19724	9.22462	9.23483
North Liberty	11.03264	11.03264	11.03264	11.03264
Oxford	10.14301	9.72063	10.82201	9.38055
Shueyville	7.09909	7.09997	7.09995	7.09991
Solon	10.87796	10.82552	10.83300	10.97205
Swisher	8.37053	8.10000	8.10000	8.10000
Tiffin	11.80227	11.80265	11.80309	11.97177
University Heights	10.79874	11.08828	11.05210	10.88143
West Branch	12.59382	12.59382	12.59382	12.04382
School District Rates:				
Clear Creek Amana	16.75949	16.75419	15.62084	15.06516
College Community	16.64476	16.06203	15.81016	14.80342
Iowa City	13.95855	13.98935	13.86773	13.69999
Solon	16.22396	16.11521	16.15171	16.35337
West Branch	13.75022	14.12945	14.17879	14.10551

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$	3.50000	\$ 3.50000	\$ 3.50000	\$ 3.50000	\$ 3.50000	\$ 3.50000
	1.11314	2.09274	2.46627	2.55706	2.58982	2.99953
	0.51324	0.52822	0.55747	0.57934	0.60697	0.64701
	<u>1.61074</u>	<u>0.62813</u>	<u>0.47402</u>	<u>0.59533</u>	<u>0.69680</u>	<u>0.34493</u>
	6.73712	6.74909	6.99776	7.23173	7.39359	7.49147
	<u>3.33826</u>	<u>3.08914</u>	<u>3.08925</u>	<u>3.16899</u>	<u>2.57634</u>	<u>2.79269</u>
	<u>10.07538</u>	<u>9.83823</u>	<u>10.08701</u>	<u>10.40072</u>	<u>9.96993</u>	<u>10.28416</u>
	13.52770	13.52767	13.52770	13.52770	13.41766	13.41977
	8.10000	8.10000	8.10000	8.10000	8.10000	7.00899
	16.80522	17.26864	17.84150	17.75655	17.85262	17.71674
	9.27730	9.31760	9.40564	9.49379	9.58125	9.44575
	11.03264	11.03264	11.03264	11.20264	10.90993	11.33731
	10.84265	10.93746	11.03538	11.40053	10.80329	10.85061
	7.09994	7.10000	7.09995	6.44673	7.10000	7.10000
	10.88627	10.71190	10.71202	10.76817	10.66992	10.65204
	8.10000	8.10000	8.10000	8.10000	8.10000	8.10000
	10.62359	11.97391	11.97391	10.35130	12.05957	12.88590
	10.90073	10.94865	11.06390	11.04972	10.94654	11.08593
	12.04382	12.04382	12.04382	12.04382	11.90420	12.13993
	15.11055	15.31063	15.54876	15.71002	15.67097	15.79090
	15.08387	15.80308	16.55788	17.20361	17.21168	16.84626
	13.68792	14.07327	14.59055	14.68972	14.19136	14.19219
	15.99708	16.95781	16.97452	17.18631	16.99654	16.97473
	13.97611	13.96841	14.05544	14.30683	13.96421	14.02275

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

<u>Taxpayers</u>	<u>Type of Business</u>	<u>2018</u>			<u>2009</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	\$ 126,962,096	1	1.72 %	\$ 114,659,530	1	2.05 %
University of Iowa Community Credit Union	Financial Institution	125,057,425	2	1.70	-	-	-
City of Coralville	City	36,005,684	3	0.49	36,023,162	4	0.64
Mid American Energy	Energy Company	34,136,054	4	0.46	77,145,807	2	1.38
TKG Coral North LLC.	Commercial Property Leasing	29,516,670	5	0.40	-	-	-
Hawk Landlord LLC	Property Leasing	25,804,710	6	0.35	-	-	-
Cedar Rapids and Iowa City Railroad	Railroad	21,288,761	7	0.29	-	-	-
ARC LLC	Manufacturing	17,688,493	8	0.24	-	-	-
Integrated DNA Technologies	Research	17,667,810	9	0.24	-	-	-
Costco Wholesale Corp.	Retailer	17,460,000	10	0.24	-	-	-
Wal-Mart Real Estate Business Trust	Retailer	-	-	-	23,911,800	6	0.43
American College Testing (ACT)	Standarized Testing	-	-	-	45,553,139	3	0.81
Russell A Gerdin, Trustee	Commerical/Industrial Leasing	-	-	-	22,010,239	7	0.39
Inland Western Iowa City	Commerical Property Leasing	-	-	-	20,522,500	8	0.37
Northridge Group 1	Commerical Property Managemer	-	-	-	31,031,510	5	0.55
Qwest	Utility	-	-	-	18,852,708	9	0.34
Core Sycamore Town	Commercia/Industrial Leasing	-	-	-	16,411,170	10	0.29
		\$ <u>451,587,703</u>		<u>6.13</u> %	\$ <u>406,121,565</u>		<u>7.25</u> %
Total Taxable Value		\$ <u>7,376,701,554</u>			\$ <u>4,850,612,624</u>		

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

Fiscal Year Ended <u>June 30,</u>	<u>Taxes Levied for the Year</u>	Property Taxes Collected in the <u>Fiscal Year</u>	<u>% of Levy</u>	<u>Delinquent Tax Collections</u>	Property Taxes <u>Collected to Date</u>	<u>% of Levy</u>
2009	\$ 204,014,342	\$ 201,119,977	98.58 %	\$ 69,918	\$ 201,189,895	98.62 %
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

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

	2016 Valuations For FY2018 Tax Levies		
	<u>Rural</u>	<u>Urban</u>	<u>Grand Total</u>
<u>JOHNSON COUNTY BASE</u>			
Residential	\$ 1,158,661,040	\$ 4,035,753,315	\$ 5,194,414,355
Agricultural land	250,353,882	6,712,679	257,066,561
Agricultural buildings	14,296,440	122,836	14,419,276
Commercial property	102,313,926	1,091,637,952	1,193,951,878
Industrial property	10,231,380	75,206,176	85,437,556
Multiresidential	21,834,838	407,911,099	429,745,937
Railroads	12,982,302	16,757,165	29,739,467
Utilities (Without gas & elec.)	<u>50,466,356</u>	<u>28,877,053</u>	<u>79,343,409</u>
Total val. for comp. pr. taxes	1,621,140,164	5,662,978,275	7,284,118,439
Gas & electric utilities	<u>26,383,405</u>	<u>66,199,710</u>	<u>92,583,115</u>
Total val. for comp. levies	<u>\$ 1,647,523,569</u>	<u>\$ 5,729,177,985</u>	<u>\$ 7,376,701,554</u>
<u>COUNTY TIF INCREMENT</u>			
Residential	\$ -	\$ 198,826,815	\$ 198,826,815
Agricultural land	-	716,512	716,512
Agricultural building	-	13,605	13,605
Commercial property	-	769,262,218	769,262,218
Industrial property	-	44,317,503	44,317,503
Multiresidential	-	<u>27,476,261</u>	<u>27,476,261</u>
Total val. for comp. pr. taxes	-	<u>1,040,612,914</u>	<u>1,040,612,914</u>
Total val. for comp. levies	<u>\$ -</u>	<u>\$ 1,040,612,914</u>	<u>\$ 1,040,612,914</u>
<u>CO. DEBT SERVICE TOTAL</u>			
Residential	\$ 1,158,661,040	\$ 4,234,580,130	\$ 5,393,241,170
Agricultural land	250,353,882	7,429,191	257,783,073
Agricultural buildings	14,296,440	136,441	14,432,881
Commercial property	102,313,926	1,860,900,170	1,963,214,096
Industrial property	10,231,380	119,523,679	129,755,059
Multiresidential	21,834,838	435,387,360	457,222,198
Railroads	12,982,302	16,757,165	29,739,467
Utilities (Without gas & elec.)	<u>50,466,356</u>	<u>28,877,053</u>	<u>79,343,409</u>
Total val. for comp. pr. taxes	1,621,140,164	6,703,591,189	8,324,731,353
Gas & electric utilities	<u>26,383,405</u>	<u>66,199,710</u>	<u>92,583,115</u>
Total val. for comp. levies	<u>\$ 1,647,523,569</u>	<u>\$ 6,769,790,899</u>	<u>\$ 8,417,314,468</u>

Note: Rollbacks applied and military exemptions deducted.

2015 Valuations
For FY2017 Tax Levies

<u>Rural</u>	<u>Urban</u>	<u>Grand Total</u>
\$ 1,109,526,646	\$ 3,790,076,105	\$ 4,899,602,751
243,202,735	6,918,326	250,121,061
13,247,418	126,883	13,374,301
96,379,492	1,037,918,454	1,134,297,946
10,644,300	75,008,154	85,652,454
22,827,325	426,401,123	449,228,448
13,418,439	17,575,902	30,994,341
52,215,992	28,319,594	80,535,586
<u>1,561,462,347</u>	<u>5,382,344,541</u>	<u>6,943,806,888</u>
<u>28,212,777</u>	<u>71,197,536</u>	<u>99,410,313</u>
<u>\$ 1,589,675,124</u>	<u>\$ 5,453,542,077</u>	<u>\$ 7,043,217,201</u>
\$ -	\$ 193,524,541	\$ 193,524,541
-	592,524	592,524
-	9,842	9,842
-	736,885,478	736,885,478
-	47,404,624	47,404,624
-	24,585,181	24,585,181
-	<u>1,003,002,190</u>	<u>1,003,002,190</u>
<u>\$ -</u>	<u>\$ 1,003,002,190</u>	<u>\$ 1,003,002,190</u>
\$ 1,109,526,646	\$ 3,983,600,646	\$ 5,093,127,292
243,202,735	7,510,850	250,713,585
13,247,418	136,725	13,384,143
96,379,492	1,774,803,932	1,871,183,424
10,644,300	122,412,778	133,057,078
22,827,325	450,986,304	473,813,629
13,418,439	17,575,902	30,994,341
52,215,992	28,319,594	80,535,586
<u>1,561,462,347</u>	<u>6,385,346,731</u>	<u>7,946,809,078</u>
<u>28,212,777</u>	<u>71,197,536</u>	<u>99,410,313</u>
<u>\$ 1,589,675,124</u>	<u>\$ 6,456,544,267</u>	<u>\$ 8,046,219,391</u>

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

	Percentage change in Taxable Grand Total Valuations			
	2018	2017	2016	2015
<u>JOHNSON COUNTY BASE</u>				
Ag dwellings	- %	7.6 %	3.1 %	4.6 %
Non-ag residential	6.2	8.4	7.5	6.9
Residential (including Ag dwellings)	6.0	8.4	7.4	6.9
Agricultural land	2.8	12.9	2.7	2.6
Agricultural buildings	7.8	(7.7)	7.1	(15.3)
Commercial property	5.3	(23.6)	(7.7)	(1.8)
Industrial property	(0.3)	(1.6)	(11.9)	1.1
Railroads	(4.0)	1.8	(1.1)	13.0
Utilities (Without gas & elec.)	(1.5)	(3.1)	(3.8)	3.4
Total val. for comp. pr. taxes	4.9	7.8	2.8	4.2
Gas & electric utilities	(6.9)	(3.4)	(1.3)	1.3
Total val. for comp. levies	4.7 %	7.6 %	2.8 %	4.1 %
<u>COUNTY TIF INCREMENT</u>				
Ag dwellings				
Non-ag residential	2.7 %	5.2 %	(7.0) %	8.2 %
Residential (including Ag dwellings)	2.7	5.2	(7.0)	8.2
Agricultural land	20.9	(26.7)	36.9	16.1
Agricultural buildings	38.2	25.1	(31.4)	11.7
Commercial property	5.0	(4.1)	1.8	21.2
Industrial property	(6.5)	18.9	12.8	6.9
Total val. for comp. pr. taxes	4.2	1.0	17.8	13.5
Total val. for comp. levies	4.2 %	1.0 %	17.8 %	13.5 %
<u>CO. DEBT SERVICE TOTAL</u>				
Ag dwellings	- %	7.6 %	3.1 %	4.6 %
Non-ag residential	5.0	8.3	6.8	7.0
Residential (including Ag dwellings)	4.4	8.3	6.7	6.9
Agricultural land	2.9	12.7	2.8	2.7
Agricultural buildings	7.9	(7.7)	7.0	(15.3)
Commercial property	6.2	(17.0)	(4.6)	4.5
Industrial property	(3.9)	4.8	(5.4)	2.5
Railroads	(3.3)	1.8	(1.1)	13.0
Utilities (Without gas & elec.)	(3.4)	(3.1)	(3.8)	3.4
Total val. for comp. pr. taxes	3.8	6.9	2.5	5.9
Gas & electric utilities	(6.5)	(3.4)	(1.3)	1.3
Total val. for comp. levies	3.6 %	6.8 %	2.5 %	5.8 %

Note: Rollbacks applied and military exemptions deducted.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
11.9 %	8.4 %	5.3 %	6.9 %	5.1 %	1.7 %
5.9	8.5	5.8	5.5	7.6	5.8
6.0	8.5	5.8	5.6	7.6	5.7
4.2	(3.9)	3.9	1.4	3.1	11.2
8.4	(8.7)	8.3	(19.8)	(15.0)	(45.9)
(3.8)	1.0	0.3	4.9	6.3	7.4
(1.5)	0.8	(1.1)	3.9	10.4	16.5
22.0	50.2	11.9	(27.7)	(19.9)	42.6
<u>3.3</u>	<u>10.8</u>	<u>4.6</u>	<u>0.8</u>	<u>(0.4)</u>	<u>(0.4)</u>
3.0	5.7	3.8	4.9	6.7	6.2
<u>(1.1)</u>	<u>(2.2)</u>	<u>8.3</u>	<u>(0.2)</u>	<u>2.5</u>	<u>6.7</u>
<u>2.9 %</u>	<u>5.5 %</u>	<u>3.9 %</u>	<u>4.8 %</u>	<u>6.6 %</u>	<u>6.2 %</u>

28.4 %	(5.2) %	17.7 %	(1.8) %	4.4 %	23.8 %
28.4	(5.4)	17.7	(1.8)	4.3	23.8
6.1	39.3	7.2	255.1	(4.5)	862.8
(9.1)	11.5	32.3	67.4	(32.0)	181.5
9.8	(1.9)	0.5	2.0	(4.7)	11.9
<u>11.0</u>	<u>(3.7)</u>	<u>2.2</u>	<u>6.2</u>	<u>(14.8)</u>	<u>(14.3)</u>
<u>(2.6)</u>	<u>3.6</u>	<u>1.5</u>	<u>(3.6)</u>	<u>12.2</u>	<u>10.3</u>
<u>(2.6) %</u>	<u>3.6 %</u>	<u>1.5 %</u>	<u>(3.6) %</u>	<u>12.2 %</u>	<u>10.3 %</u>

11.9 %	8.1 %	5.3 %	6.9 %	5.0 %	1.8 %
6.7	7.9	6.2	5.2	7.5	6.5
6.9	7.9	6.2	5.3	7.4	6.3
4.2	(3.8)	3.9	1.5	3.1	11.3
8.4	(8.7)	8.3	(19.8)	(15.1)	(45.9)
(0.4)	0.3	0.3	4.1	3.2	8.6
1.4	(0.3)	(0.3)	4.5	3.4	5.9
22.0	50.2	11.9	(27.7)	(19.9)	42.6
<u>3.3</u>	<u>10.8</u>	<u>4.6</u>	<u>0.8</u>	<u>(0.4)</u>	<u>(0.4)</u>
4.2	4.7	3.8	4.4	5.3	7.0
<u>(1.1)</u>	<u>(2.2)</u>	<u>8.3</u>	<u>(0.2)</u>	<u>2.5</u>	<u>6.7</u>
<u>4.1 %</u>	<u>4.6 %</u>	<u>3.9 %</u>	<u>4.4 %</u>	<u>5.2 %</u>	<u>7.0 %</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>
2009	\$ 24,745,000	\$ (602,037)	\$ 25,347,037	% 0.26	\$ 188.89	% 0.464
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

*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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Debt limit	\$ 613,066,404	\$ 594,176,929	\$ 537,498,905	\$ 566,370,725
Total Net Debt Applicable to the limit	<u>(10,640,000)</u>	<u>(10,970,000)</u>	<u>(12,690,000)</u>	<u>(14,445,000)</u>
Legal Debt Margin	<u>\$ 602,426,404</u>	<u>\$ 583,206,929</u>	<u>\$ 524,808,905</u>	<u>\$ 551,925,725</u>
% of Debt Limit to Total Net Debt	1.77%	1.85%	2.36%	2.55%

Legal Debt Margin Calculation for Fiscal Year 2018:

2018 actual valuation	\$ 12,261,328,086
Multiply by 5%	<u>5 %</u>
Debt Limit	613,066,404
Less: Outstanding GO Debt	<u>(10,640,000)</u>
Legal Debt Margin	<u>\$ 602,426,404</u>

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$	546,388,412	\$ 535,586,818	\$ 520,003,745	\$ 508,645,689	\$ 489,943,369	\$ 472,773,450
	<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>(6,520,000)</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>	\$ <u>466,253,450</u>
	2.87%	2.75%	3.48%	3.78%	5.05%	1.38%

JOHNSON COUNTY, IOWA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2018
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	\$ 10,640,000	100.00 %	\$ 10,640,000
Overlapping Debt:			
School Districts:			
Clear Creek-Amana School (Clear Creek)	76,045,000	99.54	75,693,369
College Community School	92,035,000	38.22	35,175,728
Highland School	400,000	3.87	15,497
Iowa City School	58,955,000	100.00	58,955,000
Lisbon School	10,150,000	4.07	412,939
Lone Tree School	3,380,000	97.87	3,307,986
Mid-Prairie School	8,365,000	24.78	2,073,125
Mt. Vernon School	13,210,000	0.12	16,471
Solon School	24,355,000	99.55	24,245,647
West Branch School	-	27.83	-
West Liberty School	1,825,000	1.97	36,018
Williamsburg School	6,210,000	0.97	59,965
Eastern Iowa Community College	9,290,000	0.04	3,699
Kirkwood Community College	90,422,000	33.49	30,286,214
Cities:			
Coralville	248,241,440	100.00	248,241,440
Hills	720,000	100.00	720,000
Iowa City	51,880,000	100.00	51,880,000
Lone Tree	402,000	100.00	402,000
North Liberty	29,520,000	100.00	29,520,000
Oxford	1,460,000	100.00	1,460,000
Shueyville	2,035,000	100.00	2,035,000
Solon	4,280,000	100.00	4,280,000
Swisher	809,000	100.00	809,000
Tiffin	13,240,000	100.00	13,240,000
University Heights	1,215,000	100.00	1,215,000
West Branch	7,390,000	3.29	243,182
Subtotal Overlapping Debt			<u>584,327,280</u>
Total Direct and Overlapping Debt			\$ <u><u>594,967,280</u></u>

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



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>
2008	127,113	\$ 5,142,501,000	\$ 40,456.14	11,628	78,600	2.9 %
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

(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: 2018 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 2018			Fiscal Year 2009		
	<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	19,365	1	22.7 %	28,781	1	35.9 %
University of Iowa Hospital and Clinics	10,340	2	12.1	-	-	-
Veterans Health Administration	2,300	3	2.7	1,351	4	1.7
Iowa City Community School District	2,005	4	2.4	1,700	2	2.1
Mercy Iowa City	1,347	5	1.6	1,305	5	1.6
Hy-Vee, Inc.	1,222	6	1.4	1,166	6	1.5
Pearson Educational Measurement	1,150	7	1.3	1,152	7	1.4
Proctor & Gamble	1,130	8	1.3			
ACT, Inc.	1,075	9	1.3	1,427	3	1.8
City of Iowa City	942	10	1.1	982	8	1.2
Systems Unlimited	890	11	1.0	700	10	0.9
Lear Corp.	-	-	-	805	9	1.0
Total Employees in Johnson County	<u>41,766</u>		<u>48.9 %</u>	<u>39,369</u>		<u>49.1 %</u>
Total Employees in Johnson County	<u>85,200</u>			<u>80,200</u>		

Source: Iowa 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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Function/Department:					
Public Safety and Legal Services:					
Ambulance	4.6	48.0	43.4	41.3	40.3
County Attorney	1.0	33.2	32.2	30.9	30.1
Sheriff	(1.0)	97.6	98.6	97.9	93.2
Medical Examiner	(0.6)	5.5	6.1	5.2	5.2
Physical Health and Social Services:					
Public Health	-	37.5	37.5	36.4	36.4
SEATS	0.7	40.4	39.7	36.1	36.1
Social Services	(0.2)	9.3	9.5	8.5	8.5
Veterans Affairs	-	1.0	1.0	1.0	1.0
Mental Health:					
MH/DS	-	34.0	34.0	37.0	37.0
County Environment and Education:					
Planning, Development & Sustainability	(1.0)	12.0	13.0	12.0	11.5
Conservation	0.6	25.6	25.0	21.8	20.8
Roads and Transportation:					
Secondary Roads	-	50.5	50.5	49.8	49.8
Government Services:					
Recorder	-	8.0	8.0	8.0	8.0
Auditor/Elections	(10.0)	9.8	19.8	13.7	13.7
Treasurer	-	15.0	15.0	14.0	14.0
Administration:					
Auditor/Accounting	(1.5)	14.6	16.1	17.1	17.1
Board of Supervisors	-	6.8	6.8	6.8	6.8
Human Resources	0.2	5.2	5.0	3.7	3.7
Information Services	-	13.0	13.0	11.5	11.5
Finance	-	3.0	3.0	3.0	3.0
Physical Plant	-	10.0	10.0	10.0	10.0
Total	<u>(7.2)</u>	<u>480.0</u>	<u>487.2</u>	<u>465.7</u>	<u>457.7</u>

Source: Johnson County Finance Department

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
40.3	39.9	40.0	39.9	37.9	38.5
29.1	33.8	34.1	33.1	33.6	33.6
92.1	92.1	91.2	103.2	101.0	101.0
5.0	4.6	4.6	3.0	3.0	2.4
37.5	37.5	36.5	38.9	38.1	38.4
34.8	34.9	32.3	29.9	31.2	29.8
8.5	8.5	9.6	9.6	9.3	9.3
1.0	0.8	0.8	1.0	0.6	0.6
36.0	37.0	35.5	41.0	40.5	40.5
11.5	11.5	10.0	9.2	9.0	10.2
18.8	18.8	17.7	17.4	16.9	16.2
48.8	48.8	48.8	49.8	49.5	50.5
8.0	8.0	9.0	9.0	9.0	9.0
12.9	18.9	13.9	14.0	14.8	16.6
14.1	15.0	15.0	15.0	16.0	16.0
17.6	19.1	19.0	18.5	18.5	18.5
6.8	7.3	7.3	6.8	6.8	8.0
3.7	3.7	3.6	3.6	3.6	3.6
11.1	11.6	11.6	11.6	11.6	11.6
3.0	-	-	-	-	-
<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>
<u><u>448.6</u></u>	<u><u>459.8</u></u>	<u><u>448.5</u></u>	<u><u>462.5</u></u>	<u><u>458.9</u></u>	<u><u>462.3</u></u>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Function/Program:				
Public Safety and Legal Services:				
Ambulance:				
# of service calls	10,770	11,439	10,348	9,569
County Attorney:				
# of felonies and aggravated misdemeanor cases	1,197	1,133	1,095	1,251
County Sheriff:				
# of jail booking	5,124	5,555	5,393	5,428
# of service calls	33,762	32,665	31,192	20,689
Medical Examiner (Department started in 2009):				
# of cases investigated	1,783	1,671	1,648	1,466
Physical Health and Social Services:				
Public Health:				
# children receiving health services	4,225	13,771	12,393	13,511
# of hours spent on disease investigation	3,371	3,130	2,075	3,246
# of food inspections	1,277	1,063	1,209	1,147
SEATS:				
# of trips	127,519	125,840	128,064	132,389
# of vehicles serviced	727	138		
Social Services:				
# of applications for general assistance	1,094	1,091	1,080	1,028
Veteran Affairs:				
# of local assistance claims	261	131	187	185
# of federal assistance claims (started tracking FY15)	283	343	574	350
Mental Health/Disability Services:				
# of clients served	493	553	547	611
County Environment and Education:				
Planning, Development & Sustainability				
# of building permits issued	430	440	342	289
Conservation:				
# of camper nights	4,689	6,075	5,620	4,706
# of acres managed	2,299	2,227	2,185	1,805
Roads and Transportation:				
Secondary roads:				
# miles of roads plowed	40,547	21,945	22,709	33,149
# of structures repaired	61	64	47	51
Governmental Services to Residents:				
Recorder:				
# of documents recorded	27,995	30,558	28,882	27,483
Treasurer:				
# of titles issued	33,644	35,800	34,830	33,003
# of Registrations Issued (metric started FY14)	163,830	163,277	158,168	156,913
Elections:				
# of registered voters	97,002	92,138	83,395	88,333
Administration:				
Auditor:				
# of claims processed	18,700	19,400	19,000	19,755
Information Technology:				
# of PC's	530	770	738	732

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
9,210	8,718	7,785	7,379	7,124	7,347
944	1,709	1,776	1,906	1,693	1,795
6,222	6,455	6,972	7,043	6,681	7,242
25,515	19,374	18,160	15,756	14,519	13,829
663	699	625	584	576	558
10,999	10,457	13,132	10,083	7,309	13,921
1,004	2,001	2,073	860	450	585
1,803	1,786	1,522	1,132	1,077	1,269
133,379	133,037	124,368	112,558	104,312	103,543
1,168	1,330	1,366	1,503	1,373	1,355
128	171	235	244	243	233
N/A	N/A	N/A	N/A	N/A	N/A
1,333	2,559	2,115	2,224	1,948	2,054
245	317	295	210	238	249
4,679	5,472	5,259	4,929	5,270	4,879
1,642	1,642	1,561	1,561	1,561	1,474
71,223	39,494	35,113	52,078	72,855	67,735
47	16	47	33	56	33
28,674	37,617	31,957	32,726	31,315	31,076
32,507	31,761	31,657	29,642	28,701	29,758
153,429	N/A	N/A	N/A	N/A	N/A
86,966	91,682	91,383	92,260	92,610	88,086
28,919	30,131	30,986	31,402	31,911	32,353
694	690	667	571	600	504

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 17,085,625	\$ 16,017,498	\$ 15,337,706	\$ 13,919,180
Intangible assets	522,891	522,891	197,926	63,845
Construction in progress	<u>9,006,416</u>	<u>12,427,632</u>	<u>16,312,686</u>	<u>24,092,064</u>
Total capital assets not being depreciated	<u>26,614,932</u>	<u>28,968,021</u>	<u>31,848,318</u>	<u>38,075,089</u>
Capital assets being depreciated:				
Buildings	56,009,678	46,658,585	43,512,649	38,089,044
Improvements other than buildings	1,480,470	1,344,163	1,344,163	1,121,352
Furnishings and equipment	21,309,455	18,459,284	16,849,626	16,091,962
Infrastructure	<u>103,757,544</u>	<u>99,862,609</u>	<u>88,086,049</u>	<u>77,826,460</u>
Total capital assets being depreciated	<u>182,557,147</u>	<u>166,324,641</u>	<u>149,792,487</u>	<u>133,128,818</u>
Less accumulated depreciation for:				
Buildings	16,312,036	14,977,890	13,775,133	12,470,288
Improvements other than buildings	262,515	207,803	157,183	114,345
Furnishings and equipment	13,104,790	12,483,589	12,303,100	11,868,776
Infrastructure	<u>43,107,679</u>	<u>40,338,922</u>	<u>37,797,536</u>	<u>35,294,932</u>
Total accumulated depreciation	<u>72,787,020</u>	<u>68,008,204</u>	<u>64,032,952</u>	<u>59,748,341</u>
Total capital assets being depreciated, net	<u>109,770,127</u>	<u>98,316,437</u>	<u>85,759,535</u>	<u>73,380,477</u>
Governmental activities capital assets, net	\$ <u>136,385,059</u>	\$ <u>127,284,458</u>	\$ <u>117,607,853</u>	\$ <u>111,455,566</u>

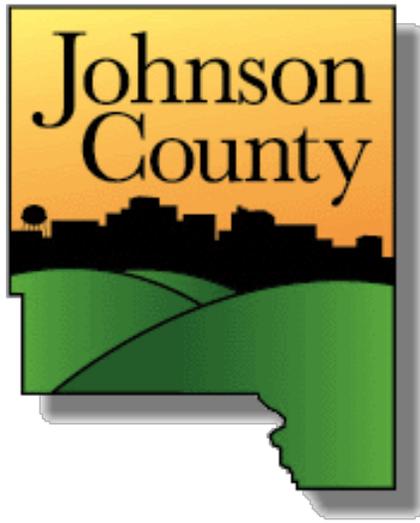
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$	12,858,301	\$ 12,707,628	\$ 12,770,898	\$ 12,187,273	\$ 9,069,933	\$ 8,750,607
	63,845	-	-	-	-	-
	<u>8,527,438</u>	<u>8,709,739</u>	<u>12,149,802</u>	<u>26,383,357</u>	<u>28,347,067</u>	<u>17,639,607</u>
	<u>21,449,584</u>	<u>21,417,367</u>	<u>24,920,700</u>	<u>38,570,630</u>	<u>37,417,000</u>	<u>26,390,214</u>
	37,859,957	38,653,053	38,181,220	22,177,093	15,043,550	14,944,068
	1,121,352	1,089,033	60,204	-	-	-
	15,258,472	14,250,702	14,241,701	14,206,099	13,868,340	13,611,863
	<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>53,458,245</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>	<u>82,014,176</u>
	11,503,647	11,501,923	10,837,082	10,056,015	9,622,401	9,309,260
	72,953	31,830	3,558	-	-	-
	11,409,424	11,047,698	10,983,123	10,760,151	10,188,983	9,519,646
	<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>23,214,166</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>42,043,072</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>39,971,104</u>
\$	<u>96,896,458</u>	\$ <u>89,868,929</u>	\$ <u>86,401,883</u>	\$ <u>82,825,795</u>	\$ <u>75,702,392</u>	\$ <u>66,361,318</u>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Function/Department:				
Public Safety and Legal Services:				
Ambulance:				
# vehicles	8	8	7	7
# buildings	1	1	1	1
Sheriff:				
# vehicles	55	65	58	57
# buildings	1	1	1	1
Medical Examiner:				
# vehicles	2	2	2	2
Physical Health and Social Services:				
Public Health:				
# vehicles	11	9	8	8
SEATS:				
# vehicles	24	24	24	24
# buildings	2	2	2	1
Mental Health:				
MH/DS:				
# vehicles	3	3	3	3
County Environment and Education:				
Planning and Zoning:				
# vehicles	5	5	5	5
Conservation:				
# vehicles	36	22	21	21
# buildings	32	31	31	27
Roads and Transportation:				
Secondary Roads:				
# vehicles	90	90	92	92
# buildings	20	20	20	19
Government Services:				
Auditor/Elections:				
# vehicles	3	3	3	3
Administration:				
Information Services:				
# vehicles	-	-	-	-
Physical Plant				
# vehicles	5	4	4	4
# buildings	5	5	11	11

Source: Johnson County Finance Department

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
8	8	8	7	9	7
1	1	1	1	1	1
51	60	52	48	54	52
1	1	1	1	1	1
2	2	2	2	-	-
9	9	9	9	9	9
24	24	24	24	23	27
1	1	1	1	1	1
3	3	4	4	4	3
5	5	5	5	5	5
21	21	19	17	15	15
27	27	27	26	23	23
88	89	87	87	85	87
21	18	18	19	19	18
3	3	3	3	3	3
1	1	1	1	1	1
5	5	4	3	3	3
13	13	14	15	13	10



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, 2018, 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 21, 2019.

Internal Control over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified a deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2018-A to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2018 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 21, 2019



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, 2018. 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, 2018.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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.



Dubuque, Iowa
February 21, 2019

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>
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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

2018-A 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), 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 making improvements in the reporting of the County’s capital asset activity and the proper reporting of accrual activity, particularly in regards to receipt transactions coming from the County’s various departments in our year-end reporting processes. We will also expand our monitoring period for transactional accrual activity an additional month (through September) so that material amounts of deferred revenues can be recognized and reported more accurately.

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:

- 2018-IA-A Certified Budget** – Disbursements during the year ended June 30, 2018, did not exceed the amounts budgeted by function.
- 2018-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.
- 2018-IA-C Travel Expense** – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- 2018-IA-D Business Transactions** – There were no business transactions between the County and County Officials or employees for the year ended June 30, 2018.
- 2018-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.
- 2018-IA-F Board Minutes** – No transactions were found that we believe should have been approved in the Board minutes but were not.
- 2018-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.
- 2018-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).
- 2018-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, 2018, for the County Extension Office did not exceed the amount budgeted.
- 2018-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.