



# **Johnson County, Iowa**

**Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2022**

**Johnson County, Iowa**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ended June 30, 2022**

**Prepared by**  
**Johnson County Finance Department**

## **INTRODUCTORY SECTION**



JOHNSON COUNTY, IOWA

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JOHNSON COUNTY, IOWA  
OFFICIALS, DEPARTMENT HEADS

BOARD OF SUPERVISORS:



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



**Rod Sullivan**  
County Supervisor  
Vice Chairperson  
Term Expiration: 12/31/2024



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



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



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

JOHNSON COUNTY, IOWA  
OFFICIALS, DEPARTMENT HEADS

ELECTED OFFICIALS:



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



**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: 12/31/2025



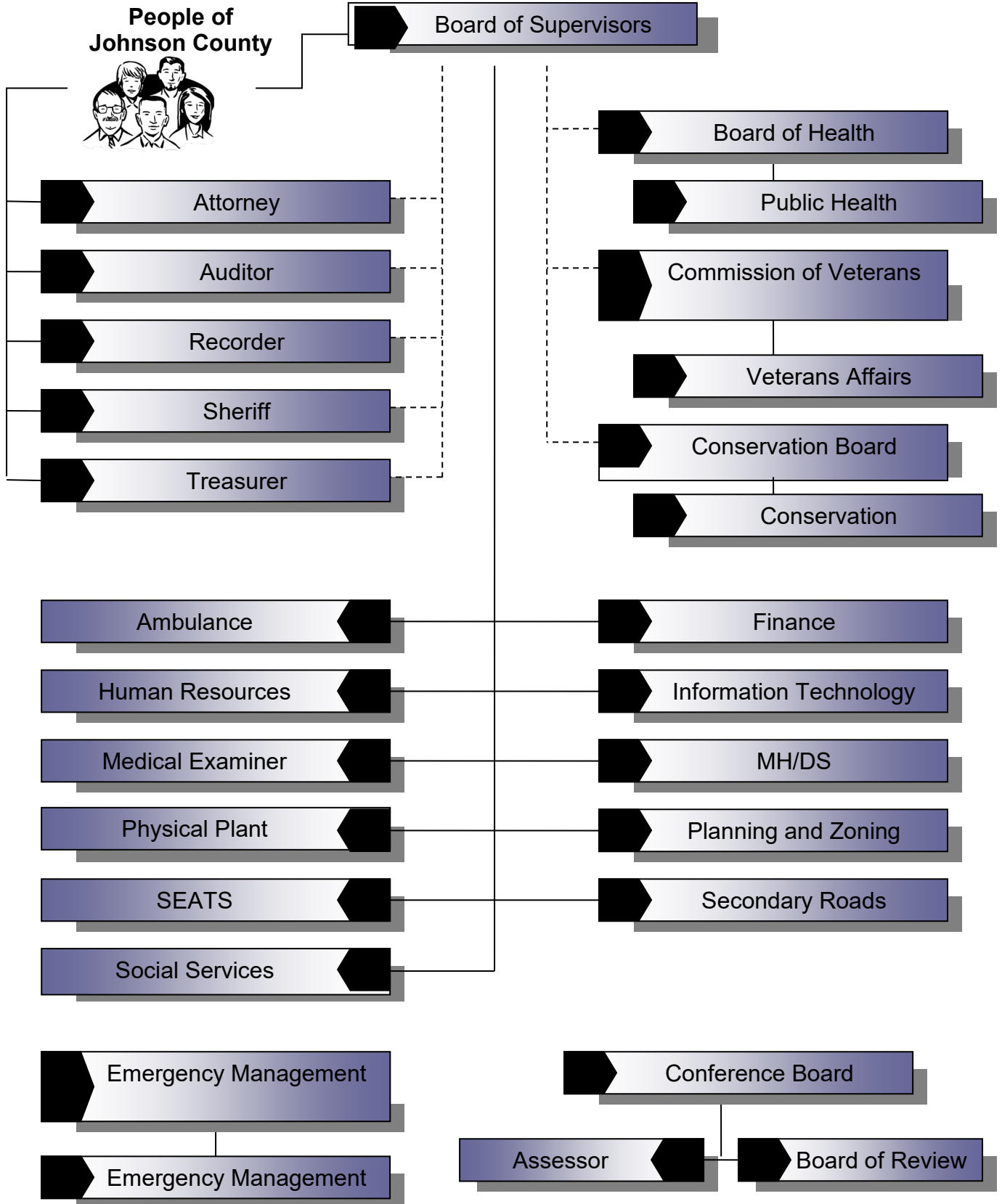
JOHNSON COUNTY, IOWA  
OFFICIALS, DEPARTMENT HEADS

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**

August 24, 2023

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, 2022, 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, 2022 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 3,566 people from 152,854 in the calendar year 2020 census to an estimated 156,420 people in calendar year 2022, equaling an increase of about 2.3% over those two years. The 2010 US census reported the county population at 130,882, which equals a 10-year growth of 21,972 people or 16.8% from 2010 to 2020. Median household income in 2021 was estimated at \$67,414 up \$4,872 or 7.8% from 2019 estimated median household income of \$62,542.

The labor force living in Johnson County who work in nonfarm employment increased from an average of 82,500 in 2021 with an unemployment rate of 4.5% to an average of 86,913 in 2022 with an unemployment rate of 2.4% according to Bureau of Labor Statistics. From June 2020 to June 2021, there was a net increase of 4,413 jobs or 5.1% of the labor force.

The total number of housing units in July 2022 was 68,158, an increase of 1,901 over calendar year 2020 reported units of 66,257. In 2015, the number of housing units was 60,857. Johnson County has added 7,300 units in the last 7 years, an increase of 12.0%. The number of building permits issued was 1,375 in the calendar year 2022. The median value of owner-occupied housing units for the years 2017-2021 is \$248,100 with an owner-occupied housing unit rate of 59.4% during this same period.

There has been major construction in the county for the last several years. In fiscal year 2021, the University of Iowa had construction projects commitments totaling ~\$689 million. In addition, there were major construction projects in progress for local municipalities and the county in the amount of \$93 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 \$602 million in fiscal year 2022 for a total of \$4,357 million. The University of Iowa Healthcare had an increase in operating revenues of \$472.6 million in fiscal year 2022 for a total of \$2,631 million. The overall increasing net position during this period demonstrates the financial stability of these two major employers.

## **Long Term Financial Planning**

The unassigned fund balance in the general fund as of 6/30/2022 equals \$28,742,924. This amount is greater than the 30% of the fiscal year 2022 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 2022 ended with an increase in the general fund unassigned fund balance of \$1,158,157. As the county faces reduced revenues due to the pandemic and the overall economic slowdown, 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 2022, Johnson County identified ~\$21.7 million of expenses that qualify for financing via loans/bonding that include:

- \$11.7 M for all county & JECC insurance
- \$2.5 M for 120<sup>th</sup> Street construction projects
- \$2.8 M for capital construction, repairs and improvements
- \$1.25 M for conservation projects
- \$0.7 M for Affordable Housing
- \$1.1 M for Emergency Services
- \$1.6 M for technology and equipment purchases

These identified costs are generally unavoidable and would have been a component of the FY 2022 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 2022, 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 8.6% or \$20.67 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 FY2022 were:

1. Continued funding for affordable housing by granting the Johnson County Housing Trust block grant funds of \$680,000. This re-occurring funding stream will leverage state and federal dollars to build more housing units that are affordable for low-income families in Johnson County.
2. During FY22, continued 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 FY23.
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 and the development of local food programs.

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 the economic impacts of the COVID-19 pandemic. Johnson County received its first tranche deposit (50% allocation) totaling \$14,678,587 on May 20, 2021 and the second tranche deposit was received on June 10, 2022. 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 expansion.

## 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, 2021. This is the eighth 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 any applicable legal reporting requirements.

The preparation of the Annual Comprehensive Financial Report could not have been completed without the cooperation and services of the staff 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 continuing support.

Respectfully submitted,

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

Dana Aschenbrenner  
Finance Director  
Johnson County, Iowa



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, 2021







## **FINANCIAL SECTION**



## Independent Auditor's Report

To the Officials of  
Johnson County, Iowa

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Johnson County, Iowa (County) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2022, 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.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Adoption of New Accounting Standard*

As discussed in Notes 1 and 20 to the financial statements, the County has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022. Accordingly, a restatement has been made to the County's Governmental Activities net position and fund balance of the General Fund as of July 1, 2021, to restate beginning net position and fund balance. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that 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 is the responsibility of management and, 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 GAAS, which consisted of inquiries 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining nonmajor fund financial statements and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 2023 on our consideration the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

Dubuque, Iowa  
August 24, 2023



# Johnson County, Iowa

## Management's Discussion and Analysis (MD&A)

### June 30, 2022

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, 2022. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

#### 2022 FINANCIAL HIGHLIGHTS

- The County implemented Governmental Accounting Standards Board Statement (GASBS) No. 87, Leases, during fiscal year 2022. The implementation of this standard revised certain asset and liability accounts related to leases, however had no effect on the beginning net position for governmental activities.
- Total net position was \$234,996,034 at June 30, 2022. This was an increase of \$20,056,237 (9.3%) compared to the prior fiscal year.
- Overall revenues of governmental activities increased 1.5% or \$1,592,023 from fiscal year 2021. Property tax revenues increased \$826,310; operating grants and contributions decreased \$431,351; charges for services increased \$2,957,488; tax credit revenues decreased \$56,411; capital grants and contributions decreased \$4,498,287, unrestricted investment earnings increased \$142,793 and miscellaneous revenues increased \$2,761,956.
- Overall program expenses increased \$599,351 (.7%) from fiscal year 2021. Public safety and legal services increased \$957,311; physical health and social services increased \$631,790; mental health expenses decreased \$1,396,558; county environment and education expenses decreased \$159,448; roads and transportation expenses increased \$990,496; governmental services to residents decreased \$648,565; administration expense increased \$226,219; non-program expenses increased \$89,124; and interest expense on the County's long-term debt decreased by \$91,018.

#### 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 financial 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 Johnson County's operations in more detail than the government-wide financial statements by providing information about the most significant governmental funds. The remaining financial statements provide information about 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 (asset) 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 nonmajor 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, American Rescue Plan Act 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 \$214,939,797 to \$234,996,034. 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
	<u>2022</u>	<u>2021</u>	<u>2021-2022</u>
Assets		(not restated)	
Current Assets	\$180,445,241	\$154,139,104	17.1%
Non-Current Assets	10,008,926	890,000	1,000.2
Capital Assets, Net of Accumulated Depreciation	<u>179,338,132</u>	<u>174,288,861</u>	2.9
<b>TOTAL ASSETS</b>	369,792,299	329,317,965	12.3
<i>Deferred outflow of resources</i>	<u>5,658,750</u>	<u>7,190,427</u>	(21.3)
Liabilities			
Current Liabilities	36,123,719	21,149,353	70.8
Long Term Liabilities	<u>17,720,759</u>	<u>36,126,594</u>	(50.9)
<b>TOTAL LIABILITIES</b>	53,844,478	57,275,947	(6.0)
<i>Deferred inflows of resources</i>	<u>86,610,537</u>	<u>64,292,648</u>	34.7
Net Position			
Net Investment in Capital Assets	175,718,082	171,251,796	2.6
Restricted	25,140,552	16,530,152	52.1
Unrestricted	<u>34,137,400</u>	<u>27,157,849</u>	25.7
<b>TOTAL NET POSITION</b>	<u>\$234,996,034</u>	<u>\$214,939,797</u>	9.3

### 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 9.3% compared to fiscal year 2021. Liabilities decreased from fiscal year 2021 to fiscal year 2022, due to significant changes in unearned revenue and net pension liability. Additionally, the increase to current assets was primarily a result of increases in both the County's overall cash position and in the due from other governments and accounts 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 represents resources that are subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used. Unrestricted net position increased from \$27,157,849 in fiscal year 2021 to \$34,137,400 in fiscal year 2022. The overall increase of 9.3% is primarily due to having a significant net pension asset in fiscal year 2022, rather than a net pension liability.

**Table 2:**

**Changes in Net Position**

	Governmental Activities		Total Percentage
	2022	2021	Change
		(not restated)	2021-2022
<b>Revenues</b>			
Program Revenues			
Charges for Services	\$ 13,506,551	10,549,063	28.0%
Operating Grants and Contributions	16,896,951	17,328,302	(2.5)
Capital Grants and Contributions	3,544,759	8,043,046	(55.9)
Property and other taxes levied for:			
General Purpose	41,694,011	42,978,741	(3.0)
Debt Service	21,017,003	18,934,829	11.0
Other County Taxes	1,073,945	1,045,079	2.8
Penalties and Interest on Taxes	484,122	720,903	(32.8)
State tax credits	3,196,010	3,252,421	(1.7)
Unrestricted investment earnings	791,319	648,526	22.0
Gain on disposal of capital assets	147,643	21,337	592.0
Miscellaneous	3,020,337	258,381	1,068.9
<b>TOTAL REVENUES</b>	105,372,651	103,780,628	1.5
<b>Governmental Activities</b>			
Public Safety and Legal Services	28,191,942	27,234,631	3.5
Physical Health and Social Services	14,698,157	14,066,367	4.5
Mental Health, ID & DD	5,725,715	7,122,273	(19.4)
County Environment and Education	8,518,527	8,677,975	(1.8)
Roads & Transportation	11,803,623	10,813,127	9.2
Governmental Services to Residents	2,853,607	3,502,172	(18.5)
Administration	13,199,273	12,973,054	1.7
Nonprogram Current	199,494	110,370	80.8
Interest on long-term debt	126,076	217,094	(41.9)
<b>TOTAL GOVERNMENTAL ACTIVITES</b>	85,316,414	84,717,063	0.7
<b>INCREASE/(DECREASE) IN NET POSITION</b>	20,056,237	19,063,565	5.2
Beginning	214,939,797	195,876,232	9.7
Ending	\$234,996,034	\$214,939,797	9.3

The County increased property taxes levied for fiscal year 2022 by 1.2%. This increase raised the County's property tax revenue by \$826,310. Based on both a decrease in the tax levies and an increase in total taxable valuation, property tax revenue is budgeted to stay essentially level in fiscal year 2023.

The cost of all government services this year was \$85,316,414 compared to \$84,717,063 last year. The net expense of governmental activities in fiscal year 2022 was \$51,368,153 (See Statement of Activities). Some of this cost was paid for by those who benefited from programs or by other government grants and contributions. The County's program revenues decreased from \$35,920,411 to \$33,948,261 from fiscal year 2021 to 2022, due to decreases in operating grants and capital grants and an increase in charges for services.

## MAJOR FUND ANALYSIS

Governmental funds reported a combined fund balance of \$65,683,806 an increase of \$6,323,659 compared to the prior year.

- General fund revenues had a decrease of \$594,963 due to a decrease in property and other County tax revenue of \$239,829, a decrease in interest and penalty on property tax of \$262,167, a decrease in intergovernmental revenue of \$367,573, an increase in licenses and permits revenue of \$151,519, an increase in charges for services revenue of \$315,177, an increase in use of money and property revenue of \$61,308, and a decrease in miscellaneous revenue of \$253,398. Total General fund expenditures increased \$6,827,462 due to an increase in public safety and legal services expenses of \$2,869,220, an increase in physical health and social services expenses of \$1,384,475, an increase in county environment and education expenses of \$250,319, a decrease in governmental services to residents of \$215,407, an increase in administration expenses of \$1,134,531, a decrease in mental health expenses of \$26,331, an increase in capital project expenditures of \$1,388,060, and an increase in non-program expenses of \$42,595.
- Rural Services fund revenues increased by \$201,092 largely as a result of an increase in property tax revenue of \$197,387. Expenditures decreased \$45,498 and the transfer out to the Secondary Roads fund increased \$205,591 compared to the prior year. The ending fund balance showed an increase of \$110,806 from the prior year to a year-end total of \$571,156.
- Secondary Roads fund revenues decreased by \$969,608 compared to the prior year, largely due to a decrease in intergovernmental revenues of \$998,918. Expenditures decreased in the Secondary Roads fund by \$2,145,407 due to a decrease in capital projects of \$1,256,302 and a decrease in roads & transportation expenses of \$889,105. Interfund transfers into the Secondary Roads fund increased by \$255,464 compared to the prior fiscal year. The ending fund balance showed an increase of \$4,253,194 from the prior year to a year-end total of \$14,561,473.
- Mental Health fund revenues decreased by \$1,932,490 from the prior year, due largely to a decrease in property tax revenue of \$1,717,438 and a decrease intergovernmental revenue of \$215,052. Expenditures decreased by \$460,526 compared to the prior year largely due to a reduction in monetary transfers out provided by the county to the East Central Iowa Mental Health Region. The County was required by Senate File 619 to transfer the remaining fund balance to the East Central Mental Health Region prior to June 30, 2022.
- In fiscal year 2022 the County established the American Rescue Plan Act fund. During fiscal year 2022 the County had expenditures of \$419,734 and a liability of unearned revenue of \$29,019,265, additionally, the county had other liabilities of \$43,807. The County will recognize revenues as they are spent and will lower the unearned revenue for the same amount.
- Capital Projects fund revenues, transfers in and other financing sources decreased by \$4,113,310 and expenditures decreased by \$7,177,002. The fund balance increased by \$1,409,042 from \$15,208,838 to \$16,617,880 in fiscal year 2022. The revenues and expenditures of this class of fund will vary depending upon the timing of the various projects.
- Debt Service fund revenues and transfers in increased by \$1,947,236 and expenditures and transfers out increased by \$1,328,712 compared to the prior fiscal year. The fund balance increased by \$575,542 during FY22, ending the year with a balance of \$842,978.

## Budgetary Highlights

Johnson County amended the county budget twice during the 2022 fiscal year. The first amendment occurred in November 2021 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 2022. 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.

The County's receipts were \$1,069,241 less than budgeted, a variance of 0.9%. The County overbudgeted in the Intergovernmental receipts by \$2,272,954, the County overestimated grants funds that were to be received.

Total disbursements were \$35,948,590 less than the amended budget. Capital projects were \$18,706,212 under budget, physical health and social services were \$7,570,346 under budget, public safety and legal services were under budget by \$3,255,587, roads and transportation was \$2,248,352 under budget and administration was \$2,166,815 under budget. Physical health and social services decrease was due mainly to services being provided which were less during the year due to COVID. The decrease in the other categories were mainly due to fewer capital project expenses during the year than expensed.

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 2022 the County had a net increase of \$3,171,283 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 and several conservation and recreational related projects and land acquisitions. 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
	2022	2021	Change
		(As restated)	2021-2022
<b>Non-Depreciated</b>			
Land	\$27,985,448	\$27,663,214	1.2%
Intangible Assets	411,520	933,173	(55.9)
Construction in Progress	<u>14,142,223</u>	<u>29,416,800</u>	(51.9)
<b>Total Not Being Depreciated</b>	42,539,191	58,013,187	(26.7)
<b>Depreciable</b>			
<b>Buildings &amp; Improvements</b>	71,235,469	60,578,941	17.6
<b>Machinery and Equipment</b>	25,649,028	24,846,151	3.2
<b>Right-to-use leased building</b>	1,877,988	1,877,988	-
<b>Intangibles – computer software</b>	521,653	-	-
<b>Infrastructure</b>	<u>132,765,196</u>	<u>119,586,000</u>	11.0
<b>Total Depreciable Assets</b>	232,049,334	206,889,080	12.2
<b>Total Accumulated Depreciation</b>	<u>95,250,393</u>	<u>88,735,418</u>	7.3
<b>NET CAPITAL ASSETS</b>	<u>\$179,338,132</u>	<u>\$176,166,849</u>	1.8

The County had depreciation expense of \$7,415,589 in fiscal year 2022 and total accumulated depreciation of \$95,250,393 on June 30, 2022.

The County’s fiscal year 2023 amended budget projects spending of \$37,128,117 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](http://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 \$15,580,427 in long-term liabilities, consisting of general obligation capital notes, lease agreements and compensated absences (Table 4). In 2022, the County issued \$21,683,300 in new general obligation capital loan notes with \$12,083,300 being a 120 day short term note that was paid back in the same fiscal year, and \$9,600,000 in a three year note. During fiscal year 2022 the County retired \$9,575,000 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 2022		Total Percentage
	Long-Term Liabilities		Change
	6/30/2022	6/30/2021	2021-2022
	(As restated)		
General Obligation Capital Notes	\$ 9,602,400	\$ 9,577,400	0.3 %
Lease agreements	1,720,213	1,877,988	(8.4)
Compensated Absences	<u>4,257,814</u>	<u>4,039,627</u>	5.4
<b>TOTAL LONG TERM LIABILITIES</b>	<b><u>\$15,580,427</u></b>	<b><u>\$15,495,015</u></b>	0.6 %

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 (\$16,131,884,226). Johnson County, Iowa’s outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$807 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 156,420 in 2022, an increase of ~19.5%.
- Johnson County’s June 2022 unemployment rate of 2.3% is slightly below the State average of 2.6% and well below the national average of 3.6%. The County has recently seen this trend start to lower as citizens’ return to the workforce.
- Johnson County’s taxable valuation growth of 3.3% for the FY 2022 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 provided and funded locally.

## **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

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

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**BASIC FINANCIAL STATEMENTS**



JOHNSON COUNTY, IOWA  
STATEMENT OF NET POSITION  
JUNE 30, 2022

Governmental  
Activities

ASSETS:

Cash, cash equivalents and pooled investments	\$	106,010,538
Receivables:		
Property tax:		
Delinquent		127,242
Succeeding year		62,732,076
Accounts		4,016,335
Notes Receivable		35,000
Lease Receivable		156,654
Due from other governments		5,021,046
Inventories		372,683
Prepaid expenses		1,973,667
Non-current Assets:		
Notes Receivable		855,000
Net Pension Asset		9,153,926
Land, construction in progress, intangible assets and leases		42,539,191
Other capital assets, net of accumulated depreciation and accumulated amortization		136,798,941
Total assets		<u>369,792,299</u>

DEFERRED OUTFLOWS OF RESOURCES:

Pension related deferred outflows		5,203,733
OPEB related deferred outflows		455,017
Total deferred outflows of resources		<u>5,658,750</u>

LIABILITIES:

Accounts payable		4,238,221
Accrued interest payable		3,683
Salaries and benefits payable		2,280,815
Unearned Revenue		29,019,265
Due to other governments		281,836
Contracts payable		299,899
Long-term liabilities:		
Portion due or payable within one year:		
General obligation notes		6,402,400
Lease liability		150,980
Compensated absences		4,257,814
Portion due or payable after one year:		
General obligation notes		3,200,000
Lease liability		1,569,233
Total OPEB liability		<u>2,140,332</u>
Total liabilities		<u>53,844,478</u>

DEFERRED INFLOWS OF RESOURCES:

Succeeding year property tax revenue		62,732,076
Lease related		156,654
Pension related deferred inflows		23,526,766
OPEB related deferred inflows		195,041
Total deferred inflows of resources		<u>86,610,537</u>

NET POSITION:

Net investment in capital assets		175,718,082
Restricted for:		
Rural services purposes		583,173
Supplemental levy purposes		1,666,115
Secondary roads purposes		15,099,776
Capital projects		1,707,662
Debt service		863,826
LG Opioid Abatement purposes		2,946,275
Other purposes		2,273,725
Unrestricted		<u>34,137,400</u>
Total net position	\$	<u>234,996,034</u>

See Notes to Financial Statements

## JOHNSON COUNTY, IOWA

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022

	<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>
<b>FUNCTIONS/PROGRAMS:</b>					
Governmental activities:					
Public safety and legal services	\$ 28,191,942	\$ 6,304,188	\$ 1,506,851	\$ 7,271	\$ (20,373,632)
Physical health and social services	14,698,157	1,012,156	6,934,859	-	(6,751,142)
Mental health	5,725,715	608,214	472,750	-	(4,644,751)
County environment and education	8,518,527	990,346	663,024	1,992,844	(4,872,313)
Roads and transportation	11,803,623	615,198	7,002,442	1,534,644	(2,651,339)
Governmental services to residents	2,853,607	2,591,483	147,131	-	(114,993)
Administration	13,199,273	1,384,416	169,894	10,000	(11,634,963)
Non-program	199,494	550	-	-	(198,944)
Interest on long-term debt	126,076	-	-	-	(126,076)
Total	<u>\$ 85,316,414</u>	<u>\$ 13,506,551</u>	<u>\$ 16,896,951</u>	<u>\$ 3,544,759</u>	<u>(51,368,153)</u>
General revenues:					
Property and other County tax levied for:					
General purposes					41,694,011
Debt service					21,017,003
Other County taxes					1,073,945
Penalty and interest on property tax					484,122
State tax credits and replacements					3,196,010
Unrestricted investment earnings					791,319
Gain on sale of capital assets					147,643
Miscellaneous					<u>3,020,337</u>
Total general revenues					<u>71,424,390</u>
Change in net position					20,056,237
<u>NET POSITION</u> - Beginning of year, as restated					<u>214,939,797</u>
<u>NET POSITION</u> - End of year					\$ <u>234,996,034</u>

See Notes to Financial Statements

JOHNSON COUNTY, IOWA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022

	Special Revenue				
	<u>General</u>	<u>Rural Services</u>	<u>Secondary Roads</u>	<u>Mental Health</u>	<u>American Rescue Plan Act</u>
<b><u>ASSETS</u></b>					
Cash, cash equivalents and pooled investments	\$ 29,659,112	\$ 583,139	\$ 13,437,793	\$ -	\$ 29,063,072
Receivables:					
Property tax:					
Delinquent	91,648	13,277	-	-	-
Succeeding year	36,270,731	6,667,668	-	-	-
Accounts	1,041,520	-	286	-	-
Notes Receivable	890,000	-	-	-	-
Lease Receivable	156,654	-	-	-	-
Due from other governments	2,704,860	-	1,085,580	-	-
Inventories	88,699	-	283,984	-	-
Prepaid items	<u>337,550</u>	<u>1,250</u>	<u>1,003,945</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	\$ <u>71,240,774</u>	\$ <u>7,265,334</u>	\$ <u>15,811,588</u>	\$ <u>-</u>	\$ <u>29,063,072</u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>					
<b><u>LIABILITIES:</u></b>					
Accounts payable	\$ 667,638	\$ 134	\$ 403,320	\$ -	15,541
Salaries and benefits payable	2,024,068	9,481	219,000	-	28,266
Unearned revenue	-	-	-	-	29,019,265
Contracts payable	67,052	-	87,766	-	-
Due to other governments	<u>275,232</u>	<u>4,878</u>	<u>1,726</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>3,033,990</u>	<u>14,493</u>	<u>711,812</u>	<u>-</u>	<u>29,063,072</u>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>					
Unavailable revenues:					
Succeeding year property tax	36,270,731	6,667,668	-	-	-
Deferred inflow - lease related	156,654	-	-	-	-
Other	<u>1,065,063</u>	<u>12,017</u>	<u>538,303</u>	<u>-</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>37,492,448</u>	<u>6,679,685</u>	<u>538,303</u>	<u>-</u>	<u>-</u>
<b><u>FUND BALANCES:</u></b>					
Nonspendable:					
Inventories	88,699	-	283,984	-	-
Prepaid items	337,550	1,250	1,003,945	-	-
Restricted for:					
Supplemental levy purposes	1,545,163	-	-	-	-
Rural services purposes	-	569,906	-	-	-
Secondary roads purposes	-	-	13,273,544	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted for LG Opioid Abatement purposes	-	-	-	-	-
Other purposes	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	<u>28,742,924</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>30,714,336</u>	<u>571,156</u>	<u>14,561,473</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ <u>71,240,774</u>	\$ <u>7,265,334</u>	\$ <u>15,811,588</u>	\$ <u>-</u>	\$ <u>29,063,072</u>

See Notes to Financial Statements

Exhibit C

<u>Capital Projects</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
\$ 17,607,989	\$ 841,509	\$ 2,309,472	\$ 93,502,086
-	22,317	-	127,242
-	19,793,677	-	62,732,076
25,136	-	2,949,393	4,016,335
-	-	-	890,000
-	-	-	156,654
1,230,606	-	-	5,021,046
-	-	-	372,683
<u>630,909</u>	<u>-</u>	<u>13</u>	<u>1,973,667</u>
<u>\$ 19,494,640</u>	<u>\$ 20,657,503</u>	<u>\$ 5,258,878</u>	<u>\$ 168,791,789</u>
\$ 1,654,926	\$ -	\$ 38,878	\$ 2,780,437
-	-	-	2,280,815
-	-	-	29,019,265
145,081	-	-	299,899
-	-	-	281,836
<u>1,800,007</u>	<u>-</u>	<u>38,878</u>	<u>34,662,252</u>
-	19,793,677	-	62,732,076
-	-	-	156,654
<u>1,076,753</u>	<u>20,848</u>	<u>2,844,017</u>	<u>5,557,001</u>
<u>1,076,753</u>	<u>19,814,525</u>	<u>2,844,017</u>	<u>68,445,731</u>
-	-	-	372,683
630,909	-	13	1,973,667
-	-	-	1,545,163
-	-	-	569,906
-	-	-	13,273,544
-	842,978	-	842,978
7,702,563	-	-	7,702,563
-	-	102,258	102,258
-	-	2,273,712	2,273,712
8,284,408	-	-	8,284,408
-	-	-	28,742,924
<u>16,617,880</u>	<u>842,978</u>	<u>2,375,983</u>	<u>65,683,806</u>
<u>\$ 19,494,640</u>	<u>\$ 20,657,503</u>	<u>\$ 5,258,878</u>	<u>\$ 168,791,789</u>



## JOHNSON COUNTY, IOWA

RECONCILIATION OF THE BALANCE SHEET -  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
JUNE 30, 2022

TOTAL GOVERNMENTAL FUND BALANCES \$ 65,683,806

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 \$274,588,525 and the accumulated depreciation/amortization is \$95,250,393.

Land	\$	27,985,448	
Intangible assets		411,520	
Construction in progress		14,142,223	
Infrastructure		77,463,788	
Buildings and improvements		48,222,241	
Machinery and equipment		8,905,823	
Right-to-use leased building		1,720,213	
Intangibles - computer software		<u>486,876</u>	
Total capital assets, net			179,338,132

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

Deferred inflows of resources - other deferred revenue		5,557,001	
Net pension asset		<u>9,153,926</u>	14,710,927

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.

11,050,668

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		5,658,750	
Deferred inflows of resources		<u>(23,721,807)</u>	(18,063,057)

Long-term liabilities, including capital loan notes payable, accrued interest payable, compensated absences payable, lease 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		(9,602,400)	
Lease liability		(1,720,213)	
Accrued interest on capital loan notes		(3,683)	
Compensated absences		(4,257,814)	
Total OPEB liability		<u>(2,140,332)</u>	
Total long-term liabilities			<u>(17,724,442)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 234,996,034

JOHNSON COUNTY, IOWA

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2022

		Special Revenue				
	<u>General</u>	<u>Rural Services</u>	<u>Secondary Roads</u>	<u>Mental Health</u>	<u>American Rescue Plan Act</u>	
<u>REVENUES:</u>						
Property and other County tax	\$ 32,758,960	\$ 6,690,462	\$ -	\$ 3,090,376	\$ -	\$ -
Interest and penalty on property tax	490,986	-	-	-	-	-
Intergovernmental	13,654,993	266,743	7,022,460	801,001	419,734	-
Licenses and permits	954,448	-	26,875	-	-	-
Charges for service	5,755,471	-	-	-	-	-
Use of money and property	659,111	-	-	-	-	-
Miscellaneous	949,117	-	54,262	-	-	-
Total revenues	<u>55,223,086</u>	<u>6,957,205</u>	<u>7,103,597</u>	<u>3,891,377</u>	<u>419,734</u>	<u>-</u>
<u>EXPENDITURES:</u>						
Operating:						
Public safety and legal services	28,612,478	114,734	-	-	39,124	-
Physical health and social services	14,123,856	-	-	-	84,608	-
Mental health	435,251	-	-	5,489,277	-	-
County environment and education	5,375,094	1,247,124	-	-	25,000	-
Roads and transportation	-	-	9,727,419	-	-	-
Governmental services to residents	2,997,632	-	-	-	-	-
Administration	10,629,706	-	-	-	82,726	-
Non-program	85,753	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital projects	1,976,703	-	280,123	-	188,276	-
Total expenditures	<u>64,236,473</u>	<u>1,361,858</u>	<u>10,007,542</u>	<u>5,489,277</u>	<u>419,734</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,013,387)</u>	<u>5,595,347</u>	<u>(2,903,945)</u>	<u>(1,597,900)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):						
Capital loan notes issued	8,350,000	-	-	-	-	-
Sale of capital assets	9,117	-	126,105	4,945	-	-
Transfers in	11,937,300	-	7,031,034	-	-	-
Transfers out	<u>(11,047,064)</u>	<u>(5,484,541)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>9,249,353</u>	<u>(5,484,541)</u>	<u>7,157,139</u>	<u>4,945</u>	<u>-</u>	<u>-</u>
Change in fund balances	235,966	110,806	4,253,194	(1,592,955)	-	-
<u>FUND BALANCES</u> - Beginning of year, as restated	<u>30,478,370</u>	<u>460,350</u>	<u>10,308,279</u>	<u>1,592,955</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES</u> - End of year	\$ <u><u>30,714,336</u></u>	\$ <u><u>571,156</u></u>	\$ <u><u>14,561,473</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

See Notes to Financial Statements

<u>Capital Projects</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
\$ -	\$ 21,260,638	\$ -	\$ 63,800,436
-	-	-	490,986
864,444	1,102,530	212,399	24,344,304
-	-	-	981,323
-	-	33,318	5,788,789
56,359	-	201,977	917,447
<u>119,347</u>	<u>-</u>	<u>2,569,957</u>	<u>3,692,683</u>
<u>1,040,150</u>	<u>22,363,168</u>	<u>3,017,651</u>	<u>100,015,968</u>
-	-	20,987	28,787,323
-	-	1,357,783	15,566,247
-	-	-	5,924,528
-	-	-	6,647,218
-	-	-	9,727,419
-	-	1,667	2,999,299
-	-	-	10,712,432
-	-	-	85,753
-	9,575,000	-	9,575,000
-	129,326	-	129,326
<u>10,162,889</u>	<u>-</u>	<u>677,416</u>	<u>13,285,407</u>
<u>10,162,889</u>	<u>9,704,326</u>	<u>2,057,853</u>	<u>103,439,952</u>
<u>(9,122,739)</u>	<u>12,658,842</u>	<u>959,798</u>	<u>(3,423,984)</u>
1,250,000	-	-	9,600,000
7,476	-	-	147,643
9,274,305	-	372,266	28,614,905
<u>-</u>	<u>(12,083,300)</u>	<u>-</u>	<u>(28,614,905)</u>
<u>10,531,781</u>	<u>(12,083,300)</u>	<u>372,266</u>	<u>9,747,643</u>
1,409,042	575,542	1,332,064	6,323,659
<u>15,208,838</u>	<u>267,436</u>	<u>1,043,919</u>	<u>59,360,147</u>
\$ <u>16,617,880</u>	\$ <u>842,978</u>	\$ <u>2,375,983</u>	\$ <u>65,683,806</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, 2022

CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 6,323,659

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	\$ 9,056,573	
Capital assets contributed by the Iowa Department of Transportation	1,530,299	
Depreciation/amortization expense	<u>(7,415,589)</u>	3,171,283

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

Issued	(11,322,613)	
Repaid	<u>11,455,388</u>	132,775

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. 3,678,742

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	(218,187)	
Interest on long-term debt	3,250	
OPEB expense	(129,187)	
Pension expense	<u>5,878,829</u>	5,534,705

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. 1,215,073

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 20,056,237

See Notes to Financial Statements

JOHNSON COUNTY, IOWA

STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2022

Internal Service -  
Employee Group  
Health

CURRENT ASSETS:

Cash and cash equivalents

\$ 12,508,452

CURRENT LIABILITIES:

Claims payable

1,457,784

NET POSITION:

Unrestricted

\$ 11,050,668

JOHNSON COUNTY, IOWA

STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN FUND NET POSITION  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2022

Internal Service -  
Employee  
Group Health

OPERATING REVENUES:

Reimbursements from operating funds	\$ 9,721,106
Reimbursements from employees and others	<u>995,272</u>
Total operating revenues	<u>10,716,378</u>

OPERATING EXPENSES:

Medical and health services	6,782,883
Accounting, auditing and clerical	2,776,210
Miscellaneous	<u>115</u>
Total operating expenses	<u>9,559,208</u>

Operating income	1,157,170
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NON-OPERATING REVENUES:

Interest income	<u>57,903</u>
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Change in Net Position	1,215,073
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<u>NET POSITION</u> - Beginning of year	<u>9,835,595</u>
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<u>NET POSITION</u> - End of year	\$ <u>11,050,668</u>
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JOHNSON COUNTY, IOWA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2022

Internal Service -  
Employee Group  
Health

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from operating fund reimbursements	\$ 9,721,106
Cash received from employees and others	995,272
Cash paid for administrative fees and miscellaneous	(2,740,159)
Cash paid for medical claims and insurance premiums	<u>(6,604,119)</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES 1,372,100

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest on investments	<u>57,903</u>
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NET INCREASE IN CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS 1,430,003

CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS - Beginning of year 11,078,449

CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS - End of year \$ 12,508,452

RECONCILIATION OF OPERATING INCOME TO NETCASH PROVIDED BY OPERATING ACTIVITIES:

Operating income	\$ 1,157,170
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in accounts payable	<u>214,930</u>

Net cash provided by operating activities \$ 1,372,100

See Notes to Financial Statements

## JOHNSON COUNTY, IOWA

STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
JUNE 30, 2022

ASSETS

Cash, cash equivalents and pooled investments:		
County Treasurer	\$	24,170,451
Other County officials		547,988
Receivables:		
Accounts receivable		124,598
Property tax:		
Delinquent		272,409
Succeeding year		288,813,911
Special Assessments		82,758
Due from other governments		3,065,625
Prepaid items		979,767
	TOTAL ASSETS	<u>318,057,507</u>

LIABILITIES

Accounts payable	3,746,283
Salaries and benefits payable	88,342
Due to other governments	6,849,397
Trusts payable	200,245
Compensated absences	160,567
	TOTAL LIABILITIES
	<u>11,044,834</u>

DEFERRED INFLOW OF RESOURCES

Unavailable property tax revenue	<u>288,813,911</u>
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NET POSITION

Restricted for individuals, organizations and other governments	\$ <u><u>18,198,762</u></u>
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See Notes to Financial Statements

JOHNSON COUNTY, IOWA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

ADDITIONS:

Property and other county tax	286,147,178
911 surcharge	\$ 830,804
State tax credits	15,218,056
Office fees and collections	4,755,387
Auto licenses, use tax and postage	44,628,376
Assessments	152,462
Trusts	2,014,856
Miscellaneous	<u>33,186,871</u>
Total additions	<u>386,933,990</u>

DEDUCTIONS:

Agency remittances:	
To other funds	1,990,165
To other governments	381,940,926
Trusts paid out	<u>1,930,796</u>
Total deductions	<u>385,861,887</u>

Change in net position	1,072,103
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<u>NET POSITION</u> - Beginning of year, as restated	<u>17,126,659</u>
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<u>NET POSITION</u> - End of year	<u>\$ 18,198,762</u>
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See Notes to Financial Statements

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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, East Central Iowa Workforce Development Board and the Johnson County Council of Governments. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in the 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/amortization 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, 2022

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 this fund 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 American Rescue Plan Act Funds is used to account for the State and Local Fiscal Recovery Funds provided by the Federal Government to offset the affects of COVID within Johnson County.

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, 2022

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.

Auto License 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, 2022

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 lease agreements 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 Balance/Net Position

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, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (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, 2020 assessed property valuations; is for the tax accrual period July 1, 2021 through June 30, 2022 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2021.

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 (except for intangible right-to-use lease assets, the measurement of which is discussed under “Leases” below) 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, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (Continued)

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

Land and construction in progress are not depreciated. The other tangible and intangible property, plan, equipment, the right to use lease equipment and infrastructure are depreciated/amortized 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
Right-to-use leased assets	2-30
Furnishings and equipment	2-30

Leases – County as Lessee: Johnson County is the lessee for a noncancellable lease of building space. The County has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payment expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payment made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how Johnson County determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

Johnson County uses the interest rate charged by the lessor as the discount rate. When the interest rate charge by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and a purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (Continued)

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

**County as a Lessor:** Johnson County is a lessor for a noncancellable lease of rooftop space. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how Johnson County determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease receipts.

Johnson County uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net assets applicable to a future year(s) which 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.

Unearned Revenue – 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. Unearned revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the County has not made a qualifying expenditure. Unearned revenue consists of unspent American Rescue Plan Act proceeds.

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, 2022. The compensated

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (Continued)

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 (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid primarily by the General Fund and Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

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 assets that applies to future periods 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, unrecognized items not yet charged to pension expense, the unamortized portion of the net difference between projected and actual earning on pension plan assets and deferred amounts related to leases.

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.

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (Continued)

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 30, 2022, the Board of Supervisors approved the County's 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.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2022, 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. 87

As of July 1, 2021, the County adopted GASB Statement No. 87, Leases. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain right to use lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The standard also requires lessors to recognize a lease receivable and deferred inflow of resources. The additional disclosures required by this standard are included in Notes 4, 6 and 8.

NOTE 2: CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS

The County's deposits in banks at June 30, 2022 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.

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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

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

Interest Rate Risk – The County’s investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the County.

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

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

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

NOTE 3: INTERFUND TRANSFERS

The detail of interfund transfers for the year ended June 30, 2022 is as follows:

<u>Transfer To</u>	<u>Amount</u>	<u>Transfer from</u>	<u>Amount</u>
Special Revenue: Secondary Roads	\$ 7,031,034	General Fund	\$ 1,546,493
		Special Revenue: Rural Basic	<u>5,484,541</u>
			<u>7,031,034</u>
Capital Projects	9,274,305	General Fund	9,274,305
Special Revenue: Conservation Trust	372,266	General Fund	226,266
General Basic	<u>11,937,300</u>	Debt Service	<u>12,083,300</u>
	\$ <u>28,614,905</u>		\$ <u>28,614,905</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, 2022

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2022 was as follows:

	Balance Beginning of Year, <u>As Restated</u>	<u>Increases</u>	<u>Decreases</u>	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 27,663,214	\$ 322,234	\$ -	\$ 27,985,448
Intangible assets	933,173	-	521,653	411,520
Construction in progress	<u>29,416,800</u>	<u>7,567,398</u>	<u>22,841,975</u>	<u>14,142,223</u>
Total capital assets not being depreciated	<u>58,013,187</u>	<u>7,889,632</u>	<u>23,363,628</u>	<u>42,539,191</u>
Capital assets being depreciated and amortized:				
Buildings	58,941,573	10,338,286	-	69,279,859
Improvements other than buildings	1,637,368	318,242	-	1,955,610
Furnishings and equipment	24,846,151	1,703,491	900,614	25,649,028
Right-to-use leased building	1,877,988	-	-	1,877,988
Intangibles – computer software	-	521,653	-	521,653
Infrastructure	<u>119,586,000</u>	<u>13,179,196</u>	-	<u>132,765,196</u>
Total capital assets being depreciated and amortized	<u>206,889,080</u>	<u>26,060,868</u>	<u>900,614</u>	<u>232,049,334</u>
Less accumulated depreciation and amortization for:				
Buildings	20,811,001	1,686,451	-	22,497,452
Improvements other than buildings	451,049	64,727	-	515,776
Furnishings and equipment	15,524,343	2,119,476	900,614	16,743,205
Right-to-use leased building	-	157,775	-	157,775
Intangibles – computer software	-	34,777	-	34,777
Infrastructure	<u>51,949,025</u>	<u>3,352,383</u>	-	<u>55,301,408</u>
Total accumulated depreciation and accumulated amortization	<u>88,735,418</u>	<u>7,415,589</u>	<u>900,614</u>	<u>95,250,393</u>
Total capital assets being depreciated and amortized, net	<u>118,153,662</u>	<u>18,645,279</u>	-	<u>136,798,941</u>
Governmental activities capital assets, net	<u>176,166,849</u>	\$ <u>26,534,911</u>	\$ <u>23,363,628</u>	\$ <u>179,338,132</u>

Depreciation and amortization expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 1,376,327
Physical health and social services	507,953
County environment and education	518,709
Roads and transportation	4,192,003
Governmental services to residents	87,045
Administration	619,811
Non-program	<u>113,741</u>
Total depreciation and amortization expense - governmental activities	\$ <u>7,415,589</u>

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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, 2022 is as follows:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
General	Services	\$ 275,232
Special Revenue:		
Rural Services	Services	4,878
Secondary Roads	Services	<u>1,726</u>
Total for governmental funds		\$ <u>281,836</u>
Custodial:		
Schools	Collections	\$ 512,406
Community Colleges		44,035
Corporations		385,937
Townships		6,643
E911 Surcharge		530,346
Auto License and Use Tax		3,734,988
County Offices		491,609
Empowerment Board		33,623
Other		<u>343,006</u>
Total for custodial funds		\$ <u>6,082,593</u>
Total		\$ <u>6,364,429</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, 2022, 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	12/2020	06/2023	0.40%	\$ 9,602,400	\$ 3,202,400
County Improvements	12/2021	06/2024	0.50%-0.85%	<u>9,600,000</u>	<u>6,400,000</u>
				\$ <u>19,202,400</u>	\$ <u>9,602,400</u>

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 6: LONG-TERM LIABILITIES (Continued)

A summary of the County's June 30, 2022 general obligation capital loan notes is as follows:

Year Ending <u>June 30,</u>	General Obligation Capital Loan Notes		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 6,402,400	\$ 60,810	\$ 6,463,210
2024	<u>3,200,000</u>	<u>27,200</u>	<u>3,227,200</u>
Total	\$ <u>9,602,400</u>	\$ <u>88,010</u>	\$ <u>9,690,410</u>

During the year ended June 30, 2022, the County retired \$9,575,000 and issued \$9,600,000 of general obligation capital loan notes. The General Obligation County Purpose Loan Notes, Series 2020B, and the General Obligation County Purpose Loan Notes, Series 2021A are owned by Hills Bank and; therefore, constitute direct borrowings.

The Debt Service fund is used to liquidate General Obligation Notes. Compensated absences are typically liquidated in the fund that accounts for the employee's salary and benefits.

Lease Agreements

In September 2018 the County entered into a lease agreement for office space for our County Attorney's Office. On July 1, 2021 the County had a lease liability of \$1,877,988. The agreement requires annual payments of \$160,980 for seven years beginning from the commencement date, with the option for an additional three, 3 year terms with the base rate of the rent increasing with each three year term by the percentage increase, if any, in the CPI, the implicit rate used was 4.5% with the final payment made in June 2035.

Year Ending June 30,	Amount
2023	\$ 150,980
2024	144,479
2025	138,257
2026	132,304
2027	145,641
2028-2032	654,002
Thereafter	<u>354,550</u>
Total	<u>1,720,213</u>

The General Fund is used to liquidate the lease agreement.

A summary of changes in long-term liabilities for the year ended June 30, 2022, is as follows:

	<u>Lease Agreements</u>	<u>General Obligation Capital Loan Notes</u>	<u>Compensated Absences</u>	<u>Total</u>
Balance beginning of year	\$ 1,877,988	\$ 9,577,400	\$ 4,039,627	\$ 15,495,015
Increases	-	9,600,000	4,257,814	13,857,814
Decreases	<u>157,775</u>	<u>9,575,000</u>	<u>4,039,627</u>	<u>13,772,402</u>
Balance end of year	\$ <u>1,720,213</u>	\$ <u>9,602,400</u>	\$ <u>4,257,814</u>	\$ <u>15,580,427</u>
Due within one year	\$ <u>150,980</u>	\$ <u>6,402,400</u>	\$ <u>4,257,814</u>	\$ <u>10,811,194</u>

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 7: SHORT-TERM LIABILITIES

In December 2021, the County issued \$12,083,300 of General Obligation County Purpose Bonds, Series 2021B is a short-term 120 day issue for the purpose of paying the cost, to the extent of various County insurance programs. The Series 2021B was repaid on April 8, 2022 for \$12,101,257. There was no short-term debt balances at the beginning or the end of the fiscal year.

NOTE 8: LEASE RECEIVABLE

Effective April 30, 2010 the County entered into a five year lease, with the option to extend the lease for five additional five-year terms with Iowa Wireless Service, LLC, whereby Iowa Wireless Services, LLC, will lease rooftop space for placement of Antenna Facilities located on the building at 855 South Dubuque Street, Iowa City, Iowa. The County is to receive monthly payments in the amount \$750 per month beginning on the commencement date. The payment was received in April 2012, with preceding payments received each month after. Terms of the agreement also call for a 10% increase in payment at the renewal of each new five-year term. The County is to received \$10,890 annually in tower rent with an implicit rate of 4.5%.

Year Ended <u>June 30,</u>		<u>Total</u>
2023	\$	10,890
2024		10,890
2025		10,890
2026		10,890
2027		10,981
Thereafter		<u>197,254</u>
		251,795
Less Interest		<u>(95,141)</u>
Present Value	\$	<u>156,654</u>

NOTE 9: PENSION PLAN

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

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 9: PENSION PLAN (Continued)

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

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for more than 22 years but not more than 30 years of service.
- The member's highest three-year average salary.

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month that the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits – A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

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

In fiscal year 2022, 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 9.01% of covered payroll for a total rate of 18.02%. Protection occupation members contributed 6.21% of covered payroll and the County contributed 9.31% of covered payroll for a total rate of 15.52%.

The County's contributions to IPERS for the year ended June 30, 2022 totaled \$3,210,043.

Net Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2022, the County reported a net pension liability (asset) of (\$9,153,926) for its proportionate share of the collective net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability (asset) was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2021, the County's collective proportion was 2.651568% which was an increase of 2.36019% from its proportion measured as of June 30, 2020.

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 9: PENSION PLAN (Continued)

For the year ended June 30, 2022, the County recognized pension expense (income) of (2,668,785). At June 30, 2022, 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	\$ 976,563	\$ 352,948
Changes of assumptions	362,924	306,635
Net difference between projected and actual earnings on IPERS investments	-	22,770,340
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	654,203	96,843
County contributions subsequent to the measurement date	<u>3,210,043</u>	<u>-</u>
Total	\$ <u>5,203,733</u>	\$ <u>23,526,766</u>

\$3,210,043 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Total</u>
2023	\$ (5,520,199)
2024	(5,326,573)
2025	(4,868,083)
2026	(5,937,308)
2027	<u>119,088</u>
	\$ <u>(21,533,075)</u>

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2021 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, 2021 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 2021 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 9: PENSION PLAN (Continued)

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

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	22.0 %	4.43 %
International equity	17.5	6.01
Global smart beta equity	6.0	5.10
Core plus fixed income	26.0	0.29
Public credit	4.0	2.08
Cash	1.0	(0.25)
Private equity	13.0	9.51
Private real assets	7.5	4.63
Private credit	<u>3.0</u>	2.87
Total	<u>100</u> %	

Discount Rate – The discount rate used to measure the total pension liability (asset) 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 (asset).

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

	1% Decrease <u>(6.00%)</u>	Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
County's proportionate share of the net pension liability	\$ 11,580,216	\$ (9,153,926)	\$ (26,521,846)

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](http://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, 2022.

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 794 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.

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 10:      RISK MANAGEMENT (Continued)

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, 2022 were \$685,210.

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, 2022, no liability has been recorded in the County's financial statements. As of June 30, 2022, settled claims have not exceeded the risk pool or reinsurance coverage since the pool's inception.

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

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



JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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 \$9,197,990 for fiscal year 2022. 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, 2022 was \$9,721,106.

Amounts payable from the Employee Group Health Fund at June 30, 2022 total \$1,281,619 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 \$11,471,814 at June 30, 2022 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>2022</u>	<u>2021</u>
Unpaid claims beginning of year	\$ 1,119,764	\$ 1,248,934
Incurred claims (including claims incurred but not reported at June 30, 2022 and 2021)	6,782,883	6,716,577
Payments:		
Payment on claims during the fiscal year	<u>(6,621,028)</u>	<u>(6,845,747)</u>
Unpaid claims end of year	\$ <u>1,281,619</u>	\$ <u>1,119,764</u>

NOTE 12: CONSTRUCTION COMMITMENTS

The County has entered into eighteen contracts totaling \$19,778,252 for building, road and other construction projects. As of June 30, 2022, costs of \$12,493,140 on the projects have been incurred. The balance remaining on the projects at June 30, 2022, \$7,285,112 will be paid as work on the projects progress.

NOTE 13: LITIGATION

The County Attorney reported that as of June 30, 2022, various claims and lawsuits were on file against the County. The probability of loss, if any, is undeterminable. In most cases, any losses as a result of these claims and lawsuits would be covered by the County's insurance policies, less their deductible.

NOTE 14: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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

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

Retired participants must be age 55 or older at retirement. At June 30, 2022 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	23
Active Employees	<u>469</u>
Total	<u>492</u>

Total OPEB Liability – The County’s total OPEB liability of \$2,140,332 was measured as of June 30, 2022, 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	\$ 2,041,028
Changes for the year:	
Service cost	100,270
Interest	50,770
Difference between expected and actual experience	-
Changes in assumptions	-
Benefit payments	<u>(51,736)</u>
Net Change	<u>99,304</u>
Total OPEB liability end of the year	<u>\$ 2,140,332</u>

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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	\$2,542,952	\$2,140,332	\$1,824,270

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 4.25% decreasing to 4.0%	Current Healthcare Cost Trend Rate 5.25% decreasing to 5.0%	1% Increase 6.25% decreasing to 6.0%
Total OPEB liability	\$1,780,114	\$2,140,332	\$2,612,962

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2022, the County recognized OPEB expense of \$180,923. At June 30, 2022 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	\$ 119,411	\$ (191,158)
Change in assumptions	<u>335,606</u>	<u>(3,883)</u>
Total	<u>\$ 455,017</u>	<u>(195,041)</u>

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

Year ending June 30,	Amount
2023	\$ 29,883
2024	29,883
2025	29,883
2026	29,883
2027	29,883
Thereafter	<u>110,561</u>
	<u>\$ 259,976</u>

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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, 2022, 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, 2022 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	\$ 11,630
City of Solon	Urban renewal and economic development projects	2,587
	Urban revitalization tax abatement	172
City of Coralville	Urban renewal and economic development projects	335,672
City of University Heights	Urban renewal and economic development projects	102,351
City of North Liberty	Urban renewal and economic development projects	282,815
City of Iowa City	Urban renewal and economic development projects	294,053

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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, 2022 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	\$ 222,570	\$ -	\$ -	\$ 222,570
Quality improvement	-	-	-	-
Allocation for administration	11,691	37,034	-	48,725
School ready general use	-	705,220	-	705,220
Other program services	-	-	2,248	2,248
Total State of Iowa grants	<u>234,261</u>	<u>742,254</u>	<u>2,248</u>	<u>978,763</u>
Interest	-	-	-	-
Total additions	<u>234,261</u>	<u>742,254</u>	<u>2,248</u>	<u>978,763</u>
Deductions:				
Program services:				
Early childhood	206,220	-	-	206,220
Quality improvement	-	64,956	-	64,956
School ready general use	-	679,419	-	679,419
Other program services	-	-	7,078	7,078
Total program services	<u>206,220</u>	<u>744,375</u>	<u>7,078</u>	<u>957,673</u>
Administration	<u>11,820</u>	<u>34,604</u>	-	<u>46,424</u>
Total deductions	<u>218,040</u>	<u>778,979</u>	<u>7,078</u>	<u>1,004,097</u>
Net change	16,221	(36,725)	(4,830)	(25,334)
Balances – beginning of year	<u>17,601</u>	<u>138,698</u>	<u>6,654</u>	<u>162,953</u>
Balances – end of year	\$ <u>33,822</u>	\$ <u>101,973</u>	\$ <u>1,824</u>	\$ <u>137,619</u>

JOHNSON COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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, 2022 as follows:

Revenues:		
Property and other county tax	\$	3,090,376
Intergovernmental revenues:		
State tax credits	\$	157,788
Other intergovernmental revenues	<u>643,213</u>	801,001
Miscellaneous		<u>4,945</u>
Total revenues		<u>3,896,322</u>
Expenditures:		
Services to persons with:		
Mental illness	239,421	
Intellectual disability	57,113	
Other developmental disabilities	<u>78,753</u>	375,287
General administration:		
Direct administration	404,709	
Distribution to regional fiscal agent	4,388,333	
Guidelink contribution	<u>320,948</u>	<u>5,113,990</u>
Total expenditures		<u>5,489,277</u>
Change in fund balance		(1,592,955)
Fund balance - Beginning of the year		<u>1,592,955</u>
Fund balance - End of the year	\$	<u>          -</u>

NOTE 18: SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 24, 2023, the date the financial statements were available to be issued.

In December 2022, the County issued \$12,220,300 of Taxable General Obligation County Purpose Bonds Series 2022A and \$8,073,000 of General Obligation County Purpose Bonds Series 2022B. The Series 2022A is a short term bond with a maturity of April 17, 2023. The Series 2022B 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, 2022

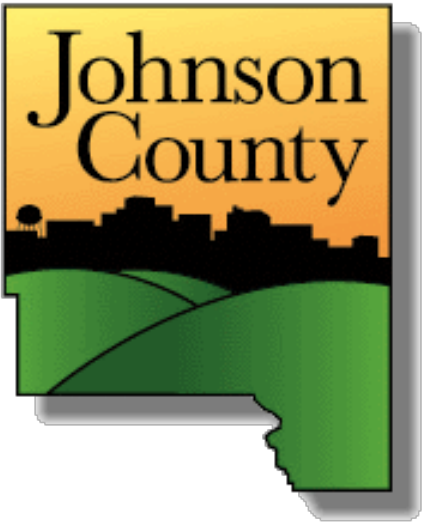
NOTE 20: ACCOUNTING CHANGE/RESTATEMENT

Governmental Accounting Standards Board Statement No. 87, Leases, was implemented during fiscal year 2022. The new requirements require the reporting of certain lease assets and liabilities which were previously not reported. The result of these changes had no effect on the beginning net position of the Governmental Activities or beginning fund balance of the General Fund.

	<u>General Fund</u>	<u>Governmental Activities</u>
Net position June 30, 2021, as previously reported	30,478,370	\$ 214,939,797
Change to implement GASB No. 87 – lease receivable	166,436	166,436
Change to implement GASB No. 87 – deferred inflow – lease	(166,436)	(166,436)
Change to implement GASB No. 87 – leased asset	-	1,877,988
Change to implement GASB No. 87 – lease payable	-	(1,877,988)
Net Position July 1, 2021, as restated	\$ <u>30,478,370</u>	\$ <u>214,939,797</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, 2022

	Governmental	Budgeted Amounts		Final to
	Fund Types	Original	Final	Actual
	<u>Actual</u>			<u>Variance</u>
<u>RECEIPTS:</u>				
Property and other County tax	\$ 63,797,613	\$ 63,789,074	\$ 63,789,074	\$ 8,539
Interest and penalty on property tax	483,365	329,000	329,000	154,365
Intergovernmental	38,600,162	22,820,608	40,873,116	(2,272,954)
Licenses and permits	980,756	799,150	879,150	101,606
Charges for service	5,714,292	4,962,242	5,214,242	500,050
Use of money and property	996,135	783,796	810,296	185,839
Miscellaneous	<u>2,256,200</u>	<u>1,016,539</u>	<u>2,002,886</u>	<u>253,314</u>
Total receipts	<u>112,828,523</u>	<u>94,500,409</u>	<u>113,897,764</u>	<u>(1,069,241)</u>
<u>DISBURSEMENTS:</u>				
Public safety and legal services	28,600,869	31,199,807	31,856,456	3,255,587
Physical health and social services	14,333,619	14,784,487	21,903,965	7,570,346
Mental health	5,982,176	5,872,633	6,708,171	725,995
County environment and education	6,630,610	6,823,430	7,086,895	456,285
Roads and transportation	10,138,487	12,378,064	12,386,839	2,248,352
Governmental services to residents	2,859,215	3,389,092	3,320,909	461,694
Administration	10,694,567	11,961,180	12,861,382	2,166,815
Non-program	82,318	139,600	139,600	57,282
Debt service	21,787,626	22,087,648	22,087,648	300,022
Capital projects	<u>13,115,961</u>	<u>18,589,551</u>	<u>31,822,173</u>	<u>18,706,212</u>
Total disbursements	<u>114,225,448</u>	<u>127,225,492</u>	<u>150,174,038</u>	<u>35,948,590</u>
Excess (deficiency) of receipts over (under) disbursements	(1,396,925)	(32,725,083)	(36,276,274)	34,879,349
Other financing sources, net	<u>21,831,843</u>	<u>21,945,634</u>	<u>21,710,634</u>	<u>121,209</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	20,434,918	(10,779,449)	(14,565,640)	35,000,558
<u>BALANCE</u> - Beginning of year	<u>73,067,132</u>	<u>35,866,214</u>	<u>73,031,560</u>	<u>35,572</u>
<u>BALANCE</u> - End of year	\$ <u>93,502,050</u>	\$ <u>25,086,765</u>	\$ <u>58,465,920</u>	\$ <u>35,036,130</u>

See Accompanying Independent Auditor's Report

JOHNSON COUNTY, IOWA

BUDGETARY COMPARISON SCHEDULE - BUDGET TO GAAP RECONCILIATION  
REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2022

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 112,828,523	\$ (12,812,555)	\$ 100,015,968
Expenditures	<u>114,225,448</u>	<u>(10,785,496)</u>	<u>103,439,952</u>
Net	(1,396,925)	(2,027,059)	(3,423,984)
Other financing sources, net	21,831,843	(12,084,200)	9,747,643
Beginning fund balances	<u>73,067,132</u>	<u>(13,706,985)</u>	<u>59,360,147</u>
 Ending fund balances	 <u>\$ 93,502,050</u>	 <u>\$ (27,818,244)</u>	 <u>\$ 65,683,806</u>

See Accompanying Independent Auditor's Report

JOHNSON COUNTY, IOWA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING

YEAR ENDED JUNE 30, 2022

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 \$22,948,546. 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, 2022, 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 EIGHT FISCAL YEARS\*

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2022</u>	<u>2021</u>	<u>2020</u>
County's collective proportion of the net pension liability	2.651568 %	0.2914%	0.2647 %
County's collective proportionate share of the net pension liability (asset)	\$ (9,153,926)	\$ 20,468,539	\$ 15,327,952
County's covered payroll	\$ 32,679,657	\$ 31,148,906	\$ 30,146,224
County's collective proportionate share of the net pension liability as a percentage of its covered payroll	(28.07) %	65.71 %	50.85 %
IPERS' net position as a percentage of the total pension liability	100.81 %	82.90 %	85.45 %

\* 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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
	0.2752 %	0.3068 %	0.3048 %	0.279 %	0.257 %
\$	17,412,611	\$ 20,435,487	\$ 19,180,490	\$ 13,781,545	\$ 10,195,102
\$	29,234,232	\$ 28,708,319	\$ 27,523,506	\$ 26,348,638	\$ 25,531,199
	59.56 %	71.18 %	69.69 %	52.30 %	39.93 %
	83.62 %	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>2022</u>	<u>2021</u>	<u>2020</u>
Statutorily required contribution	\$ 3,210,043	\$ 3,080,591	\$ 2,960,862
Contributions in relation to the statutorily required contribution	<u>(3,210,043)</u>	<u>(3,080,591)</u>	<u>(2,960,862)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
County's covered payroll	\$ 34,348,294	\$ 32,679,657	\$ 31,148,906
Contributions as a percentage of covered payroll	9.35 %	9.43 %	9.51 %

See Accompanying Independent Auditor's Report



	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$	2,890,757	\$ 2,664,954	\$ 2,627,326	\$ 2,531,417	\$ 2,432,140	\$ 2,356,804	\$ 2,235,527
	<u>(2,890,757)</u>	<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>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$	30,146,224	\$ 29,234,232	\$ 28,708,219	\$ 27,523,506	\$ 26,348,638	\$ 25,531,199	\$ 24,678,980
	9.59 %	9.12 %	9.15 %	9.20 %	9.23 %	9.23 %	9.06 %

JOHNSON COUNTY, IOWA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY

YEAR ENDED JUNE 30, 2022

*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 FIVE FISCAL YEARS

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 100,270	\$ 97,350	50,239	\$ 48,776	\$ 53,590
Interest Cost	50,770	48,601	55,572	53,988	65,460
Difference between expected and actual experiences	-	147,843	-	(301,974)	-
Change in assumptions	-	323,171	-	(6,135)	138,883
Benefit Payments	<u>(51,736)</u>	<u>(65,204)</u>	<u>(65,197)</u>	<u>(59,651)</u>	<u>(69,150)</u>
Net change in total OPEB liability	<u>99,304</u>	<u>551,761</u>	<u>40,614</u>	<u>(264,996)</u>	<u>188,783</u>
Total OPEB liability beginning of year	<u>2,041,028</u>	<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>\$ 2,140,332</u>	<u>\$ 2,041,028</u>	<u>1,489,267</u>	<u>\$ 1,448,653</u>	<u>\$ 1,713,649</u>
Covered-employee payroll	31,939,050	31,008,786	29,258,933	28,406,731	26,771,396
Total OPEB liability as a percentage of covered-employee payroll	6.70%	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.

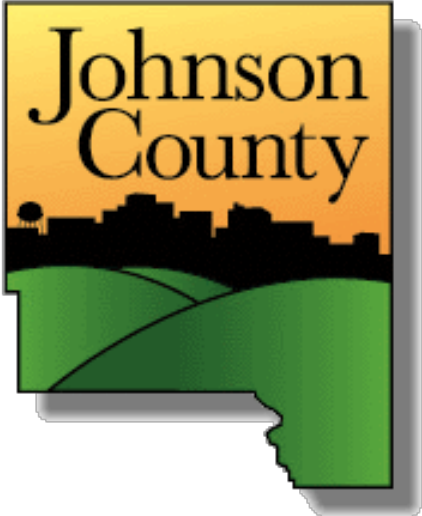
Changes in assumptions:

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, 2022	2.40%
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, 2022

	<u>Special Revenue</u>			
	<u>Law Enforcement Proceeds</u>	<u>Prosecutor Forfeiture Proceeds</u>	<u>Special Resource Enhancement</u>	<u>Road Construction Escrow</u>
<u>ASSETS</u>				
Cash, cash equivalents and pooled investments	\$ 29,088	\$ 38,090	\$ 334,420	\$ 5,660
Receivables:				
Accounts	-	-	-	-
Prepaid items	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ <u>29,088</u>	\$ <u>38,090</u>	\$ <u>334,420</u>	\$ <u>5,660</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>				
<u>LIABILITIES:</u>				
Accounts payable	\$ <u>4,568</u>	\$ -	\$ 1,534	\$ -
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	<u>4,568</u>	<u>-</u>	<u>1,534</u>	<u>-</u>
 <u>DEFERRED INFLOWS OF RESOURCES:</u>				
Unavailable revenues:				
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <u>FUND BALANCES:</u>				
Nonspendable	-	-	-	-
Restricted for:				
LG Opioid Abatement purposes	-	-	-	-
Other purposes	<u>24,520</u>	<u>38,090</u>	<u>332,886</u>	<u>5,660</u>
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUND BALANCES	<u>24,520</u>	<u>38,090</u>	<u>332,886</u>	<u>5,660</u>
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>29,088</u>	\$ <u>38,090</u>	\$ <u>334,420</u>	\$ <u>5,660</u>

Special Revenue				Permanent Trust	
Recorder's Records Management	Conservation Trust	ECI Workforce Development	LG Opioid Abatement	CRC Wetland Bank Permanent Trust	Total
\$ 153,760	\$ 1,726,269	\$ 36	\$ -	\$ 22,149	\$ 2,309,472
3,118	-	-	2,946,275	-	2,949,393
<u>13</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13</u>
\$ <u>156,891</u>	\$ <u>1,726,269</u>	\$ <u>36</u>	\$ <u>2,946,275</u>	\$ <u>22,149</u>	\$ <u>5,258,878</u>
\$ -	\$ 32,776	\$ -	\$ -	\$ -	\$ 38,878
-	<u>32,776</u>	-	-	-	<u>38,878</u>
-	-	-	<u>2,844,017</u>	-	<u>2,844,017</u>
-	-	-	<u>2,844,017</u>	-	<u>2,844,017</u>
13	-	-	-	-	13
-	-	-	102,258	-	102,258
<u>156,878</u>	<u>1,693,493</u>	<u>36</u>	<u>-</u>	<u>22,149</u>	<u>2,273,712</u>
<u>156,891</u>	<u>1,693,493</u>	<u>36</u>	<u>102,258</u>	<u>22,149</u>	<u>2,375,983</u>
\$ <u>156,891</u>	\$ <u>1,726,269</u>	\$ <u>36</u>	\$ <u>102,258</u>	\$ <u>22,149</u>	\$ <u>5,258,878</u>

JOHNSON COUNTY, IOWA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2022

	Special Revenue			
	Law Enforcement Proceeds	Prosecutor Forfeiture Proceeds	Special Resource Enhancement	Road Construction Escrow
<u>REVENUES:</u>				
Intergovernmental	\$ 733	\$ -	\$ 40,584	\$ -
Charges for service	-	-	-	-
Use of money and property	157	-	1,590	-
Miscellaneous	-	1,109	-	-
Total revenues	890	1,109	42,174	-
<u>EXPENDITURES:</u>				
Operating:				
Public safety and legal services	17,094	3,893	-	-
Physical health and social services	-	-	-	-
Governmental services to residents	-	-	-	-
Capital projects	-	-	20,841	-
Total expenditures	17,094	3,893	20,841	-
Excess (deficiency) of revenues over (under) expenditures	(16,204)	(2,784)	21,333	-
Other financing sources:				
Transfers in	-	-	-	-
Change in fund balances	(16,204)	(2,784)	21,333	-
<u>FUND BALANCES</u> - Beginning of year	40,724	40,874	311,553	5,660
<u>FUND BALANCES</u> - End of year	\$ 24,520	\$ 38,090	\$ 332,886	\$ 5,660

See Accompanying Independent Auditor's Report



Recorder's Records Management	Special Revenue			Permanent Trust		Total
	Conservation Trust	ECI Workforce Development	LG Opioid Abatement	CRC Wetland Bank Permanent Trust		
\$ -	\$ 171,082	\$ -	\$ -	\$ -	\$ -	\$ 212,399
33,318	-	-	-	-	-	33,318
886	194,625	-	-	4,719	-	201,977
-	<u>1,131,050</u>	<u>1,335,540</u>	<u>102,258</u>	-	-	<u>2,569,957</u>
<u>34,204</u>	<u>1,496,757</u>	<u>1,335,540</u>	<u>102,258</u>	<u>4,719</u>	-	<u>3,017,651</u>
-	-	-	-	-	-	20,987
-	-	1,357,783	-	-	-	1,357,783
1,667	-	-	-	-	-	1,667
-	<u>656,575</u>	-	-	-	-	<u>677,416</u>
<u>1,667</u>	<u>656,575</u>	<u>1,357,783</u>	-	-	-	<u>2,057,853</u>
32,537	840,182	(22,243)	102,258	4,719	-	959,798
-	<u>372,266</u>	-	-	-	-	<u>372,266</u>
32,537	1,212,448	(22,243)	102,258	4,719	-	1,332,064
<u>124,354</u>	<u>481,045</u>	<u>22,279</u>	-	<u>17,430</u>	-	<u>1,043,919</u>
\$ <u>156,891</u>	\$ <u>1,693,493</u>	\$ <u>36</u>	\$ <u>102,258</u>	\$ <u>22,149</u>	\$ -	\$ <u>2,375,983</u>





JOHNSON COUNTY, IOWA

COMBINING SCHEDULE OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
JUNE 30, 2022

<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	\$ -	\$ 2,260	\$ 843,340	\$ 783,289
Other County officials	547,988	-	-	-
Receivables:				
Accounts receivable	52,912	-	-	-
Property Tax:				
Delinquent	-	703	2,129	699
Succeeding year	-	615,552	1,339,915	960,870
Special assessments	-	-	-	-
Due from other governments	-	-	-	-
Prepaid items	-	-	38,465	4,968
<b>TOTAL ASSETS</b>	<u>600,900</u>	<u>618,515</u>	<u>2,223,849</u>	<u>1,749,826</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
<u>LIABILITIES:</u>				
Accounts payable	4,273	-	4,337	25,712
Salaries and benefits payable	-	2,260	44,794	29,711
Due to other governments	491,609	-	-	-
Trusts payable	105,018	-	-	-
Compensated absences	-	-	61,175	89,265
<b>TOTAL LIABILITIES</b>	<u>600,900</u>	<u>2,260</u>	<u>110,306</u>	<u>144,688</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue	-	615,552	1,339,915	960,870
 <u>NET POSITION</u>				
Restricted for individuals, organizations and other governments	\$ -	\$ 703	\$ 773,628	\$ 644,268

See Accompanying Independent Auditor's Report

Schedule 3  
(Continued)

<u>Schools</u>	Community <u>Colleges</u>	<u>Corporations</u>	<u>Townships</u>
\$ 512,406	\$ 44,035	\$ 385,937	\$ 6,643
-	-	-	-
-	-	-	-
157,494	13,531	96,038	1,788
140,470,699	12,296,922	131,968,996	1,132,531
-	-	-	-
-	-	-	-
-	-	-	-
<u>141,140,599</u>	<u>12,354,488</u>	<u>132,450,971</u>	<u>1,140,962</u>
-	-	-	-
-	-	-	-
512,406	44,035	385,937	6,643
-	-	-	-
-	-	-	-
<u>512,406</u>	<u>44,035</u>	<u>385,937</u>	<u>6,643</u>
140,470,699	12,296,922	131,968,996	1,132,531
\$ <u>157,494</u>	\$ <u>13,531</u>	\$ <u>96,038</u>	\$ <u>1,788</u>

## JOHNSON COUNTY, IOWA

Schedule 3  
(Continued)COMBINING SCHEDULE OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
JUNE 30, 2022

<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	\$ 227,500	\$ 320,009	\$ 3,734,988
Other County officials	-	-	-
Receivables:			
Accounts receivable	1,000	65,399	-
Property Tax:			
Delinquent	-	-	-
Succeeding year	-	-	-
Special assessments	-	-	-
Due from other governments	-	106,561	-
Prepaid items	<u>11,938</u>	<u>40,497</u>	<u>-</u>
TOTAL ASSETS	<u>240,438</u>	<u>532,466</u>	<u>3,734,988</u>
 <u>LIABILITIES, DEFERRRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
<u>LIABILITIES:</u>			
Accounts payable	56,593	2,120	-
Salaries and benefits payable	11,577	-	-
Due to other governments	-	530,346	3,734,988
Trusts payable	-	-	-
Compensated absences	<u>10,127</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>78,297</u>	<u>532,466</u>	<u>3,734,988</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>162,141</u>	\$ <u>-</u>	\$ <u>-</u>

Schedule 3

Empowerment Board	MHDS/East Central Region	Other	Total
\$ 269,303	\$ 16,533,037	\$ 507,704	\$ 24,170,451
-	-	-	547,988
748	4,539	-	124,598
-	-	27	272,409
-	-	28,426	288,813,911
-	-	82,758	82,758
-	2,959,064	-	3,065,625
<u>1,211</u>	<u>882,688</u>	<u>-</u>	<u>979,767</u>
<u>271,262</u>	<u>20,379,328</u>	<u>618,915</u>	<u>318,057,507</u>
100,020	3,553,228	-	3,746,283
-	-	-	88,342
33,623	766,804	343,006	6,849,397
-	-	95,227	200,245
<u>-</u>	<u>-</u>	<u>-</u>	<u>160,567</u>
<u>133,643</u>	<u>4,320,032</u>	<u>438,233</u>	<u>11,044,834</u>
<u>-</u>	<u>-</u>	<u>28,426</u>	<u>288,813,911</u>
\$ <u>137,619</u>	\$ <u>16,059,296</u>	\$ <u>152,256</u>	\$ <u>18,198,762</u>

JOHNSON COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS

YEAR ENDED JUNE 30, 2022

	<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	\$ -	\$ 599,983	\$ 1,335,966	\$ 1,060,207
911 surcharge	-	-	-	-
State tax credits	-	31,139	68,467	54,538
Office fees and collections	4,755,387	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	2,014,856	-	-	-
Miscellaneous	-	-	-	-
Total additions	<u>6,770,243</u>	<u>631,122</u>	<u>1,404,433</u>	<u>1,114,745</u>
<u>DEDUCTIONS:</u>				
Agency remittances:				
To other funds	1,990,165	-	-	-
To other governments	3,001,744	631,153	1,260,095	918,566
Trusts paid out	<u>1,778,334</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deductions	<u>6,770,243</u>	<u>631,153</u>	<u>1,260,095</u>	<u>918,566</u>
Change in net position	-	(31)	144,338	196,179
<u>NET POSITION</u> - Beginning of year, as restated	<u>-</u>	<u>734</u>	<u>629,290</u>	<u>448,089</u>
<u>NET POSITION</u> - End of year	\$ <u><u>-</u></u>	\$ <u><u>703</u></u>	\$ <u><u>773,628</u></u>	\$ <u><u>644,268</u></u>

See Accompanying Independent Auditor's Report



Schedule 4  
(Continued)

<u>Schools</u>	Community <u>Colleges</u>	<u>Corporations</u>	<u>Townships</u>
\$ 138,600,231	\$ 11,890,845	\$ 131,521,006	\$ 1,109,494
-	-	-	-
7,175,924	611,692	7,231,485	43,446
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>145,776,155</u>	<u>12,502,537</u>	<u>138,752,491</u>	<u>1,152,940</u>
-	-	-	-
145,778,143	12,502,444	138,738,525	1,153,575
-	-	-	-
<u>145,778,143</u>	<u>12,502,444</u>	<u>138,738,525</u>	<u>1,153,575</u>
(1,988)	93	13,966	(635)
<u>159,482</u>	<u>13,438</u>	<u>82,072</u>	<u>2,423</u>
\$ <u><u>157,494</u></u>	\$ <u><u>13,531</u></u>	\$ <u><u>96,038</u></u>	\$ <u><u>1,788</u></u>

JOHNSON COUNTY, IOWA

Schedule 4  
(Continued)

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS

YEAR ENDED JUNE 30, 2022

	<u>Emergency</u> <u>Management</u>	<u>E911</u> <u>Surcharge</u>	<u>Auto</u> <u>License and</u> <u>Use Tax</u>
<u>ADDITIONS:</u>			
Property and other county tax	\$ -	\$ -	\$ -
911 surcharge	-	830,804	-
State tax credits	-	-	-
Office fees and collections	-	-	-
Auto licenses, use tax and postage	-	-	44,628,376
Assessments	-	-	-
Trusts	-	-	-
Miscellaneous	925,589	-	-
Total additions	<u>925,589</u>	<u>830,804</u>	<u>44,628,376</u>
<u>DEDUCTIONS:</u>			
Agency remittances:			
To other funds	-	-	-
To other governments	1,036,997	830,804	44,628,376
Trusts paid out	-	-	-
Total deductions	<u>1,036,997</u>	<u>830,804</u>	<u>44,628,376</u>
Change in net position	(111,408)	-	-
<u>NET POSITION</u> - Beginning of year, as restated	<u>273,549</u>	-	-
<u>NET POSITION</u> - End of year	\$ <u>162,141</u>	\$ <u>-</u>	\$ <u>-</u>

Schedule 4

Empowerment Board	MHDS/East Central Region	Other	Total
\$ -	\$ -	\$ 29,446	\$ 286,147,178
-	-	-	830,804
-	-	1,365	15,218,056
-	-	-	4,755,387
-	-	-	44,628,376
-	-	152,462	152,462
-	-	-	2,014,856
<u>978,834</u>	<u>29,419,910</u>	<u>1,862,538</u>	<u>33,186,871</u>
<u>978,834</u>	<u>29,419,910</u>	<u>2,045,811</u>	<u>386,933,990</u>
-	-	-	1,990,165
1,004,168	28,660,151	1,796,185	381,940,926
-	-	152,462	1,930,796
<u>1,004,168</u>	<u>28,660,151</u>	<u>1,948,647</u>	<u>385,861,887</u>
(25,334)	759,759	97,164	1,072,103
<u>162,953</u>	<u>15,299,537</u>	<u>55,092</u>	<u>17,126,659</u>
\$ <u>137,619</u>	\$ <u>16,059,296</u>	\$ <u>152,256</u>	\$ <u>18,198,762</u>

JOHNSON COUNTY, IOWA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2022

<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>	<u>Amounts Passed- Through to Subrecipients</u>
<b>Direct:</b>				
U.S. Department of the Interior:				
Direct program:				
Payments in Lieu of Taxes	15.226		\$ 71,641	\$ -
Total U.S. Department of the Interior:			<u>71,641</u>	<u>-</u>
U.S. Department of Treasury:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		418,333	63,333
Total U.S. Department of Treasury:			<u>418,333</u>	<u>63,333</u>
<b>Total Direct:</b>			<u><b>489,974</b></u>	<u><b>63,333</b></u>
<b>Indirect:</b>				
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	\$ 37,859	\$ -
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	5888A051	721,682	-
			<u>759,541</u>	<u>-</u>
SNAP Cluster				
Iowa Department of Human Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	51,972	-
Total U.S. Department of Agriculture			<u>811,513</u>	<u>-</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	62,699	-
Pass-through program from:				
Iowa Economic Development Authority:				
CDBG - Disaster Recovery Grants Cluster National Disaster Resiliency Competition (CDBG-NDR)	14.272	13-NDRI-007	1,491,517	-
Total U. S. Department of Housing and Urban Development:			<u>1,491,517</u>	<u>-</u>
U.S. Department of Justice:				
Pass-through program from:				
Iowa Department of Justice:				
Victim Services Support Program	16.575	VP-20-131-VWC	196,248	-
Pass-through program from:				
Governor's Office of Drug Control Policy:				
Public Safety Partnership and Community Policing Grants	16.710	19-CAMP-06	3,583	-
Public Safety Partnership and Community Policing Grants	16.710	18-COPS-Heroin-03	781	-
			<u>4,364</u>	<u>-</u>
Pass-through program from:				
Governor's Office of Drug Control Policy:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	19-JAG-397430	33,333	-
Total U.S. Department of Justice			<u>233,945</u>	<u>-</u>
U.S. Department of Labor:				
Pass-through program from:				
Iowa Workforce Development:				
Employment Service Cluster:				
Employment Services/Wagner-Peyser Funded Activities	17.207	NA	3,560	3,560
WIOA Cluster:				
WIOA Adult Program	17.258	20-N-EC-WI-OA	296,822	268,716
WIOA Youth Program	17.259	20-N-EC-WI-OA	606,289	551,181
WIOA Dislocated Worker Formula Grant	17.278	21-W-PF-ID-0-45	58,176	58,176
WIOA Dislocated Worker Formula Grant	17.278	20-N-EC-WI-OA	278,696	242,468
Subtotal WIOA Dislocated Worker Formula Grant			<u>336,872</u>	<u>300,644</u>
Total Iowa Workforce Development			<u>1,239,983</u>	<u>1,120,541</u>
Total U.S. Department of Labor			<u>1,243,543</u>	<u>1,124,101</u>

JOHNSON COUNTY, IOWA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amounts Passed Through to Subrecipients
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	13,605	-
Highway Planning and Construction	20.205	6-20-CHBP-005	259,445	-
Highway Planning and Construction	20.205	16-TAP-112	164,279	-
Sobtotal Highway Planning and Construction			<u>423,724</u>	
Total Highway Planning and Construction Cluster			<u>437,329</u>	-
Pass-through program from East Central Iowa Council of Governments:				
East Central Iowa Council of Governments:				
Formula Grants for Rural Areas	20.509	TF-2000-XXX	248,241	-
Formula Grants for Rural Areas	20.509	TF20-058	1,341	-
Total East Central Iowa Council of Governments:			<u>249,582</u>	-
Pass-through program from:				
Federal Transit Administration:				
Community Transportation Association of America	20.531	DC-2921-007-00	20,664	-
Total Federal Transit Administration			<u>20,664</u>	-
Highway Safety Cluster:				
Iowa Department of Public Safety:				
State and Community Highway Safety	20.600	PAP22-405d-F24SE	2,954	-
State and Community Highway Safety	20.600	PAP22-405d-M6OT	8,108	-
State and Community Highway Safety	20.600	PAP21-/22-402-MOTP	19,730	-
Total Iowa Department of Public Safety			<u>30,792</u>	-
Total U.S. Department of Transportation			<u>738,367</u>	-
U.S. Department of the Treasury:				
Pass-through program from:				
Iowans for Social and Economic Development:				
Volunteer Income Tax Assistance (VITA) Matching Grant Program	21.009	22VITA0128	490	-
U.S. Department of Treasury:				
Pass-through program from:				
Iowa Department of Revenue				
COVID-19 Coronavirus Relief Fund - CARES Act	21.019	149500	21,309	-
Subtotal			<u>21,309</u>	-
Total U.S. Department of Treasury:			<u>21,799</u>	-
U.S. Department of Environmental Protection Agency				
Pass-through program from:				
University of Iowa:				
Gulf of Mexico Program	66.475	MX-00D88019	219,015	-
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	70,118	-
Pass-through program from:				
Iowa Department of Public Health:				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	MOU-2022-TB10	1,550	-
Title X Family Planning Services	93.217	977-FY2022	174,763	-
Immunization Cooperative Agreements	93.268	5885BT452	253,423	-
Immunization Cooperative Agreements	93.268	5880I449	44,000	-
Total Immunization Cooperative Agreements			<u>297,423</u>	-
COVID-19 Epidemiology and Laboratory Capacity for Infectious Disease (ELC)	93.323	5885BT452	173,829	-
Public Health Emergency Response	93.354	5885BT452	33,805	-
Title IV-E Prevention Program	93.472	N/A	1,850	-
Total Iowa Department of Public Health			<u>683,220</u>	-

JOHNSON COUNTY, IOWA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amounts Passed Through To Subrecipients
U.S. Department of Health and Human Services (continued):				
Iowa Department of Human Services:				
Promoting Safe and Stable Families	93.556	DCAT4-19-005	12,575	-
Promoting Safe and Stable Families	93.556	DCAT4-16-010	1,596	-
Subtotal			<u>14,171</u>	<u>-</u>
Iowa Department of Human Services				
Refugee and Entrant Assistance - State Administered Programs	93.566	N/A	60	-
CCDF Cluster:				
Child Care Mandatory and Matching Funds of the Child				
Care and Development Fund	93.596	N/A	13,556	-
Foster Care - Title IV-E	93.658	N/A	13,872	-
Adoption Assistance	93.659	N/A	7,592	-
Social Services Block Grant	93.667	N/A	14,157	-
Children's Health Insurance Program	93.767	N/A	1,075	-
Medicaid Cluster:				
Medical Assistance Program	93.778	N/A	61,414	-
Iowa Department of Public Health:				
HIV Prevention Activities - Health Department Based	93.940	5880AP08	192,097	-
Maternal and Child Health Services Block Grant to the States	93.994	5881MH09	216,317	-
Total U.S. Department of Health and Human Services			<u>1,287,649</u>	<u>-</u>
Department of Homeland Security:				
Iowa Department of Homeland Security:				
Disaster Grants - Public Assistance (Presidentially Declared Disaster)	97.036	103-U2V3C-00	36,919	-
Disaster Grants - Public Assistance (Presidentially Declared Disaster)	97.036	103-UB5PN-00	50,512	-
Disaster Grants - Public Assistance (Presidentially Declared Disaster)	97.036	103-04171-00	175,232	-
Disaster Grants - Public Assistance (Presidentially Declared Disaster)	97.036	103-UGN5Q-00	162,282	-
Disaster Grants - Public Assistance (Presidentially Declared Disaster)	97.036	103-U2V3C-00	3,862	-
Total Disaster Grant - Public Assistance (Presidentially Declared Disaster)			<u>428,807</u>	<u>-</u>
Department of Homeland Security:				
Pass-through program from:				
Federal Emergency Management Agency (FEMA)				
Hazard Mitigation Grant	97.039	HMG-DR-4421-0021	2,525	-
Total Department of Homeland Security			<u>431,332</u>	<u>-</u>
Total Indirect:			<u>6,541,379</u>	<u>1,124,101</u>
Total Federal Financial Assistance			<u>\$ 7,031,353</u>	<u>\$ 1,187,434</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, 2022. 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.

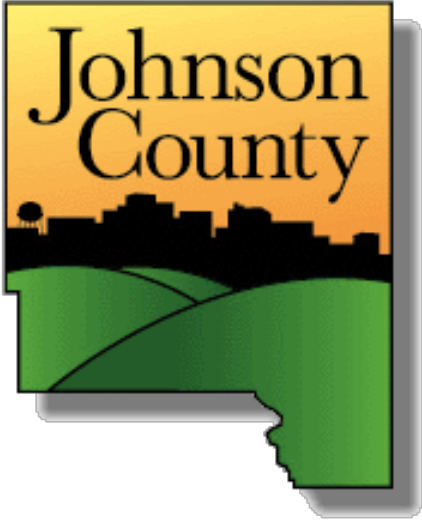
Federal financial assistance provided to subrecipients as follows:

- 21.027 CLSRF - Iowa Legal Aid, Coralville Community Food Pantry, and Friends of Coralville Lake
- 17.207 Employment Services/Wagner-Peyser Funded Activities - Kirkwood Community College
- WIOA Cluster - Kirkwood Community College

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>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	87-94
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	95-106
<b>Debt Capacity</b> 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.	107-109
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	110-113
<b>Operating Information</b> 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.	114-119

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Governmental Activities:				
Net investment in capital assets	\$ 175,718,082	\$ 171,251,796	\$ 158,829,720	\$ 147,967,600
Restricted	25,140,552	16,530,152	14,539,903	14,965,284
Unrestricted	<u>34,137,400</u>	<u>27,157,849</u>	<u>22,506,609</u>	<u>16,935,571</u>
Total governmental activities net position	\$ <u>234,996,034</u>	\$ <u>214,939,797</u>	\$ <u>195,876,232</u>	\$ <u>179,868,455</u>

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 131,064,633	\$ 122,677,790	\$ 105,131,206	\$ 99,270,214	\$ 82,451,458	\$ 74,178,929
14,547,678	12,882,011	25,423,792	22,194,269	24,495,898	24,635,844
<u>14,389,010</u>	<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>\$ 160,001,321</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>

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Expenses:			
Governmental activities:			
Public safety and legal services	\$ 28,191,942	\$ 27,234,631	\$ 27,368,015
Physical health and social services	14,698,157	14,066,367	12,265,474
Mental health	5,725,715	7,122,273	5,008,693
County environment and education	8,518,527	8,677,975	7,894,118
Roads and transportation	11,803,623	10,813,127	14,027,137
Governmental services to residents	2,853,607	3,502,172	2,765,509
Administration	13,199,273	12,973,054	11,259,798
Non-program	199,494	110,370	60,412
Interest on long-term debt	126,076	217,094	344,002
Total governmental expenses	\$ <u>85,316,414</u>	\$ <u>84,717,063</u>	\$ <u>80,993,158</u>
Program revenues:			
Governmental activities:			
Charges for services:			
Public safety and legal services	\$ 6,304,188	\$ 4,226,521	\$ 6,976,833
Physical health and social services	1,012,156	681,028	836,492
Mental health	608,214	764,497	758,033
County environment and education	990,346	1,123,738	873,944
Roads and transportation	615,198	45,754	51,634
Governmental services to residents	2,591,483	2,650,848	2,334,202
Administration	1,384,966	1,056,677	597,449
Operating grants and contributions	16,896,951	17,328,302	13,557,995
Capital grants and contributions	3,544,759	8,043,046	4,306,630
Total governmental program revenues	<u>33,948,261</u>	<u>35,920,411</u>	<u>30,293,212</u>
Total primary government net expense	\$ <u>(51,368,153)</u>	\$ <u>(48,796,652)</u>	\$ <u>(50,699,946)</u>
General revenues and other changes in net position			
Governmental Activities:			
Property and other County taxes	\$ 62,711,014	\$ 61,913,570	\$ 60,293,455
Other County taxes	1,073,945	1,045,079	1,036,655
Penalty and interest on property taxes	484,122	720,903	268,632
State tax credits	3,196,010	3,252,421	3,381,424
Unrestricted investment earnings	791,319	648,526	1,580,939
Gain (loss) on sales of capital assets	147,643	21,337	8,891
Miscellaneous	3,020,337	258,381	137,727
Total governmental activities	<u>71,424,390</u>	<u>67,860,217</u>	<u>66,707,723</u>
Change in net position governmental activities	\$ <u>20,056,237</u>	\$ <u>19,063,565</u>	\$ <u>16,007,777</u>

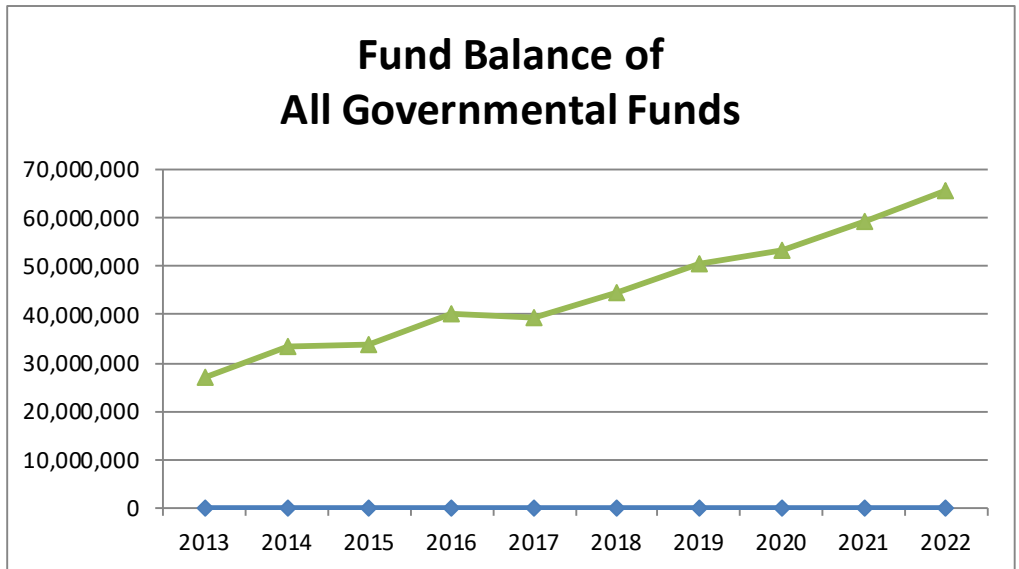
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$	25,347,382	\$ 23,044,794	\$ 22,517,620	\$ 21,681,544	\$ 21,423,137	\$ 21,713,703	\$ 20,188,789
	11,288,474	10,438,263	10,094,498	9,096,966	8,462,069	8,814,694	8,630,946
	5,530,237	5,727,490	7,221,045	7,383,813	5,897,981	7,977,750	6,484,037
	6,423,634	5,619,726	5,618,841	4,181,307	3,930,143	3,679,768	3,526,150
	12,677,748	13,067,355	13,191,877	11,406,730	12,708,805	10,806,794	10,141,639
	2,974,297	2,464,520	2,647,086	2,259,982	2,043,747	2,124,814	2,492,299
	9,451,999	9,598,720	9,002,956	8,591,357	8,355,864	8,462,602	7,780,572
	12,883	8,992	6,534	5,107	6,375	39,694	5,027
	<u>336,537</u>	<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>74,043,191</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>
\$	3,694,331	\$ 3,377,414	3,478,952	3,063,034	3,024,693	2,800,091	2,984,302
	777,578	915,177	944,182	551,161	469,889	469,102	405,637
	722,085	703,008	804,875	934,351	887,449	3,250	91
	506,953	717,826	452,191	525,305	459,665	448,173	459,684
	91,838	73,670	112,023	54,048	63,726	90,612	86,068
	2,173,536	2,180,692	2,229,568	2,159,040	2,041,891	1,985,278	2,210,050
	741,022	750,572	1,374,385	1,395,337	1,239,492	1,099,596	2,023,086
	12,619,539	13,579,013	14,088,732	14,620,176	16,389,081	17,493,399	12,840,306
	<u>7,648,254</u>	<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>28,975,136</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>(45,068,055)</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>
\$	58,139,000	56,138,703	\$ 52,524,864	\$ 49,361,895	\$ 47,684,945	\$ 45,376,991	\$ 43,060,882
	968,431	972,047	966,735	1,005,973	985,548	950,917	932,776
	411,720	365,817	502,716	718,558	163,223	408,283	344,982
	3,398,248	3,455,162	3,346,375	3,433,072	2,137,897	1,027,037	823,125
	1,909,803	967,109	410,706	352,970	284,516	285,224	263,505
	-	68,231	54,092	(3,766)	5,700	(346,498)	(276,882)
	<u>107,987</u>	<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>64,935,189</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>19,867,134</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>

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>General Fund:</b>					
Nonspendable	\$ 426,249	\$ 273,500	\$ 229,304	\$ 200,959	\$ 187,828
Restricted	1,545,163	2,620,103	1,884,850	2,200,096	3,606,754
Unassigned	<u>28,742,924</u>	<u>27,584,767</u>	<u>23,109,692</u>	<u>19,499,280</u>	<u>17,470,191</u>
Total general fund	<u>\$ 30,714,336</u>	<u>\$ 30,478,370</u>	<u>\$ 25,223,846</u>	<u>\$ 21,900,335</u>	<u>\$ 21,264,773</u>
<b>All other governmental funds</b>					
Nonspendable	\$ 1,920,101	\$ 1,539,989	\$ 1,554,372	\$ 1,520,536	\$ 1,424,282
Restricted	24,764,961	18,232,083	18,309,840	19,149,877	13,300,317
Committed	-	-	-	-	-
Assigned	8,284,408	9,109,705	8,368,197	8,004,505	8,580,798
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 34,969,470</u>	<u>\$ 28,881,777</u>	<u>\$ 28,232,409</u>	<u>\$ 28,674,918</u>	<u>\$ 23,305,397</u>

Fund Balance of all Governmental Funds

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
2022	\$ 65,683,806



	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$	182,922	\$ 214,385	\$ 203,911	\$ 426,916	\$ 380,248
	4,110,541	2,141,961	1,585,708	934,199	760,182
	<u>14,964,912</u>	<u>14,599,342</u>	<u>11,619,718</u>	<u>9,039,309</u>	<u>5,827,582</u>
\$	<u><u>19,258,375</u></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>
\$	479,015	\$ 528,678	\$ 414,356	\$ 347,039	\$ 523,589
	14,814,647	12,696,268	11,812,274	11,455,613	16,322,720
	-	-	-	-	3,239,899
	-	9,956,978	8,179,074	11,332,131	-
	<u>4,892,323</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u><u>20,185,985</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>

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenues:					
Property taxes and other county taxes	\$ 63,800,436	\$ 63,698,918	\$ 60,573,192	\$ 59,118,878	\$ 57,099,590
Interest and penalty on taxes	490,986	753,153	234,988	413,119	364,041
Intergovernmental	24,344,304	28,454,183	24,641,605	23,930,569	19,285,208
Licenses and permits	981,323	809,579	834,992	732,053	727,532
Charges for service	5,788,789	5,476,000	4,816,308	4,935,715	5,067,547
Use of money and property	917,447	708,723	1,785,938	1,891,685	1,185,881
Miscellaneous	<u>3,692,683</u>	<u>2,250,765</u>	<u>1,036,802</u>	<u>671,123</u>	<u>1,225,537</u>
Total revenues	<u>100,015,968</u>	<u>102,151,321</u>	<u>93,923,825</u>	<u>91,693,142</u>	<u>84,955,336</u>
Expenditures:					
Current:					
Public safety and legal services	28,787,323	25,928,544	25,727,350	24,311,193	23,533,955
Physical health and social services	15,566,247	13,056,548	11,348,900	11,160,839	10,085,322
Mental health	5,924,528	6,411,385	7,813,021	5,548,694	5,723,214
County environment and education	6,647,218	6,410,602	5,949,244	5,540,994	4,987,436
Roads and transportation	9,727,419	10,616,524	9,732,075	9,974,893	9,711,078
Governmental services to residents	2,999,299	3,213,808	2,612,702	2,851,188	2,383,760
Administration	10,712,432	9,495,175	8,882,667	8,490,199	8,334,774
Non-program	85,753	43,158	50,178	5,276	3,748
Capital projects	13,285,407	20,539,800	18,578,121	16,793,113	14,407,215
Debt service:					
Principal	9,575,000	9,945,000	9,550,000	7,895,000	7,530,000
Interest	<u>129,326</u>	<u>226,314</u>	<u>344,859</u>	<u>333,427</u>	<u>368,457</u>
Total expenditures	<u>103,439,952</u>	<u>105,886,858</u>	<u>100,589,117</u>	<u>92,904,816</u>	<u>87,068,959</u>
Excess (deficiency) of revenues over (under) expenditures	(3,423,984)	(3,735,537)	(6,665,292)	(1,211,674)	(2,113,623)
Other financing sources (uses):					
Sale of capital assets	147,643	37,029	21,294	16,757	39,433
Proceeds from long-term debt	9,600,000	9,602,400	9,525,000	7,200,000	7,200,000
Issuance of refunding bonds	-	-	-	-	4,240,000
Payment to refunded bond escrow agent	-	-	-	-	(4,240,000)
Transfers in	28,614,905	27,431,223	28,538,196	27,799,738	26,453,965
Transfers out	<u>(28,614,905)</u>	<u>(27,431,223)</u>	<u>(28,538,196)</u>	<u>(27,799,738)</u>	<u>(26,453,965)</u>
Total other financing sources (uses)	<u>9,747,643</u>	<u>9,639,429</u>	<u>9,546,294</u>	<u>7,216,757</u>	<u>7,239,433</u>
Net change in fund balances	\$ <u>6,323,659</u>	\$ <u>5,903,892</u>	\$ <u>2,881,002</u>	\$ <u>6,005,083</u>	\$ <u>5,125,810</u>
Debt Service as a percentage of noncapital expenditures	10.29%	11.50%	11.74%	10.62%	10.67%



	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$	53,486,619	\$ 50,364,750	\$ 48,667,704	\$ 46,330,012	\$ 43,994,487
	495,683	712,984	169,549	417,092	346,337
	20,243,236	20,256,459	20,813,839	19,937,570	18,001,226
	690,466	748,102	677,670	646,331	676,912
	5,034,553	4,399,571	4,169,605	4,118,569	4,155,377
	419,210	352,742	300,809	284,731	274,123
	<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>81,546,816</u>	<u>78,379,236</u>	<u>76,228,460</u>	<u>73,215,835</u>	<u>69,681,436</u>
	21,664,656	21,009,727	20,735,683	20,536,016	19,651,404
	9,786,384	9,017,307	8,474,153	8,410,932	8,349,705
	7,335,429	7,519,034	5,989,761	7,887,238	6,419,857
	4,860,092	4,028,440	3,684,968	3,507,160	3,530,073
	9,610,535	8,842,350	9,083,591	8,528,073	8,735,455
	2,434,856	2,197,423	2,015,947	2,018,025	2,450,684
	7,870,598	7,728,567	7,490,403	7,384,293	7,141,290
	2,673	3,183	4,432	37,827	3,160
	16,696,625	11,212,474	16,445,471	10,197,459	5,728,384
	6,520,000	6,440,000	5,965,000	4,395,000	4,046,000
	<u>343,236</u>	<u>376,495</u>	<u>415,861</u>	<u>454,144</u>	<u>491,316</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>
	(5,578,268)	4,236	(4,076,810)	(140,332)	3,134,108
	85,016	18,355	6,644	62,113	15,187
	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
	<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>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>(693,252)</u>	<u>6,322,571</u>	<u>279,834</u>	<u>3,071,781</u>	<u>8,149,295</u>
	9.36%	10.10%	11.10%	7.68%	8.06%



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>
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
2022	62,711,014	1,073,945	63,784,959

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>
2013	\$ 7,470,218	\$ 376,831	\$ 1,704,187	\$ 99,326	\$ -	\$ 22,353
2014	7,632,480	377,945	1,639,062	97,793	-	27,268
2015	7,915,878	529,368	1,733,506	105,906	-	32,434
2016	8,120,110	528,175	1,650,705	96,762	-	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
2022	11,484,847	350,978	1,965,950	135,288	726,842	33,050

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>	Military <u>Exemption</u>	Total Taxable Assessed <u>Value</u>	TIF <u>Valuation</u>	Total Direct Tax Rate, <u>Urban *</u>
\$ 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
440,624	(5,932)	15,154,066	977,818	6.16773

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Countywide service rates:				
General basic	\$ 3.50000	\$ 3.50000	\$ 3.50000	\$ 3.50000
General supplemental	0.15531	0.26790	0.21732	0.21176
MH/DS	0.34864	0.55253	0.51596	0.58222
Debt service	<u>2.16378</u>	<u>2.02538</u>	<u>2.25950</u>	<u>2.24196</u>
Johnson County urban rate	6.16773	6.34581	6.49279	6.53594
Johnson County rural rate	<u>3.76734</u>	<u>3.77509</u>	<u>3.68226</u>	<u>3.66661</u>
Total Direct Rate	<u>9.93508</u>	<u>10.12090</u>	<u>10.17505</u>	<u>10.20255</u>
City Rates:				
Coralville	14.28384	14.31230	13.52770	13.52770
Hills	8.09831	8.09932	8.10000	8.10000
Iowa City	15.67305	15.77305	15.83305	14.85629
Lone Tree	8.24873	8.24908	8.25796	12.95547
North Liberty	11.51744	11.03264	11.03264	11.03264
Oxford	12.28568	11.60494	11.27591	14.25606
Shueyville	7.37249	7.09242	7.09241	7.09910
Solon	10.92262	10.84314	10.82842	10.89780
Swisher	11.31125	11.32868	11.46215	8.59314
Tiffin	11.80926	11.80802	11.80689	11.80205
University Heights	11.69084	11.22967	10.93282	10.93764
West Branch	13.09509	13.09428	12.10287	12.35271
School District Rates:				
Clear Creek Amana	17.05959	17.06011	16.56460	16.57663
College Community	16.60869	16.60721	16.60706	16.60836
Iowa City	14.85066	14.83935	14.79097	14.85629
Solon	16.28008	16.25064	16.24818	16.24083
West Branch	15.20787	15.35028	13.08686	13.09246

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$	3.50000	\$ 3.50000	\$ 3.50000	\$ 3.50000	\$ 3.50000	\$ 3.50000
	0.53648	0.81752	1.14707	0.68976	1.11314	2.09274
	0.67548	0.44559	0.47957	0.49284	0.51324	0.52822
	<u>2.13947</u>	<u>2.00829</u>	<u>1.77673</u>	<u>2.05908</u>	<u>1.61074</u>	<u>0.62813</u>
	6.85143	6.77140	6.90337	6.74168	6.73712	6.74909
	<u>3.69992</u>	<u>3.46939</u>	<u>3.46939</u>	<u>3.40746</u>	<u>3.33826</u>	<u>3.08914</u>
	<u>10.55135</u>	<u>10.24079</u>	<u>10.37276</u>	<u>10.14914</u>	<u>10.07538</u>	<u>9.83823</u>
	13.52770	13.52779	13.52771	13.52771	13.52770	13.52767
	8.10000	8.10000	8.10000	8.10000	8.10000	8.10000
	16.33305	16.58305	16.65096	16.70520	16.80522	17.26864
	9.18296	9.19724	9.22462	9.23483	9.27730	9.31760
	11.03264	11.03264	11.03264	11.03264	11.03264	11.03264
	10.14301	9.72063	10.82201	9.38055	10.84265	10.93746
	7.09909	7.09997	7.09995	7.09991	7.09994	7.10000
	10.87796	10.82552	10.83300	10.97205	10.88627	10.71190
	8.37053	8.10000	8.10000	8.10000	8.10000	8.10000
	11.80227	11.80265	11.80309	11.97177	10.62359	11.97391
	10.79874	11.08828	11.05210	10.88143	10.90073	10.94865
	12.59382	12.59382	12.59382	12.04382	12.04382	12.04382
	16.75949	16.75419	15.62084	15.06516	15.11055	15.31063
	16.64476	16.06203	15.81016	14.80342	15.08387	15.80308
	13.95855	13.98935	13.86773	13.69999	13.68792	14.07327
	16.22396	16.11521	16.15171	16.35337	15.99708	16.95781
	13.75022	14.12945	14.17879	14.10551	13.97611	13.96841

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

Taxpayers	Type of Business	2022			2013		
		Taxable Value	Rank	Percentage of Taxable Value	Taxable Value	Rank	Percentage of Taxable Value
Coral Ridge Mall LLC.	Retail Property	\$ 94,837,100	1	0.94 %	\$ 150,995,123	1	2.54 %
Rise at Riverfront Landing	Property Leasing	55,376,050	2	0.55	-	-	-
BBCS Hawkeye Housing LLC	Property Leasing	50,708,760	3	0.50	-	-	-
Latitude At River Landing	Property Leasing	48,789,300	4	0.48	-	-	-
Tailwind Iowa City LLC	Property Leasing	43,517,480	5	0.43	-	-	-
Paradigm Properties LLC	Retail Property	40,989,138	6	0.40	-	-	-
808 On 5th Street	Property Leasing	38,422,900	7	0.38	-	-	-
Greenstate Credit Union (formerly UICCU)	Financial Institution	35,702,260	8	0.35	52,139,719	3	0.88
City of Coralville	City	35,394,800	9	0.35	48,389,324	4	0.81
ACT	Standardized Testing	34,285,720	10	0.33	46,720,378	5	0.79
Mid American Energy	Utility	-	-	-	82,187,506	2	1.38
TKG Coral North LLC	Retail Property	-	-	-	30,245,910	6	0.51
Wal-Mart Real Estate Business	Retail Property	-	-	-	26,224,899	7	0.44
Cedar Rapids & Iowa City Railroad	Rail Transportation	-	-	-	25,608,880	8	0.43
Hollingsworth Capital Partners-Iowa LLC	Retail Property	-	-	-	21,992,339	9	0.37
Bankers Commercial Corporation	Property Leasing	-	-	-	19,360,385	10	0.33
		<u>\$ 478,023,508</u>		<u>4.71 %</u>	<u>\$ 503,864,463</u>		<u>8.48 %</u>
		<u>\$ 10,125,729,894</u>			<u>\$ 5,941,402,562</u>		
Total Taxable Value							



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>
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
2022	366,938,187	349,611,730	95.28	102,166	349,713,896	95.31

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

	2020 Valuations For FY2022 Tax Levies		
	<u>Rural</u>	<u>Urban</u>	<u>Grand Total</u>
<u>JOHNSON COUNTY BASE</u>			
Residential	\$ 1,282,360,220	5,051,531,677	\$ 6,333,891,897
Agricultural land	287,957,686	6,938,655	294,896,341
Agricultural buildings	19,275,818	143,861	19,419,679
Commercial property	115,444,134	1,599,460,820	1,714,904,954
Industrial property	10,176,570	110,555,433	120,732,003
Multiresidential	19,451,361	466,339,570	485,790,931
Railroads	13,155,690	16,589,324	29,745,014
Utilities (Without gas & elec.)	<u>50,307,752</u>	<u>25,748,773</u>	<u>76,056,525</u>
Gross Valuation	1,798,129,231	7,277,308,113	9,075,437,344
Less military tax exemptions	<u>(1,387,148)</u>	<u>(4,544,808)</u>	<u>(5,931,956)</u>
Total value for computing taxes levied	1,796,742,083	7,272,763,305	9,069,505,388
Gas & electric utilities	<u>29,155,850</u>	<u>65,739,115</u>	<u>94,894,965</u>
Total value for computing tax rates	<u>\$ 1,825,897,933</u>	<u>\$ 7,338,502,420</u>	<u>\$ 9,164,400,353</u>
<u>COUNTY TIF INCREMENT</u>			
Residential	\$ -	345,466,946	\$ 345,466,946
Agricultural land	-	201,062	201,062
Agricultural building	-	2,581	2,581
Commercial property	-	590,167,095	590,167,095
Industrial property	-	10,269,936	10,269,936
Multiresidential	-	15,221,921	15,221,921
Total value for computing taxes levied	-	<u>961,329,541</u>	<u>961,329,541</u>
Total value for computing tax rates	<u>\$ -</u>	<u>\$ 961,329,541</u>	<u>\$ 961,329,541</u>
<u>CO. DEBT SERVICE TOTAL</u>			
Residential	\$ 1,282,360,220	5,396,998,623	\$ 6,679,358,843
Agricultural land	287,957,686	7,139,717	295,097,403
Agricultural buildings	19,275,818	146,442	19,422,260
Commercial property	115,444,134	2,189,627,915	2,305,072,049
Industrial property	10,176,570	120,825,369	131,001,939
Multiresidential	19,451,361	481,561,491	501,012,852
Railroads	13,155,690	16,589,324	29,745,014
Utilities (Without gas & elec.)	<u>50,307,752</u>	<u>25,748,773</u>	<u>76,056,525</u>
Gross valuation	1,798,129,231	8,238,637,654	10,036,766,885
Less military tax exemptions	<u>(1,387,148)</u>	<u>(4,544,808)</u>	<u>(5,931,956)</u>
Total value for computing taxes levied	1,796,742,083	8,234,092,846	10,030,834,929
Gas & electric utilities	<u>29,155,850</u>	<u>65,739,115</u>	<u>94,894,965</u>
Total value for computing tax rates	<u>\$ 1,825,897,933</u>	<u>\$ 8,299,831,961</u>	<u>\$ 10,125,729,894</u>

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

2019 Valuations  
For FY2021 Tax Levies

	<u>Rural</u>	<u>Urban</u>	<u>Grand Total</u>
\$	1,227,561,444	4,813,983,853	\$ 6,041,545,297
	279,367,256 #	6,830,493	286,197,749
	16,954,786	148,918	17,103,704
	112,563,936	1,581,798,516	1,694,362,452
	9,972,630 #	109,458,880	119,431,510
	20,456,080	490,402,181	510,858,261
	14,604,626	18,787,214	33,391,840
	<u>51,848,979</u>	<u>28,453,428</u>	<u>80,302,407</u>
	1,733,329,737	7,049,863,483	8,783,193,220
	<u>(1,442,708)</u>	<u>(4,609,628)</u>	<u>(6,052,336)</u>
	1,731,887,029	7,045,253,855	8,777,140,884
	<u>25,566,083</u>	<u>66,152,892</u>	<u>91,718,975</u>
\$	<u><u>1,757,453,112</u></u>	<u><u>7,111,406,747</u></u>	<u><u>\$ 8,868,859,859</u></u>
\$	-	290,798,544	\$ 290,798,544
	-	245,944	245,944
	-	2,830	2,830
	-	571,712,703	571,712,703
	-	13,169,630	13,169,630
	-	13,995,004	13,995,004
	-	<u>889,924,655</u>	<u>889,924,655</u>
\$	<u><u>-</u></u>	<u><u>889,924,655</u></u>	<u><u>\$ 889,924,655</u></u>
\$	1,227,561,444	5,104,782,397	\$ 6,332,343,841
	279,367,256	7,076,437	286,443,693
	16,954,786	151,748	17,106,534
	112,563,936	2,153,511,219	2,266,075,155
	9,972,630	122,628,510	132,601,140
	20,456,080	504,397,185	524,853,265
	14,604,626	908,711,869	923,316,495
	<u>51,848,979</u>	<u>918,378,083</u>	<u>970,227,062</u>
	1,733,329,737	9,719,637,448	11,452,967,185
	<u>(1,442,708)</u>	<u>(4,609,628)</u>	<u>(6,052,336)</u>
	1,731,887,029	9,715,027,820	11,446,914,849
	<u>25,566,083</u>	<u>66,152,892</u>	<u>91,718,975</u>
\$	<u><u>1,757,453,112</u></u>	<u><u>9,781,180,712</u></u>	<u><u>\$ 11,538,633,824</u></u>

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

Percentage change in Taxable Grand Total Valuations

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>JOHNSON COUNTY BASE</u>				
Ag dwellings	N/A %	N/A %	N/A %	N/A %
Non-ag residential	N/A	N/A	N/A	N/A
Residential (including Ag dwellings)	4.8	6.0	5.4	4.0
Agricultural land	3.0	2.9	3.0	5.1
Agricultural buildings	13.5	0.4	9.1	8.3
Commercial property	1.2	3.0	5.0	35.9
Industrial property	1.1	2.9	0.6	30.8
Multiresidential	(4.9)	7.2	(3.4)	14.8
Railroads	(10.9)	28.9	1.3	(13.8)
Utilities (Without gas & elec.)	(5.3)	(2.4)	1.7	1.3
Total val. for comp. pr. taxes	3.3	5.3	3.4	10.1
Gas & electric utilities	3.5	(4.5)	1.8	(0.4)
Total val. for comp. levies	<u>3.3 %</u>	<u>5.2 %</u>	<u>3.4 %</u>	<u>10.0 %</u>
<u>COUNTY TIF INCREMENT</u>				
Ag dwellings				
Non-ag residential	N/A %	N/A %	N/A %	N/A %
Residential (including Ag dwellings)	18.8	10.3	13.2	17.2
Agricultural land	(18.2)	(49.1)	(2.3)	(31.0)
Agricultural buildings	(8.8)	(55.1)	(21.2)	(41.3)
Commercial property	3.2	2.8	12.6	(36.2)
Industrial property	(22.0)	(5.3)	7.0	(71.7)
Multiresidential	8.8	(25.5)	12.4	(39.0)
Total val. for comp. pr. taxes	8.0	4.4	12.7	(27.6)
Total val. for comp. levies	<u>8.0 %</u>	<u>4.4 %</u>	<u>12.7 %</u>	<u>(27.6) %</u>
<u>CO. DEBT SERVICE TOTAL</u>				
Ag dwellings	N/A %	N/A %	N/A %	N/A %
Non-ag residential	N/A	N/A	N/A	N/A
Residential (including Ag dwellings)	5.5	6.2	5.7	4.5
Agricultural land	3.0	2.8	2.9	5.0
Agricultural buildings	13.5	0.4	9.0	8.3
Commercial property	1.7	2.9	4.1	7.5
Industrial property	(1.2)	2.0	4.2	(3.8)
Multiresidential	(4.5)	5.9	(2.9)	11.6
Railroads	(10.9)	5.1	1.0	(13.8)
Utilities (Without gas & elec.)	(5.3)	3.8	2.3	1.3
Total val. for comp. pr. taxes	3.8	5.1	4.7	5.4
Gas & electric utilities	3.5	(4.5)	4.1	(0.4)
Total val. for comp. levies	<u>3.8 %</u>	<u>5.0 %</u>	<u>4.7 %</u>	<u>5.3 %</u>

Note: Rollbacks applied and military exemptions deducted.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
N/A %	7.6 %	3.1 %	4.6 %	11.9 %	8.4 %
6.2	8.4	7.5	6.9	5.9	8.5
6.0	8.4	7.4	6.9	6.0	8.5
2.8	12.9	2.7	2.6	4.2	(3.9)
7.8	(7.7)	7.1	(15.3)	8.4	(8.7)
5.3	(23.6)	(7.7)	(1.8)	(3.8)	1.0
(0.3)	(1.6)	(11.9)	1.1	(1.5)	0.8
(4.3)	100.0	-	-	-	-
(4.0)	1.8	(1.1)	13.0	22.0	50.2
<u>(1.5)</u>	<u>(3.1)</u>	<u>(3.8)</u>	<u>3.4</u>	<u>3.3</u>	<u>10.8</u>
4.9	7.8	2.8	4.2	3.0	5.7
<u>(6.9)</u>	<u>(3.4)</u>	<u>(1.3)</u>	<u>1.3</u>	<u>(1.1)</u>	<u>(2.2)</u>
<u><u>4.7 %</u></u>	<u><u>7.6 %</u></u>	<u><u>2.8 %</u></u>	<u><u>4.1 %</u></u>	<u><u>2.9 %</u></u>	<u><u>5.5 %</u></u>
2.7 %	5.2 %	(7.0) %	8.2 %	28.4 %	(5.2) %
2.7	5.2	(7.0)	8.2	28.4	(5.4)
20.9	(26.7)	36.9	16.1	6.1	39.3
38.2	25.1	(31.4)	11.7	(9.1)	11.5
5.0	(4.1)	1.8	21.2	9.8	(1.9)
(6.5)	<u>18.9</u>	<u>12.8</u>	<u>6.9</u>	<u>11.0</u>	<u>(3.7)</u>
11.8					
<u>4.2</u>	<u>1.0</u>	<u>17.8</u>	<u>13.5</u>	<u>(2.6)</u>	<u>3.6</u>
<u><u>4.2 %</u></u>	<u><u>1.0 %</u></u>	<u><u>17.8 %</u></u>	<u><u>13.5 %</u></u>	<u><u>(2.6) %</u></u>	<u><u>3.6 %</u></u>
N/A %	7.6 %	3.1 %	4.6 %	11.9 %	8.1 %
5.0	8.3	6.8	7.0	6.7	7.9
4.4	8.3	6.7	6.9	6.9	7.9
2.9	12.7	2.8	2.7	4.2	(3.8)
7.9	(7.7)	7.0	(15.3)	8.4	(8.7)
6.2	(17.0)	(4.6)	4.5	(0.4)	0.3
(3.9)	4.8	(5.4)	2.5	1.4	(0.3)
(3.5)	-	-	-	-	-
(3.3)	1.8	(1.1)	13.0	22.0	50.2
<u>(3.4)</u>	<u>(3.1)</u>	<u>(3.8)</u>	<u>3.4</u>	<u>3.3</u>	<u>10.8</u>
4.8	6.9	2.5	5.9	4.2	4.7
<u>(6.9)</u>	<u>(3.4)</u>	<u>(1.3)</u>	<u>1.3</u>	<u>(1.1)</u>	<u>(2.2)</u>
<u><u>4.7 %</u></u>	<u><u>6.8 %</u></u>	<u><u>2.5 %</u></u>	<u><u>5.8 %</u></u>	<u><u>4.1 %</u></u>	<u><u>4.6 %</u></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>
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
2022	9,602,400	842,978	8,759,422	0.06	62.05	0.104

\*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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Debt limit	\$ 806,594,211	\$ 785,897,759	733,586,211	\$ 671,063,024
Total Net Debt Applicable to the limit	<u>(9,602,400)</u>	<u>(9,577,400)</u>	<u>(9,920,000)</u>	<u>(9,945,000)</u>
Legal Debt Margin	<u>\$ 796,991,811</u>	<u>\$ 776,320,359</u>	<u>723,666,211</u>	<u>\$ 661,118,024</u>
% of Debt Limit to Total Net Debt	1.20%	1.23%	1.37%	1.48%

Legal Debt Margin Calculation for Fiscal Year 2022:

FY2021 actual/assessed property valuation	\$ 16,131,884,226
Debt Limit (5% of assessed value)	806,594,211
Less: Outstanding GO Debt	<u>(9,602,400)</u>
Legal Debt Margin	<u>\$ 796,991,811</u>



<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 613,066,404	\$ 594,176,929	\$ 537,498,905	\$ 566,370,725	\$ 546,388,412	\$ 535,586,818
<u>(10,640,000)</u>	<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>602,426,404</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>
1.74%	1.85%	2.36%	2.55%	2.87%	2.75%

JOHNSON COUNTY, IOWA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2022  
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	\$ 9,602,400	100.00 %	\$ 9,602,400
Overlapping Debt:			
School Districts:			
Clear Creek-Amana School (Clear Creek)	78,610,000	99.60%	78,295,560
College Community School	148,560,000	12.90%	19,164,240
Highland School	2,915,000	3.74%	109,021
Iowa City School	164,020,000	100.00%	164,020,000
Lisbon School	8,080,000	3.67%	296,536
Lone Tree School	1,840,535	97.24%	1,789,736
Mid-Prairie School	5,460,000	22.95%	1,253,070
Mt. Vernon School	13,465,000	0.12%	16,158
Solon School	19,800,000	99.57%	19,714,860
West Branch School	18,130,000	25.34%	4,594,142
West Liberty School	-	1.95%	-
Williamsburg School	6,255,000	0.94%	58,797
Eastern Iowa Community College	9,490,000	0.04%	3,796
Kirkwood Community College	134,385,000	34.18%	46,958,193
Cities:			
Coralville	291,296,431	100.00%	291,296,431
Hills	561,000	100.00%	561,000
Iowa City	53,935,000	100.00%	53,935,000
Lone Tree	1,940,000	100.00%	1,940,000
North Liberty	46,760,000	100.00%	46,760,000
Oxford	979,000	100.00%	979,000
Shueyville	273,000	100.00%	2,730,000
Solon	3,404,000	100.00%	3,404,000
Swisher	14,850,000	100.00%	1,850,000
Tiffin	20,445,000	100.00%	20,446,000
University Heights	1,380,000	100.00%	1,380,000
West Branch	4,615,000	2.67%	<u>123,221</u>
Subtotal Overlapping Debt			<u>761,678,761</u>
Total Direct and Overlapping Debt			\$ <u><u>771,281,161</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>
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
2021	154,748	9,221,972,000	59,592.00	13,947	85,000	3.0
2022	156,420	N/A	N/A	14,395	86,600	2.4

(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: Some of the 2022 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 2022			Fiscal Year 2013		
	<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	24,500	1	28.8 %	30,804	1	33.2 %
Veterans Health Administration	2,000	2	2.3	1,562	3	1.7
Iowa City Community School District	2,000	3	2.3	1,700	2	1.8
Integrated DNA Technologies	1,350	4	1.6	-	-	-
Proctor & Gamble	1,300	5	1.6	-	-	-
Mercy Healthcare, Iowa City	1,300	6	1.6	1,187	6	1.3
ACT, Inc.	985	7	1.2	1,181	7	1.3
Pearson	800	8	0.9	1,200	5	1.3
Goodwill of the Heartland	638	9	0.7	-	-	-
City of Iowa City	631	10	0.7	689	4	0.7
HyVee	-	-	-	1,166	8	1.3
Systems Unlimited	-	-	-	890	9	0.9
International Auto Components (Lear Corp.)	-	-	-	785	10	0.8
Total Employees Counted	<u>35,504</u>		<u>41.7 %</u>	<u>41,164</u>		<u>44.3 %</u>
Total Employees in Johnson County	<u>85,000</u>			<u>92,700</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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Function/Program:					
Public Safety and Legal Services:					
Ambulance:					
# of service calls	14,294	12,390	11,788	11,752	10,770
County Attorney:					
# of indictable offense cases	2,270	2,226	2,578	3,070	2,940
County Sheriff:					
# of jail booking	4,650	3,646	4,355	5,298	5,254
# of service calls	38,236	28,188	32,749	37,551	37,036
Medical Examiner:					
# of cases investigated	2,632	2,502	1,965	1,828	1,783
Physical Health and Social Services:					
Public Health:					
# children receiving health services	4,116	3,619	2,905	5,220	4,225
# of hours spent on disease investigation	6,240	18,984	4,843	3,595	3,371
# of food inspections	1,105	766	864	1,159	1,277
SEATS:					
# of trips	71,000	33,000	95,711	130,238	127,519
# of fleet workorders (started tracking FY17)	660	662	766	815	916
Social Services:					
# of households receiving general assistance	500	350	537	602	564
Veteran Affairs:					
# of local assistance claims	146	118	91	106	261
# of federal assistance claims (started tracking FY15)	530	420	423	369	283
Mental Health/Disability Services:					
# of clients served	600	775	296	125	493
County Environment and Education:					
Planning, Development & Sustainability					
# of building permits issued	400	365	542	447	430
Conservation:					
# of camper nights	9,548	9,548	6,185	4,390	4,689
# of acres managed	2,747	2,637	2,476	2,389	2,299
Roads and Transportation:					
Secondary roads:					
# miles of roads plowed	31,377	64,000	32,615	80,041	40,547
# of structures repaired	67	64	83	60	61
Governmental Services to Residents:					
Recorder:					
# of documents recorded	56,943	27,962	29,408	23,701	27,087
Treasurer:					
# of titles issued	59,130	41,838	32,456	34,074	33,644
# of Registrations Issued (started tracking FY14)	168,246	176,984	168,554	164,801	163,830
Elections:					
# of registered voters	88,093	88,400	97,739	94,148	97,002
Administration:					
Auditor:					
# of claims processed	21,500	20,300	20,737	22,100	18,700
Information Technology:					
# of work orders processed (start FY18)	1,754	1,592	1,811	1,761	1,852



<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
11,439	10,348	9,569	9,210	8,718
2,266	2,012	2,024	1,988	1,968
5,124	5,393	5,428	6,222	6,455
34,215	31,192	20,689	25,515	19,374
1,671	1,648	1,466	663	699
13,771	12,393	13,511	10,999	10,457
3,130	2,075	3,246	1,004	2,001
1,063	1,209	1,147	1,803	1,786
125,840	128,064	132,389	133,379	133,037
138	N/A	N/A	N/A	N/A
549	549	550	616	676
131	187	185	128	171
343	574	350	N/A	N/A
553	547	611	1,333	2,559
440	342	289	245	317
6,075	5,620	4,706	4,679	5,472
2,227	2,185	1,805	1,642	1,642
21,945	22,709	33,149	71,223	39,494
64	47	51	47	16
30,190	28,688	27,304	28,507	37,395
35,800	34,830	33,003	32,507	31,761
163,277	158,168	156,913	153,429	N/A
92,138	83,395	88,333	86,966	91,682
19,400	19,000	19,755	28,919	30,131
n/a	n/a	n/a	n/a	n/a

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 27,985,448	\$ 27,663,214	\$ 21,703,067	\$ 20,425,395
Intangible assets	411,520	933,173	933,173	522,891
Construction in progress	<u>14,142,223</u>	<u>29,416,800</u>	<u>24,934,467</u>	<u>19,559,322</u>
Total capital assets not being depreciated	<u>42,539,191</u>	<u>58,013,187</u>	<u>47,570,707</u>	<u>40,507,608</u>
Capital assets being depreciated:				
Buildings	69,279,859	58,941,573	57,186,106	56,009,678
Improvements other than buildings	1,955,610	1,637,368	1,637,368	1,637,368
Furnishings and equipment	25,649,028	24,846,151	23,097,824	21,795,023
Right-to-use leased building	1,877,988	1,877,988	-	-
Intangibles - computer software	521,653	-	-	-
Infrastructure	<u>132,765,196</u>	<u>119,586,000</u>	<u>114,250,070</u>	<u>107,285,936</u>
Total capital assets being depreciated	<u>232,049,334</u>	<u>206,889,080</u>	<u>196,171,368</u>	<u>186,728,005</u>
Less accumulated depreciation for:				
Buildings	22,497,452	20,811,001	19,239,018	17,753,825
Improvements other than buildings	515,776	451,049	387,182	323,315
Furnishings and equipment	16,743,205	15,524,343	14,581,961	13,630,285
Right-to-use leased building	157,775	-	-	-
Intangibles - computer software	34,777	-	-	-
Infrastructure	<u>55,301,408</u>	<u>51,949,025</u>	<u>48,923,045</u>	<u>45,962,673</u>
Total accumulated depreciation	<u>95,250,393</u>	<u>88,735,418</u>	<u>83,131,206</u>	<u>77,670,098</u>
Total capital assets being depreciated, net	<u>136,798,941</u>	<u>118,153,662</u>	<u>113,040,162</u>	<u>109,057,907</u>
Governmental activities capital assets, net	<u>\$ 179,338,132</u>	<u>\$ 176,166,849</u>	<u>\$ 160,610,869</u>	<u>\$ 149,565,515</u>

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$	17,085,625	\$ 16,017,498	\$ 15,337,706	\$ 13,919,180	\$ 12,858,301	\$ 12,707,628
	522,891	522,891	197,926	63,845	63,845	-
	<u>9,006,416</u>	<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>26,614,932</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>
	56,009,678	46,658,585	43,512,649	38,089,044	37,859,957	38,653,053
	1,480,470	1,344,163	1,344,163	1,121,352	1,121,352	1,089,033
	21,309,455	18,459,284	16,849,626	16,091,962	15,258,472	14,250,702
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>103,757,544</u>	<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>182,557,147</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>
	16,312,036	14,977,890	13,775,133	12,470,288	11,503,647	11,501,923
	262,515	207,803	157,183	114,345	72,953	31,830
	13,104,790	12,483,589	12,303,100	11,868,776	11,409,424	11,047,698
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>43,107,679</u>	<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>72,787,020</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>109,770,127</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><u>136,385,059</u></u>	<u><u>127,284,458</u></u>	<u><u>117,607,853</u></u>	<u><u>111,455,566</u></u>	<u><u>96,896,458</u></u>	<u><u>89,868,929</u></u>

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Function/Department:				
Public Safety and Legal Services:				
Ambulance:				
# vehicles	14	13	11	10
# buildings	1	1	1	1
Sheriff:				
# vehicles	52	54	55	55
# buildings	1	1	1	1
Medical Examiner:				
# vehicles	3	3	3	2
Physical Health and Social Services:				
Public Health:				
# vehicles	14	14	14	12
SEATS:				
# vehicles	28	27	27	27
# buildings	2	2	2	2
FLEET:				
# vehicles	7	5	4	4
Mental Health:				
MH/DS:				
# vehicles	3	2	3	3
County Environment and Education:				
Planning and Zoning:				
# vehicles	8	8	8	6
Conservation:				
# vehicles	44	42	41	38
# buildings	38	32	32	32
Roads and Transportation:				
Secondary Roads:				
# vehicles	72	86	90	90
# buildings	20	20	20	20
Government Services:				
Auditor/Elections:				
# vehicles	5	5	4	3
Administration:				
Information Services:				
# vehicles	-	-	-	-
Physical Plant				
# vehicles	6	6	5	5
# buildings	9	9	9	9

Source: Johnson County Finance Department

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
8	8	7	7	8	8
1	1	1	1	1	1
55	65	58	57	51	60
1	1	1	1	1	1
2	2	2	2	2	2
11	9	8	8	9	9
24	24	24	24	24	24
2	2	2	1	1	1
4	4	4	-	-	-
3	3	3	3	3	3
5	5	5	5	5	5
36	22	21	21	21	21
32	31	31	27	27	27
90	90	92	92	88	89
20	20	20	19	21	18
3	3	3	3	3	3
-	-	-	-	1	1
5	4	4	4	5	5
8	8	11	11	13	13



## **COMPLIANCE SECTION**



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

To the Officials of Johnson County, Iowa

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Johnson County, Iowa, (County) as of and for the year then ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated August 24, 2023.

**Report on 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 2022-001 that we consider to be a material weakness.



## **Report on 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, 2022 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. 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**

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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  
August 24, 2023



**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**

***Adverse and Unmodified Opinions***

We have audited Johnson County, Iowa’s (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of County’s major federal programs for the year ended June 30, 2022. 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.

***Adverse Opinion on the WIOA Cluster***

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the County did not comply in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the WIOA Cluster (17.258/17.259/17.278) for the year ended June 30, 2022.

***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its other major federal programs identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2022.

***Basis for Adverse and Unmodified Opinions***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination the County's compliance with the compliance requirements referred to above.

*Matters Giving Rise to Adverse Opinion on the WIOA Cluster*

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements of the WIOA Cluster (17.258/17.259/17.278) regarding Activities Allowed or Unallowed and Subrecipient Monitoring and as described in findings 2022-002 and 2022-003. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-002 and 2022-003 to be material weaknesses.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's responses to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the other 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.

*Eide Bailly LLP*

Dubuque, Iowa  
August 24, 2023

**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	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified for: 14.272 21.027 Adverse for: 17.258/17.259/ 17.278
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	Yes

**Identification of major programs:**

<u>Name of Federal Program</u>	<u>Federal Financial Assistance Listing</u>
CDBG - Disaster Recovery Grants Cluster: National Disaster Resilience Competition (CDBG-NDR)	14.272
WIOA Cluster:	
WIOA Adult Program	17.258
WIOA Youth Program	17.259
WIOA Dislocated Worker Formula Grant	17.278
Coronavirus State and Local Fiscal Recovery Funds	21.027
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**

**2022-001 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:**

**2022-002 U.S. Department of Labor  
Federal Financial Assistance Listing 17.258/17.259/17.278  
WIOA Cluster  
Activities Allowed or Unallowed  
Material Weakness in Internal Control over Compliance and Material Noncompliance**

**Criteria** – 2 CFR 200.303(a) establishes that the auditee must establish and maintain effective internal control over the federal award that provides assurance that the entity is managing the federal award in compliance with federal statutes, regulations, and conditions of the federal award. 2 CFR 200.403 outlines factors affecting the allowability of costs including that these costs “be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles” and “be adequately documented”.

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

**Condition** – A portion of the County’s expenditures identified as eligible and claimed under the WIOA Cluster program were disallowed by the United States Department of Labor due the lack of appropriate documentation justifying specific costs charged to the program related to one vendor – Garcia Professional Services, LLC. Also, the local board’s contract entered into with Garcia Professional Solutions, LLC. did not adequately address the required contract terms as follows:

1. Total dollar value of the contract to justify procurement method utilized.
2. Terms for payment to ensure payments are only made for verified services received and adequately documented.
3. Contract provisions stipulated in Appendix II to Part 200 of the Uniform Guidance, including Equal Employment Opportunity, Rights to Inventions Made Under a Contract or Agreement, Debarment and Suspension, and Byrd Anti-Lobbying Amendment.

**Cause** – The County made payments based on the local board’s contract and did not have an internal control process in place to ensure allowable activities or unallowed requirements were met.

**Effect** – Ineligible expenditures were reported under the program.

**Questioned Costs** – The total amount reported that should have been excluded was \$84,000.

**Context/Sampling** – An initial nonstatistical sample of 7 expenditures were selected for testing, which accounted for \$384,133 of \$1,239,983 program expenditures. There was one error identified for expenditures without adequate documentation related to Garcia Professional Solutions, LLC. It was determined that there were 12 payments to Garcia Professional Solutions, LLC. in the amount of \$84,000 that were charged to the program.

**Repeat Finding from Prior Years** – No.

**Recommendation** – We recommend the County implement a control process which includes the applicable activities allowable or unallowed requirements.

**View of Responsible Officials** – Johnson County disagrees with the underlying premises of this finding. The expenditures referred to above were expenditures of the East Central Iowa Workforce Development Board (ECIWDB) and not direct expenses of the County. The ECIWDB contracted with Johnson County to provide fiscal agent services. The ECIWDB then entered into a contract with Garcia Professional Solutions, LLC (“GPS”) to provide administrative support services for the Board. Iowa Workforce Development did not provide adequate guidance to ECIWDB as to the DOL-required terms and the terms of that services contract between ECIWDB and GPS did not contain any standards of documentation which DOL later claimed applied to said contract. The County had no input into the contract between the ECIWDB and GPS, nor was the County a party to said contract. Any alleged deficiencies within that contract between the ECIWDB and GPS are solely the responsibility of the ECIWDB Board and/or Iowa Workforce Development. In our fiscal



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

agent role, the County was obliged to honor payment requests submitted to the Board; in that regard we had to make payments to GPS provided those payment requests were invoiced to ECIWDB consistent with the ECIWDB-GPS contract, which they were.

**2022-003 U.S. Department of Labor  
Federal Financial Assistance Listing 17.258/17.259/17.278  
WIOA Cluster  
Subrecipient Monitoring  
Material Weakness in Internal Control over Compliance and Material Noncompliance**

**Criteria** – 2 CFR 200.303(a) establishes that the auditee must establish and maintain effective internal control over the federal award that provides assurance that the entity is managing the federal award in compliance with federal statutes, regulations, and conditions of the federal award. Subrecipient monitoring requirements are contained in 2 CFR 200.331 through 2 CFR 200.333 and include requirements to identify the award and applicable requirements to the subrecipient and monitor the activities of the subrecipient.

**Condition** – Iowa Workforce Development did not formally communicate subrecipient monitoring requirements to the County. Consequently, the County did not formally communicate the required information to the subrecipient. No subrecipient agreement was executed. In addition, no monitoring activities were documented.

**Cause** – The County did not have an internal control process in place to ensure subrecipient monitoring requirements were met.

**Effect** – Without the proper communication of applicable requirements and monitoring of the subrecipient, there is a possibility that federal statutes, regulations, and the terms and conditions of the federal award were not complied with.

**Questioned Costs** – None reported.

**Context/Sampling** – \$1,120,541 was passed through to one subrecipient during the year ended June 30, 2022.

**Repeat Finding from Prior Years** – No.

**Recommendation** – We recommend the County implement a control process which includes the applicable subrecipient monitoring requirements.

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

**View of Responsible Officials** – Johnson County disagrees with the underlying premises of this finding. This finding is due in part to the fiscal agent agreement with Iowa Workforce Development (“IWD”) which does not state that subrecipient monitoring has to be done. Recently, IWD received a finding from the Department of Labor stating that the template fiscal agent agreements imposed upon fiscal agents by IWD improperly placed liability of disallowed costs onto the fiscal agents. According to DOL, IWD’s form of fiscal agent contract was incorrect, i.e., the liability was to stay with the local CEOs. In the wake of the finding, IWD is reissuing the contracts out to the regions to create compliant subrecipient entities within each, and then new fiscal agent agreements will be issued. Additionally, Johnson County will be ending its fiscal agent agreement, and no longer continue to be the fiscal agent as of June 30, 2023.

**Part IV: Other Findings Related to Required Statutory Reporting:**

- 2022-IA-A Certified Budget** – Disbursements during the year ended June 30, 2022, did not exceed the amounts budgeted by function or department.
- 2022-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.
- 2022-IA-C Travel Expense** – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- 2022-IA-D Business Transactions** – There were no business transactions between the County and County Officials or employees for the year ended June 30, 2022.
- 2022-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.
- 2022-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.
- 2022-IA-G Board Minutes** – No transactions were found that we believe should have been approved in the Board minutes but were not.
- 2022-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.
- 2022-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).

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

**2022-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.

**2022-IA-K Tax Increment Financing** – No instances of noncompliance with Tax Increment Financing requirements defined by Chapter 403.19(6)(a) of the Code of Iowa.