



Johnson County, Iowa

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021**

Johnson County, Iowa
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021

Prepared by
Johnson County Finance Department

INTRODUCTORY SECTION

JOHNSON COUNTY, IOWA

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JOHNSON COUNTY, IOWA
OFFICIALS, DEPARTMENT HEADS

BOARD OF SUPERVISORS:



Janelle Rettig
County Supervisor
Resigned: 4/18/2021



Lisa Green-Douglas
County Supervisor
Term Expiration: 12/31/2024



Rod Sullivan
County Supervisor
Term Expiration: 12/31/2024



Jon Green
County Supervisor
Term expiration: 12/31/2022
Special Election: 6/8/2021



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



Royceann Porter
County Supervisor
Term Expiration: 12/31/2024

JOHNSON COUNTY, IOWA
OFFICIALS, DEPARTMENT HEADS

ELECTED OFFICIALS:



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



Lonny Pulkrabek
County Sheriff
Retired: 12/31/2020



Brad Kunkel
County Sheriff
Term expiration: 12/31/2024



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



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



Travis Weipert
County Auditor
Term expiration: 12/31/2021

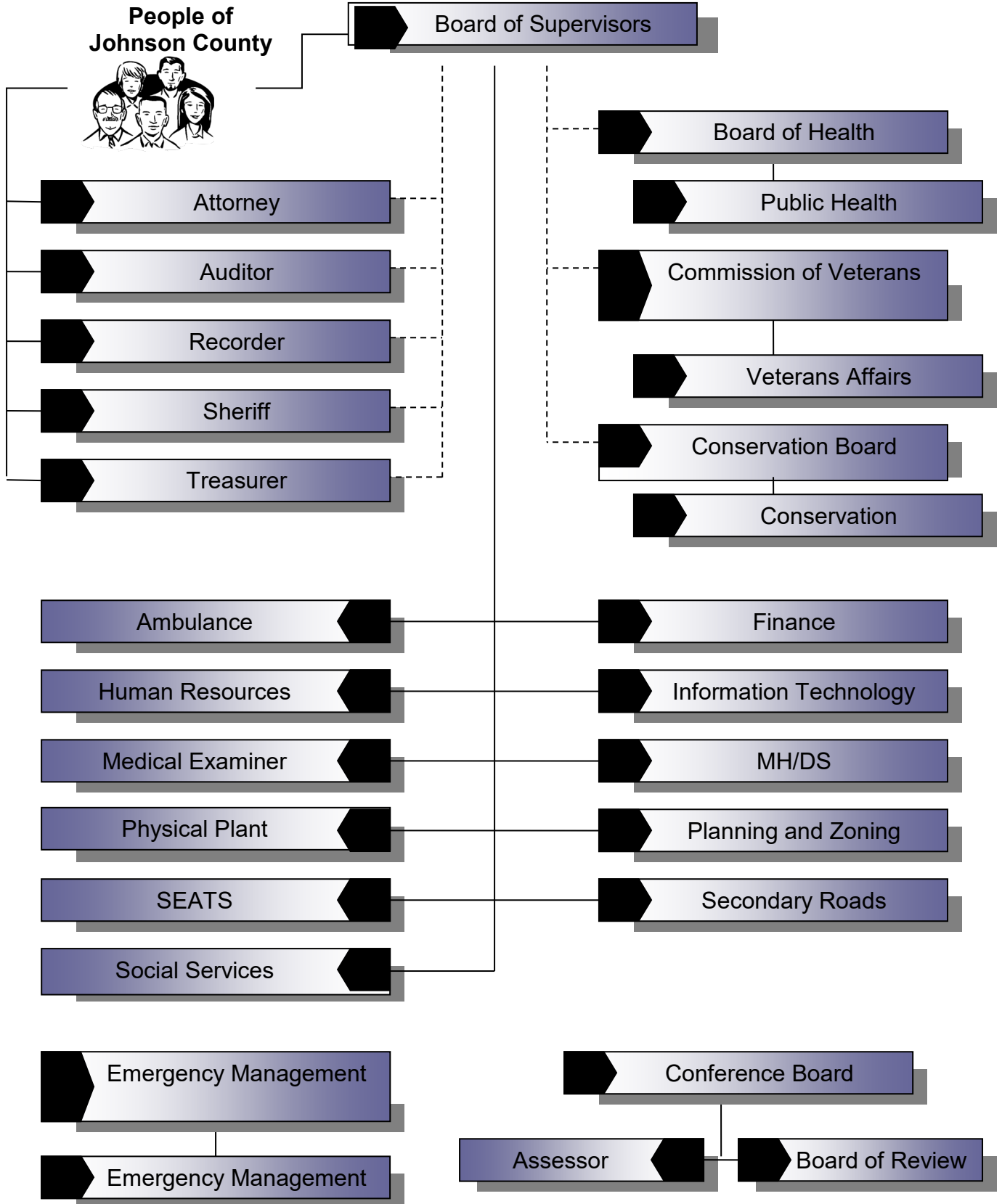
JOHNSON COUNTY, IOWA
OFFICIALS, DEPARTMENT HEADS

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
Dave Curtis	Physical Plant
Josh Busard	Planning, Development and Sustainability
Danielle Pettit-Majewski	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

April 28, 2022

Board of Supervisors and Citizens
Johnson County, Iowa

The Annual Comprehensive Financial Report (Annual Report) for Johnson County, Iowa for the fiscal year ended June 30, 2021, 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, 2021 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 Annual Report.

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 31st 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 2020. 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 1,714 people from 151,140 in the calendar year 2019 to 152,854 people in calendar year 2020, equaling an increase of about 1% for the year. The 2010 US census shows the county population estimate at 130,822, which equals a 9-year growth of 20,258 people or 15.5%. Household income per capita in 2019 was \$62,542 up \$902 or 1.4% from 2018 household income per capita of \$61,640 (Note: data from the Census Bureau for 2020 was not available at time of publication).

The labor force living in Johnson County who work in nonfarm employment decreased from about 85,700 in June 2020 with an unemployment rate of 7.1% to about 82,500 in June 2021 with an unemployment rate of 4.5% according to Iowa Workforce Development. From June 2020 to June 2021, there was a net decrease of 3,200 jobs or 3.9% of the labor force.

The total number of housing units in calendar year 2019 was 66,257, an increase of 3,977 over calendar year 2018 units of 62,280. In 2015, the number of housing units was 60,857. Johnson County has added 5,400 units in the last 5 years, an increase of 8.2% (data from the Census Bureau for 2020 was not available at the time of publication). The number of building permits issued (single family detached) was 43 in calendar year 2020 for a total value of \$18.8 million with an average home value of \$436,661. That is a decrease in total value of \$5.5 million from the 2019 total of \$24.3 million and a decrease of 9 permits issued. The average home value increased from \$461,538 in calendar year 2019 to \$469,168 in 2020 an increase of \$7,630 or 1.6%.

There has been major construction in the county for the last several years. In fiscal year 2021, the University of Iowa had construction projects in process totaling \$169,576 million. In addition, there were major construction projects in process for other municipalities and the county in the amount of \$92.7 million, approximately. The large amount of construction in the area has led to a shortage in the construction industry labor pool and thus has increased the cost of construction in Johnson County.

The largest employer in the county is the University of Iowa and University of Iowa Healthcare. The University of Iowa had an increase in operating revenue of \$306 million in fiscal year 2021 for a total of \$3,757 million. The University of Iowa Healthcare had an increase in operating revenues of \$219.2 million in fiscal year 2021 for a total of \$2,159 million. 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 6/30/2021 equals \$27,584,767. This amount is greater than the 30% of the fiscal year 2021 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 2021 ended with an increase in the general fund unassigned fund balance of \$4,475,075. As the county faces reduced revenues due to the pandemic, 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 2021, Johnson County identified ~\$19.9 million of expenses that qualify for financing via loans/bonding that include:

- \$10.3 M for all county & JECC insurance
- \$2.2 M for Herbert Hoover Highway construction projects
- \$3.0 M for capital construction, repairs and improvements
- \$1.2 M for conservation projects
- \$0.7 M for Affordable Housing
- \$1.4 M for Emergency Services
- \$1.1 M for technology and equipment purchases

These identified costs are generally unavoidable and would have been a component of the FY 2021 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 2021, the TIF areas within Johnson County contributed ~\$1.8 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 \$15.53 per \$100,000 of taxable valuation.

Major Initiatives

Three initiatives in the Board of Supervisors Strategic Plan (the Strategic Plan covers a two and a half year period from January 1, 2020 to June 30, 2022) that had an impact in FY2021 were:

1. Continued funding for affordable housing by granting the Johnson County Housing Trust block grant funds of \$650,000. This re-occurring funding stream will leverage state and federal dollars to build more housing units that are affordable for low-income families.
2. During FY21 a space needs analysis was in process to evaluate and provide employees with a physical work environment that increases employee collaboration, satisfaction and ability to provide excellent service to the public, with construction beginning in FY22.
3. The Board of Supervisors is moving forward with a plan to revitalize the Historic Poor Farm, with the main focus being the reconstruction of the buildings on the property.

Through the American Rescue Plan Act, Johnson County was allocated \$29,357,173 in Local Fiscal Recovery Funds to respond to the public health emergency and economic impacts of the COVID-19 pandemic. Johnson County received its first tranche deposit (50% allocation) totaling \$14,678,587 on May 20, 2021. Between August and November 2021, the Board of Supervisors and Johnson County's ARPA Leadership Team conducted an extensive public input process to better understand the response needs of residents, businesses, and service providers. Through the budgeting process, the Board has invested Johnson County's ARPA funds to provide assistance to households, small businesses, and nonprofits; build a stronger and more resilient economy; and improve critical infrastructure for water quality, flood mitigation, and broadband.

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 annual comprehensive financial report (Annual Report) for the fiscal year ended June 30, 2020. This is the seventh 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 annual comprehensive 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 Annual Report 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 Annual Comprehensive 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 cursive script, appearing to read "Dana Aschenbrenner".

Dana Aschenbrenner
Finance Administrator



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Johnson County
Iowa**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

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, 2021, 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 referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Johnson County, Iowa, as of June 30, 2021, 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.

Change in Accounting Principle

As discussed in Notes 1 and 20 to the financial statements, the County has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which has resulted in a restatement of the net position as of July 1, 2020. 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 basic financial statements. The introductory section, combining nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the financial statements.

The combining nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated April 28, 2022, 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, 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.



Dubuque, Iowa
April 28, 2022



Johnson County, Iowa

Management's Discussion and Analysis (MD&A)

June 30, 2021

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, 2021. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2021 FINANCIAL HIGHLIGHTS

- Total net position was \$214,939,797 at June 30, 2021. This was an increase of \$19,063,565 (9.7%) compared to the prior fiscal year.
- Overall revenues of governmental activities increased 7.0% or \$6,779,693 from fiscal year 2020. Property tax revenues increased \$1,628,539; operating grants and contributions increased \$3,770,307; charges for services decreased \$1,879,524; tax credit revenues decreased \$129,003; capital grants and contributions increased \$3,736,416 and unrestricted investment earnings decreased \$932,413.
- Overall program expenses increased \$3,723,905 (4.6%) from fiscal year 2020. Public safety and legal services decreased \$133,384; physical health and social services increased \$1,800,893; mental health expenses increased \$2,113,580; county environment and education expenses increased \$783,857; roads and transportation expenses decreased \$3,214,010; governmental services to residents increased \$736,663; administration expense increased \$1,713,256; non-program expenses increased \$49,958; and interest expense on the County's long-term debt decreased by \$126,908.

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 (custodial 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.
- **Supplementary Information** – provides detailed information about the non-major governmental funds and the individual Custodial Funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various Federal programs benefiting 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 – Fiduciary funds are used to report assets held in a trust or custodial capacity for others which cannot be used to support the County's own programs. These fiduciary funds included Custodial Funds for Johnson County such as E-911 Fund, the Empowerment Board, The Iowa City & Johnson County Assessor Funds, the Emergency Management Fund, and the MHDS/East Central Region to name a few. The required financial statements for fiduciary funds include a combining schedule of fiduciary net position – custodial funds, and a combining schedule of changes in fiduciary net position – custodial funds.

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 \$195,876,232 to \$214,939,797. 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
	2021	2020	2020-2021
Assets			
Current Assets	\$154,139,104	\$133,272,926	15.7%
Non-Current Assets	890,000	925,000	(3.8)
Capital Assets, Net of Accumulated Depreciation	<u>174,288,861</u>	<u>160,610,869</u>	8.5
TOTAL ASSETS	329,317,965	294,808,795	11.7
<i>Deferred outflow of resources</i>	<u>7,190,427</u>	<u>5,917,107</u>	21.5
Liabilities			
Current Liabilities	21,149,353	7,490,257	182.4
Long Term Liabilities	<u>36,126,594</u>	<u>30,389,151</u>	18.9
TOTAL LIABILITIES	57,275,947	37,879,408	51.2
<i>Deferred inflows of resources</i>	<u>64,292,648</u>	<u>66,970,262</u>	(4.0)
Net Position			
Net Investment in Capital Assets	171,251,796	158,829,720	7.8
Restricted	16,530,152	14,539,903	13.7
Unrestricted	<u>27,157,849</u>	<u>22,506,609</u>	20.7
TOTAL NET POSITION	<u>\$214,939,797</u>	<u>\$195,876,232</u>	9.7

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 9.7% compared to fiscal year 2020. Liabilities increased from fiscal year 2020 to fiscal year 2021, due primarily to an unearned revenue of \$14,686,188 recorded for the first tranche of American Rescue Plan Act monies received. 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 \$22,506,609 in fiscal year 2020 to \$27,157,849 in fiscal year 2021. The increase of 20.7%, is primarily due to the increase of \$5,254,524 in the County's General Fund ending balance.

Table 2:

Changes in Net Position

	Governmental Activities		Total Percentage
	2021	2020	Change
			2020-2021
Revenues			
Program Revenues			
Charges for Services	\$ 10,549,063	\$ 12,428,587	(15.1)%
Operating Grants and Contributions	17,328,302	13,557,995	27.8
Capital Grants and Contributions	8,043,046	4,306,630	86.8
Property and other taxes levied for:			
General Purpose	42,978,741	40,254,731	6.8
Debt Service	18,934,829	20,038,724	(5.5)
Other County Taxes	1,045,079	1,036,655	0.08
Penalties and Interest on Taxes	720,903	268,632	168.4
State tax credits	3,252,421	3,381,424	(3.8)
Unrestricted investment earnings	648,526	1,580,939	(59.0)
Gain on disposal of capital assets	21,337	8,891	140.0
Miscellaneous	<u>258,381</u>	<u>137,727</u>	87.6
TOTAL REVENUES	103,780,628	97,000,935	7.0
Governmental Activities			
Public Safety and Legal Services	27,234,631	27,368,015	(0.5)
Physical Health and Social Services	14,066,367	12,265,474	14.7
Mental Health, ID & DD	7,122,273	5,008,693	42.2
County Environment and Education	8,677,975	7,894,118	9.9
Roads & Transportation	10,813,127	14,027,137	(22.9)
Governmental Services to Residents	3,502,172	2,765,509	26.6
Administration	12,973,054	11,259,798	15.2
Nonprogram Current	110,370	60,412	82.7
Interest on long-term debt	<u>217,094</u>	<u>344,002</u>	(36.9)
TOTAL GOVERNMENTAL ACTIVITES	84,717,063	80,993,158	4.6
INCREASE/(DECREASE) IN NET POSITION	19,063,565	16,007,777	19.1
Beginning	<u>195,876,232</u>	<u>179,868,455</u>	8.9
Ending	<u>\$214,939,797</u>	<u>\$195,876,232</u>	9.7

The County increased property taxes levied for fiscal year 2021 by 2.6%. This increase raised the County's property tax revenue by \$1,628,539. Based on increases in the tax levies and total assessed valuation, property tax revenue is budgeted to increase by an additional \$765,400, an increase of ~1.2% for fiscal year 2022.

The cost of all government services this year was \$84,717,063 compared to \$80,993,158 last year. The amount financed by taxpayers was \$48,796,652 (See Statement of Activities). Some of this cost was paid for by those who benefited from programs or other government grants and contributions. The County's program revenues increased from \$30,293,212 to \$35,920,411 from fiscal year 2020 to 2021, due to an increase in operating grants and capital grants.

MAJOR FUND ANALYSIS

Governmental funds reported a combined fund balance of \$59,360,147 an increase of \$5,903,892 compared to the prior year.

- General fund revenues had an increase of \$5,205,835 due to an increase in property and other County tax revenue of \$2,793,676, an increase in interest and penalty on property tax of \$518,165, an increase in intergovernmental revenue of \$1,551,522, a decrease in licenses and permits revenue of \$24,713, an increase in charges for services revenue of \$654,301, a decrease in use of money and property revenue of \$753,953, and an increase in miscellaneous revenue of \$466,837. Total General fund expenditures increased \$2,657,861 due to an increase in public safety and legal services expenses of \$137,479, an increase in physical health and social services expenses of \$1,390,481, an increase in county environment and education expenses of \$347,075, an increase in governmental services to residents of \$600,537, an increase in administration expenses of \$612,508, an increase in mental health expenses of \$27,070, and an increase in capital project expenditures of \$18,471. These expense increases were offset by a decrease in debt service principal of \$460,000, a decrease in non-program expenses of \$7,020 and a decrease in debt service interest expense of \$8,740.
- Rural Services fund revenues increased by \$342,641 largely as a result of an increase in property tax revenue of \$333,635. Expenditures increased \$126,524 and the transfer out to the Secondary Roads fund increased \$65,601 compared to the prior year. The ending fund balance showed an increase of \$69,807 from the prior year to a year-end total of \$460,350.
- Secondary Roads fund revenues decreased by \$53,804 compared to the prior year, largely due to a decrease in intergovernmental revenues of \$70,977. Expenditures decreased in the Secondary Roads fund by \$843,761 due to a decrease in capital projects of \$1,728,210 and an increase in roads & transportation expenses of \$884,449. Interfund transfers into the Secondary Roads fund increased by \$139,324 compared to the prior fiscal year. The ending fund balance showed an increase of \$2,712,596 from the prior year to a year-end total of \$10,308,279.
- Mental Health fund revenues increased by \$663,583 from the prior year, due largely to an increase in property tax revenue of \$642,275 and an increase intergovernmental revenue of \$21,347. Expenditures decreased by \$1,428,706 compared to the prior year largely due to a reduction in services provided by the county and more services provided by the mental health region. The Mental Health fund balance decreased by \$125,936 to \$1,592,955 during fiscal year 2021.
- Capital Projects fund revenues, transfers in and other financing sources increased by \$1,719,468 and expenditures increased by \$3,863,618. The fund balance decreased by \$1,654,650 from \$16,863,488 to \$15,208,838 in fiscal year 2021. 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 decreased by \$783,140 and expenditures and transfers out also decreased by \$824,205 compared to the prior fiscal year. The fund balance decreased by \$42,892 during FY21, ending the year with a balance of \$267,436.

General Fund Budgetary Highlights

Johnson County amended the county budget twice during the 2021 fiscal year. The first amendment occurred in November 2020 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 2021. 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.

Actual general fund revenue received in fiscal year 2021 was 26.8% more than the final budget, the increases in revenue was due to the receipt of the American Rescue Plan Act first tranche. Actual general fund expenditures were \$7,774,250 or 10.0% lower than the final budget, primarily due being under budget for capital project spending.

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 2021 the County had a net increase of \$13,677,992 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
	2021	2020	Change 2020-2021
Non-Depreciated			
Land	\$27,663,214	\$21,703,067	27.5%
Intangible Assets	933,173	933,173	0.0
Construction in Progress	<u>29,416,800</u>	<u>24,934,467</u>	18.0
Total Not Being Depreciated	58,013,187	47,570,707	21.9
Depreciable			
Buildings & Improvements	60,578,941	58,823,474	3.0
Machinery and Equipment	24,846,151	23,097,824	7.6
Infrastructure	<u>119,586,000</u>	<u>114,250,070</u>	4.7
Total Depreciable Assets	205,011,092	196,171,368	4.5
Total Accumulated Depreciation	<u>88,735,418</u>	<u>83,131,206</u>	6.7
NET CAPITAL ASSETS	<u>\$174,288,861</u>	<u>\$160,610,869</u>	8.5

The County had depreciation expense of \$6,539,253 in fiscal year 2021 and total accumulated depreciation of \$88,735,418 on June 30, 2021.

The County's fiscal year 2022 amended budget projects spending of \$36,416,126 for Secondary Roads work for the Herbert Hoover Highway, and other road related infrastructure, a number of conservation and recreational related infrastructure projects and enhancements, the County's technology needs, vehicle and equipment acquisitions for many county departments, and the continuing repair, renovation, enhancement, acquisition and construction of various County buildings and sites. The County annually completes a Five Year Road Plan and Capital Improvement Plan (CIP). Both can be viewed by contacting management or are available on the County's web site www.johnson-county.com.

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

Long-Term Liabilities

At fiscal year-end, the County had \$13,617,027 in long-term liabilities, consisting of general obligation capital notes and compensated absences (Table 4). In 2021, the County issued \$19,890,000 in new general obligation capital loan notes with \$10,287,600 being a 120 day short term note that was paid back in the same fiscal year, and \$9,602,400 in a three year note. During fiscal year 2021 the County retired \$9,945,000 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 2021		Total Percentage
	Long-Term Liabilities		Change
	6/30/2021	6/30/2020	2020-2021
General Obligation Capital Notes	\$ 9,577,400	\$ 9,920,000	(3.4) %
Compensated Absences	<u>4,039,627</u>	<u>3,651,932</u>	6.1
TOTAL LONG TERM LIABILITIES	<u>\$13,617,027</u>	<u>\$13,571,932</u>	0.003 %

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 (\$15,717,955,176). Johnson County, Iowa's outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$786 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 152,854 in 2020.
- Johnson County has faced some challenges due to the pandemic during fiscal year 2021. Johnson County's June 2021 unemployment rate of 4.5% is slightly above the State average of 4.0% and well below the national average of 5.9%. The County has recently seen this trend start to lower as citizens' return to the workforce.
- Johnson County's taxable valuation growth of 5.1% for the FY 2021 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:

Travis Weipert

Johnson County Auditor

913 S. Dubuque Street, Suite 101

Iowa City, Iowa 52240

319-356-6004

tweipert@johnsoncountyiowa.gov

Tom Kriz

Johnson County Treasurer

913 S. Dubuque Street

Iowa City, Iowa 52240

319-356-6087

tkriz@johnsoncountyiowa.gov

Dana Aschenbrenner

Johnson County Finance Director

913 S. Dubuque Street

Iowa City, Iowa 52240

319-688-8095

daschenb@johnsoncountyiowa.gov

BASIC FINANCIAL STATEMENTS

JOHNSON COUNTY, IOWA
STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Governmental Activities</u>
<u>ASSETS:</u>	
Cash, cash equivalents and pooled investments	\$ 84,167,860
Receivables:	
Property tax:	
Delinquent	139,139
Succeeding year	62,812,683
Accounts	1,518,308
Notes Receivable	35,000
Due from other governments	3,652,625
Inventories	274,196
Prepaid expenses	1,539,293
Non-current Assets:	
Notes Receivable	890,000
Land, construction in progress and intangible assets	58,013,187
Other capital assets, net of accumulated depreciation	<u>116,275,674</u>
Total assets	<u>329,317,965</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>	
Pension related deferred outflows	6,677,260
OPEB related deferred outflows	<u>513,167</u>
Total deferred outflows of resources	<u>7,190,427</u>
<u>LIABILITIES:</u>	
Accounts payable	4,032,637
Accrued interest payable	6,933
Salaries and benefits payable	1,863,564
Unearned Revenue	14,686,188
Due to other governments	353,754
Contracts payable	206,277
Long-term liabilities:	
Portion due or payable within one year:	
General obligation notes	6,375,000
Compensated absences	4,039,627
Portion due or payable after one year:	
General obligation notes	3,202,400
Net pension liability	20,468,539
Total OPEB liability	<u>2,041,028</u>
Total liabilities	<u>57,275,947</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>	
Succeeding year property tax revenue	62,812,683
Pension related deferred inflows	1,256,657
OPEB related deferred inflows	<u>223,308</u>
Total deferred inflows of resources	<u>64,292,648</u>
<u>NET POSITION:</u>	
Net investment in capital assets	171,251,796
Restricted for:	
Rural services purposes	477,599
Supplemental levy purposes	2,007,490
Secondary roads purposes	10,312,521
Mental health purposes	1,633,761
Capital projects	766,473
Debt service	288,389
Other purposes	1,043,919
Unrestricted	<u>27,157,849</u>
Total net position	<u>\$ 214,939,797</u>

See Notes to Financial Statements

JOHNSON COUNTY, IOWA

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Charges for Service</u>	<u>Operating Grants, Contributions and Restricted Interest</u>		<u>Capital Grants, Contributions and Restricted Interest</u>
FUNCTIONS/PROGRAMS:					
Governmental activities:					
Public safety and legal services	\$ 27,234,631	\$ 4,226,521	\$ 1,587,367	\$ 58,008	\$ (21,362,735)
Physical health and social services	14,066,367	681,028	5,049,607	2,828,652	(5,507,080)
Mental health	7,122,273	764,497	459,430	-	(5,898,346)
County environment and education	8,677,975	1,123,738	280,022	1,372,718	(5,901,497)
Roads and transportation	10,813,127	45,754	7,215,000	3,443,393	(108,980)
Governmental services to residents	3,502,172	2,650,848	59,016	336,275	(456,033)
Administration	12,973,054	1,056,677	2,677,860	-	(9,238,517)
Non-program	110,370	-	-	4,000	(106,370)
Interest on long-term debt	217,094	-	-	-	(217,094)
Total	<u>\$ 84,717,063</u>	<u>\$ 10,549,063</u>	<u>\$ 17,328,302</u>	<u>\$ 8,043,046</u>	<u>(48,796,652)</u>
General revenues:					
Property and other County tax levied for:					
General purposes					42,978,741
Debt service					18,934,829
Other County taxes					1,045,079
Penalty and interest on property tax					720,903
State tax credits and replacements					3,252,421
Unrestricted investment earnings					648,526
Gain on sale of capital assets					21,337
Miscellaneous					<u>258,381</u>
Total general revenues					<u>67,860,217</u>
Change in net position					19,063,565
<u>NET POSITION</u> - Beginning of year					<u>195,876,232</u>
<u>NET POSITION</u> - End of year					<u>\$ 214,939,797</u>

See Notes to Financial Statements

JOHNSON COUNTY, IOWA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

<u>ASSETS</u>	<u>General</u>	<u>Special Revenue</u>		
		<u>Rural Services</u>	<u>Secondary Roads</u>	<u>Mental Health</u>
Cash, cash equivalents and pooled investments	\$ 44,149,489	\$ 474,716	\$ 9,786,319	\$ 1,447,325
Receivables:				
Property tax:				
Delinquent	93,513	18,038	-	5,913
Succeeding year	32,147,714	6,544,376	-	3,066,210
Accounts	963,861	-	6,364	10
Notes Receivable	925,000	-	-	-
Due from other governments	2,661,097	-	748,937	217,972
Inventories	4,759	-	269,437	-
Prepaid items	<u>268,741</u>	<u>1,215</u>	<u>1,005,932</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 81,214,174</u>	<u>\$ 7,038,345</u>	<u>\$ 11,816,989</u>	<u>\$ 4,737,430</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u> <u>AND FUND BALANCES</u>				
<u>LIABILITIES:</u>				
Accounts payable	\$ 702,467	\$ -	\$ 1,161,737	\$ 5,680
Salaries and benefits payable	1,620,520	8,685	202,580	31,779
Unearned revenue	14,686,188	-	-	-
Contracts payable	4,423	-	86,557	-
Due to other governments	<u>282,711</u>	<u>7,685</u>	<u>53,594</u>	<u>-</u>
TOTAL LIABILITIES	<u>17,296,309</u>	<u>16,370</u>	<u>1,504,468</u>	<u>37,459</u>
 <u>DEFERRED INFLOWS OF RESOURCES:</u>				
Unavailable revenues:				
Succeeding year property tax	32,147,714	6,544,376	-	3,066,210
Other	<u>1,291,781</u>	<u>17,249</u>	<u>4,242</u>	<u>40,806</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>33,439,495</u>	<u>6,561,625</u>	<u>4,242</u>	<u>3,107,016</u>
 <u>FUND BALANCES:</u>				
Nonspendable:				
Inventories	4,759	-	269,437	-
Prepaid items	268,741	1,215	1,005,932	-
Restricted for:				
Supplemental levy purposes	1,915,656	-	-	-
Mental health purposes	-	-	-	1,592,955
Rural services purposes	-	459,135	-	-
Secondary roads purposes	-	-	9,032,910	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Other purposes	704,447	-	-	-
Assigned	-	-	-	-
Unassigned	<u>27,584,767</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>30,478,370</u>	<u>460,350</u>	<u>10,308,279</u>	<u>1,592,955</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 81,214,174</u>	<u>\$ 7,038,345</u>	<u>\$ 11,816,989</u>	<u>\$ 4,737,430</u>

See Notes to Financial Statements

<u>Capital Projects</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
\$ 15,752,558	\$ 266,714	\$ 1,212,290	\$ 73,089,411
-	21,675	-	139,139
-	21,054,383	-	62,812,683
543,158	-	4,915	1,518,308
-	-	-	925,000
24,619	-	-	3,652,625
-	-	-	274,196
<u>263,245</u>	<u>-</u>	<u>160</u>	<u>1,539,293</u>
<u>\$ 16,583,580</u>	<u>\$ 21,342,772</u>	<u>\$ 1,217,365</u>	<u>\$ 143,950,655</u>
\$ 746,453	\$ -	\$ 173,446	\$ 2,789,783
-	-	-	1,863,564
-	-	-	14,686,188
115,297	-	-	206,277
<u>9,764</u>	<u>-</u>	<u>-</u>	<u>353,754</u>
<u>871,514</u>	<u>-</u>	<u>173,446</u>	<u>19,899,566</u>
-	21,054,383	-	62,812,683
<u>503,228</u>	<u>20,953</u>	<u>-</u>	<u>1,878,259</u>
<u>503,228</u>	<u>21,075,336</u>	<u>-</u>	<u>64,690,942</u>
-	-	-	274,196
263,245	-	160	1,539,293
-	-	-	1,915,656
-	-	-	1,592,955
-	-	-	459,135
-	-	-	9,032,910
-	267,436	-	267,436
5,835,888	-	-	5,835,888
-	-	1,043,759	1,748,206
9,109,705	-	-	9,109,705
-	-	-	27,584,767
<u>15,208,838</u>	<u>267,436</u>	<u>1,043,919</u>	<u>59,360,147</u>
<u>\$ 16,583,580</u>	<u>\$ 21,342,772</u>	<u>\$ 1,217,365</u>	<u>\$ 143,950,655</u>



JOHNSON COUNTY, IOWA

RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

TOTAL GOVERNMENTAL FUND BALANCES \$ 59,360,147

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 \$263,024,279 and the accumulated depreciation/amortization is \$88,735,418.

Land	\$	27,663,214	
Intangible assets		933,173	
Construction in progress		29,416,800	
Infrastructure		67,636,975	
Buildings and improvements		39,316,891	
Machinery and equipment		<u>9,321,808</u>	
Total capital assets, net			174,288,861

Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows in the governmental funds. 1,878,259

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. 9,835,595

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

Deferred outflows of resources		7,190,427	
Deferred inflows of resources		<u>(1,479,965)</u>	5,710,462

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

General obligation capital loan notes payable		(9,577,400)	
Accrued interest on capital loan notes		(6,933)	
Compensated absences		(4,039,627)	
Net pension liability		(20,468,539)	
Total OPEB liability		<u>(2,041,028)</u>	
Total long-term liabilities			<u>(36,133,527)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 214,939,797

See Notes to Financial Statements

JOHNSON COUNTY, IOWA

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

		Special Revenue		
<u>General</u>	<u>Rural Services</u>	<u>Secondary Roads</u>	<u>Mental Health</u>	
<u>REVENUES:</u>				
Property and other County tax	\$ 32,998,789	\$ 6,493,075	\$ -	\$ 4,807,814
Interest and penalty on property tax	753,153	-	-	-
Intergovernmental	14,022,566	263,038	8,021,378	1,016,053
Licenses and permits	802,929	-	6,650	-
Charges for service	5,440,294	-	-	-
Use of money and property	597,803	-	-	-
Miscellaneous	1,202,515	-	45,177	-
Total revenues	<u>55,818,049</u>	<u>6,756,113</u>	<u>8,073,205</u>	<u>5,823,867</u>
<u>EXPENDITURES:</u>				
Operating:				
Public safety and legal services	25,743,258	121,529	-	-
Physical health and social services	12,739,381	-	-	-
Mental health	461,582	-	-	5,949,803
County environment and education	5,124,775	1,285,827	-	-
Roads and transportation	-	-	10,616,524	-
Governmental services to residents	3,213,039	-	-	-
Administration	9,495,175	-	-	-
Non-program	43,158	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital projects	588,643	-	1,536,425	-
Total expenditures	<u>57,409,011</u>	<u>1,407,356</u>	<u>12,152,949</u>	<u>5,949,803</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,590,962)</u>	<u>5,348,757</u>	<u>(4,079,744)</u>	<u>(125,936)</u>
Other financing sources (uses):				
Capital loan notes issued	8,402,400	-	-	-
Sale of capital assets	20,159	-	16,770	-
Transfers in	10,287,600	-	6,775,570	-
Transfers out	(11,864,673)	(5,278,950)	-	-
Total other financing sources (uses)	<u>6,845,486</u>	<u>(5,278,950)</u>	<u>6,792,340</u>	<u>-</u>
Change in fund balances	5,254,524	69,807	2,712,596	(125,936)
<u>FUND BALANCES</u> - Beginning of year	<u>25,223,846</u>	<u>390,543</u>	<u>7,595,683</u>	<u>1,718,891</u>
<u>FUND BALANCES</u> - End of year	<u>\$ 30,478,370</u>	<u>\$ 460,350</u>	<u>\$ 10,308,279</u>	<u>\$ 1,592,955</u>

See Notes to Financial Statements

Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
\$ -	\$ 19,399,240	\$ -	\$ 63,698,918
-	-	-	753,153
4,012,273	1,016,692	102,183	28,454,183
-	-	-	809,579
-	-	35,706	5,476,000
44,516	-	66,404	708,723
213,040	-	790,033	2,250,765
<u>4,269,829</u>	<u>20,415,932</u>	<u>994,326</u>	<u>102,151,321</u>
-	-	63,757	25,928,544
-	-	317,167	13,056,548
-	-	-	6,411,385
-	-	-	6,410,602
-	-	-	10,616,524
-	-	769	3,213,808
-	-	-	9,495,175
-	-	-	43,158
-	9,945,000	-	9,945,000
-	226,314	-	226,314
<u>17,339,891</u>	<u>-</u>	<u>1,074,841</u>	<u>20,539,800</u>
<u>17,339,891</u>	<u>10,171,314</u>	<u>1,456,534</u>	<u>105,886,858</u>
<u>(13,070,062)</u>	<u>10,244,618</u>	<u>(462,208)</u>	<u>(3,735,537)</u>
1,200,000	-	-	9,602,400
100	-	-	37,029
10,215,312	-	152,741	27,431,223
-	(10,287,600)	-	(27,431,223)
<u>11,415,412</u>	<u>(10,287,600)</u>	<u>152,741</u>	<u>9,639,429</u>
(1,654,650)	(42,982)	(309,467)	5,903,892
<u>16,863,488</u>	<u>310,418</u>	<u>1,353,386</u>	<u>53,456,255</u>
\$ <u>15,208,838</u>	\$ <u>267,436</u>	\$ <u>1,043,919</u>	\$ <u>59,360,147</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, 2021

CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 5,903,892

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	\$ 17,434,075	
Capital assets contributed by the Iowa Department of Transportation	2,798,862	
Depreciation/amortization expense	(6,539,253)	
Disposal of capital assets	<u>(15,692)</u>	13,677,992

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	(9,602,400)	
Repaid	<u>9,945,000</u>	342,600

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. (1,190,891)

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	(387,695)	
Interest on long-term debt	9,220	
OPEB expense	(110,630)	
Pension expense	<u>(906,110)</u>	(1,395,215)

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. 1,725,187

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 19,063,565

See Notes to Financial Statements

JOHNSON COUNTY, IOWA

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2021

Internal Service -
Employee Group
Health

CURRENT ASSETS:

Cash and cash equivalents

\$ 11,078,449

CURRENT LIABILITIES:

Claims payable

1,242,854

NET POSITION:

Unrestricted

\$ 9,835,595

JOHNSON COUNTY, IOWA

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2021

Internal Service -
Employee
Group Health

OPERATING REVENUES:

Reimbursements from operating funds	\$ 9,248,237
Reimbursements from employees and others	<u>971,099</u>
 Total operating revenues	 <u>10,219,336</u>

OPERATING EXPENSES:

Medical and health services	6,716,577
Accounting, auditing and clerical	1,824,875
Miscellaneous	<u>110</u>
 Total operating expenses	 <u>8,541,562</u>

Operating income	1,677,774
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NON-OPERATING REVENUES:

Interest income	<u>47,413</u>
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Change in Net Position	1,725,187
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<u>NET POSITION</u> - Beginning of year	<u>8,110,408</u>
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<u>NET POSITION</u> - End of year	\$ <u>9,835,595</u>
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See Notes to Financial Statements

JOHNSON COUNTY, IOWASTATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2021Internal Service -
Employee Group
HealthCASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from operating fund reimbursements	\$ 9,359,065
Cash received from employees and others	971,099
Cash paid for administrative fees and miscellaneous	(1,773,204)
Cash paid for medical claims and insurance premiums	<u>(6,907,987)</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES	1,648,973
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CASH FLOWS FROM INVESTING ACTIVITIES:

Interest on investments	<u>47,413</u>
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NET INCREASE IN CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS	1,696,386
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<u>CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS</u> - Beginning of year	<u>9,382,063</u>
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<u>CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS</u> - End of year	<u>\$ 11,078,449</u>
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RECONCILIATION OF OPERATING INCOME TO NETCASH PROVIDED BY OPERATING ACTIVITIES:

Operating income	\$ 1,677,774
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in accounts receivable	110,828
Decrease in accounts payable	<u>(139,629)</u>

Net cash provided by operating activities	<u>\$ 1,648,973</u>
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See Notes to Financial Statements

JOHNSON COUNTY, IOWASTATEMENT OF FIDUCIARY NET POSITIONCUSTODIAL FUNDSJUNE 30, 2021ASSETS

Cash, cash equivalents and pooled investments:		
County Treasurer	\$	22,867,880
Other County officials		614,663
Receivables:		
Accounts receivable		131,036
Property tax:		
Delinquent		261,120
Succeeding year		283,754,471
Special Assessments		86,515
Due from other governments		1,745,770
Prepaid items		79,294
		<u>309,540,749</u>
	TOTAL ASSETS	

LIABILITIES

Accounts payable		33,297
Salaries and benefits payable		91,113
Compensated absences		204,013
Due to other governments		8,172,053
Trusts payable		159,143
		<u>8,659,619</u>
	TOTAL LIABILITIES	

DEFERRED INFLOW OF RESOURCES

Unavailable property tax revenue		<u>283,754,471</u>
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NET POSITION

Restricted for individuals, organizations and other governments	\$	<u><u>17,126,659</u></u>
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See Notes to Financial Statements

JOHNSON COUNTY, IOWA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2021

ADDITIONS:

Property and other county tax	279,802,794
911 surcharge	\$ 817,942
State tax credits	14,944,328
Office fees and collections	4,442,517
Auto licenses, use tax and postage	45,501,335
Assessments	113,544
Trusts	2,276,711
Miscellaneous	<u>33,280,156</u>
Total additions	<u>381,179,327</u>

DEDUCTIONS:

Agency remittances:	
To other funds	2,189,276
To other governments	371,217,919
Trusts paid out	<u>2,125,612</u>
Total deductions	<u>375,532,807</u>

Change in net position	5,646,520
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<u>NET POSITION</u> - Beginning of year, as restated	<u>11,480,139</u>
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<u>NET POSITION</u> - End of year	\$ <u><u>17,126,659</u></u>
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See Notes to Financial Statements

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

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

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

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

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

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

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

The County reports the following major governmental funds:

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

Special Revenue

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

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

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

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

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

Additionally, the County reports the following funds:

Proprietary Fund

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

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Fiduciary Funds

Custodial 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 custodial funds consist of the following:

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

County Offices: Included the County Auditor, the County Sheriff and the County Recorder. The County Auditor is to account for fund activity in the County Auditor cash box. The County Sheriff is to account for the funds received for court services performed by the Sheriff's department. The County Recorder is to account for fees and taxes collected by the County for the state.

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

Emergency Management Services: To account for the funds held 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.

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

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

Other: Includes Tax Sale Redemptions to account for the tax sale proceeds collected by the County. McBride Sanitary District to account for the fund activity of the McBride Sanitary District. City Special Assessments to account for the special assessment taxes collected by the County on behalf of the corporations of Johnson County. Flood Control to account for the fund activity of monies received to mitigate flood risks with the taxing districts and Lower Cedar Watershed Management Authority to account for the fund activity of the Lower Cedar Watershed Management Authority.

C. Measurement Focus and Basis of Accounting

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

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued).

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's Internal Service Fund is charges to customers for sales and services. Operating expenses for Internal Service Funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

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

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

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date 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, 2019 assessed property valuations; is for the tax accrual period July 1, 2020 through June 30, 2021 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2020.

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

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

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

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

Capital Assets – Capital assets, which include property, furniture and equipment and intangible assets acquired after July 1, 1980, are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. 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.

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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, 2021. 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

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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

Deferred Inflows of Resources – Deferred inflows of resources represents an acquisition of net position application to a future year(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the fund financial statements consist of property tax receivable and other receivables not collected within sixty days after year end and succeeding year property tax that will not be recognized until the year for which they are levied.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax receivables that will not be recognized until the year for which it is levied and unrecognized items not yet charged to pension and OPEB expense.

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

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

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

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

Unassigned – All amounts not included in the preceding classifications. The general fund is the only fund that reports a positive unassigned fund balance.

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

On June 24, 2021, the Board of Supervisors approved the counties Fund Balance policy, giving the Finance Director the authority to established assigned fund balances and the Board of Supervisors has to do a resolution to establish a committed fund balance.

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2021, disbursements did not exceed the amounts budgeted.

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 Statement No. 84

As of July 1, 2020, the County adopted GASB Statement No. 84, Fiduciary Activities. The objective of this Statements is to improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement will enhance consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship. The impact to the County resulted in the reclassification of agency funds to custodial funds. The effect of the implementation of this standard on beginning net position is disclosed in Note 20.

NOTE 2: CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS

The County's deposits in banks at June 30, 2021 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.

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 2: CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS (Continued)

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.

NOTE 3: INTERFUND TRANSFERS

The detail of interfund transfers for the year ended June 30, 2021 is as follows:

<u>Transfer To</u>	<u>Amount</u>	<u>Transfer from</u>	<u>Amount</u>
Special Revenue: Secondary Roads	\$ 6,775,570	General Fund	\$ 1,496,620
		Special Revenue: Rural Basic	<u>5,278,950</u>
			<u>6,775,570</u>
Capital Projects	10,215,312	General Fund	10,215,312
Special Revenue: Conservation Trust	152,741	General Fund	152,741
General Basic	<u>10,287,600</u>	Debt Service	<u>10,287,600</u>
	\$ <u>27,431,223</u>		\$ <u>27,431,223</u>

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

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2021 was as follows:

	<u>Balance Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 21,703,067	\$ 5,960,147	\$ -	\$ 27,663,214
Intangible assets	933,173	-	-	933,173
Construction in progress	<u>24,934,467</u>	<u>16,499,584</u>	<u>12,017,251</u>	<u>29,416,800</u>
Total capital assets not being depreciated	<u>47,570,707</u>	<u>22,459,731</u>	<u>12,017,251</u>	<u>58,013,187</u>
Capital assets being depreciated:				
Buildings	57,186,106	1,755,467	-	58,941,573
Improvements other than buildings	1,637,368	-	-	1,637,368
Furnishings and equipment	23,097,824	2,699,060	950,733	24,846,151
Infrastructure	<u>114,250,070</u>	<u>5,335,930</u>	<u>-</u>	<u>119,586,000</u>
Total capital assets being depreciated	<u>196,171,368</u>	<u>9,790,457</u>	<u>950,733</u>	<u>205,011,092</u>
Less accumulated depreciation for:				
Buildings	19,239,018	1,571,983	-	20,811,001
Improvements other than buildings	387,182	63,867	-	451,049
Furnishings and equipment	14,581,961	1,877,423	935,041	15,524,343
Infrastructure	<u>48,923,045</u>	<u>3,025,980</u>	<u>-</u>	<u>51,949,025</u>
Total accumulated depreciation	<u>83,131,206</u>	<u>6,539,253</u>	<u>935,041</u>	<u>88,735,418</u>
Total capital assets being depreciated, net	<u>113,040,162</u>	<u>3,251,204</u>	<u>15,692</u>	<u>116,275,674</u>
Governmental activities capital assets, net	\$ <u>160,610,869</u>	\$ <u>25,710,935</u>	\$ <u>12,032,943</u>	\$ <u>174,288,861</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 1,107,926
Physical health and social services	512,832
County environment and education	487,672
Roads and transportation	3,781,139
Governmental services to residents	80,210
Administration	502,262
Non-program	<u>67,212</u>
Total depreciation expense - governmental activities	\$ <u>6,539,253</u>

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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, 2021 is as follows:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
General	Services	\$ 282,711
Special Revenue:		
Rural Services	Services	7,685
Secondary Roads	Services	53,594
Capital Projects	Services	<u>9,764</u>
Total for governmental funds		\$ <u>353,754</u>
Custodial:		
Schools	Collections	\$ 1,046,531
Community Colleges		86,176
Corporations		1,115,194
Townships		6,880
E911 Surcharge		615,611
Auto License and Use Tax		4,229,354
County Offices		544,311
Agriculture Extension		4,582
Empowerment Board		198,145
Other		<u>325,269</u>
Total for custodial funds		\$ <u>8,172,053</u>
Total		\$ <u>8,525,807</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.

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, 2021, 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	12/2019	06/2022	1.70% - 1.85%	\$ 9,525,000	\$ 3,175,000
County Improvements	12/2020	06/2023	0.40%	<u>9,602,400</u>	<u>6,402,400</u>
				\$ <u>19,127,400</u>	\$ <u>9,577,400</u>

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 6: LONG-TERM LIABILITIES (Continued)

A summary of the County's June 30, 2021 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>
2022	\$ 6,375,000	\$ 84,348	\$ 6,459,348
2023	<u>3,202,400</u>	<u>12,810</u>	<u>3,215,210</u>
Total	\$ <u>9,577,400</u>	\$ <u>94,158</u>	\$ <u>9,674,588</u>

During the year ended June 30, 2021, the County retired \$9,945,000 and issued \$9,602,400 of general obligation capital loan notes. The General Obligation County Purpose Loan Notes, Series 2019C, and the General Obligation County Purpose Loan Notes, Series 2020B are owned by Hills Bank and; therefore, constitute direct borrowings.

A summary of changes in long-term liabilities for the year ended June 30, 2021, is as follows:

	<u>General Obligation Capital Loan Notes</u>	<u>Compensated Absences</u>	<u>Total</u>
Balance beginning of year	\$ 9,920,000	\$ 3,651,932	\$ 13,571,932
Increases	9,602,400	4,039,627	13,642,027
Decreases	<u>9,945,000</u>	<u>3,651,932</u>	<u>13,596,932</u>
Balance end of year	\$ <u>9,577,400</u>	\$ <u>4,039,627</u>	\$ <u>13,617,027</u>
Due within one year	\$ <u>6,375,000</u>	\$ <u>4,039,627</u>	\$ <u>10,414,627</u>

NOTE 7: SHORT-TERM LIABILITIES

In December 2020, the County issued \$10,287,600 of General Obligation County Purpose Bonds, Series 2020A is a short-term 120 day issue for the purpose of paying the cost, to the extent of various County insurance programs. The Series 2020A was repaid on April 8, 2021 for \$10,292,302. There was no short-term debt balances at the beginning or the end of the fiscal year.

NOTE 8: LEASE COMMITMENTS

OPERATING LEASE

The County is leasing building facilities for the County Attorney's Office that have been classified as an operating lease, and accordingly, all rents are charged to expenditures as incurred. The lease is set to expire in 2026 with an option to renew. The County's future minimum rental commitments, accounted for as operating leases at June 30, 2021, are as follows:

<u>Year Ended June 30,</u>	<u>Total</u>
2022	\$ 160,980
2023	160,980
2024	160,980
2025	160,980
2026	<u>147,566</u>
	\$ <u>791,485</u>

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 9: PENSION PLAN

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

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

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

- A multiplier based on years of service.
- The member's highest five-year average salary, 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 any time after reaching age 50 with 22 or more years of covered employment.

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

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for 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.

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 9: PENSION PLAN (Continued)

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

In fiscal year 2021, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the County contributed 9.44% of covered payroll for a total rate of 15.73%. The Sheriff, deputies and the County both contributed 9.26% of covered payroll for a total rate of 18.52%. Protection occupation members contributed 6.41% of covered payroll and the County contributed 9.61% of covered payroll for a total rate of 16.02%.

The County’s contributions to IPERS for the year ended June 30, 2021 totaled \$3,080,591.

Net Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2021, the County reported a liability of \$20,468,539 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2020, the County’s collective proportion was .2913781% which was a decrease of .0266767% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension expense of 3,936,748. At June 30, 2021, 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	\$ 101,950	\$ 549,598
Changes of assumptions	1,438,428	560,317
Net difference between projected and actual earnings on IPERS investments	1,765,212	-
Changes in proportion and differences between County contributions and the County’s proportionate share of contributions	291,079	146,742
County contributions subsequent to the measurement date	<u>3,080,591</u>	<u>-</u>
Total	\$ <u>6,677,260</u>	\$ <u>1,256,657</u>

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 9: PENSION PLAN (Continued)

\$3,080,591 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended <u>June 30,</u>	<u>Total</u>
2022	\$ 222,754
2023	417,082
2024	615,996
2025	1,071,107
2026	<u>13,074</u>
	\$ <u>2,340,013</u>

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2020 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, 2020 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2020 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

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

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	22.0 %	4.43 %
International equity	17.5	5.15
Global smart beta equity	6.0	4.87
Core plus fixed income	28.0	(0.29)
Public credit	4.0	2.29
Cash	1.0	(0.78)
Private equity	11.0	6.54
Private real assets	7.5	4.48
Private credit	<u>3.0</u>	3.11
Total	<u>100</u> %	

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 9: PENSION PLAN (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the County will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$ 40,050,234	\$ 20,468,539	\$ 4,053,805

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, 2021.

NOTE 10: RISK MANAGEMENT

Johnson County, Iowa is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 785 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.

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, 2021 were \$571,119.

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 10: RISK MANAGEMENT (Continued)

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, 2021, no liability has been recorded in the County's financial statements. As of June 30, 2021, 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.

NOTE 11: EMPLOYEE HEALTH INSURANCE PLAN

The Internal Service, Employee Group Health Fund was established to account for partial self-funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Wellmark. Health benefits were self-insured up to a specific stop loss limitation of \$50,000 and an aggregate annual stop-loss amount of approximately \$8,611,722 for fiscal year 2021. 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, 2021 was \$9,248,237.

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 11: EMPLOYEE HEALTH INSURANCE PLAN (Continued)

Amounts payable from the Employee Group Health Fund at June 30, 2021 total \$1,119,764 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 \$9,835,595 at June 30, 2021 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>2021</u>	<u>2020</u>
Unpaid claims beginning of year	\$ 1,248,934	\$ 1,129,419
Incurred claims (including claims incurred but not reported at June 30, 2021 and 2020)	6,716,577	6,773,987
Payments:		
Payment on claims during the fiscal year	<u>(6,845,747)</u>	<u>(6,654,472)</u>
Unpaid claims end of year	\$ <u>1,119,764</u>	\$ <u>1,248,934</u>

NOTE 12: CONSTRUCTION COMMITMENTS

The County has entered into twelve contracts totaling \$28,385,534 for building, road and other construction projects. As of June 30, 2021, costs of \$26,899,994 on the projects have been incurred. The balance remaining on the projects at June 30, 2021, \$1,485,540 will be paid as work on the projects progress.

NOTE 13: LITIGATION

The County Attorney reported that as of June 30, 2021, various claims and lawsuits were on file against the County. The probability of loss, if any, is undeterminable. In most cases, any losses as a result of these claims and lawsuits would be covered by the County's insurance policies, less their deductible.

NOTE 14: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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

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.

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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

Retired participants must be age 55 or older at retirement. At June 30, 2021 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	21
Active Employees	<u>465</u>
Total	<u>486</u>

Total OPEB Liability – The County’s total OPEB liability of \$2,041,028 was measured as of June 30, 2021, and was determined by an actuarial valuation as of April 1, 2021.

Actuarial Assumptions – The total OPEB liability in the April 1, 2021 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of Inflation (effective June 30, 2019)	3.0% per annum
Rates of salary increase (effective June 30, 2019)	3.0% per annum, including inflation
Discount Rate (effective June 30, 2021)	2.40% compounded annually, including inflation
Healthcare cost trend rate (effective June 30, 2021)	5.0% annum

Discount Rate – The discount rate used to measure the total OPEB liability was 2.40% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2020 generation projection of future mortality improvement.

The actuarial assumptions used in the April 1, 2021 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 1,489,267
Changes for the year:	
Service cost	97,350
Interest	48,601
Difference between expected and actual experience	147,843
Changes in assumptions	323,171
Benefit payments	<u>(65,204)</u>
Net Change	<u>551,761</u>
Total OPEB liability end of the year	<u>\$ 2,041,028</u>

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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

Sensitivity of the County's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.40%) or 1% higher (3.40%) than the current discount rate.

	1% Decrease (1.40%)	Discount Rate (2.40%)	1% Increase (3.40%)
Total OPEB liability	\$2,424,968	\$2,041,028	\$1,739,630

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 (4.5%) or 1% higher (6.5%) than the current healthcare cost trend rates.

	1% Decrease 4.5% decreasing to 4.0%	Current Healthcare Cost Trend Rate 5.5% decreasing to 5.0%	1% Increase 6.5% decreasing to 6.0%
Total OPEB liability	\$1,697,523	\$2,041,028	\$2,491,730

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2021, the County recognized OPEB expense of \$175,834. At June 30, 2021 the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows Of Resources	Deferred Inflow Of Resources
Difference between expected and actual experience	\$ 133,627	\$ (218,862)
Change in assumptions	<u>379,540</u>	<u>(4,446)</u>
Total	<u>\$ 513,167</u>	<u>(223,308)</u>

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

Year ending June 30,	Amount
2022	\$ 29,883
2023	29,883
2024	29,883
2025	29,883
2026	29,883
Thereafter	<u>140,444</u>
	<u>\$ 289,859</u>

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 15: TAX ABATEMENTS

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

COUNTY TAX ABATEMENTS

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

For the year ended June 30, 2021, 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, 2021 under agreements entered into by the following entities:

<u>Entity</u>	<u>Tax Abatement Program</u>	<u>Amount of Tax Abated</u>
City of Tiffin	Urban renewal and economic development projects	\$ 9,740
City of Solon	Urban renewal and economic development projects	2,840
	Urban revitalization tax abatement	191
City of Coralville	Urban renewal and economic development projects	357,414
City of University Heights	Urban renewal and economic development projects	109,516
City of North Liberty	Urban renewal and economic development projects	166,025
City of Iowa City	Urban renewal and economic development projects	121,854

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 16: EARLY CHILDHOOD IOWA AREA BOARD

Johnson County, Iowa is the fiscal agent for the Early Childhood Iowa Area Board, an organization formed pursuant to the provisions of Chapter 256I of the Code of Iowa. The Area Board receives state grants to administer early childhood and school ready programs. Financial transactions of the Area Board are included in the County's financial statements as a Custodial 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, 2021 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	\$ 210,840	\$ -	\$ -	\$ 210,840
Quality improvement	-	-	-	-
Allocation for administration	11,069	21,697	-	32,766
School ready general use	-	703,937	-	703,937
Other program services	-	-	7,321	7,321
Total State of Iowa grants	<u>221,909</u>	<u>725,634</u>	<u>7,321</u>	<u>954,864</u>
Interest	-	-	-	-
Total additions	<u>221,909</u>	<u>725,634</u>	<u>7,321</u>	<u>954,864</u>
Deductions:				
Program services:				
Early childhood	242,731	-	-	242,731
Quality improvement	-	60,595	-	60,595
School ready general use	-	722,971	-	722,971
Other program services	-	-	1,083	1,083
Total program services	<u>242,731</u>	<u>783,566</u>	<u>1,083</u>	<u>1,027,380</u>
Administration	<u>11,151</u>	<u>21,695</u>	-	<u>32,846</u>
Total deductions	<u>253,882</u>	<u>805,261</u>	<u>1,083</u>	<u>1,060,226</u>
Net change	(31,973)	(79,627)	6,238	(105,362)
Balances – beginning of year	<u>49,574</u>	<u>218,325</u>	<u>416</u>	<u>268,315</u>
Balances – end of year	\$ <u>17,601</u>	\$ <u>138,698</u>	\$ <u>6,654</u>	\$ <u>162,953</u>

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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

The East Central Region, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa which was signed by the County October 13, 2013, includes the following member counties: Benton, Bremer, Buchanan, Delaware, Dubuque, Iowa, Linn, Jones, and Johnson County, Iowa. The financial activity of Johnson County, Iowa's Special Revenue, Mental Health Fund is included in the East Central Region for the year ended June 30, 2021 as follows:

Revenues:		
Property and other county tax	\$	4,807,814
Intergovernmental revenues:		
State tax credits	\$	252,283
Other intergovernmental revenues	<u>763,770</u>	<u>1,016,053</u>
Total revenues		<u>5,823,867</u>
Expenditures:		
Services to persons with:		
Mental illness	281,718	
Intellectual disability	36,228	
Other developmental disabilities	<u>70,307</u>	388,253
General administration:		
Direct administration	376,793	
Distribution to regional fiscal agent	4,507,584	
Guidelink contribution	<u>677,173</u>	<u>5,561,550</u>
Total expenditures		<u>5,949,803</u>
Change in fund balance		(125,936)
Fund balance - Beginning of the year		<u>1,718,891</u>
Fund balance - End of the year	\$	<u>1,592,955</u>

NOTE 18: SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 28, 2022, the date the financial statements were available to be issued.

In December 2021, the County issued \$12,083,300 of Taxable General Obligation County Purpose Bonds Series 2021A and \$9,600,000 of General Obligation County Purpose Bonds Series 2021B. The Series 2021A is a short term bond with a maturity of April 15, 2021. The Series 2021B 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.

NOTE 19: CONTINGENCIES

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

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 20: ACCOUNTING CHANGE/RESTATEMENT

Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities, was implemented during fiscal year 2021. The new requirements change the definition of fiduciary activity and establish new financial reporting requirements for state and local governments which report fiduciary activity. Beginning net position for custodial funds was restated to retroactively report the change in net position, as follows:

	<u>Custodial Activities</u>
Net position June 30, 2020, as previously reported	\$ -
Change to implement GASB No. 84	<u>11,480,139</u>
Net position July 1, 2020, as restated	\$ <u>11,480,139</u>

REQUIRED SUPPLEMENTARY INFORMATION



JOHNSON COUNTY, IOWA

BUDGETARY COMPARISON SCHEDULE OF
RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCES -
BUDGET AND ACTUAL (CASH BASIS) - ALL GOVERNMENTAL FUNDS
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021

	Governmental Fund Types	<u>Budgeted Amounts</u>		Final to Actual Variance
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	
RECEIPTS:				
Property and other County tax	\$ 63,971,838	\$ 62,970,852	\$ 62,970,852	\$ 1,000,986
Interest and penalty on property tax	763,162	329,000	329,000	434,162
Intergovernmental	44,560,602	24,541,015	33,331,345	11,229,257
Licenses and permits	802,188	852,679	789,074	13,114
Charges for service	5,453,064	4,895,667	4,975,667	477,397
Use of money and property	698,958	1,386,688	510,188	188,770
Miscellaneous	2,037,860	2,131,943	3,376,133	(1,338,273)
Total receipts	<u>118,287,672</u>	<u>97,107,844</u>	<u>106,282,259</u>	<u>12,005,413</u>
DISBURSEMENTS:				
Public safety and legal services	25,843,696	28,642,613	28,983,997	3,140,301
Physical health and social services	12,434,760	14,258,969	14,917,865	2,483,105
Mental health	7,038,621	6,401,588	7,105,588	66,967
County environment and education	6,386,143	6,447,248	6,603,433	217,290
Roads and transportation	10,230,704	10,775,271	10,790,042	559,338
Governmental services to residents	3,215,712	3,348,987	3,605,387	389,675
Administration	9,405,800	11,207,999	11,015,739	1,609,939
Non-program	42,947	165,700	165,700	122,753
Debt service	20,458,914	20,458,257	20,463,257	4,343
Capital projects	21,613,156	23,915,801	36,416,126	14,802,970
Total disbursements	<u>116,670,453</u>	<u>125,622,433</u>	<u>140,067,134</u>	<u>23,396,681</u>
Excess (deficiency) of receipts over (under) disbursements	1,617,219	(28,514,589)	(33,784,875)	35,402,094
Other financing sources, net	<u>19,927,966</u>	<u>19,913,719</u>	<u>19,913,719</u>	<u>14,247</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	21,545,185	(8,600,870)	(13,871,156)	35,416,341
BALANCE - Beginning of year	<u>51,521,947</u>	<u>33,950,229</u>	<u>51,521,947</u>	<u>-</u>
BALANCE - End of year	\$ <u>73,067,132</u>	\$ <u>25,349,359</u>	\$ <u>37,650,791</u>	\$ <u>35,416,341</u>

See Accompanying Independent Auditor's Report

JOHNSON COUNTY, IOWA

BUDGETARY COMPARISON SCHEDULE - BUDGET TO GAAP RECONCILIATION
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 118,287,672	\$ (16,136,351)	\$ 102,151,321
Expenditures	<u>116,670,453</u>	<u>(10,783,595)</u>	<u>105,886,858</u>
Net	1,617,219	(5,352,756)	(3,735,537)
Other financing sources, net	19,927,966	(10,288,537)	9,639,429
Beginning fund balances	<u>51,521,947</u>	<u>1,934,308</u>	<u>53,456,255</u>
 Ending fund balances	 <u>\$ 73,067,132</u>	 <u>\$ (13,706,985)</u>	 <u>\$ 59,360,147</u>

See Accompanying Independent Auditor's Report

JOHNSON COUNTY, IOWA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING

YEAR ENDED JUNE 30, 2021

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 Custodial 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 \$14,444,701. 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, 2021, 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 SEVEN FISCAL YEARS*

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2021</u>	<u>2020</u>	<u>2019</u>
County's collective proportion of the net pension liability	0.2914%	0.2647 %	0.2752 %
County's collective proportionate share of the net pension liability	\$ 20,468,539	\$ 15,327,952	\$ 17,412,611
County's covered payroll	\$ 31,148,906	\$ 30,146,224	\$ 29,234,232
County's collective proportionate share of the net pension liability as a percentage of its covered payroll	65.71 %	50.85 %	59.56 %
IPERS' net position as a percentage of the total pension liability	82.90 %	85.45 %	83.62 %

* 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 available.

See Accompanying Independent Auditor's Report

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.3068 %	0.3048 %	0.279 %	0.257 %
\$ 20,435,487	\$ 19,180,490	\$ 13,781,545	\$ 10,195,102
\$ 28,708,319	\$ 27,523,506	\$ 26,348,638	\$ 25,531,199
71.18 %	69.69 %	52.30 %	39.93 %
82.21 %	81.82 %	85.19 %	87.61 %

JOHNSON COUNTY, IOWA

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

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Statutorily required contribution	\$ 3,080,591	\$ 2,960,862	\$ 2,890,757
Contributions in relation to the statutorily required contribution	<u>(3,080,591)</u>	<u>(2,960,862)</u>	<u>(2,890,757)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
County's covered payroll	\$ 32,679,657	\$ 31,148,906	\$ 30,146,224
Contributions as a percentage of covered payroll	9.43 %	9.51 %	9.59 %

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$	2,664,954	\$ 2,627,326	\$ 2,531,417	\$ 2,432,140	\$ 2,356,804	\$ 2,235,527	\$ 2,141,091
	<u>(2,664,954)</u>	<u>(2,627,326)</u>	<u>(2,531,417)</u>	<u>(2,432,140)</u>	<u>(2,356,804)</u>	<u>(2,235,527)</u>	<u>(2,141,091)</u>
\$	<u> -</u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>
\$	29,234,232	\$ 28,708,219	\$ 27,523,506	\$ 26,348,638	\$ 25,531,199	\$ 24,678,980	\$ 24,938,736
	9.12 %	9.15 %	9.20 %	9.23 %	9.23 %	9.06 %	8.59 %

JOHNSON COUNTY, IOWA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY

YEAR ENDED JUNE 30, 2021

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

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

- Decreased the inflation assumption from 3.00% to 2.60%
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.0%
- Decreased the wage growth assumption from 4.00% to 3.25%
- Decreased the payroll growth assumption from 4.00% to 3.25%

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

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

JOHNSON COUNTY, IOWA

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

REQUIRED SUPPLEMENTARY INFORMATION

	2021	2020	2019	2018
Service Cost	\$ 97,350	50,239	\$ 48,776	\$ 53,590
Interest Cost	48,601	55,572	53,988	65,460
Diference between expected and actual experiences	147,843	-	(301,974)	-
Change in assumptions	323,171	-	(6,135)	138,883
Benefit Payments	<u>(65,204)</u>	<u>(65,197)</u>	<u>(59,651)</u>	<u>(69,150)</u>
Net change in total OPEB liability	<u>551,761</u>	<u>40,614</u>	<u>(264,996)</u>	<u>188,783</u>
Total OPEB liability beginning of year	<u>1,489,267</u>	<u>1,448,653</u>	<u>1,713,649</u>	<u>1,524,866</u>
Total OPEB liability end of year	<u>\$ 2,041,028</u>	<u>1,489,267</u>	<u>\$ 1,448,653</u>	<u>\$ 1,713,649</u>
Covered-employee payroll	31,008,786	29,258,933	28,406,731	26,771,396
Total OPEB liability as a percentage of covered-employee payroll	6.58%	5.09%	5.10%	6.40%

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

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

Change in benefit terms:

There were no significant changes in benefit terms.

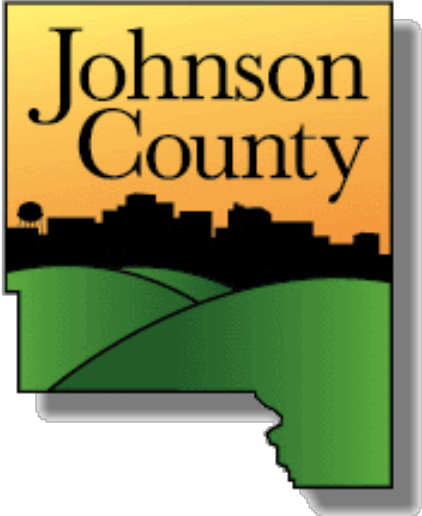
Changes in assumptions:

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

Year ended June 30, 2021	2.40%
Year ended June 30, 2020	3.79%
Year ended June 30, 2019	3.79%
Year ended June 30, 2018	3.89%
Year ended June 30, 2017	4.50%

GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the County will present information for these years for which information is available.

See Accompanying Independent Auditor's Report



SUPPLEMENTARY INFORMATION

JOHNSON COUNTY, IOWA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue		
	Law Enforcement Proceeds	Prosecutor Forfeiture Proceeds	Special Resource Enhancement
<u>ASSETS</u>			
Cash, cash equivalents and pooled investments	\$ 40,724	\$ 41,924	\$ 311,827
Receivables:			
Accounts	-	-	-
Prepaid items	-	160	-
TOTAL ASSETS	\$ 40,724	\$ 42,084	\$ 311,827
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>			
<u>LIABILITIES:</u>			
Accounts payable	\$ -	\$ 1,210	\$ 274
TOTAL LIABILITIES	-	1,210	274
<u>FUND BALANCES:</u>			
Nonspendable	-	160	-
Restricted for:			
Other purposes	40,724	40,714	311,553
TOTAL FUND BALANCES	40,724	40,874	311,553
TOTAL LIABILITIES AND FUND BALANCES	\$ 40,724	\$ 42,084	\$ 311,827

See Accompanying Independent Auditor's Report

Special Revenue				Permanent Trust	
Road Construction Escrow	Recorder's Records Management	Conservation Trust	ECI Workforce Development	CRC Wetland Bank Permanent Trust	Total
\$ 5,660	\$ 121,190	\$ 651,256	\$ 22,279	\$ 17,430	\$ 1,212,290
-	3,710	1,205	-	-	4,915
-	-	-	-	-	160
<u>\$ 5,660</u>	<u>\$ 124,900</u>	<u>\$ 652,461</u>	<u>\$ 22,279</u>	<u>\$ 17,430</u>	<u>\$ 1,217,365</u>
\$ -	\$ 546	\$ 171,416	\$ -	\$ -	\$ 173,446
-	546	171,416	-	-	173,446
-	-	-	-	-	160
<u>5,660</u>	<u>124,354</u>	<u>481,045</u>	<u>22,279</u>	<u>17,430</u>	<u>1,043,759</u>
<u>5,660</u>	<u>124,354</u>	<u>481,045</u>	<u>22,279</u>	<u>17,430</u>	<u>1,043,919</u>
<u>\$ 5,660</u>	<u>\$ 124,900</u>	<u>\$ 652,461</u>	<u>\$ 22,279</u>	<u>\$ 17,430</u>	<u>\$ 1,217,365</u>

JOHNSON COUNTY, IOWA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue		
	Law Enforcement Proceeds	Prosecutor Forfeiture Proceeds	Special Resource Enhancement
<u>REVENUES:</u>			
Intergovernmental	\$ 58,972	\$ -	\$ 38,211
Charges for service	-	-	-
Use of money and property	220	-	1,577
Miscellaneous	-	1,175	-
Total revenues	59,192	1,175	39,788
<u>EXPENDITURES:</u>			
Operating:			
Public safety and legal services	58,072	5,685	-
Physical health and social services	-	-	-
Governmental services to residents	-	-	-
Capital projects	-	-	84,619
Total expenditures	58,072	5,685	84,619
Excess (deficiency) of revenues over (under) expenditures	1,120	(4,510)	(44,831)
Other financing sources:			
Transfers in	-	-	-
Change in fund balances	1,120	(4,510)	(44,831)
<u>FUND BALANCES</u> - Beginning of year	39,604	45,384	356,384
<u>FUND BALANCES</u> - End of year	\$ 40,724	\$ 40,874	\$ 311,553

See Accompanying Independent Auditor's Report

Special Revenue				Permanent Trust	
Road Construction Escrow	Recorder's Records Management	Conservation Trust	ECI Workforce Development	CRC Wetland Bank Permanent Trust	Total
\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ 102,183
-	35,706	-	-	-	35,706
-	481	62,079	-	2,047	66,404
-	-	<u>449,412</u>	<u>339,446</u>	-	<u>790,033</u>
-	<u>36,187</u>	<u>516,491</u>	<u>339,446</u>	<u>2,047</u>	<u>994,326</u>
-	-	-	-	-	63,757
-	-	-	317,167	-	317,167
-	769	-	-	-	769
-	-	<u>990,222</u>	-	-	<u>1,074,841</u>
-	<u>769</u>	<u>990,222</u>	<u>317,167</u>	-	<u>1,456,534</u>
-	35,418	(473,731)	22,279	2,047	(462,208)
-	-	<u>152,741</u>	-	-	<u>152,741</u>
-	35,418	(320,990)	22,279	2,047	(309,467)
<u>5,660</u>	<u>88,936</u>	<u>802,035</u>	-	<u>15,383</u>	<u>1,353,386</u>
\$ <u><u>5,660</u></u>	\$ <u><u>124,354</u></u>	\$ <u><u>481,045</u></u>	\$ <u><u>22,279</u></u>	\$ <u><u>17,430</u></u>	\$ <u><u>1,043,919</u></u>



JOHNSON COUNTY, IOWA

COMBINING SCHEDULE OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2021

<u>ASSETS</u>	<u>County Offices</u>	<u>Agriculture Extension</u>	<u>County Assessor</u>	<u>City Assessor</u>
Cash, cash equivalents and pooled investments:				
County Treasurer	\$ -	\$ 4,582	\$ 762,059	\$ 574,101
Other County officials	614,663	-	-	-
Receivables:				
Accounts receivable	37,564	-	-	-
Property Tax:				
Delinquent	-	734	2,231	711
Succeeding year	-	599,804	1,317,825	1,051,449
Special assessments	-	-	-	-
Due from other governments	-	-	-	-
Prepaid items	-	-	16,195	4,932
	<u>-</u>	<u>-</u>	<u>16,195</u>	<u>4,932</u>
TOTAL ASSETS	<u>652,227</u>	<u>605,120</u>	<u>2,098,310</u>	<u>1,631,193</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
<u>LIABILITIES:</u>				
Accounts payable	277	-	5,978	153
Salaries and benefits payable	-	-	46,307	34,427
Due to other governments	544,311	4,582	-	-
Trusts payable	107,639	-	-	-
Compensated absences	-	-	98,910	97,075
	<u>-</u>	<u>-</u>	<u>98,910</u>	<u>97,075</u>
TOTAL LIABILITIES	<u>652,227</u>	<u>4,582</u>	<u>151,195</u>	<u>131,655</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue	-	599,804	1,317,825	1,051,449
	<u>-</u>	<u>599,804</u>	<u>1,317,825</u>	<u>1,051,449</u>
<u>NET POSITION</u>				
Restricted for individuals, organizations and other governments	\$ -	\$ 734	\$ 629,290	\$ 448,089
	<u>\$ -</u>	<u>\$ 734</u>	<u>\$ 629,290</u>	<u>\$ 448,089</u>

See Accompanying Independent Auditor's Report

Schedule 3
(Continued)

<u>Schools</u>	Community <u>Colleges</u>	<u>Corporations</u>	<u>Townships</u>
\$ 1,046,531	\$ 86,176	\$ 1,115,194	\$ 6,880
-	-	-	-
-	-	-	-
159,482	13,438	82,072	2,423
137,128,240	11,762,194	130,776,261	1,089,510
-	-	-	-
-	-	-	-
-	-	-	-
<u>138,334,253</u>	<u>11,861,808</u>	<u>131,973,527</u>	<u>1,098,813</u>
-	-	-	-
-	-	-	-
1,046,531	86,176	1,115,194	6,880
-	-	-	-
-	-	-	-
<u>1,046,531</u>	<u>86,176</u>	<u>1,115,194</u>	<u>6,880</u>
<u>137,128,240</u>	<u>11,762,194</u>	<u>130,776,261</u>	<u>1,089,510</u>
\$ <u>159,482</u>	\$ <u>13,438</u>	\$ <u>82,072</u>	\$ <u>2,423</u>

JOHNSON COUNTY, IOWA

Schedule 3
(Continued)

COMBINING SCHEDULE OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2021

<u>ASSETS</u>	<u>Emergency Management</u>	<u>E911 Surcharge</u>	<u>Auto License and Use Tax</u>
Cash, cash equivalents and pooled investments:			
County Treasurer	\$ 229,929	\$ 380,458	\$ 4,229,354
Other County officials	-	-	-
Receivables:			
Accounts receivable	472	84,987	-
Property Tax:			
Delinquent	-	-	-
Succeeding year	-	-	-
Special assessments	-	-	-
Due from other governments	76,600	105,268	-
Prepaid items	<u>9,294</u>	<u>47,448</u>	<u>-</u>
TOTAL ASSETS	<u>316,295</u>	<u>618,161</u>	<u>4,229,354</u>
 <u>LIABILITIES, DEFERRRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
<u>LIABILITIES:</u>			
Accounts payable	24,339	2,550	-
Salaries and benefits payable	10,379	-	-
Due to other governments	-	615,611	4,229,354
Trusts payable	-	-	-
Compensated absences	<u>8,028</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>42,746</u>	<u>618,161</u>	<u>4,229,354</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>
 <u>NET POSITION</u>			
Restricted for individuals, organizations and other governments	\$ <u>273,549</u>	\$ <u>-</u>	\$ <u>-</u>

Schedule 3

Empowerment Board	MHDS/East Central Region	Other	Total
\$ 359,673	\$ 13,741,314	\$ 331,629	\$ 22,867,880
-	-	-	614,663
-	6,213	1,800	131,036
-	-	29	261,120
-	-	29,188	283,754,471
-	-	86,515	86,515
-	1,552,010	11,892	1,745,770
<u>1,425</u>	<u>-</u>	<u>-</u>	<u>79,294</u>
<u>361,098</u>	<u>15,299,537</u>	<u>461,053</u>	<u>309,540,749</u>
-	-	-	33,297
-	-	-	91,113
198,145	-	325,269	8,172,053
-	-	51,504	159,143
<u>-</u>	<u>-</u>	<u>-</u>	<u>204,013</u>
<u>198,145</u>	<u>-</u>	<u>376,773</u>	<u>8,659,619</u>
<u>-</u>	<u>-</u>	<u>29,188</u>	<u>283,754,471</u>
\$ <u>162,953</u>	\$ <u>15,299,537</u>	\$ <u>55,092</u>	\$ <u>17,126,659</u>

JOHNSON COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS

YEAR ENDED JUNE 30, 2021

	<u>County</u> <u>Offices</u>	<u>Agriculture</u> <u>Extension</u>	<u>County</u> <u>Assessor</u>	<u>City</u> <u>Assessor</u>
<u>ADDITIONS:</u>				
Property and other county tax	\$ -	\$ 599,557	\$ 1,290,481	\$ 1,073,304
911 surcharge	-	-	-	-
State tax credits	-	31,327	68,438	55,143
Office fees and collections	4,442,517	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	2,276,711	-	-	-
Miscellaneous	-	-	-	-
Total additions	<u>6,719,228</u>	<u>630,884</u>	<u>1,358,919</u>	<u>1,128,447</u>
<u>DEDUCTIONS:</u>				
Agency remittances:				
To other funds	2,189,276	-	-	-
To other governments	2,517,884	641,112	1,362,216	940,630
Trusts paid out	<u>2,012,068</u>	-	-	-
Total deductions	<u>6,719,228</u>	<u>641,112</u>	<u>1,362,216</u>	<u>940,630</u>
Change in net position	-	(10,228)	(3,297)	187,817
<u>NET POSITION</u> - Beginning of year, as restated	<u>-</u>	<u>10,962</u>	<u>632,587</u>	<u>260,272</u>
<u>NET POSITION</u> - End of year	<u>\$ -</u>	<u>\$ 734</u>	<u>\$ 629,290</u>	<u>\$ 448,089</u>

See Accompanying Independent Auditor's Report

Schedule 4
(Continued)

<u>Schools</u>	Community <u>Colleges</u>	<u>Corporations</u>	<u>Townships</u>
\$ 135,993,623	\$ 11,205,458	\$ 128,618,387	\$ 991,819
-	-	-	-
7,144,287	585,291	7,017,864	40,565
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>143,137,910</u>	<u>11,790,749</u>	<u>135,636,251</u>	<u>1,032,384</u>
-	-	-	-
145,317,803	11,966,268	137,468,373	1,045,922
-	-	-	-
<u>145,317,803</u>	<u>11,966,268</u>	<u>137,468,373</u>	<u>1,045,922</u>
(2,179,893)	(175,519)	(1,832,122)	(13,538)
<u>2,339,375</u>	<u>188,957</u>	<u>1,914,194</u>	<u>15,961</u>
\$ <u>159,482</u>	\$ <u>13,438</u>	\$ <u>82,072</u>	\$ <u>2,423</u>

JOHNSON COUNTY, IOWA

Schedule 4
(Continued)

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS

YEAR ENDED JUNE 30, 2021

	<u>Emergency Management</u>	<u>E911 Surcharge</u>	<u>Auto License and Use Tax</u>
<u>ADDITIONS:</u>			
Property and other county tax	\$ -	\$ -	\$ -
911 surcharge	-	817,942	-
State tax credits	-	-	-
Office fees and collections	-	-	-
Auto licenses, use tax and postage	-	-	45,501,335
Assessments	-	-	-
Trusts	-	-	-
Miscellaneous	<u>1,021,371</u>	<u>-</u>	<u>-</u>
Total additions	<u>1,021,371</u>	<u>817,942</u>	<u>45,501,335</u>
<u>DEDUCTIONS:</u>			
Agency remittances:			
To other funds	-	-	-
To other governments	811,105	817,942	45,501,335
Trusts paid out	<u>-</u>	<u>-</u>	<u>-</u>
Total deductions	<u>811,105</u>	<u>817,942</u>	<u>45,501,335</u>
Change in net position	210,266	-	-
<u>NET POSITION</u> - Beginning of year, as restated	<u>63,283</u>	<u>-</u>	<u>-</u>
<u>NET POSITION</u> - End of year	\$ <u><u>273,549</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

Schedule 4

Empowerment Board	MHDS/East Central Region	Other	Total
\$ -	\$ -	\$ 30,165	\$ 279,802,794
-	-	-	817,942
-	-	1,413	14,944,328
-	-	-	4,442,517
-	-	-	45,501,335
-	-	113,544	113,544
-	-	-	2,276,711
<u>954,864</u>	<u>30,544,876</u>	<u>759,045</u>	<u>33,280,156</u>
<u>954,864</u>	<u>30,544,876</u>	<u>904,167</u>	<u>381,179,327</u>
-	-	-	2,189,276
1,060,226	21,031,136	735,967	371,217,919
-	-	113,544	2,125,612
<u>1,060,226</u>	<u>21,031,136</u>	<u>849,511</u>	<u>375,532,807</u>
(105,362)	9,513,740	54,656	5,646,520
<u>268,315</u>	<u>5,785,797</u>	<u>436</u>	<u>11,480,139</u>
\$ <u><u>162,953</u></u>	\$ <u><u>15,299,537</u></u>	\$ <u><u>55,092</u></u>	\$ <u><u>17,126,659</u></u>

JOHNSON COUNTY, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal Financial Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
Direct:			
U.S. Department of the Interior:			
Direct program:			
Payments in Lieu of Taxes	15.226		69,931
Total U.S. Department of the Interior:			<u>69,931</u>
U.S. Department of Justice:			
Law Enforcement Assistance - Narcotics & Dangerous Drugs Training	16.004		2,139
U.S. Department of Justice:			
COVID-19, Coronavirus Emergency Supplemental Funding Program	16.034		58,008
Total U.S. Department of Justice:			<u>60,147</u>
Total Direct:			<u><u>130,078</u></u>
Indirect:			
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	\$ 47,411
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	5888A051	823,330
			<u>870,741</u>
SNAP Cluster			
Iowa Department of Human Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	58,988
Total U.S. Department of Agriculture			<u>929,729</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	81,413
U.S. Department of Housing and Urban Development:			
Pass-through program from:			
Iowa Economic Development Authority:			
Community Development Block Grants/State's Program	14.228	B-19-DC-19-0001	27,719
Pass-through program from:			
Iowa Economic Development Authority:			
CDBG - Disaster Recovery Grants Cluster National Disaster Resiliency Competition (CDBG-NDR)	14.272	13-NDRI-007	1,180,535
Total U. S. Department of Housing and Urban Development:			<u>1,208,254</u>
U.S. Department of Justice:			
Pass-through program from:			
Iowa Department of Justice:			
Victim Services Support Program	16.575	VP-20-131-VWC	142,954
Pass-through program from:			
Governor's Office of Drug Control Policy:			
Public Safety Partnership and Community Policing Grants	16.710	18-CAMP-06	1,619
Public Safety Partnership and Community Policing Grants	16.710	18-COPS-Heroin-03	335
			<u>1,954</u>
Pass-through program from:			
Governor's Office of Drug Control Policy:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	18-JAG-343666	33,333
Total U.S. Department of Justice			<u>178,241</u>

JOHNSON COUNTY, IOWA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Labor:			
Pass-through program from:			
Iowa Workforce Development:			
Employment Service Cluster:			
Employment Services/Wagner-Peyser Funded Activities	17.207	NA	3,786
WIOA Cluster:			
WIOA Adult Program	17.258	20-N-EC-WI-OA	62,323
WIOA Youth Program	17.259	20-N-EC-WI-OA	152,238
WIOA Dislocated Worker Formula Grant	17.278	21-W-PF-ID-0-45	13,794
WIOA Dislocated Worker Formula Grant	17.278	20-N-EC-WI-OA	53,700
Subtotal WIOA Dislocated Worker Formula Grant			67,494
Total Iowa Workforce Development			282,055
Total U.S. Department of Labor			285,841
U. S. Department of Transportation:			
Pass-through program from:			
Iowa Department of Transportation:			
Highway Planning and Construction Cluster:			
Recreational Trails Program	20.219	2017-NRT-002	6,947
Highway Planning and Construction	20.205	6-20-CHBP-005	11,519
Federal Land Access Program	20.224	FLAP-CO52(116)-7L-52	20,000
Total Highway Planning and Construction Cluster			38,466
Pass-through program from:			
East Central Iowa Council of Governments:			
COVID-19 Formula Grants for Rural Areas	20.509	TF-2000-XXX	253,010
Formula Grants for Rural Areas	20.509	TF-2000-XXX	140,073
Total East Central Iowa Council of Governments:			393,083
Highway Safety Cluster:			
Iowa Department of Public Safety:			
State and Community Highway Safety	20.600	20-402-M0PT	14,899
Total U.S. Department of Transportation			446,448
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	19VITA0203	1,874
U.S. Department of Treasury:			
COVID-19, Coronavirus Relief Fund	21.019	COVID-19	2,542,645
COVID-19, Coronavirus Relief Fund	21.019	COVID-19	143,712
Subtotal			2,686,357
Total U.S. Department of Treasury:			2,688,231
Iowa Secretary of State:			
Help America Vote Act Requirements Payment	90.401	352-11320-HAVACARES	44,800
U.S. Department of Health and Human Services			
Pass-through program from:			
Genesis Health Systems:			
Hospital preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements			
	93.074	5889BT03	53,173
Pass-through program from:			
Iowa Department of Public Health:			
Project Grants and Cooperative Agreements for Tuberculosis Control Programs			
	93.116	MOU-2021-TB10	600
Title X Family Planning Services	93.217	977-FY2021	221,967
Title X Family Planning Services	93.217	977-FY2022	47,847
Total Title X Family Planning Services			269,814
Immunization Cooperative Agreements	93.268	5886I449	57,559
Prevention and Management of Diabetes, Heart Disease, and Stroke	93.426	5880CD31	29,399
Title IV-E Prevention Program	93.472	N/A	2,931
Total Iowa Department of Public Health			360,303

JOHNSON COUNTY, IOWA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

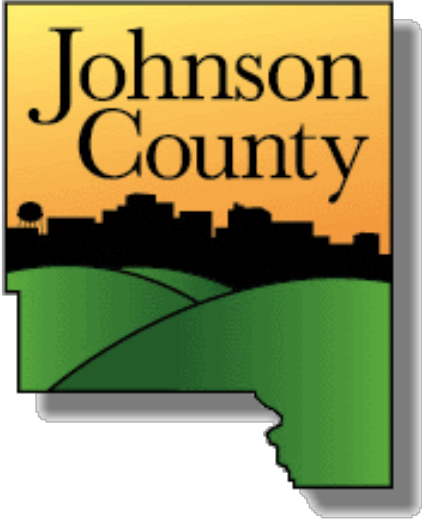
Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services (continued):			
Iowa Department of Human Services:			
Promoting Safe and Stable Families	93.556	DCAT4-19-005	20,000
Promoting Safe and Stable Families	93.556	DCAT4-16-010	1,209
			<u>21,209</u>
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	N/A	12,878
Foster Care - Title IV-E	93.658	N/A	15,460
Adoption Assistance	93.659	N/A	7,533
Social Services Block Grant	93.667	N/A	14,081
Children's Health Insurance Program	93.767	N/A	1,266
Medicaid Cluster:			
Medical Assistance Program	93.778	N/A	51,162
Iowa Department of Public Health:			
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	5885BT452	131,926
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	5889BHP50	32,440
			<u>164,366</u>
Iowa Department of Public Health:			
HIV Prevention Activities - Health Department Based	93.940	5880AP08	74,112
HIV Prevention Activities - Health Department Based	93.940	5881AP08	66,974
Subtotal			<u>141,086</u>
Maternal and Child Health Services Block Grant to the States	93.994	5880MH09	36,174
Maternal and Child Health Services Block Grant to the States	93.994	5881MH09	220,431
Subtotal			<u>256,605</u>
Total U.S. Department of Health and Human Services			<u>1,099,122</u>
Department of Homeland Security:			
Iowa Department of Homeland Security:			
Disaster Grants - Public Assistance (Presidentially Declared Disaster)	97.036	103-UB5PN-00	87,773
Disaster Grants - Public Assistance (Presidentially Declared Disaster)	97.036	PA-07-IA-4557-PW-00035	9,155
			<u>96,928</u>
Total Department of Homeland Security			<u>96,928</u>
Total Indirect:			<u>7,059,007</u>
total Federal Financial Assistance			<u>\$ 7,189,085</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, 2021. 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 annual comprehensive 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.	85-92
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	93-104
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.	105-107
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.	108-111
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.	112-117

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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Governmental Activities:				
Net investment in capital assets	\$ 171,251,796	\$ 158,829,720	\$ 147,967,600	\$ 131,064,633
Restricted	16,530,152	14,539,903	14,965,284	14,547,678
Unrestricted	<u>27,157,849</u>	<u>22,506,609</u>	<u>16,935,571</u>	<u>14,389,010</u>
Total governmental activities net position	\$ <u>214,939,797</u>	\$ <u>195,876,232</u>	\$ <u>179,868,455</u>	\$ <u>160,001,321</u>

<u>2017, as</u> <u>Restated</u>	<u>2016, as</u> <u>Restated</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 122,677,790	\$ 105,131,206	\$ 99,270,214	\$ 82,451,458	\$ 74,178,929	\$ 71,665,882
12,882,011	25,423,792	22,194,269	24,495,898	24,635,844	17,119,728
<u>7,671,983</u>	<u>514,934</u>	<u>(3,691,292)</u>	<u>7,923,601</u>	<u>5,551,352</u>	<u>4,588,757</u>
<u>\$ 143,231,784</u>	<u>\$ 131,069,932</u>	<u>\$ 117,773,191</u>	<u>\$ 114,870,957</u>	<u>\$ 104,366,125</u>	<u>\$ 93,374,367</u>

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Expenses:			
Governmental activities:			
Public safety and legal services	\$ 27,234,631	\$ 27,368,015	\$ 25,347,382
Physical health and social services	14,066,367	12,265,474	11,288,474
Mental health	7,122,273	5,008,693	5,530,237
County environment and education	8,677,975	7,894,118	6,423,634
Roads and transportation	10,813,127	14,027,137	12,677,748
Governmental services to residents	3,502,172	2,765,509	2,974,297
Administration	12,973,054	11,259,798	9,451,999
Non-program	110,370	60,412	12,883
Interest on long-term debt	<u>217,094</u>	<u>344,002</u>	<u>336,537</u>
Total governmental expenses	\$ <u>84,717,063</u>	\$ <u>80,993,158</u>	<u>74,043,191</u>
Program revenues:			
Governmental activities:			
Charges for services:			
Public safety and legal services	\$ 4,226,521	\$ 6,976,833	\$ 3,694,331
Physical health and social services	681,028	836,492	777,578
Mental health	764,497	758,033	722,085
County environment and education	1,123,738	873,944	506,953
Roads and transportation	45,754	51,634	91,838
Governmental services to residents	2,650,848	2,334,202	2,173,536
Administration	1,056,677	597,449	741,022
Operating grants and contributions	17,328,302	13,557,995	12,619,539
Capital grants and contributions	<u>8,043,046</u>	<u>4,306,630</u>	<u>7,648,254</u>
Total governmental program revenues	<u>35,920,411</u>	<u>30,293,212</u>	<u>28,975,136</u>
Total primary government net expense	\$ <u>(48,796,652)</u>	\$ <u>(50,699,946)</u>	\$ <u>(45,068,055)</u>
General revenues and other changes in net position			
Governmental Activities:			
Property and other County taxes	\$ 61,913,570	\$ 60,293,455	\$ 58,139,000
Other County taxes	1,045,079	1,036,655	968,431
Penalty and interest on property taxes	720,903	268,632	411,720
State tax credits	3,252,421	3,381,424	3,398,248
Unrestricted investment earnings	648,526	1,580,939	1,909,803
Gain (loss) on sales of capital assets	21,337	8,891	-
Miscellaneous	<u>258,381</u>	<u>137,727</u>	<u>107,987</u>
Total governmental activities	<u>67,860,217</u>	<u>66,707,723</u>	<u>64,935,189</u>
Change in net position governmental activities	\$ <u>19,063,565</u>	\$ <u>16,007,777</u>	\$ <u>19,867,134</u>

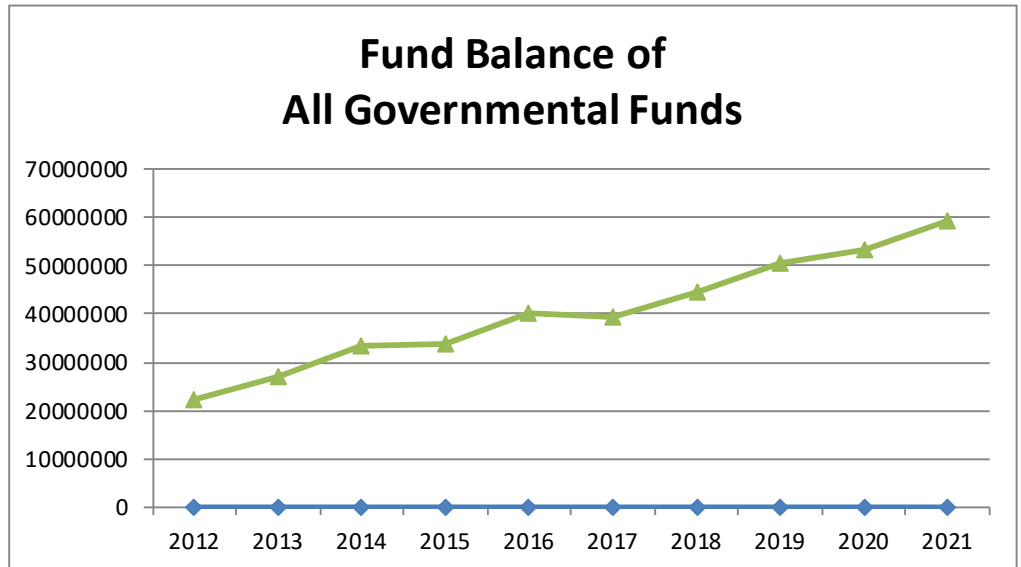
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$	23,044,794	\$ 22,517,620	\$ 21,681,544	\$ 21,423,137	\$ 21,713,703	\$ 20,188,789	\$ 19,869,844
	10,438,263	10,094,498	9,096,966	8,462,069	8,814,694	8,630,946	8,093,343
	5,727,490	7,221,045	7,383,813	5,897,981	7,977,750	6,484,037	12,976,475
	5,619,726	5,618,841	4,181,307	3,930,143	3,679,768	3,526,150	3,411,529
	13,067,355	13,191,877	11,406,730	12,708,805	10,806,794	10,141,639	10,310,104
	2,464,520	2,647,086	2,259,982	2,043,747	2,124,814	2,492,299	2,056,765
	9,598,720	9,002,956	8,591,357	8,355,864	8,462,602	7,780,572	7,644,148
	8,992	6,534	5,107	6,375	39,694	5,027	-
	<u>361,394</u>	<u>341,334</u>	<u>374,881</u>	<u>412,638</u>	<u>451,979</u>	<u>488,309</u>	<u>536,360</u>
	<u>70,331,254</u>	<u>\$ 70,641,791</u>	<u>64,981,687</u>	<u>63,240,759</u>	<u>64,071,798</u>	<u>59,737,768</u>	<u>64,898,568</u>
\$	3,377,414	3,478,952	3,063,034	3,024,693	2,800,091	2,984,302	2,363,822
	915,177	944,182	551,161	469,889	469,102	405,637	392,608
	703,008	804,875	934,351	887,449	3,250	91	115,816
	717,826	452,191	525,305	459,665	448,173	459,684	424,858
	73,670	112,023	54,048	63,726	90,612	86,068	106,711
	2,180,692	2,229,568	2,159,040	2,041,891	1,985,278	2,210,050	2,032,933
	750,572	1,374,385	1,395,337	1,239,492	1,099,596	2,023,086	661,129
	13,579,013	14,088,732	14,620,176	16,389,081	17,493,399	12,840,306	21,446,809
	<u>1,924,452</u>	<u>1,071,177</u>	<u>393,674</u>	<u>5,851,362</u>	<u>1,839,719</u>	<u>4,462,371</u>	<u>2,037,591</u>
	<u>24,221,824</u>	<u>24,556,085</u>	<u>23,696,126</u>	<u>30,427,248</u>	<u>26,229,220</u>	<u>25,471,595</u>	<u>29,582,277</u>
\$	<u>(46,109,430)</u>	<u>(46,085,706)</u>	<u>(41,285,561)</u>	<u>(32,813,511)</u>	<u>(37,842,578)</u>	<u>(34,266,173)</u>	<u>(35,316,291)</u>
56,138,703	\$ 52,524,864	\$ 49,361,895	\$ 47,684,945	\$ 45,376,991	\$ 43,060,882	\$ 42,106,709	
972,047	966,735	1,005,973	985,548	950,917	932,776	962,913	
365,817	502,716	718,558	163,223	408,283	344,982	575,376	
3,455,162	3,346,375	3,433,072	2,137,897	1,027,037	823,125	677,451	
967,109	410,706	352,970	284,516	285,224	263,505	269,894	
68,231	54,092	(3,766)	5,700	(346,498)	(276,882)	(13,531)	
<u>227,461</u>	<u>442,070</u>	<u>144,895</u>	<u>160,220</u>	<u>139,387</u>	<u>109,543</u>	<u>1,163,195</u>	
<u>62,194,530</u>	<u>58,247,558</u>	<u>55,013,597</u>	<u>51,422,049</u>	<u>47,841,341</u>	<u>45,257,931</u>	<u>45,742,007</u>	
\$	<u>16,085,100</u>	<u>\$ 12,161,852</u>	<u>\$ 13,728,036</u>	<u>\$ 18,608,538</u>	<u>\$ 9,998,763</u>	<u>\$ 10,991,758</u>	<u>\$ 10,425,716</u>

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Fund:					
Nondisposable	\$ 273,500	\$ 229,304	\$ 200,959	\$ 187,828	\$ 182,922
Restricted	2,620,103	1,884,850	2,200,096	3,606,754	4,110,541
Unassigned	<u>27,584,767</u>	<u>23,109,692</u>	<u>19,499,280</u>	<u>17,470,191</u>	<u>14,964,912</u>
Total general fund	<u>\$ 30,478,370</u>	<u>\$ 25,223,846</u>	<u>\$ 21,900,335</u>	<u>\$ 21,264,773</u>	<u>\$ 19,258,375</u>
All other governmental funds					
Nondisposable	\$ 1,539,989	\$ 1,554,372	\$ 1,520,536	\$ 1,424,282	\$ 479,015
Restricted	18,232,083	18,309,840	19,149,877	13,300,317	14,814,647
Committed	-	-	-	-	-
Assigned	9,109,705	8,368,197	8,004,505	8,580,798	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,892,323</u>
Total all other governmental funds	<u>\$ 28,881,777</u>	<u>\$ 28,232,409</u>	<u>\$ 28,674,918</u>	<u>\$ 23,305,397</u>	<u>\$ 20,185,985</u>

Fund Balance of all Governmental Funds

2012	\$ 22,314,131
2013	\$ 27,054,220
2014	\$ 33,535,207
2015	\$ 33,815,041
2016	\$ 40,137,612
2017	\$ 39,444,360
2018	\$ 44,570,170
2019	\$ 50,575,253
2020	\$ 53,456,255
2021	\$ 59,360,147



	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$	214,385	\$ 203,911	\$ 426,916	\$ 380,248	\$ 317,072
	2,141,961	1,585,708	934,199	760,182	684,053
	<u>14,599,342</u>	<u>11,619,718</u>	<u>9,039,309</u>	<u>5,827,582</u>	<u>5,138,114</u>
\$	<u><u>16,955,688</u></u>	\$ <u><u>13,409,337</u></u>	\$ <u><u>10,400,424</u></u>	\$ <u><u>6,968,012</u></u>	\$ <u><u>6,139,239</u></u>
\$	528,678	\$ 414,356	\$ 347,039	\$ 523,589	\$ 344,283
	12,696,268	11,812,274	11,455,613	16,322,720	5,081,094
	-	-	-	3,239,899	10,749,515
	9,956,978	8,179,074	11,332,131	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u><u>23,181,924</u></u>	\$ <u><u>20,405,704</u></u>	\$ <u><u>23,134,783</u></u>	\$ <u><u>20,086,208</u></u>	\$ <u><u>16,174,892</u></u>

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Revenues:					
Property taxes and other county taxes	\$ 63,698,918	\$ 60,573,192	\$ 59,118,878	\$ 57,099,590	\$ 53,486,619
Interest and penalty on taxes	753,153	234,988	413,119	364,041	495,683
Intergovernmental	28,454,183	24,641,605	23,930,569	19,285,208	20,243,236
Licenses and permits	809,579	834,992	732,053	727,532	690,466
Charges for service	5,476,000	4,816,308	4,935,715	5,067,547	5,034,553
Use of money and property	708,723	1,785,938	1,891,685	1,185,881	419,210
Miscellaneous	<u>2,250,765</u>	<u>1,036,802</u>	<u>671,123</u>	<u>1,225,537</u>	<u>1,177,049</u>
Total revenues	<u>102,151,321</u>	<u>93,923,825</u>	<u>91,693,142</u>	<u>84,955,336</u>	<u>81,546,816</u>
Expenditures:					
Current:					
Public safety and legal services	25,928,544	25,727,350	24,311,193	23,533,955	21,664,656
Physical health and social services	13,056,548	11,348,900	11,160,839	10,085,322	9,786,384
Mental health	6,411,385	7,813,021	5,548,694	5,723,214	7,335,429
County environment and education	6,410,602	5,949,244	5,540,994	4,987,436	4,860,092
Roads and transportation	10,616,524	9,732,075	9,974,893	9,711,078	9,610,535
Governmental services to residents	3,213,808	2,612,702	2,851,188	2,383,760	2,434,856
Administration	9,495,175	8,882,667	8,490,199	8,334,774	7,870,598
Non-program	43,158	50,178	5,276	3,748	2,673
Capital projects	20,539,800	18,578,121	16,793,113	14,407,215	16,696,625
Debt service:					
Principal	9,945,000	9,550,000	7,895,000	7,530,000	6,520,000
Interest	<u>226,314</u>	<u>344,859</u>	<u>333,427</u>	<u>368,457</u>	<u>343,236</u>
Total expenditures	<u>105,886,858</u>	<u>100,589,117</u>	<u>92,904,816</u>	<u>87,068,959</u>	<u>87,125,084</u>
Excess (deficiency) of revenues over (under) expenditures	(3,735,537)	(6,665,292)	(1,211,674)	(2,113,623)	(5,578,268)
Other financing sources (uses):					
Sale of capital assets	37,029	21,294	16,757	39,433	85,016
Proceeds from long-term debt	9,602,400	9,525,000	7,200,000	7,200,000	4,800,000
Issuance of refunding bonds	-	-	-	4,240,000	-
Payment to refunded bond escrow agent	-	-	-	(4,240,000)	-
Transfers in	27,431,223	28,538,196	27,799,738	26,453,965	26,567,248
Transfers out	<u>(27,431,223)</u>	<u>(28,538,196)</u>	<u>(27,799,738)</u>	<u>(26,453,965)</u>	<u>(26,567,248)</u>
Total other financing sources (uses)	<u>9,639,429</u>	<u>9,546,294</u>	<u>7,216,757</u>	<u>7,239,433</u>	<u>4,885,016</u>
Net change in fund balances	<u>5,903,892</u>	<u>2,881,002</u>	<u>6,005,083</u>	<u>5,125,810</u>	<u>(693,252)</u>
Debt Service as a percentage of noncapital expenditures	11.50%	11.74%	10.62%	10.67%	9.36%

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$	53,486,619	\$ 50,364,750	\$ 48,667,704	\$ 46,330,012	\$ 43,994,487	\$ 43,064,225
	495,683	712,984	169,549	417,092	346,337	566,085
	20,243,236	20,256,459	20,813,839	19,937,570	18,001,226	24,161,443
	690,466	748,102	677,670	646,331	676,912	579,650
	5,034,553	4,399,571	4,169,605	4,118,569	4,155,377	4,068,724
	419,210	352,742	300,809	284,731	274,123	280,324
	<u>1,177,049</u>	<u>1,544,628</u>	<u>1,429,284</u>	<u>1,481,530</u>	<u>2,232,974</u>	<u>2,128,204</u>
	<u>81,546,816</u>	<u>78,379,236</u>	<u>76,228,460</u>	<u>73,215,835</u>	<u>69,681,436</u>	<u>74,848,655</u>
	21,664,656	21,009,727	20,735,683	20,536,016	19,651,404	19,266,352
	9,786,384	9,017,307	8,474,153	8,410,932	8,349,705	8,046,818
	7,335,429	7,519,034	5,989,761	7,887,238	6,419,857	12,999,800
	4,860,092	4,028,440	3,684,968	3,507,160	3,530,073	3,321,442
	9,610,535	8,842,350	9,083,591	8,528,073	8,735,455	7,592,330
	2,434,856	2,197,423	2,015,947	2,018,025	2,450,684	1,932,431
	7,870,598	7,728,567	7,490,403	7,384,293	7,141,290	6,803,964
	2,673	3,183	4,432	37,827	3,160	3,005
	16,696,625	11,212,474	16,445,471	10,197,459	5,728,384	7,716,047
	6,520,000	6,440,000	5,965,000	4,395,000	4,046,000	3,386,000
	<u>343,236</u>	<u>376,495</u>	<u>415,861</u>	<u>454,144</u>	<u>491,316</u>	<u>540,300</u>
	<u>87,125,084</u>	<u>78,375,000</u>	<u>80,305,270</u>	<u>73,356,167</u>	<u>66,547,328</u>	<u>71,608,489</u>
	(5,578,268)	4,236	(4,076,810)	(140,332)	3,134,108	3,240,166
	85,016	18,355	6,644	62,113	15,187	15,097
	4,800,000	6,300,000	4,350,000	3,150,000	5,000,000	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	26,567,248	22,905,120	21,455,078	12,741,210	13,072,326	10,741,317
	<u>(26,567,248)</u>	<u>(22,905,120)</u>	<u>(21,455,078)</u>	<u>(12,741,210)</u>	<u>(13,072,326)</u>	<u>(10,741,317)</u>
	<u>4,885,016</u>	<u>6,318,335</u>	<u>4,356,644</u>	<u>3,212,113</u>	<u>5,015,187</u>	<u>15,097</u>
\$	<u>(693,252)</u>	<u>6,322,571</u>	<u>279,834</u>	<u>3,071,781</u>	<u>8,149,295</u>	<u>3,255,263</u>
	9.36%	10.10%	11.10%	7.68%	8.06%	6.55%



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>
2012	42,106,709	962,913	43,069,622
2013	43,060,882	932,776	43,993,658
2014	45,376,991	950,917	46,327,908
2015	47,684,945	985,548	48,670,493
2016	49,361,895	1,005,973	50,367,868
2017	52,524,864	966,735	53,491,599
2018	56,138,703	972,047	57,110,750
2019	58,139,000	968,431	59,107,431
2020	60,293,455	1,036,655	61,330,110
2021	61,913,570	1,045,079	62,958,649

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>
2012	7,227,848	327,935	1,687,596	98,555	0	14,878
2013	7,470,218	376,831	1,704,187	99,326	0	22,353
2014	7,632,480	377,945	1,639,062	97,793	0	27,268
2015	7,915,878	529,368	1,733,506	105,906	0	32,434
2016	8,120,110	528,175	1,650,705	96,762	0	33,845
2017	8,974,179	572,193	1,341,848	100,437	524,764	34,438
2018	9,284,318	572,363	1,407,564	99,855	526,732	33,044
2019	9,909,784	525,142	1,852,449	125,636	631,180	28,492
2020	10,214,798	526,064	1,885,154	130,565	641,816	28,799
2021	11,201,696	372,282	1,941,089	134,165	722,485	37,102

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

Source: Iowa Department of Management, 100% Valuations, By Class, By Levy Authority (Non TIF)

* Rate per \$1,000 of taxable valuation

Utility, Incl Gas & <u>Electric</u>	<u>Military Exemption</u>	Total Taxable Assessed <u>Value</u>	TIF <u>Valuation</u>	Total Direct Tax Rate, <u>Urban *</u>
284,185	(7,306)	9,633,691	759,078	6.99776
299,626	(7,162)	9,965,380	739,195	6.74909
314,456	(7,115)	10,081,889	838,764	6.73712
311,058	(6,964)	10,621,186	988,165	6.74168
327,162	(6,782)	10,749,978	1,229,832	6.90337
342,239	(6,560)	11,883,539	999,085	6.77140
343,828	(6,376)	12,261,328	1,045,135	6.85143
354,821	(6,243)	13,421,260	761,628	6.53594
392,776	(6,152)	13,813,800	857,924	6.49279
414,720	(6,052)	14,817,487	900,468	6.34581

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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Countywide service rates:				
General basic	\$ 3.50000	\$ 3.50000	\$ 3.50000	\$ 3.50000
General supplemental	0.26790	0.21732	0.21176	0.53648
MH/DS	0.55253	0.51596	0.58222	0.67548
Debt service	<u>2.02538</u>	<u>2.25950</u>	<u>2.24196</u>	<u>2.13947</u>
Johnson County urban rate	6.34581	6.49279	6.53594	6.85143
Johnson County rural rate	<u>3.77509</u>	<u>3.68226</u>	<u>3.66661</u>	<u>3.69992</u>
Total Direct Rate	<u>10.12090</u>	<u>10.17505</u>	<u>10.20255</u>	<u>10.55135</u>
City Rates:				
Coralville	14.31230	13.52770	13.52770	13.52770
Hills	8.09932	8.10000	8.10000	8.10000
Iowa City	15.77305	15.83305	14.85629	16.33305
Lone Tree	8.24908	8.25796	12.95547	9.18296
North Liberty	11.03264	11.03264	11.03264	11.03264
Oxford	11.60494	11.27591	14.25606	10.14301
Shueyville	7.09242	7.09241	7.09910	7.09909
Solon	10.84314	10.82842	10.89780	10.87796
Swisher	11.32868	11.46215	8.59314	8.37053
Tiffin	11.80802	11.80689	11.80205	11.80227
University Heights	11.22967	10.93282	10.93764	10.79874
West Branch	13.09428	12.10287	12.35271	12.59382
School District Rates:				
Clear Creek Amana	17.06011	16.56460	16.57663	16.75949
College Community	16.60721	16.60706	16.60836	16.64476
Iowa City	14.83935	14.79097	14.85629	13.95855
Solon	16.25064	16.24818	16.24083	16.22396
West Branch	15.35028	13.08686	13.09246	13.75022

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$	3.50000	\$ 3.50000	\$ 3.50000	\$ 3.50000	\$ 3.50000	\$ 3.50000
	0.81752	1.14707	0.68976	1.11314	2.09274	2.46627
	0.44559	0.47957	0.49284	0.51324	0.52822	0.55747
	<u>2.00829</u>	<u>1.77673</u>	<u>2.05908</u>	<u>1.61074</u>	<u>0.62813</u>	<u>0.47402</u>
	6.77140	6.90337	6.74168	6.73712	6.74909	6.99776
	<u>3.46939</u>	<u>3.46939</u>	<u>3.40746</u>	<u>3.33826</u>	<u>3.08914</u>	<u>3.08925</u>
	<u>10.24079</u>	<u>10.37276</u>	<u>10.14914</u>	<u>10.07538</u>	<u>9.83823</u>	<u>10.08701</u>
	13.52779	13.52771	13.52771	13.52770	13.52767	13.52770
	8.10000	8.10000	8.10000	8.10000	8.10000	8.10000
	16.58305	16.65096	16.70520	16.80522	17.26864	17.84150
	9.19724	9.22462	9.23483	9.27730	9.31760	9.40564
	11.03264	11.03264	11.03264	11.03264	11.03264	11.03264
	9.72063	10.82201	9.38055	10.84265	10.93746	11.03538
	7.09997	7.09995	7.09991	7.09994	7.10000	7.09995
	10.82552	10.83300	10.97205	10.88627	10.71190	10.71202
	8.10000	8.10000	8.10000	8.10000	8.10000	8.10000
	11.80265	11.80309	11.97177	10.62359	11.97391	11.97391
	11.08828	11.05210	10.88143	10.90073	10.94865	11.06390
	12.59382	12.59382	12.04382	12.04382	12.04382	12.04382
	16.75419	15.62084	15.06516	15.11055	15.31063	15.54876
	16.06203	15.81016	14.80342	15.08387	15.80308	16.55788
	13.98935	13.86773	13.69999	13.68792	14.07327	14.59055
	16.11521	16.15171	16.35337	15.99708	16.95781	16.97452
	14.12945	14.17879	14.10551	13.97611	13.96841	14.05544

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

Taxpayers	Type of Business	2021			2012		
		Taxable Value	Rank	Percentage of Taxable Value	Taxable Value	Rank	Percentage of Taxable Value
Coral Ridge Mall LLC.	Retail Property	\$ 108,015,600	1	1.11 %	\$ 152,319,180	1	2.19 %
Rise at Riverfront Landing	Property Leasing	55,376,050	2	0.56	-	-	-
BBCS Hawkeye Housing LLC	Property Leasing	50,708,760	3	0.52	-	-	-
Latitude At River Landing	Property Leasing	48,789,300	4	0.50	-	-	-
Tailwind Iowa City LLC	Property Leasing	43,517,480	5	0.45	-	-	-
ACT	Standardized Testing	41,843,240	6	0.43	47,568,393	2	0.68
808 On 5th Street	Property Leasing	38,422,900	7	0.39	-	-	-
Paradigm Properties LLC	Retail Property	37,175,070	8	0.38	-	-	-
Greenstate Credit Union (formerly UICCU)	Financial Institution	35,702,260	9	0.37	-	-	-
City of Coralville	City	35,394,800	10	0.36	37,097,763	4	0.53
TKG Coral North LLC	Retail Property	-	-	-	37,152,030	3	0.53
Wal-Mart Real Estate Business	Retail Property	-	-	-	25,939,860	5	0.37
Cedar Rapids & Iowa City Railroad	Rail Transportation	-	-	-	22,816,286	6	0.33
Hollingsworth Capital Partners-Iowa LLC	Retail Property	-	-	-	21,674,620	7	0.31
Bankers Commercial Corporation	Property Leasing	-	-	-	19,667,056	8	0.28
Century Link (Qwest)	Telecommunications	-	-	-	19,623,676	9	0.28
Delaer Properties IC LLC	Property Leasing	-	-	-	17,355,659	10	0.25
		<u>\$ 494,945,460</u>		<u>5.07 %</u>	<u>\$ 401,214,523</u>		<u>5.75 %</u>
Total Taxable Value		<u>\$ 9,758,784,514</u>			<u>\$ 6,953,493,458</u>		

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

<u>Fiscal</u> <u>Year Ended</u> <u>June 30,</u>	<u>Taxes Levied</u> <u>for the Year</u>	<u>Property Taxes</u> <u>Collected in the</u> <u>Fiscal Year</u>	<u>% of</u> <u>Lew</u>	<u>Delinquent</u> <u>Tax Collections</u>	<u>Property Taxes</u> <u>Collected to Date</u>	<u>% of</u> <u>Lew</u>
2012	\$ 232,467,081	\$ 229,574,883	98.76 %	\$ 99,491	\$ 229,674,374	98.80 %
2013	237,360,406	234,276,345	98.70	75,783	234,352,128	98.73
2014	242,485,620	237,667,339	98.01	25,413	237,692,752	98.02
2015	257,827,389	249,774,467	96.88	81,661	249,856,128	96.91
2016	273,996,983	254,096,465	92.74	56,491	254,152,956	92.76
2017	288,034,843	273,268,221	94.87	55,663	273,323,884	94.89
2018	302,838,907	291,198,849	96.16	112,580	291,311,429	96.19
2019	322,633,087	306,036,757	94.86	157,694	306,194,451	94.90
2020	334,891,428	312,488,051	93.37	54,821	312,542,872	93.39
2021	354,824,429	338,245,006	95.33	5,315,521	343,560,527	96.83

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

2019 Valuations
For FY2021 Tax Levies

	<u>Rural</u>	<u>Urban</u>	<u>Grand Total</u>
<u>JOHNSON COUNTY BASE</u>			
Residential	\$ 1,227,561,444	4,813,983,853	\$ 6,041,545,297
Agricultural land	279,367,256	6,830,493	286,197,749
Agricultural buildings	16,954,786	148,918	17,103,704
Commercial property	112,563,936	1,581,798,516	1,694,362,452
Industrial property	9,972,630	109,458,880	119,431,510
Multiresidential	20,456,080	490,402,181	510,858,261
Railroads	14,604,626	18,787,214	33,391,840
Utilities (Without gas & elec.)	51,848,979	28,453,428	80,302,407
Gross Valuation	1,733,329,737	7,049,863,483	8,783,193,220
Less military tax exemptions	(1,442,708)	(4,609,628)	(6,052,336)
Total value for computing taxes levied	1,731,887,029	7,045,253,855	8,777,140,884
Gas & electric utilities	25,566,083	66,152,892	91,718,975
Total value for computing tax rates	\$ <u>1,757,453,112</u>	\$ <u>7,111,406,747</u>	\$ <u>8,868,859,859</u>
<u>COUNTY TIF INCREMENT</u>			
Residential	\$ -	290,798,544	\$ 290,798,544
Agricultural land	-	245,944	245,944
Agricultural building	-	2,830	2,830
Commercial property	-	571,712,703	571,712,703
Industrial property	-	13,169,630	13,169,630
Multiresidential	-	13,995,004	13,995,004
Total value for computing taxes levied	-	889,924,655	889,924,655
Total value for computing tax rates	\$ <u>-</u>	\$ <u>889,924,655</u>	\$ <u>889,924,655</u>
<u>CO. DEBT SERVICE TOTAL</u>			
Residential	\$ 1,227,561,444	5,104,782,397	\$ 6,332,343,841
Agricultural land	279,367,256	7,076,437	286,443,693
Agricultural buildings	16,954,786	151,748	17,106,534
Commercial property	112,563,936	2,153,511,219	2,266,075,155
Industrial property	9,972,630	122,628,510	132,601,140
Multiresidential	20,456,080	504,397,185	524,853,265
Railroads	14,604,626	908,711,869	923,316,495
Utilities (Without gas & elec.)	51,848,979	918,378,083	970,227,062
Gross valuation	1,733,329,737	9,719,637,448	11,452,967,185
Less military tax exemptions	(1,442,708)	(4,609,628)	(6,052,336)
Total value for computing taxes levied	1,731,887,029	9,715,027,820	11,446,914,849
Gas & electric utilities	25,566,083	66,152,892	91,718,975
Total value for computing tax rates	\$ <u>1,757,453,112</u>	\$ <u>9,781,180,712</u>	\$ <u>11,538,633,824</u>

Note: Assessed value with rollbacks applied and military exemptions deducted.

2018 Valuations
For FY2020 Tax Levies

<u>Rural</u>	<u>Urban</u>	<u>Grand Total</u>
\$ 1,217,317,267	4,483,142,122	\$ 5,700,459,389
271,339,613 #	6,830,949	278,040,329
16,906,861	130,233	17,037,094
112,411,451	1,533,228,453	1,645,639,904
9,888,750 #	101,946,817	116,118,423
18,890,596	457,774,429	476,665,025
11,565,144	14,336,330	25,901,474
<u>52,450,908</u>	<u>29,829,301</u>	<u>82,280,209</u>
1,710,770,590	6,627,218,634	8,342,141,847
<u>(1,483,452)</u>	<u>(4,668,892)</u>	<u>(6,152,344)</u>
1,709,287,138	6,626,702,365	8,335,989,503
<u>26,326,438</u>	<u>69,666,692</u>	<u>95,993,130</u>
<u>\$ 1,735,613,576</u>	<u>\$ 6,696,369,057</u>	<u>\$ 8,431,982,633</u>
\$ -	263,682,485	\$ 263,682,485
-	483,462	483,462
-	6,298	6,298
-	555,951,463	555,951,463
-	13,902,227	13,902,227
-	<u>18,791,009</u>	<u>18,791,009</u>
-	<u>852,816,944</u>	<u>852,816,944</u>
<u>\$ -</u>	<u>\$ 852,816,944</u>	<u>\$ 852,816,944</u>
\$ 1,217,317,267	4,746,824,607	\$ 5,964,141,874
271,339,613	7,314,411	278,523,791
16,906,861	136,531	17,043,392
112,411,451	2,089,179,916	2,201,591,367
9,888,750	115,849,044	130,020,650
18,890,596	476,565,438	495,456,034
11,565,144	867,153,274	878,718,418
<u>52,450,908</u>	<u>882,646,245</u>	<u>935,097,153</u>
1,710,770,590	9,185,669,466	10,900,592,679
<u>(1,483,452)</u>	<u>(4,668,892)</u>	<u>(6,152,344)</u>
1,709,287,138	9,181,000,574	10,894,440,335
<u>26,326,438</u>	<u>69,666,692</u>	<u>95,993,130</u>
<u>\$ 1,735,613,576</u>	<u>\$ 9,250,667,266</u>	<u>\$ 10,990,433,465</u>

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

Percentage change in Taxable Grand Total Valuations

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>JOHNSON COUNTY BASE</u>				
Ag dwellings	- %	- %	- %	- %
Non-ag residential	-	-	-	6.2
Residential (including Ag dwellings)	6.0	5.4	4.0	6.0
Agricultural land	2.9	3.0	5.1	2.8
Agricultural buildings	0.4	9.1	8.3	7.8
Commercial property	3.0	5.0	35.9	5.3
Industrial property	2.9	0.6	30.8	(0.3)
Multiresidential	7.2	(3.4)	14.8	(4.3)
Railroads	28.9	1.3	(13.8)	(4.0)
Utilities (Without gas & elec.)	(2.4)	1.7	1.3	(1.5)
Total val. for comp. pr. taxes	5.3	3.4	10.1	4.9
Gas & electric utilities	(4.5)	1.8	(0.4)	(6.9)
Total val. for comp. levies	<u>5.2 %</u>	<u>3.4 %</u>	<u>10.0 %</u>	<u>4.7 %</u>
<u>COUNTY TIF INCREMENT</u>				
Ag dwellings				
Non-ag residential	- %	- %	- %	2.7 %
Residential (including Ag dwellings)	10.3	13.2	17.2	2.7
Agricultural land	(49.1)	(2.3)	(31.0)	20.9
Agricultural buildings	(55.1)	(21.2)	(41.3)	38.2
Commercial property	2.8	12.6	(36.2)	5.0
Industrial property	(5.3)	7.0	(71.7)	(6.5)
Multiresidential	(25.5)	12.4	(39.0)	11.8
Total val. for comp. pr. taxes	4.4	12.7	(27.6)	4.2
Total val. for comp. levies	<u>4.4 %</u>	<u>12.7 %</u>	<u>(27.6) %</u>	<u>4.2 %</u>
<u>CO. DEBT SERVICE TOTAL</u>				
Ag dwellings	- %	- %	- %	- %
Non-ag residential	-	-	-	5.0
Residential (including Ag dwellings)	6.2	5.7	4.5	4.4
Agricultural land	2.8	2.9	5.0	2.9
Agricultural buildings	0.4	9.0	8.3	7.9
Commercial property	2.9	4.1	7.5	6.2
Industrial property	2.0	4.2	(3.8)	(3.9)
Multiresidential	5.9	(2.9)	11.6	(3.5)
Railroads	5.1	1.0	(13.8)	(3.3)
Utilities (Without gas & elec.)	3.8	2.3	1.3	(3.4)
Total val. for comp. pr. taxes	5.1	4.7	5.4	4.8
Gas & electric utilities	(4.5)	4.1	(0.4)	(6.9)
Total val. for comp. levies	<u>5.0 %</u>	<u>4.7 %</u>	<u>5.3 %</u>	<u>4.7 %</u>

Note: Rollbacks applied and military exemptions deducted.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
7.6 %	3.1 %	4.6 %	11.9 %	8.4 %	5.3 %
8.4	7.5	6.9	5.9	8.5	5.8
8.4	7.4	6.9	6.0	8.5	5.8
12.9	2.7	2.6	4.2	(3.9)	3.9
(7.7)	7.1	(15.3)	8.4	(8.7)	8.3
(23.6)	(7.7)	(1.8)	(3.8)	1.0	0.3
(1.6)	(11.9)	1.1	(1.5)	0.8	(1.1)
100.0	-	-	-	-	-
1.8	(1.1)	13.0	22.0	50.2	11.9
(3.1)	(3.8)	3.4	3.3	10.8	4.6
7.8	2.8	4.2	3.0	5.7	3.8
(3.4)	(1.3)	1.3	(1.1)	(2.2)	8.3
<u>7.6 %</u>	<u>2.8 %</u>	<u>4.1 %</u>	<u>2.9 %</u>	<u>5.5 %</u>	<u>3.9 %</u>

5.2 %	(7.0) %	8.2 %	28.4 %	(5.2) %	17.7 %
5.2	(7.0)	8.2	28.4	(5.4)	17.7
(26.7)	36.9	16.1	6.1	39.3	7.2
25.1	(31.4)	11.7	(9.1)	11.5	32.3
(4.1)	1.8	21.2	9.8	(1.9)	0.5
18.9	12.8	6.9	11.0	(3.7)	2.2
1.0	17.8	13.5	(2.6)	3.6	1.5
<u>1.0 %</u>	<u>17.8 %</u>	<u>13.5 %</u>	<u>(2.6) %</u>	<u>3.6 %</u>	<u>1.5 %</u>

7.6 %	3.1 %	4.6 %	11.9 %	8.1 %	5.3 %
8.3	6.8	7.0	6.7	7.9	6.2
8.3	6.7	6.9	6.9	7.9	6.2
12.7	2.8	2.7	4.2	(3.8)	3.9
(7.7)	7.0	(15.3)	8.4	(8.7)	8.3
(17.0)	(4.6)	4.5	(0.4)	0.3	0.3
4.8	(5.4)	2.5	1.4	(0.3)	(0.3)
-	-	-	-	-	-
1.8	(1.1)	13.0	22.0	50.2	11.9
(3.1)	(3.8)	3.4	3.3	10.8	4.6
6.9	2.5	5.9	4.2	4.7	3.8
(3.4)	(1.3)	1.3	(1.1)	(2.2)	8.3
<u>6.8 %</u>	<u>2.5 %</u>	<u>5.8 %</u>	<u>4.1 %</u>	<u>4.6 %</u>	<u>3.9 %</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>
2012	\$ 14,736,000	\$ 265,385	\$ 14,470,615	0.14 %	\$ 105.55	0.239 %
2013	15,690,000	376,280	15,313,720	0.15	109.27	0.245
2014	14,445,000	450,325	13,994,675	0.13	98.05	0.211
2015	12,830,000	278,157	12,551,843	0.12	86.60	0.182
2016	12,690,000	173,937	12,516,063	0.12	85.19	0.174
2017	10,970,000	187,059	10,782,941	0.10	72.21	0.143
2018	10,640,000	310,012	10,329,988	0.09	68.62	0.129
2019	9,945,000	394,465	9,550,535	0.07	63.19	0.115
2020	9,920,000	310,418	9,609,582	0.07	63.03	0.114
2021	9,577,400	267,436	9,309,964	0.06	62.66	0.110

*Calculation made using population and personal income from Demographic and Economic Statistics Table

(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



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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Debt limit	\$ 785,897,759	733,586,211	\$ 671,063,024	\$ 613,066,404
Total Net Debt Applicable to the limit	<u>(9,577,400)</u>	<u>(9,920,000)</u>	<u>(9,945,000)</u>	<u>(10,640,000)</u>
Legal Debt Margin	<u>\$ 776,320,359</u>	<u>723,666,211</u>	<u>\$ 661,118,024</u>	<u>\$ 602,426,404</u>
% of Debt Limit to Total Net Debt	1.23%	1.37%	1.48%	1.74%

Legal Debt Margin Calculation for Fiscal Year 2020:

FY2021 actual/assessed property valuation	\$ 15,717,955,176
Debt Limit (5% of assessed value)	785,897,759
Less: Outstanding GO Debt	<u>(9,577,400)</u>
Legal Debt Margin	<u>\$ 776,320,359</u>

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 594,176,929	\$ 537,498,905	\$ 566,370,725	\$ 546,388,412	\$ 535,586,818	\$ 520,003,745
<u>(10,970,000)</u>	<u>(12,690,000)</u>	<u>(14,445,000)</u>	<u>(15,690,000)</u>	<u>(14,736,000)</u>	<u>(18,122,000)</u>
\$ <u>583,206,929</u>	\$ <u>524,808,905</u>	\$ <u>551,925,725</u>	\$ <u>530,698,412</u>	\$ <u>520,850,818</u>	\$ <u>501,881,745</u>
1.85%	2.36%	2.55%	2.87%	2.75%	3.48%

JOHNSON COUNTY, IOWA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021
UNAUDITED

<u>Governmental Unit</u>	<u>Debt</u> <u>Outstanding</u>	<u>Percent</u> <u>Applicable</u>	<u>Amount</u> <u>Applicable to</u> <u>Johnson County</u>
Direct Debt:			
Johnson County	\$ 9,577,000	100.00 %	\$ 9,577,000
Overlapping Debt:			
School Districts:			
Clear Creek-Amana School (Clear Creek)	82,015,000	99.58%	81,673,503
College Community School	124,790,000	12.68%	15,821,080
Highland School	3,405,000	3.73%	127,059
Iowa City School	170,605,000	100.00%	170,605,000
Lisbon School	8,655,000	3.68%	318,698
Lone Tree School	2,270,000	97.53%	2,213,866
Mid-Prairie School	6,090,000	23.06%	1,404,522
Mt. Vernon School	14,205,000	0.12%	16,882
Solon School	20,940,000	99.58%	20,851,587
West Branch School	18,825,000	25.75%	4,848,345
West Liberty School	250,000	1.95%	4,883
Williamsburg School	8,920,000	0.94%	83,561
Eastern Iowa Community College	13,000,000	0.04%	5,019
Kirkwood Community College	141,210,000	34.07%	48,106,403
Cities:			
Coralville	307,088,929	100.00%	307,088,929
Hills	602,000	100.00%	602,000
Iowa City	42,610,000	100.00%	42,610,000
Lone Tree	2,557,000	100.00%	2,557,000
North Liberty	25,065,000	100.00%	25,065,000
Oxford	1,098,000	100.00%	1,098,000
Shueyville	3,100,000	100.00%	3,100,000
Solon	2,431,000	100.00%	2,431,000
Swisher	2,250,000	100.00%	2,250,000
Tiffin	19,260,000	100.00%	19,260,000
University Heights	1,350,000	100.00%	1,350,000
West Branch	5,335,000	3.04%	160,050
Subtotal Overlapping Debt			<u>753,652,386</u>
Total Direct and Overlapping Debt			\$ <u><u>763,229,386</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 (1)</u>	<u>Per Capita Personal Income (1)</u>	<u>School Enrollment (2)</u>	<u>Labor Force (3)</u>	<u>Unemployment Rate (3)</u>
2011	134,086	5,736,092,000	42,779.00	11,771	79,100	4.4
2012	137,103	6,059,983,000	44,200.00	12,189	79,400	4.0
2013	140,151	6,248,341,000	44,583.00	12,489	82,700	3.8
2014	142,730	6,628,190,000	46,439.00	12,889	84,000	3.4
2015	144,943	6,923,171,000	47,765.00	13,033	83,100	3.1
2016	146,928	7,238,132,000	49,263.00	13,671	83,200	3.1
2017	149,325	7,571,031,000	50,702.00	13,982	84,000	2.9
2018	150,549	8,144,951,000	54,102.00	14,198	85,600	2.2
2019	151,140	8,300,194,000	54,917.00	14,572	87,400	2.3
2020	152,854	8,647,409,000	56,573.00	14,284	81,900	2.7

(1) Population data and Personal Income data from US Bureau of Economic Analysis (Table CAINC

(2) School enrollment data from Iowa Department of Education

(3) Labor Force data and Unemployment Rate data from Iowa Workforce Development

Note: 2021 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 2021			Fiscal Year 2012		
	<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	18,741	1	22.7 %	35,069	1	44.1 %
University of Iowa Hospital and Clinics	11,268	2	13.7			
Iowa City Community School District	2,199	3	2.7	1,676	2	2.1
Veterans Health Administration	2,012	4	2.4	1,351	4	1.7
Hy-Vee, Inc	1,327	5	1.6	1,166	7	1.5
Proctor & Gamble	1,004	6	1.2	720	10	0.9
Mercy Healthcare, Iowa City	912	7	1.1	1,266	5	1.6
City of Iowa City	840	8	1.0	957	8	1.2
Pearson Educational Measurement	695	9	0.8	1,400	3	1.8
ACT, Inc.	570	10	0.7	1,221	6	1.5
International Auto Components (Lear Corp.)		-		838	9	1.0
Total Employees Counted	<u>39,568</u>		<u>47.9 %</u>	<u>45,664</u>		<u>57.4 %</u>
Total Employees in Johnson County	<u>82,500</u>			<u>79,600</u>		

Source: Johnson County Employers, Iowa City Iowa CAFR, and Iowa Workforce Development

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

	<u>Change</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Function/Department:					
Public Safety and Legal Services:					
Ambulance	1.0	52.4	51.4	50.0	48.0
County Attorney	(1.1)	37.6	38.7	35.2	33.2
Sheriff	1.0	99.0	98.0	97.6	97.6
Medical Examiner	1.0	7.4	6.4	6.4	5.5
Physical Health and Social Services:					
Public Health	1.0	46.0	45.0	42.0	37.5
SEATS	1.1	45.6	44.5	43.3	40.4
Social Services	1.0	11.3	10.3	9.9	9.3
Veterans Affairs	-	1.0	1.0	1.0	1.0
Mental Health:					
MH/DS	-	10.5	10.5	10.0	34.0
County Environment and Education:					
Planning, Development & Sustainability	(1.9)	12.4	14.3	12.0	12.0
Conservation	1.0	31.1	30.1	29.1	25.6
Roads and Transportation:					
Secondary Roads	1.0	50.5	49.5	49.5	50.5
Government Services:					
Recorder	-	8.0	8.0	8.0	8.0
Auditor/Elections	3.7	15.9	12.2	11.7	9.8
Treasurer	1.0	16.0	15.0	15.0	15.0
Administration:					
Auditor/Accounting	0.1	14.9	14.8	14.8	14.6
Board of Supervisors	1.1	11.9	10.8	9.8	6.8
Human Resources	-	5.2	5.2	5.2	5.2
Information Services	1.7	15.0	13.3	13.0	13.0
Finance	-	3.0	3.0	3.0	3.0
Physical Plant	1.0	10.3	9.3	9.3	10.0
Total	<u>13.7</u>	<u>505.0</u>	<u>491.3</u>	<u>475.8</u>	<u>480.0</u>

Source: Johnson County Finance Department

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
43.4	41.3	40.3	40.3	39.9	40.0
32.2	30.9	30.1	29.1	33.8	34.1
98.6	97.9	93.2	92.1	92.1	91.2
6.1	5.2	5.2	5.0	4.6	4.6
37.5	36.4	36.4	37.5	37.5	36.5
39.7	36.1	36.1	34.8	34.9	32.3
9.5	8.5	8.5	8.5	8.5	9.6
1.0	1.0	1.0	1.0	0.8	0.8
34.0	37.0	37.0	36.0	37.0	35.5
13.0	12.0	11.5	11.5	11.5	10.0
25.0	21.8	20.8	18.8	18.8	17.7
50.5	49.8	49.8	48.8	48.8	48.8
8.0	8.0	8.0	8.0	8.0	9.0
19.8	13.7	13.7	12.9	18.9	13.9
15.0	14.0	14.0	14.1	15.0	15.0
16.1	17.1	17.1	17.6	19.1	19.0
6.8	6.8	6.8	6.8	7.3	7.3
5.0	3.7	3.7	3.7	3.7	3.6
13.0	11.5	11.5	11.1	11.6	11.6
3.0	3.0	3.0	3.0	-	-
<u>10.0</u>	<u>10.0</u>	<u>10.0</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>
<u><u>487.2</u></u>	<u><u>465.7</u></u>	<u><u>457.7</u></u>	<u><u>448.6</u></u>	<u><u>459.8</u></u>	<u><u>448.5</u></u>

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Function/Program:					
Public Safety and Legal Services:					
Ambulance:					
# of service calls	12,390	11,788	11,752	10,770	11,439
County Attorney:					
# of felonies and aggravated misdemeanor cases	864	1,096	1,253	1,197	1,133
County Sheriff:					
# of jail booking	3,646	4,355	5,298	5,254	5,124
# of service calls	28,188	32,749	37,551	37,036	34,215
Medical Examiner:					
# of cases investigated	2,024	1,965	1,828	1,783	1,671
Physical Health and Social Services:					
Public Health:					
# children receiving health services	3,619	2,905	5,220	4,225	13,771
# of hours spent on disease investigation	18,984	4,843	3,595	3,371	3,130
# of food inspections	766	864	1,159	1,277	1,063
SEATS:					
# of trips	33,000	95,711	130,238	127,519	125,840
# of fleet workorders (started tracking FY17)	662	766	815	916	138
Social Services:					
# of households receiving general assistance	350	537	602	564	549
Veteran Affairs:					
# of local assistance claims	118	91	106	261	131
# of federal assistance claims (started tracking FY15)	420	423	369	283	343
Mental Health/Disability Services:					
# of clients served	775	296	125	493	553
County Environment and Education:					
Planning, Development & Sustainability					
# of building permits issued	365	542	447	430	440
Conservation:					
# of camper nights	9,548	6,185	4,390	4,689	6,075
# of acres managed	2,637	2,476	2,389	2,299	2,227
Roads and Transportation:					
Secondary roads:					
# miles of roads plowed	64,000	32,615	80,041	40,547	21,945
# of structures repaired	64	83	60	61	64
Governmental Services to Residents:					
Recorder:					
# of documents recorded	27,962	29,408	23,701	27,087	30,190
Treasurer:					
# of titles issued	41,838	32,456	34,074	33,644	35,800
# of Registrations Issued (started tracking FY14)	176,984	168,554	164,801	163,830	163,277
Elections:					
# of registered voters	88,400	97,739	94,148	97,002	92,138
Administration:					
Auditor:					
# of claims processed	20,300	20,737	22,100	18,700	19,400
Information Technology:					
# of work orders processed (start FY18)	1,592	1,811	1,761	1,852	n/a

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
10,348	9,569	9,210	8,718	7,785
1,095	1,251	944	1,709	1,776
5,393	5,428	6,222	6,455	6,972
31,192	20,689	25,515	19,374	18,160
1,648	1,466	663	699	625
12,393	13,511	10,999	10,457	13,132
2,075	3,246	1,004	2,001	2,073
1,209	1,147	1,803	1,786	1,522
128,064	132,389	133,379	133,037	124,368
N/A	N/A	N/A	N/A	N/A
549	550	616	676	652
187	185	128	171	235
574	350	N/A	N/A	N/A
547	611	1,333	2,559	2,115
342	289	245	317	295
5,620	4,706	4,679	5,472	5,259
2,185	1,805	1,642	1,642	1,561
22,709	33,149	71,223	39,494	35,113
47	51	47	16	47
28,688	27,304	28,507	37,395	31,688
34,830	33,003	32,507	31,761	31,657
158,168	156,913	153,429	N/A	N/A
83,395	88,333	86,966	91,682	91,383

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

	<u>2021</u>		<u>2020</u>		<u>2019</u>		<u>2018</u>
Governmental activities:							
Capital assets not being depreciated:							
Land	\$ 27,663,214	\$	21,703,067	\$	20,425,395	\$	17,085,625
Intangible assets	933,173		933,173		522,891		522,891
Construction in progress	<u>29,416,800</u>		<u>24,934,467</u>		<u>19,559,322</u>		<u>9,006,416</u>
Total capital assets not being depreciated	<u>58,013,187</u>		<u>47,570,707</u>		<u>40,507,608</u>		<u>26,614,932</u>
Capital assets being depreciated:							
Buildings	58,941,573		57,186,106		56,009,678		56,009,678
Improvements other than buildings	1,637,368		1,637,368		1,637,368		1,480,470
Furnishings and equipment	24,846,151		23,097,824		21,795,023		21,309,455
Infrastructure	<u>119,586,000</u>		<u>114,250,070</u>		<u>107,285,936</u>		<u>103,757,544</u>
Total capital assets being depreciated	<u>205,011,092</u>		<u>196,171,368</u>		<u>186,728,005</u>		<u>182,557,147</u>
Less accumulated depreciation for:							
Buildings	20,811,001		19,239,018		17,753,825		16,312,036
Improvements other than buildings	451,049		387,182		323,315		262,515
Furnishings and equipment	15,524,343		14,581,961		13,630,285		13,104,790
Infrastructure	<u>51,949,025</u>		<u>48,923,045</u>		<u>45,962,673</u>		<u>43,107,679</u>
Total accumulated depreciation	<u>88,735,418</u>		<u>83,131,206</u>		<u>77,670,098</u>		<u>72,787,020</u>
 Total capital assets being depreciated, net	 <u>116,275,674</u>		 <u>113,040,162</u>		 <u>109,057,907</u>		 <u>109,770,127</u>
 Governmental activities capital assets, net	 \$ <u>174,288,861</u>	\$	 <u>160,610,869</u>	\$	 <u>149,565,515</u>	\$	 <u>136,385,059</u>

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$	16,017,498	\$ 15,337,706	\$ 13,919,180	\$ 12,858,301	\$ 12,707,628	\$ 12,770,898
	522,891	197,926	63,845	63,845	-	-
	<u>12,427,632</u>	<u>16,312,686</u>	<u>24,092,064</u>	<u>8,527,438</u>	<u>8,709,739</u>	<u>12,149,802</u>
	<u>28,968,021</u>	<u>31,848,318</u>	<u>38,075,089</u>	<u>21,449,584</u>	<u>21,417,367</u>	<u>24,920,700</u>
	46,658,585	43,512,649	38,089,044	37,859,957	38,653,053	38,181,220
	1,344,163	1,344,163	1,121,352	1,121,352	1,089,033	60,204
	18,459,284	16,849,626	16,091,962	15,258,472	14,250,702	14,241,701
	<u>99,862,609</u>	<u>88,086,049</u>	<u>77,826,460</u>	<u>77,197,637</u>	<u>67,904,042</u>	<u>59,598,105</u>
	<u>166,324,641</u>	<u>149,792,487</u>	<u>133,128,818</u>	<u>131,437,418</u>	<u>121,896,830</u>	<u>112,081,230</u>
	14,977,890	13,775,133	12,470,288	11,503,647	11,501,923	10,837,082
	207,803	157,183	114,345	72,953	31,830	3,558
	12,483,589	12,303,100	11,868,776	11,409,424	11,047,698	10,983,123
	<u>40,338,922</u>	<u>37,797,536</u>	<u>35,294,932</u>	<u>33,004,520</u>	<u>30,863,817</u>	<u>28,776,284</u>
	<u>68,008,204</u>	<u>64,032,952</u>	<u>59,748,341</u>	<u>55,990,544</u>	<u>53,445,268</u>	<u>50,600,047</u>
	<u>98,316,437</u>	<u>85,759,535</u>	<u>73,380,477</u>	<u>75,446,874</u>	<u>68,451,562</u>	<u>61,481,183</u>
\$	<u>127,284,458</u>	\$ <u>117,607,853</u>	\$ <u>111,455,566</u>	\$ <u>96,896,458</u>	\$ <u>89,868,929</u>	\$ <u>86,401,883</u>

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Function/Department:				
Public Safety and Legal Services:				
Ambulance:				
# vehicles	13	11	10	8
# buildings	1	1	1	1
Sheriff:				
# vehicles	54	55	55	55
# buildings	1	1	1	1
Medical Examiner:				
# vehicles	3	3	2	2
Physical Health and Social Services:				
Public Health:				
# vehicles	14	14	12	11
SEATS:				
# vehicles	27	27	27	24
# buildings	2	2	2	2
FLEET:				
# vehicles	5	4	4	4
Mental Health:				
MH/DS:				
# vehicles	2	3	3	3
County Environment and Education:				
Planning and Zoning:				
# vehicles	8	8	6	5
Conservation:				
# vehicles	42	41	38	36
# buildings	32	32	32	32
Roads and Transportation:				
Secondary Roads:				
# vehicles	86	90	90	90
# buildings	20	20	20	20
Government Services:				
Auditor/Elections:				
# vehicles	5	4	3	3
Administration:				
Information Services:				
# vehicles	0	0	-	-
Physical Plant				
# vehicles	6	5	5	5
# buildings	9	9	9	8

Source: Johnson County Finance Department

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
8	7	7	8	8	8
1	1	1	1	1	1
65	58	57	51	60	52
1	1	1	1	1	1
2	2	2	2	2	2
9	8	8	9	9	9
24	24	24	24	24	24
2	2	1	1	1	1
4	4	-	-	-	-
3	3	3	3	3	4
5	5	5	5	5	5
22	21	21	21	21	19
31	31	27	27	27	27
90	92	92	88	89	87
20	20	19	21	18	18
3	3	3	3	3	3
-	-	-	1	1	1
4	4	4	5	5	4
8	11	11	13	13	14



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 then ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated April 28, 2022.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2021 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
April 28, 2022



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, 2021. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the County's compliance.

Basis for Qualified Opinion on CDBG – Disaster Recovery Grants Cluster: National Disaster Resilience Competition (CDBG-NDR)

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding Assistance Listing Number 14.272 CDBG – Disaster Recovery Grants Cluster: National Disaster Resilience Competition (CDBG-NDR) as described in finding number 2021-002 for Special Tests relating to Prevailing Wages. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Qualified Opinion on CDBG – Disaster Recovery Grants Cluster: National Disaster Resilience Competition (CDBG-NDR)

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, 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 CDBG – Disaster Recovery Grants Cluster: National Disaster Resilience Competition (CDBG-NDR) for the year ended June 30, 2021.

Unmodified Opinion on the Other 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 its other major federal program identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

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

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness and a significant deficiency.

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 type of compliance requirement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-002 to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as 2021-003 to be a significant deficiency.

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

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
April 28, 2022

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	Yes
Significant deficiencies identified not considered to be material weaknesses	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified for Coronavirus Relief Fund, Qualified for CDBG - Disaster Recovery Grants Cluster: National Disaster Resilience Competitions
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	Yes
Identification of major programs:	
	Federal Financial Assistance Listing/ <u>CFDA Number</u>
<u>Name of Federal Program</u>	
CDBG - Disaster Recovery Grants Cluster: National Disaster Resilience Competition	14.272
COVID-19 Coronavirus Relief Fund	21.019
Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	No

Part II: Findings Related to the Financial Statements:

Material Weakness

2021-001 Material Audit Adjustments

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

Condition – During the course of our engagement, we proposed material audit adjustments to the financial statements and schedule of expenditures of federal awards which were necessary in order present accurate financial information.

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

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

Recommendation – We recommend the finance staff continue to receive relevant training and that additional review procedures be implemented in preparing the financial statements.

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

Part III: Findings and Questioned Costs for Federal Awards:

**2021-002 U.S. Department of Housing and Urban Development
Federal Financial Assistance Listing/CFDA 14.272, 13-NDRI-007
Year Ended June 30, 2021**

**CDBG – Disaster Recovery Grants Cluster: National Disaster Resilience Competition
Special Tests & Provisions – Wage Rate Requirements
Material Weakness in Internal Control over Compliance and Material Noncompliance**

Criteria – The 2021 OMB Compliance Supplement requires the County notify contractors and subcontractors of the requirements to comply with Wage Rate Requirements and obtain copies of certified payrolls.

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

Condition – The certified payroll reports for 1 of 2 contractors tested were not available.

Cause – The condition was caused by lack of oversight by a vendor used by the County to monitor prevailing wage requirements.

Effect – Contractors and subcontractors may not have submitted certified payrolls properly or timely thus increasing the risk of the County’s noncompliance with the special test and provision relating to wage rate requirements.

Questioned Costs – None reported.

Context/Sampling – A nonstatistical sample of 2 of 5 contractors were selected for certified payroll report testing.

Repeat Finding from Prior Years – No.

Recommendation – We recommend the County implement policies and procedures to review and maintain certified payroll reports submitted by contractors and subcontractors to ensure they are prepared properly and submitted timely.

View of Responsible Officials: The County contracts with a third party vendor to manage the compliance for the resiliency grant. In this case, an employee at the third party vendor did not properly follow through with various job duties resulting in the finding.

**2021-003 U.S. Department of Agriculture
Federal Financial Assistance Listing/CFDA 10.557, 5888A093, 5888A051
Year Ended June 30, 2021
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
Procurement and Suspension and Debarment
Significant Deficiency in Internal Control over Compliance**

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

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

Non-federal entities are also prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet other criteria as specified in 2 CFR section 180.220.

When a non-federal entity enters into a covered transaction with an entity at a lower tier, the nonfederal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction. This verification may be accomplished by (1) checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA) and available at <https://www.sam.gov>, (2) collecting a certification from that entity, or (3) adding a clause or condition to the covered transaction with that entity.

Condition – We tested compliance and internal controls over suspension and debarment and noted one vendor in which there was no documentation to support the contractor was not suspended or debarred.

Cause – There is a lack of controls over the suspension and debarment.

Effect – Failure to provide documentation of the suspension and debarment verification being performed may result in disallowed cost.

Questioned Costs – None reported.

Context/Sampling – Only one vendor met the threshold noted above. Therefore, the vendor was the only vendor selected for suspension and debarment testing.

Repeat Finding from Prior Years – Yes, prior year finding 2020-002.

Recommendation – We recommend that management review and improve the approval and documentation process for program expenditures to identify "covered transactions" and ensure suspension and debarment verifications are performed.

View of Responsible Officials: The County is working towards an automated process to compare the counties vendor list to SAM.gov Entity Management API. Until that time, Finance and Grant staff will create a monthly report task to manually check vendors versus SAM.gov.

Part IV: Other Findings Related to Required Statutory Reporting:

- 2021-IA-A Certified Budget** – Disbursements during the year ended June 30, 2021, did not exceed the amounts budgeted by function or department.
- 2021-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.
- 2021-IA-C Travel Expense** – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- 2021-IA-D Business Transactions** – There were no business transactions between the County and County Officials or employees for the year ended June 30, 2021.
- 2021-IA-E Restricted Donor Activity** – No transactions were noted between the County and County officials, County employees, and restricted donors in compliance with Chapter 68B of the Code of Iowa.
- 2021-IA-F Bond Coverage** – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.
- 2021-IA-G Board Minutes** – No transactions were found that we believe should have been approved in the Board minutes but were not.
- 2021-IA-H Deposits and Investments** – No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County’s investment policy were noted.
- 2021-IA-I Resource Enhancement and Protection Certification** – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- 2021-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.