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LINN COUNTY IOWA

2017 POPULAR ANNUAL FINANCIAL REPORT

For the fiscal year ending June 30, 2017



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A message from the Linn County Board of Supervisors:

DEAR LINN COUNTY RESIDENTS,

We are pleased to share with you Linn County's Popular Annual Financial Report (PAFR) for the fiscal year ending June 30, 2017. This marks the 20th year that we have published this report, and we are proud to say we have received the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association each year.

For the past two years, we have used this report to update you on our Customer-Centered Culture work and our concentrated efforts to increase customer satisfaction.

Our goal with this report is to keep you informed about your county government and to provide you with an accessible overview of where County revenue comes from and how your tax dollars are spent.

Linn County departments are working daily to exceed your expectations and improve the experience of our customers. We are accomplishing this through investing in ongoing training for employees on improving customer satisfaction, listening to the voice of our customers and aligning Linn County's products to more closely match

customer-desired outcomes. In short, Linn County is using business principles to improve the business of government.

The following pages offer a brief look at what Linn County government has accomplished in the past year and what some of our customers are telling us.

These accomplishments are a credit to the more than 750 County employees who take pride in their work, are experts in their fields, and are committed to finding new and better ways to provide services.

As you review this report, please feel free to share any questions, concerns or recommendations you may have with us. Together, we will work to exceed your expectations.

Sincerely,
The Linn County Board of Supervisors



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What your supervisors do...

The Linn County Board of Supervisors is the executive and legislative branch of county government. The Board has fiscal oversight of 20 departments and operational oversight of the majority of those departments and more than 750 employees. They also appoint members of various boards and commissions. The Board of Supervisors oversees Linn County's \$111 million budget, sets policy and guides the strategic direction of the County. From social services, to public health, to parks, land use planning, and secondary roads – and everything in between – the Board of Supervisors is elected as the governing body of the County.

The Board of Supervisors annually adopts a budget and establishes tax rates to support County programs that touch the lives of all Linn County residents. Other elected officials (Attorney, Auditor, Recorder, Sheriff and Treasurer) and department heads have the responsibility of administering these programs in accordance with applicable state codes and the policies and the annual budget adopted by the Board of Supervisors.

The current five-member governing structure of the Board of Supervisors took effect in January 2009 following a public vote to increase the number of Board members from three to five. In November 2016, Linn County voters voted to change the number of supervisors from five back to three. This change will become effective in January 2019.

LINN COUNTY GOVERNMENT

Linn County government provides residents with a wide range of services including public safety, social services, public health, services to people with disabilities, parks, planning and development, transportation infrastructure, keeping records and vital statistics, elections and more.

Linn County is governed by a Board of Supervisors, comprised of five residents elected by voters within districts to four-year staggered terms. In addition to the Board of Supervisors, voters elect the Linn County Attorney, Auditor, Recorder, Sheriff and Treasurer. These offices are elected at-large to four-year terms.

Board Meeting Videos: Videos of the Board of Supervisors meetings are posted on our website to view at your convenience. The videos are now time-stamped so you can easily view specific agenda items.

AUDITOR'S OFFICE

The vision of the Auditor's Office is Every Person Engaged in Local Government.

The Auditor serves as:

- **County Commissioner of Elections**
- **County Commissioner of Registration** maintaining voter registration records
- **Clerk to the Board of Supervisors** and responsible for managing the County's central accounting system, processing payroll, issuing payments to vendors and tabulating taxable valuations
- **Property records management** processing transfers of ownership and maintaining property and mailing addresses

The office's website at www.linncounty.org/auditor is content-rich, offering agendas and minutes of meetings of the Board of Supervisors; links to applications for various permits; an elected officials directory; summaries of payments to vendors; a property tax calculator and estimator; tax levy information; top owners of real estate data; out-of-state employee travel information; mapping services with assessed value and property tax information; school district boundaries; and voting precinct locations.

The office also maintains www.linncountyelections.org which provides access to all election-related information for Linn County.



Joel Miller
Auditor



Jerry Vander Sanden
County Attorney

COUNTY ATTORNEY'S OFFICE

The Linn County Attorney's Office is assigned 75 legal duties under the Iowa Code and endeavors to provide professional and experienced legal services to the citizens of Linn County. Linn County Attorney Jerry Vander Sanden places special emphasis on the vigorous prosecution of violent and repeat offenders.

The County Attorney's Office has three divisions:

- The **Criminal Division** is responsible for the prosecution of criminal cases.
- The **Civil Division** provides legal assistance to Linn County departments.
- The **Juvenile Division** is responsible for reviewing and prosecuting juvenile delinquency cases.

The County Attorney's Office also strives to promote stronger working relationships with local law enforcement agencies by providing them with legal assistance and training.

RECORDER'S OFFICE

The Recorder's Office maintains official documents for homes, families and businesses.

Certified copies of all records are available to the public.

Office services include:

- Maintaining real estate transactions and documents (deeds, contracts, mortgages, among others)
- Registration and titles for boats, snowmobiles and all-terrain vehicles
- Issuing hunting, fishing and trapping licenses
- Serving as a passport acceptance agency
- Processing marriage licenses
- Storing birth, death and marriage records



Joan McCalmant
Recorder



Brian Gardner
Sheriff

SHERIFF'S OFFICE

Linn County has the second largest Sheriff's Office in Iowa. It is comprised of seven divisions:

- **Patrol Division** provides uniformed patrol services, accident investigation, bomb squad, school resource officer, immediate response unit, K-9 unit, and a paramedic level rescue service.
- **Criminal Division** conducts crime scene processing, follows up on crime reports and initiates narcotics and vice investigations.

- **Communications Division** serves the Sheriff's Office, four police departments, four ambulance services, and 20 fire departments in Linn County.
- **Correctional Center** is a 401-bed facility and the only jail in Linn County.
- **Civil Division** serves legal notices within the county.
- **Financial Division** collects Correctional Center room and board fees, unpaid court fines, town contract fees, and civil process fees.
- **General Services Division** provides support services including inventory management, building and vehicle maintenance, employee training, and oversees the reserve deputy program.

TREASURER'S OFFICE

The Treasurer's Office collects property taxes on behalf of all jurisdictions in Linn County – cities, school districts and other taxing bodies – and distributes the taxes collected to each jurisdiction.

Distribution of property taxes:

- Approximately 16% of property taxes paid by Linn County property owners within incorporated areas are used to fund County government operations and services.

- The remaining 84% goes to the property taxpayer's city of residence, school district and other taxing bodies in the county.
- Linn County taxes represent slightly more than one-third of property taxes for rural residents.
- See the reverse side of your property tax statement for a detailed breakdown by percentage and actual dollar amount of how your individual property taxes are distributed among the taxing jurisdictions.

Other services include:

- Managing and investing county funds
- Motor vehicle title registrations
- Issuing license plates

To pay property taxes or renew vehicle registrations online, go to www.iowataxandtags.org. Renewal forms and payments can also be sent through the mail or paid in person at the Treasurer's Office.



Sharon Gonzalez
Treasurer

About Linn County

Linn County is located in East Central Iowa. Originally home to the Sac, Fox and Winnebago tribes, this area's first settlers arrived in 1836. In 1839, the area was named Linn County in recognition of Lewis Fields Linn, a Missouri senator and strong proponent of Western expansion and development. Linn County is the second most populous county in the state of Iowa.

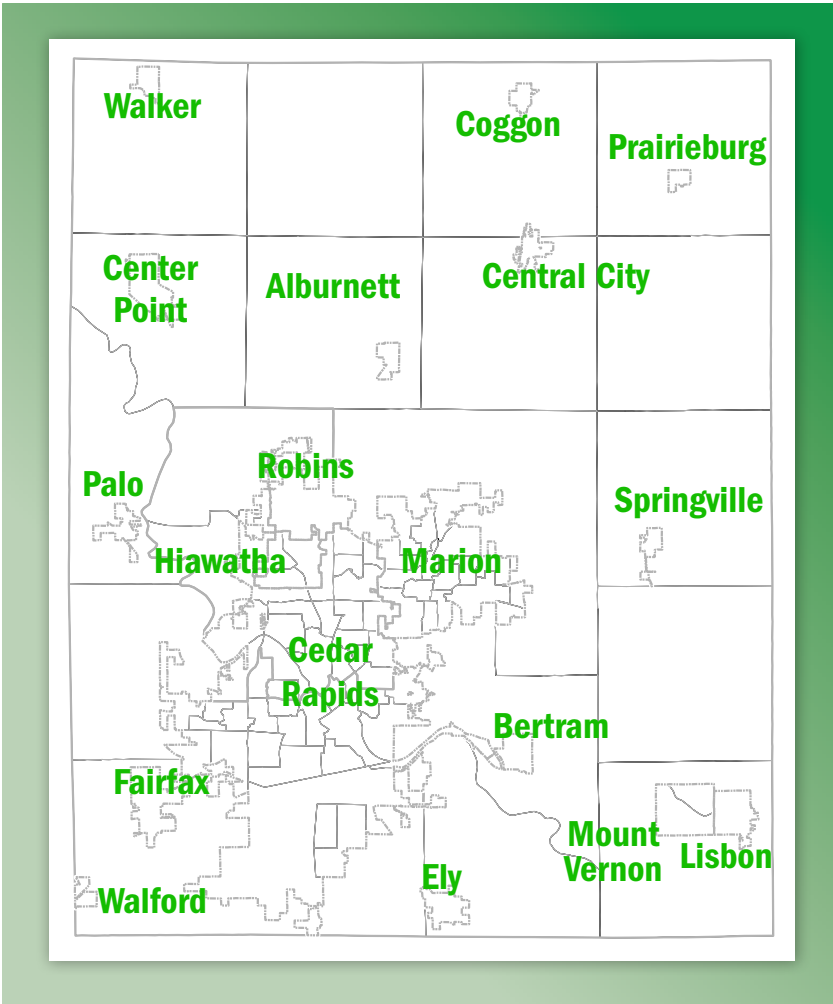
GROWTH

Linn County is one of the fastest growing areas in Iowa. A report from the Population and Economic Forecasts Technical Advisory Committee predicted a 10% population increase each decade through 2030, and job growth of 14% to 21% each decade.

ECONOMY

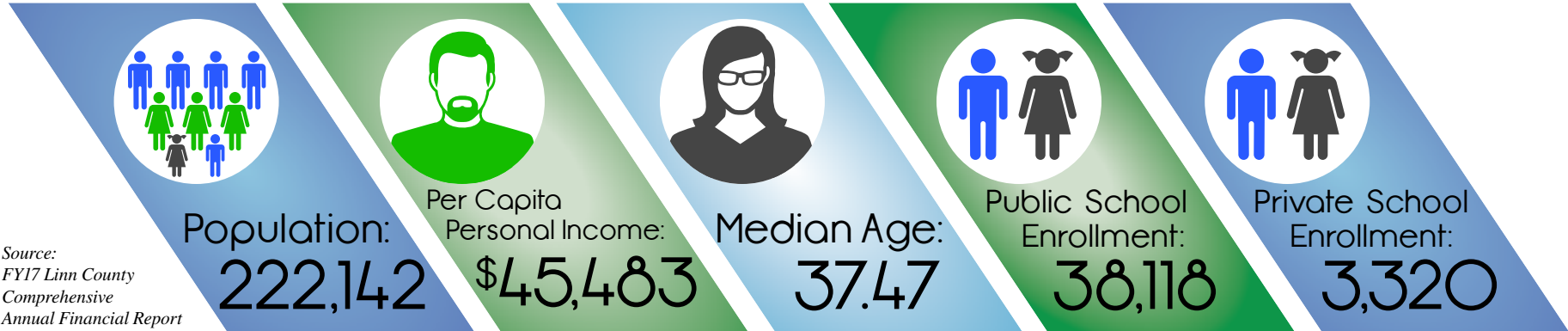
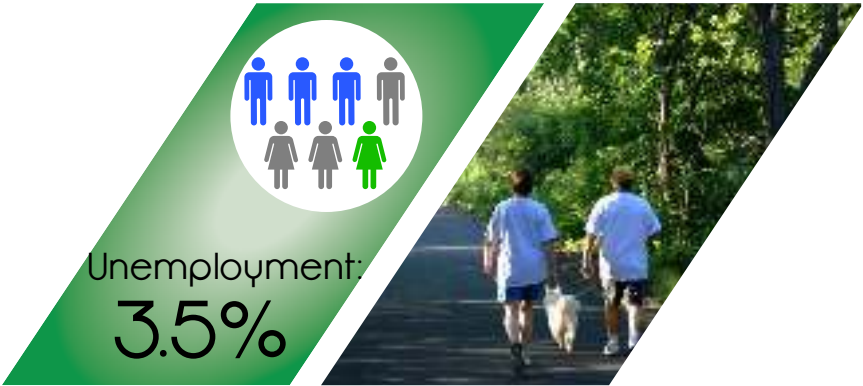
Linn County continues to be Iowa's largest manufacturing center and the agricultural, industrial and service based companies provide economic stability to the local economy. Modest growth in manufacturing will continue even though major employment gains continue to be in service industries with financial services representing the largest growth area from the prior year. Only about 2% of Linn County employment population is directly employed in farming.

Source: Linn County FY18 Budget Document



TOP 10 EMPLOYERS		
	Employees	Percent of Total City Employment
1 Rockwell Collins International	8,700	5.33%
2 Transamerica Life Insurance Company	3,800	2.33%
3 Unity Point Health – St. Lukes Hospital	2,979	1.83%
4 Cedar Rapids Community Schools	2,879	1.77%
5 Whirlpool Corporation	2,500	1.53%
6 Nordstrom Direct	2,150	1.32%
7 Mercy Medical Center	2,140	1.31%
8 Hy-Vee Food Stores	2,130	1.31%
9 City of Cedar Rapids	1,573	0.96%
10 Four Oaks	1,100	0.67%
	29,951	18.37%

Source: City of Cedar Rapids Official Statement



Source: FY17 Linn County Comprehensive Annual Financial Report

Linn County's Customer-Centered Culture

Here at Linn County, we are focused on our goal of a Customer-Centered Culture. Our goal is for our customers – both internal and external – to have a positive customer experience.

For the past two years, we have been systematically approaching our work in terms of “products.” Departments countywide are participating in Learning Institutes where we identify and prioritize our products, identify customers of those products, and use Voice of the Customer feedback to improve a product’s effectiveness or to discontinue products that do not meet our customers’ needs.

But LC3 isn’t just about products. It’s also about workplace culture and creating a

culture where we live by our Core Values. That’s why we are also investing in employee training. Every new employee participates in our Core Values Academy. This is a 6-week program where employees learn about our five Core Values, our Customer-Centered Culture, and the Fish! Philosophy created by John Christensen that empowers employees to create a positive workplace culture.

We also offer an employee training series called



LC3 Leadership University. The series includes nine three-hour sessions that build our Customer-Centered Culture by focusing on listening and communication skills, accountability, diversity, teamwork, leadership and building trust.

In addition, we have updated our quarterly employee recognition awards to include a Customer Satisfaction award. We are even rewriting job descriptions to include LC3 expectations, and have seen demonstrated results from these and our other efforts.

Linn County is on a path to continuous improvement, enhanced accountability

and greater customer satisfaction. Through ongoing evaluation of our products and services, we will continue to improve how we work so we can provide the best county government at minimal cost to you.

It starts with our Mission and Core Values – they guide us toward continuous improvement and a Customer-Centered Culture.



Our goal is for our customers
– both internal and external
– to have a positive customer experience.

LINN COUNTY'S CORE VALUES

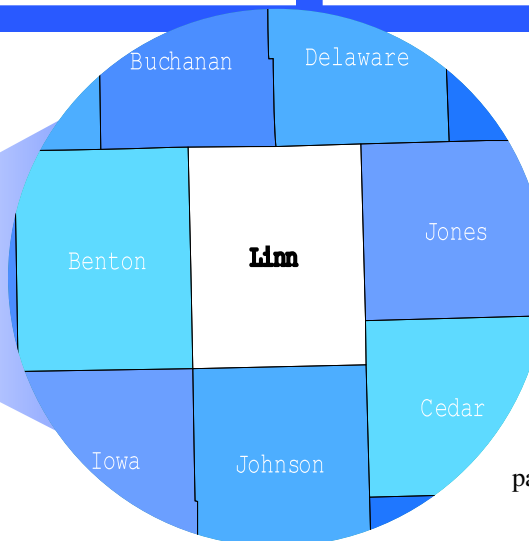
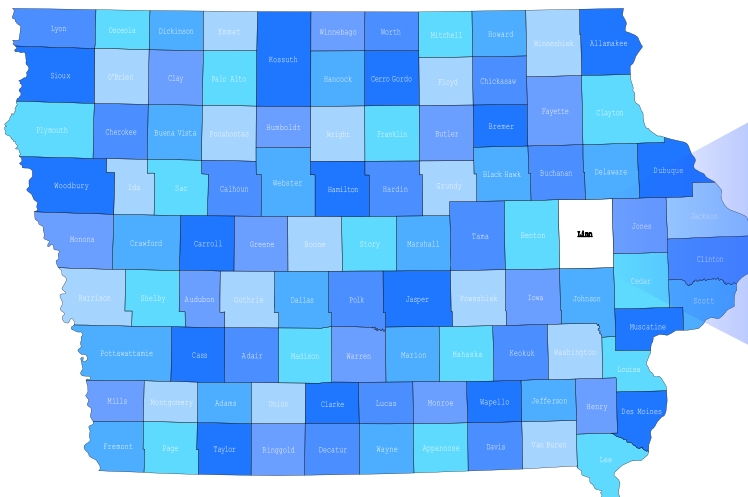
- *Communicate openly and effectively*
- *Demonstrate personal integrity and respect for others*
- *Be accountable for our actions and decisions*
- *Recognize valued contributions*
- *Create a supportive, positive work environment*

OUR MISSION

Provide all customers the most satisfying products while maintaining sound fiscal management in order to enhance the quality of life in Linn County.

CUSTOMER SATISFACTION POLICY

Linn County adopted a Customer Satisfaction Policy in 2016 as part of our effort to create a Customer-Centered Culture. The policy provides guidelines to help us use the Voice of the Customer to improve our products and services, all with the goal of improving the customer experience. Read our policy online at www.linncounty.org/CustomerSatisfactionPolicy.



QUICK FACTS

- **Linn County FY18 Budget:** \$111 million
- **Percent of Budget from Property Taxes:** 56%
- **Employees:** 769
- **Square Miles:** 726
- **Approximate Miles of Secondary Roads:** 1,147
- **Manages over 7,000 acres** in the form of parks, preserves, natural areas and trails



STRATEGIC OUTCOMES

Everything we do at Linn County from budgeting to programming, to delivering products and services, is guided by our strategic plan that focuses on three outcomes:



Voice of the CUSTOMER Here is what local Linn County customers are saying about our services



“ Walking up the steps of the Jean Oxley Linn County Public Services Center, a quick thought came to mind: I must be the biggest idiot in a 30-mile radius. I thought I'd buzz to Cedar Rapids, order a new title for a van, and be back in time to open the *Sun* office. Oh, Jake, you are so naive. It was the last Friday of the month. Property taxes were due. Car dealers swarmed the room for end-of-month title work. The receptionist – more like an air traffic controller – greeted me with a smile. Do I take my number [in the 700s]

and dash away, only to return on a less busy day? I chose to gut it out. Then, the automated system began calling out number after number. My fellow Linn County residents were patient. Government employees were efficient. My number was called quickly, and I was out of there in less than a half hour. Government – which, by the way, is OUR government – too often gets a bad name. From this experience, I'm here to tell you: Linn County understands customer service.”

- Jake Krob, Linn County resident and Publisher of the Mount Vernon-Lisbon Sun newspaper

This appeared as an editorial in the Oct. 12, 2017 edition of the Sun and is reprinted with permission.

CUSTOMER SATISFACTION



Focus on collaboration, innovation and engagement

Supportive outcomes include:

- Meet expectations by supporting employees with tools and resources to advance the customer experience
- Interact with customers to further understanding of their expectations
- Use information from customer interactions to improve and innovate Linn County products
- Create a culture of empowered and engaged employees who understand what customers want of their products and make satisfaction and innovation high priorities

Customer satisfaction isn't just a strategic goal for Linn County; it's the foundation of how we do business. We are committed to understanding our customers' needs and to delivering services and products that meet those needs in a reliable, timely and accessible manner while providing a positive customer experience.

Here are just a few examples of how we are doing this:

STAFF RESOURCES: As part of our commitment to a Customer-Centered Culture, we created a **Culture Coordinator** position dedicated to advancing this work. This position coordinates programs, trainings, projects and activities related to Linn County Customer-Centered Culture (LC3).



This year we added three new positions in the **Treasurer's Office** to help serve our growing customer base. This is the County's busiest office, annually serving more than 100,000 customers. We want to save you time by reducing your wait time for service.

We also added a **VA Service Coordinator** in our Veteran Affairs office. This outreach position is primarily serving our rural veterans who have transportation or other mobility barriers that prevent them from accessing services at our VA office in Cedar Rapids.

SELF-SERVE COMPUTER FOR ONLINE PAYMENTS:

The Linn County Treasurer's Office installed a self-serve computer kiosk for the public to use to renew vehicle registrations or make property tax payments online. The computer is available during regular business hours, so customers can skip the line and pay online.

DISABILITY SERVICES: Options of Linn County successfully met—a year and a half ahead of schedule—the new federal requirement that all Medicaid funded programs that provide day habilitation for people with disabilities must do so in integrated settings and be person-centered. Staff developed a dynamic approach to providing services by integrating client activities

I was one of the first people to move from the workshop to day hab. We do lots of volunteering. I like going to Meals on Wheels. Options has changed a lot over the years, but I feel I still have a place at Options. And sometimes, when we don't go out, we still do things for the schools, and animal shelters. We make blankets and treats for the dogs.

- Celeste (at Options over 30 years)

throughout the department, increasing the number of large group activities and offering community-based activities to a broader spectrum of Options clients. At the conclusion of our successful site review, we asked the reviewers if there was another program we could visit that meets the requirements. Their response was, "You're it."

Thank you for the fun field trip. My favorite part was touching the animals but then the games were great too! The nature trail with Chuck was also fun. The wetlands with Gail was awesome. I liked it because we found things that could be unexpected.

- Jonas, Linn County grade school student who visited Wickiup Hill Learning Center



Thank you for letting us see and pet the incredible animals. I also liked when we went on the boardwalk. I liked when Chuck made bird calls with his mouth. I also liked when we got to go in the wickiup. I loved learning about nature.

- Emma, Linn County grade school student who visited Wickiup Hill Learning Center

QUALITY OF LIFE

Focus on promoting personal health, accessibility, environmental protection, public safety and opportunities to enjoy life

Supportive outcomes include:

- Continue investment in conservation and recreational infrastructure such as parks, trails, and watershed management
- Improve accessibility for public programs, activities, and infrastructure
- Include high energy efficiency and accessibility standards in every new Linn County construction project
- Establish organizational and community resilience and emergency response preparedness

Every year, the Board of Supervisors adopts a budget to fund the programs and services that make a difference in your quality of life. This includes a focus on personal health, accessibility, environmental protection, public safety and recreation.

Here are just a few examples of how we are improving quality of life in Linn County:

PUBLIC SAFETY: The Linn County Sheriff's Office continues to embrace department-wide training designed to build positive community relationships through engagement, collaboration, trust and respect. The trainings focus on crisis intervention, leadership, ethics, and stress resilience.

The Linn County Sheriff's Office began using body cameras, in addition to in-car cameras, in 2017 to enhance public safety.



HOME AGAIN CR: The Linn County Sheriff's Office and the Cedar Rapids Police Department developed Home Again CR, a voluntary registration program to help law enforcement officers identify persons who are unable to identify themselves and safely reunite them with their loved ones. This can include people with Alzheimer's, autism, other developmental disabilities, or children.

JUSTICE SYSTEM: The Linn County Attorney's Office has engaged in a series of meetings with local leaders and law enforcement officials in a collaborative effort to consider and offer proposals to improve the criminal justice system. This group is considering strategies and measures designed to strengthen police-community relations, promote public safety and improve equality and fairness in the justice system.

RADON TESTING: Linn County Public Health worked with local schools to test 394 schoolrooms for radon in FY17. Since this partnership launched in 2013, more than 62% of K-12 schools in Linn County have been tested for radon.

FOOD SAFETY: In 2017, Linn County Public Health joined with the retail food industry to form the Linn County Food Safety Advisory Council. The Advisory Council consists of industry representatives ranging from family owned businesses to large food chains, grocers, and schools. A primary goal of this partnership is to identify and control risk factors to prevent foodborne illnesses.

TRANSPORTATION: Safe and efficient transportation infrastructure is a key element of county government. Each year, Linn County reviews and prioritizes road construction and maintenance projects for the upcoming year. FY17 included approximately \$13.8 million for road construction and maintenance on the secondary road system. These expenditures were funded from multiple sources including local, state and federal funding, Local Option Sales Tax proceeds and the State fuel tax.

Linn County **LIFTS** provides safe door-to-door transportation for our eligible elderly and disabled neighbors. In FY17, we provided more than 72,200 rides to help Linn County residents get to their doctor's appointments, the grocery store, to work and other daily commitments.

In FY17, Linn County added a **Mobility Coordinator** to our staff. This staff member works with human services agencies, workforce centers and other community groups to help identify and solve transportation needs for residents who rely on public transportation. This position is a liaison to community leaders in an effort to demonstrate how transportation enhances economic development.

“The first month or so that I was driving my route to and from work every day I became very frustrated at how long I had to wait in the constructions zones, but every day as I would sit there I would watch the workers. What really caught my attention was that on my way home from work, the same man that was directing the crazy morning rush was also now directing the crazy evening rush and it was 40 degrees outside (I was freezing even though I was privileged enough to sit in my heated van). I finally realized exactly what they do every single day! I wanted to show my appreciation for the whole process!”

- Courtney, Linn County resident

“Rose is a Linn County resident and regular customer of Linn County LIFTS paratransit service. She called the office one day, not to make an appointment for a ride, but to pass along her thanks to the staff. She told us she always gets good treatment when she calls in and that she's never seen people treat others with such kindness.

Rose had specific praise for LIFTS driver Jim Beeson: “He's the most helpful, happy, kindest young man and deserves special recognition.”

- Rose, LIFTS customer

WALKABILITY: Community partners and Linn County Public Health received funding assistance from the National Association of Chronic Disease Directors to participate in the Step It Up! Action Institute to Increase Walking and Walkability. The Linn County team developed an action plan to assess and recommend measures to improve walkability within Linn County in areas of high need.

POLLINATOR PROJECT: Linn County Conservation and Secondary Road Vegetation Management are partnering with the Monarch Research Project to plant more than 180 acres of pollinator habitat along rights-of-way in Linn County.

The perennials provide weed and erosion control, reduce storm water runoff, reduce snow drifting and provide food and habitat for pollinators and wildlife.



SUSTAINABILITY: In June 2017, the Linn County Board of Supervisors signed a resolution supporting the **Paris Climate Agreement** and approved Linn County's registration in the "We Are Still In" Coalition. The Paris Climate Agreement is a model of international cooperation marking a global commitment to combat the threat of climate change.

Linn County Soil Conservation, together with partner agencies, developed water quality practices and improved wildlife habitat through the Conservation Reserve Program. Local efforts have resulted in more than 10,000 acres of land previously in row crop being converted to permanent cover.

SOLAR ENERGY: In the spring of 2017, Linn County, the City of Cedar Rapids and a consortium of local partners kicked-off "Solarize Cedar Rapids – Linn County." Over 103 homeowners in Linn County took advantage of discounted solar pricing through a limited-time solar group purchase program. Linn County participated in over 20 Solar Power Hours (free one-hour seminars), educating homeowners on the benefits of solar energy. The program results include: • More than 601kW of installed solar production capacity • Annual saving of \$70,628 in utility cost • A reduction of 1,174,660 pounds of CO2 per year • A reduction of 280,480 gallons per year of water used in energy production.

SOLAR ENERGY AWARD: Linn County received a SolSmart Silver Award in 2017 for our significant action to promote a robust local solar market.



ELECTION SYSTEMS: The Linn County Auditor's Office is working to maintain the security of election systems by reviewing the office's cybersecurity procedures. The office is also preparing for changes brought about by the Elections Modernization & Integrity Act (Voter ID Act) and training poll workers on the new regulations mandated by the new state law. We want to do all we can to ensure your voting experience is efficient and secure while encouraging all eligible citizens to exercise their right to vote.

ACCESSIBILITY: Linn County is making a series of accessibility improvements that will make it easier for people with disabilities to receive products and services from us. Examples include widening doorways and adding a fully accessible restroom in the lower level of the Sheriff's Office, adding accessible parking spaces closer to the entrances of the Sheriff's Office and Juvenile Detention Center, correcting the slope in those parking lots, and creating an accessible playground at Squaw Creek Park.

DIVERSITY: The Linn County Board of Supervisors pledged Linn County's ongoing support of diversity by



signing a proclamation recognizing diversity as a key element that enriches our quality of life. Linn County's employee Diversity Committee sponsors training and events throughout the year for County employees.

PRIDE FEST: The Linn County Community Services Ryan White Case Management team hosted a booth at Pride Fest last summer at NewBo City Market. Many people stopped by the booth for free water, icy pops and information.



PARKS, TRAILS AND OPEN SPACE: Conservation staff has been hard at work maintaining our public parks, our 300+ campgrounds, improving trail connections and conducting over 300 educational outreach programs for children and adults. We are also developing projects for the Water and Land Legacy Bond that voters approved last year.

QUALITY CHILD CARE: The Linn County Child Development Center received a level 4 rating from the Iowa Quality Rating System. Level 4 is the second highest rating possible.

FINANCIAL HEALTH

Focus on financial strength asset protection and a thriving economy

Supportive outcomes include:

- Maintain the highest possible bond rating from Moody's Investors Service
- Demonstrate accountability to taxpayers through responsible budgetary decisions
- Protect financial assets against loss through risk mitigation
- Promote and participate in economic growth opportunities

Linn County is committed to maintaining excellence in budgetary and financial management. We have a demonstrated history of using public resources wisely through ongoing efficiency efforts and responsible and effective budgeting while protecting core County services.

Here are just a few examples of how we are doing this:

RESPONSIBLE BUDGETING: We demonstrate accountability to taxpayers through responsible budgetary decisions. Every year, the Board of Supervisors adopts a budget to fund the programs, services and projects that affect all Linn County residents. Key to the County's financial stability is our commitment to financial policies that include an ending General Fund balance equal to 25% of budgeted expenditures and not issuing long-term debt for operating costs. When setting the annual levy rate, the Board of Supervisors is mindful of its ongoing strategy to have minimal tax impact on homeowners. We begin each budget cycle with the guideline of no increase in departmental operations except where contracted services require an increase or requests show justification for an increase.

Linn County balances its operating budget by not budgeting beyond its means to pay for ongoing expenses, and by not relying on fund balances to operate County programs and

services. Instead, fund balances may be used to pay for one-time items, such as capital projects, equipment and other capital assets or needs. However, fund balances are used primarily for cash flow purposes.

Aaa BOND RATING: Linn County continues to maintain our prestigious Aaa bond rating from Moody's Investors Services. This is the highest rating possible for credit worthiness, which attests to our strong economic health and prudent fiscal management and translates into substantial savings for taxpayers. Linn County is one of only two counties in Iowa to achieve this rating from Moody's.

STABLE LEVY RATE: FY18 is the fourth year in a row that the Board of Supervisors adopted a budget that did not raise the countywide levy rate. In fact, Linn County's levy rate of \$6.14 per \$1,000 has not changed in four years. It is the second lowest levy rate among the six largest urban counties in Iowa.

Honoring Dr. Percy and Lileah Harris

In a unanimous decision, the Linn County Board of Supervisors voted to posthumously honor Dr. Percy and Lileah Harris, by naming the future Linn County Public Health and Child & Youth Development Services Building after them in recognition of their lifetime of dedication and service to health and education in Linn County.

The approximately 55,000-square-foot building will be built on county-owned land approximately two blocks south of Mercy Hospital, near the NewBo and Oakhill Jackson neighborhoods.

“This is a big win for the community,” said Linn County Supervisor Stacey Walker. “Dr. Harris and his wife, Lileah, were not only trailblazers for the causes of civil and human rights, but they were model citizens, and taught us all so much about our shared humanity.”

“The Harris’ have been friends to three generations of my family,” said Linn County Supervisor Ben Rogers. “Their commitment to health and education is a perfect representation of how this building will serve the community through public health and child education.”

Dr. Percy Harris and his wife Lileah were respected community leaders, advocates for the arts and education, and champions of civil rights. The couple moved to Cedar Rapids in 1957 after Dr. Harris accepted an internship at St. Luke’s Hospital. Dr. Harris was the first African American physician in Cedar Rapids where he built his medical practice. Dr. Harris also served as Linn County Medical Examiner for nearly 40 years. Some of his other community roles included serving as president of the Cedar Rapids chapter of the NAACP, chairman of the Board of Directors for the Jane Boyd Community House, serving on the St. Luke’s Hospital Board of



Construction will begin in 2018 on the new Linn County Public Health and Child & Youth Development Services Building which will be named after Lileah and Percy Harris, M.D.



Rendering by OPN Architects of the Harris Building, future home to Linn County Public Health and Child & Youth Development Services.

Directors and an appointment to the Iowa Board of Regents. He was also the recipient of numerous awards.

Lileah was a pianist, active church member, and an advocate for lifelong learning and education. Lileah earned a Bachelor of Arts degree in Russian from the University of Iowa at the age of 62. Some of Lileah’s community roles included serving on the board of the NAACP, membership on the Cedar Rapids Human Rights Commission and serving on the Board of Directors for the Cedar Rapids Symphony Guild.

Married 63 years, the Harris’ raised 12 children. Lileah Harris died in 2014. Dr. Percy Harris died in January 2017.

The Harris Building will provide much-needed space for Linn County Public Health, a critical County department that has outgrown its current space. It will also greatly improve the classrooms and learning environment for the children served in the Child Development Center. A playground and gymnasium are planned as integral features to the programming.

They will double as essential building elements and as community amenities that will be open to the public after business hours and on weekends.

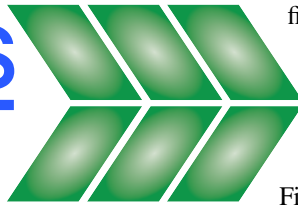
Linn County held community outreach meetings during the building’s design to engage the public in discussion about how the new building can be a neighborhood asset and to help ensure the building’s design and function fit the context of the historic neighborhood.

“ We are pleased that the Linn County Supervisors will name the Public Health and Child & Youth Development Services Building in honor of our parents. They were both advocates for the entire community — and this combination of health and education is especially fitting. Naming this building after them is not only a tribute to their legacy, but also something which we appreciate.”

– The Harris Family

The Harris Building will attain LEED certification and include features such as a cistern for the collection and re-use of rainwater. Construction is expected to begin in 2018.

ABOUT THIS REPORT



This report is referred to as a Popular Annual Financial Report (PAFR) by the Government Finance Officers Association (GFOA) because it is designed to give the populace an easy-to-read, less technical summary of county government and its

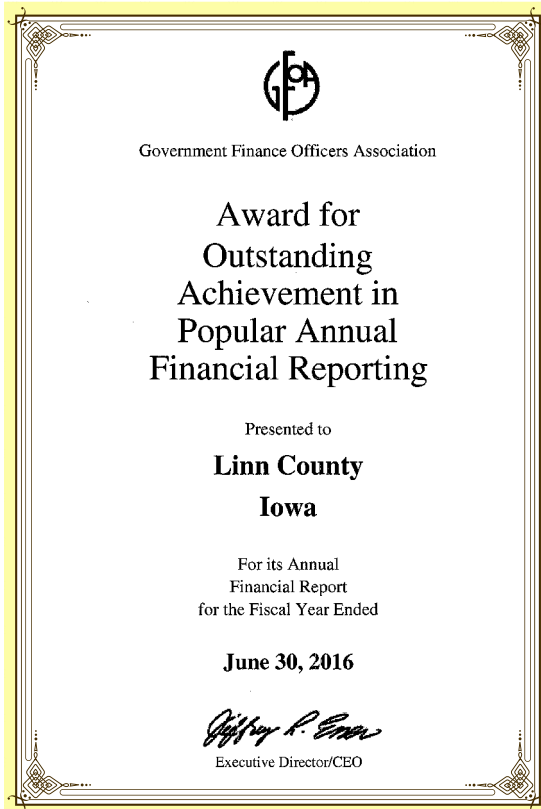
financial condition. This report is part of Linn County's ongoing commitment to keep residents informed about the County's finances and to be accountable for how tax dollars are managed and spent.

Financial information in this report was taken from Linn County's audited Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2017. Linn County's CAFR is over 100 pages long and includes very detailed and complex financial information, and therefore may be overwhelming and not as useful to residents wishing to gain an overview of the County's finances. The PAFR includes highlights and summarized information from the CAFR to better inform the public and make Linn

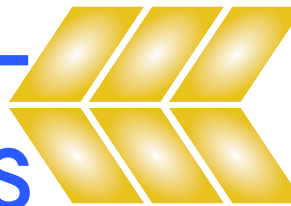
County's financial information more accessible, more understandable and transparent to a wider audience.

A copy of Linn County's audited 2017 CAFR, which is prepared in accordance with generally accepted accounting principles (GAAP) and contains more detailed information, is available from the Linn County Finance and Budget Department and online at www.linncounty.org/finance.

While the main purpose of this report is to provide financial information, it also highlights accomplishments and major initiatives of the past year, and demonstrates the vital role county government plays as a resource to all county residents and businesses.



FINANCIAL REPORTING AWARDS



The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Linn County for its Popular Annual Financial Report for the fiscal year ended June 30, 2016. This is a prestigious national award recognizing Linn County's conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report

whose contents meet program standards for creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. Linn County has received the Popular Award for the past 19 consecutive years, the Distinguished Budget Award for 22 years, and the Certificate of Excellence in Financial Reporting for the past 28 years. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements.

GLOSSARY OF TERMS

Accrual Basis – The recording of the financial effects on a government of transactions and other events and circumstances that have cash consequences for the government in the periods in which those transactions, events and other circumstances occur rather than only in the periods in which cash is received or paid by the government.

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

Assessed Value – A value that is established for real estate or other property by a government as a basis for levying taxes. Property values are established by the City Assessor if located in Cedar Rapids, or by the County Assessor if located outside Cedar Rapids city limits.

Deferred Inflow of Resources – 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. Includes property tax receivable not collected within sixty days after year end.

Deferred Outflow of Resources – Represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources until then. Consists of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer's reporting period.

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

Levy – The total amount of taxes imposed by the government.

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

Net Investment in Capital Assets – Equals capital assets net of accumulated depreciation and any outstanding borrowings used for their acquisition.

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

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

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

Unrestricted Net Position – Represents the difference between assets and liabilities not restricted for use.

Your property tax dollars at work

If you own property in Linn County, your annual tax bill funds much more than County government. Other agencies – including school districts and municipalities – each establish a levy rate, which is reflected in annual tax bills. The Linn County Treasurer’s Office collects property taxes and then distributes them to each of the taxing jurisdictions. The percentage of property taxes that fund Linn County services will vary depending on where your property is located. As an example, approximately 16% of property taxes paid by the average Cedar Rapids homeowner is used to fund Linn County government operations and services.

Linn County’s goal is to provide quality public services at an affordable cost. The cost of County services in FY18 for the owner of a home valued at \$150,000 is \$43.75 per month. This is \$1.08 more than FY17 and is based on the countywide levy rate of \$6.14 per \$1,000 of taxable value. It does not include the rural levy rate paid by rural residents.

REVENUES – Where the money comes from...

In order for Linn County to provide necessary services for our residents, the County must generate revenue.

Property taxes are the largest source of revenue for Linn County and account for \$64 million or 57% of total revenues in FY18.

Intergovernmental funds, which is revenue received from another government that must be used for a specific purpose, represent 27% of the total revenues in FY18.

Other taxes, which includes Local Option Sales Tax revenue and utility replacement excise tax, make up 8% of revenues.

Charges for services, including fees collected by the Recorder, Treasurer, and Sheriff, along with fees collected for safety, recreation and health, account for 6% of revenues.

The remaining categories, each representing 1% of Linn County’s FY18 revenues, are **licenses and permits**, and **miscellaneous**, which includes the sale of commodities, special assessments, donations, transit fares, unclaimed property, interest received from investments, and rental income.

EXPENDITURES – Where the money goes...

At 25%, **public safety and legal services** makes up the largest portion of expenses for Linn County in FY18. Functions include law enforcement, criminal prosecutions, juvenile delinquency cases, medical examiner, and emergency services.

Physical health and social services, which includes public health, Veterans services, and children, family and elderly services, comprises 14% of FY18 expenses.

Also at 14% is **administration**, which includes general county management, information technology, and risk management services.

Mental health expenditures account for 13% of expenditures.

Roads and transportation represents 12% of total expenditures and includes road maintenance and equipment, and the Linn County LIFTS transit program.

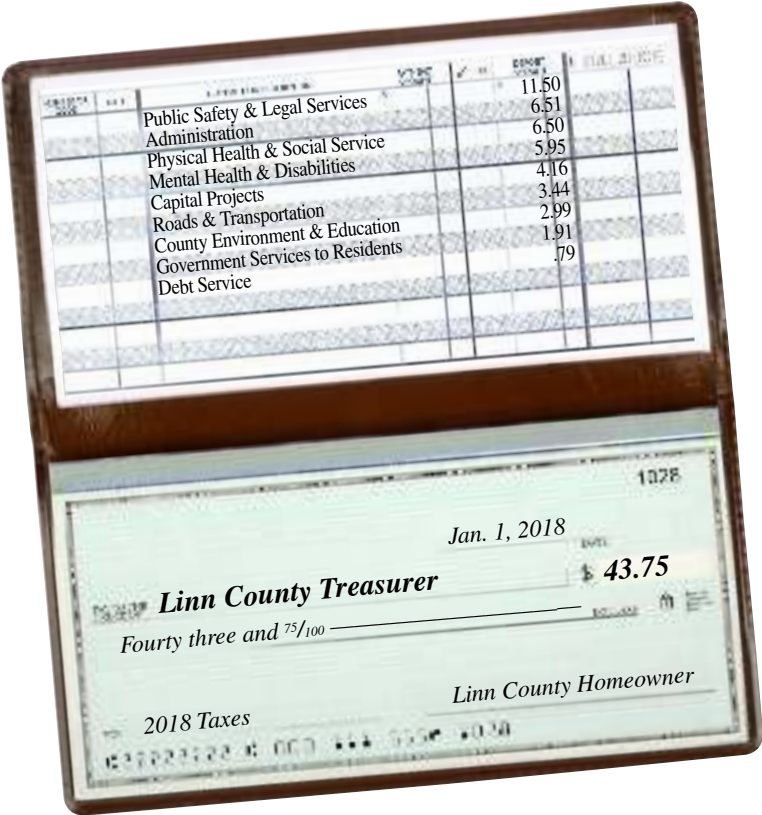
Capital projects represent 9% of the budget and include road and bridge construction and certain conservation projects.

County environment and education make up 7% of total expenditures.

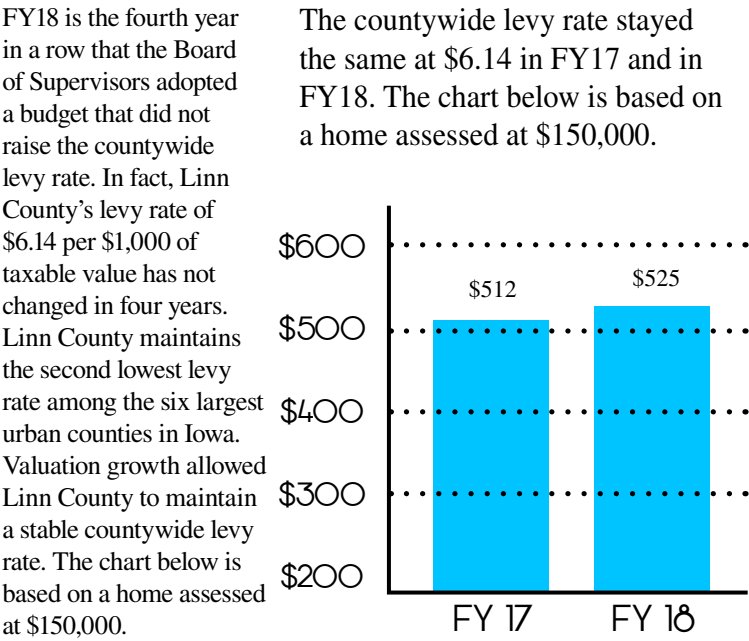
Government services to residents includes elections, motor vehicle registrations and licensing, and recording public documents and represents 4% of total expenditures.

Debt service expenditures comprise the remaining 2% of expenditures and includes principal and interest costs from bond issues.

Monthly cost of property tax-supported services by Linn County service areas in FY18 based on a \$150,000 home:

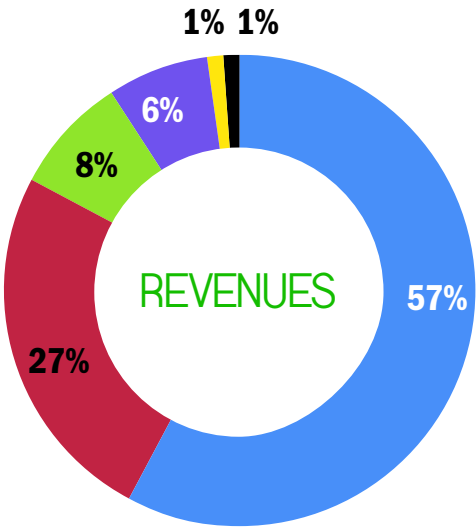


COUNTY TAXES PAID BY HOMEOWNER ANNUALLY



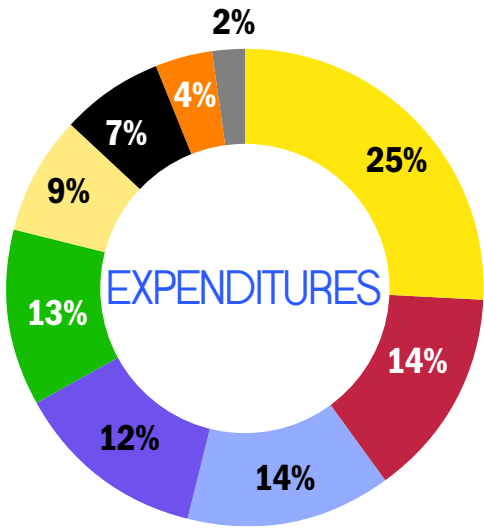


GOVERNMENTAL FUNDS BUDGETED FOR FISCAL YEAR 2018



Fiscal Year 2018

Property taxes	\$63,809,000
Intergovernmental	30,060,000
Other taxes	8,746,000
Charges for services	6,960,000
Miscellaneous	1,961,000
Licenses & permits	1,088,000
Total Revenues	\$112,624,000

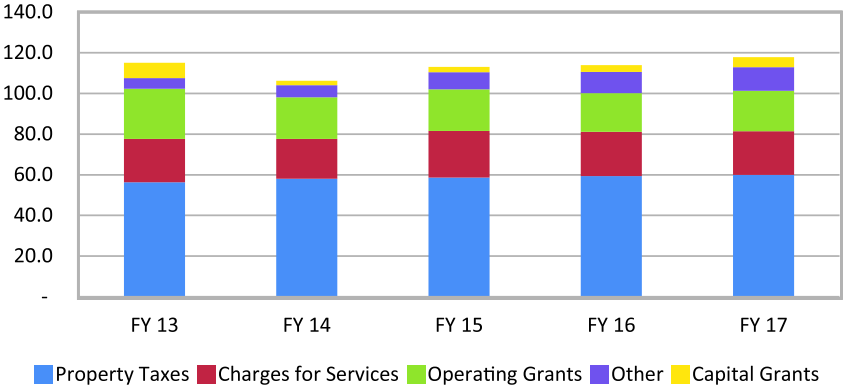


Fiscal Year 2018

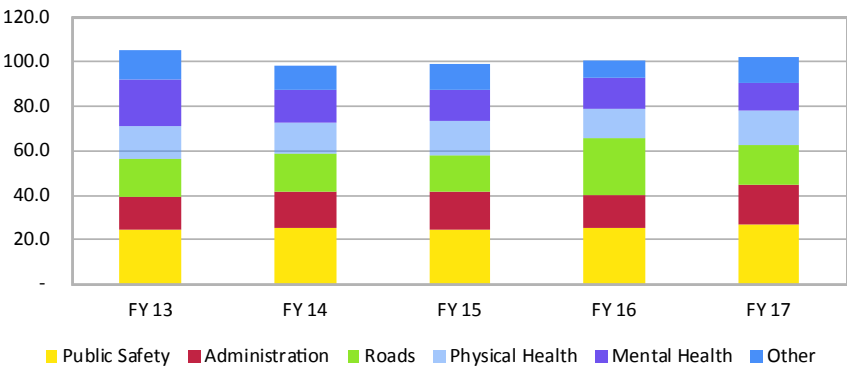
Public safety and legal services	\$27,819,000
Administration	15,773,000
Physical health and social services	15,737,000
Mental health, MR and DD	14,414,000
Roads and transportation	13,216,000
Capital projects	10,074,000
County environment and education	7,790,000
Government services to residents	4,626,000
Debt service	1,918,000
Total Expenditures	\$111,367,000

FIVE YEAR COMPARISONS (Government-wide Actuals)

Revenue Comparison
(Millions of Dollars)



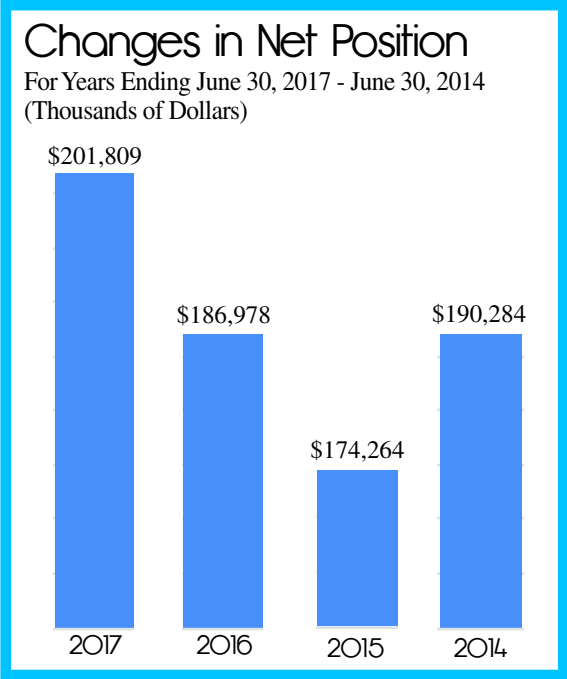
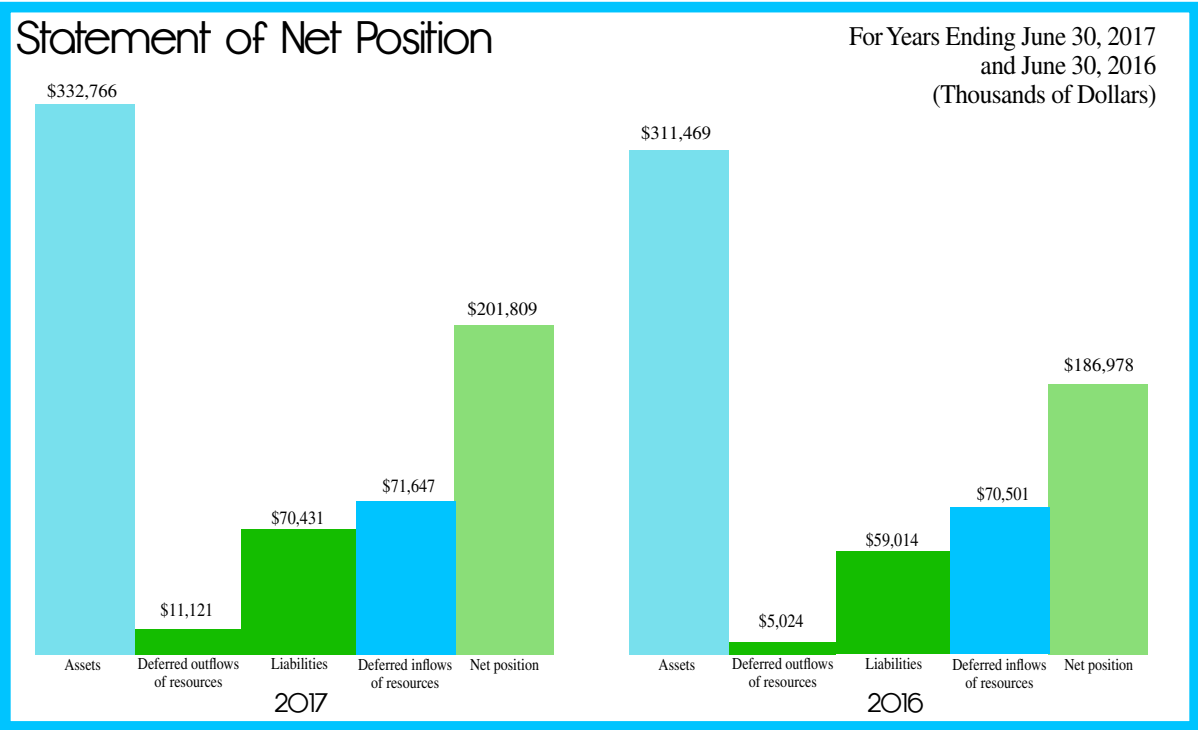
Expense Comparison
(Millions of Dollars)





Financial Highlights of Fiscal Year 2017

The **Statement of Net Position** and **Statement of Activities** on pages 14 and 15 are prepared on the accrual basis for the year ended June 30, 2017. The budgeted revenue and expenditures summaries include governmental funds only.



STATEMENT OF NET POSITION

Net position serves as an indicator of a government’s financial position. The assets and deferred outflows of resources of the County exceeded the liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$201,809,000. The largest portion of the County’s net position is the Net Investment in Capital Assets (e.g., land, infrastructure, buildings, and machinery and equipment). The debt related to the Investment in Capital Assets is liquidated with sources other than capital assets. The \$6,155,000 increase includes a \$12,249,000 increase in capital assets and a \$6,055,000 net increase in general obligation bonds. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – increased \$1,653,000 at June 30, 2017.

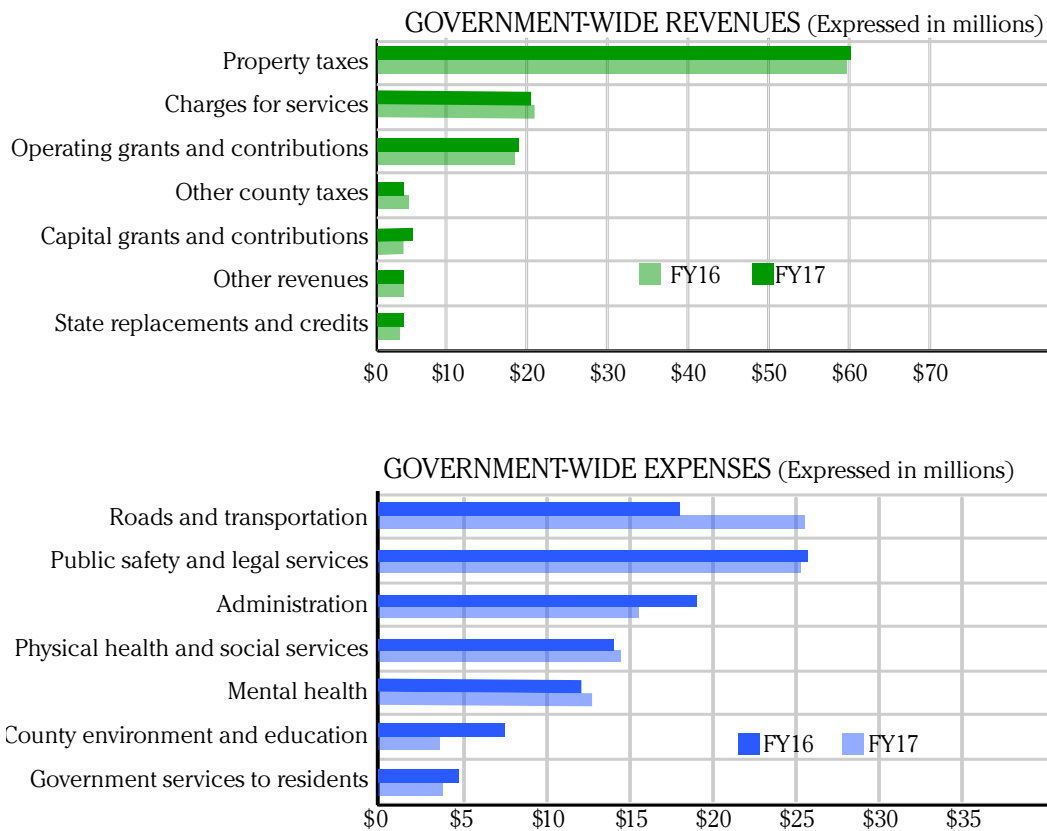
Current and other assets increased \$9,048,000 to \$140,463,000. Included was an increase of \$5,308,000 or 10% in pooled cash and investments, and an increase in succeeding year property tax deferred inflows of \$3,294,000 or 5%. The increase in pooled cash includes an \$815,000 increase in the capital projects fund and a \$1,279,000 increase in the MH-DD fund. Capital projects approved by the Board of Supervisors as part of the five-year plan have yet to be initiated resulting in the

pooled cash increase. Linn County is one of nine counties included in a consortium created to redesign mental health services. The East Central Region (ECR) continues to collect property taxes for services previously provided by each county. The Region then requests payments from the counties for services rendered. The Region has yet to fully implement those programs. The increase in unavailable property taxes is to support fiscal year 2018 operational increases. The County Direct Services special revenue fund increased \$1,067,000 in part from the transfer of \$569,000 from the closed Options Enterprise fund program. 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.

The County adopted the tax abatement disclosure guidance set forth in Governmental Accounting Standards Board Statement No. 77, Tax Abatement Disclosures. The Statement sets forth guidance for the disclosure of information about the nature and magnitude of tax abatements which will make these transactions more transparent to financial statement users. Adoption of the guidance did not have an impact on amounts reported in the financial statements.

STATEMENT OF ACTIVITIES

For Years Ended June 30, 2016 and 2017 (Millions of Dollars)



Revenues for the County's governmental activities increased \$3,868,000 or 3.4% while total expenses increased \$1,180,000 or 1.2%. Key elements include:

- The \$494,000 or 0.8% increase in County property taxes represented overall valuation growth of 1.3% and no change in the countywide levy rate.
- Public safety operating grants increased \$979,000, from increased care of prisoner revenue.
- The \$4,962,000 in capital grants and contributions, an increase of \$1,574,000, reflects an increase in non-County funded road projects placed into service.
- Included in the county environment and education increase of \$3,986,000 were costs associated with construction of the Red Cedar Lodge, the Cedar Valley Nature Trail, and construction of additional storage facilities.
- A number of local option sales tax (LOST)-funded projects were completed prior to FY 17. Those expense decreases as well as less road maintenance costs reduced roads and transportation costs in FY 17.
- The governmental services increase to residents of \$1,242,000 was the result of the 2016 presidential election.
- Increasing IT staffing and operational costs, increased workers compensation expenses, as well as additional policy and administration costs, were part of the administration increase of \$3,630,000.
- All functional activities were impacted by wage and benefit changes. These costs comprise slightly more than half of total expenses.

SECONDARY ROADS FUND

The Secondary Roads Fund is one of the special revenue funds in Linn County's budget. Its use is restricted to the construction and maintenance of secondary roads and bridges. The primary sources of funding are the state's road use tax fund and transfers of levied property taxes from both the general and rural services funds. In Linn County, both the general fund and rural fund transfers are budgeted at the maximum allowable in accordance with the Code of Iowa. This means Linn County is allocating the maximum funding allowed to our secondary road system.



RURAL PROPERTY TAX SAVINGS

Rural property owners saved \$0.98 per thousand on County property taxes in FY17 due to the Local Option Sales Tax proceeds directed to property tax relief for rural Linn County.

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Linn County makes it easy for you to stay informed about County news, services and events by offering email and/or text message notifications. Topics available for subscription include:

- eNewsletters
- news releases
- road construction updates
- election information
- air quality alerts
- meeting notices
- agendas
- and more!



Visit Linn County's website at www.linncounty.org/NotifyMe to sign-up to receive the information that is important to you.

Contact Us

Department	Email	Phone
ASSESSOR	assessor@linncounty.org	892-5220
ATTORNEY	county_attorney@linncounty.org	892-6350
AUDITOR	auditor@linncounty.org	892-5300
BOARD OF SUPERVISORS	bd_supervisors@linncounty.org	892-5000
COMMUNITY SERVICES		
Core Services . lccs-core@linncounty.org		892-5600
Child & Youth Development Services		892-5700
Family Visitation Center		892-5776
General Assistance		892-5850
Home Health. . homecare@linncounty.org		892-5780
Juvenile Detention & Diversion Services juvdetention@linncounty.org		892-5735
Mental Health & Development Disability Services (MHDD)		892-5620
Options of Linn County	options@linncounty.org	892-5800
Ryan White Program rwp@linncounty.org		892-5770
CONSERVATION . conservation@linncounty.org		892-6450
EMERGENCY MANAGEMENT ema@linncounty-ema.org		892-6500
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HUMAN RESOURCES	hr@linncounty.org	892-5120
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PUBLIC HEALTH . health@linncounty.org		892-6000
PURCHASING		892-5020
RECORDER	recorder@linncounty.org	892-5420
RISK MANAGEMENT	risk_mgmt@linncounty.org	892-5200
SHERIFF'S OFFICE. sheriff@linncounty.org		892-6100
SOIL CONSERVATION		377-5960
TREASURER	treasurer@linncounty.org	
Motor Vehicle		892-5500
Property Taxes.		892-5500
VETERAN AFFAIRS. veteran@linncounty.org		892-5160

Area code (319)

www.LinnCounty.org

