CERRO GORDO COUNTY

IOWA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2015

CERRO GORDO COUNTY, IOWA

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015

Prepared by: Cerro Gordo County Auditor's Office

INTRODUCTORY SECTION

CERRO GORDO COUNTY, IOWA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2015
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CERRO GORDO COUNTY, IOWA

OFFICIALS
June 30, 2015

(Before January 2015)

Board of Supervisors

Name	Term Expires	Address
Robert Amosson	January 2015	Rockwell, Iowa
Phillip Dougherty	January 2017	Dougherty, Iowa
Jay Urdahl	January 2017	Mason City, Iowa

Officers

Name	Term Expires	Title
Kenneth Kline	January 2017	Auditor
Patricia Wright	January 2015	Treasurer
Colleen Pearce	January 2015	Recorder
Kevin Pals	January 2017	Sheriff
John Boedeker	Appointed	County Assessor
Danielle Naumann	Appointed	City Assessor
Carlyle Dalen	January 2015	County Attorney

(After January 2015)

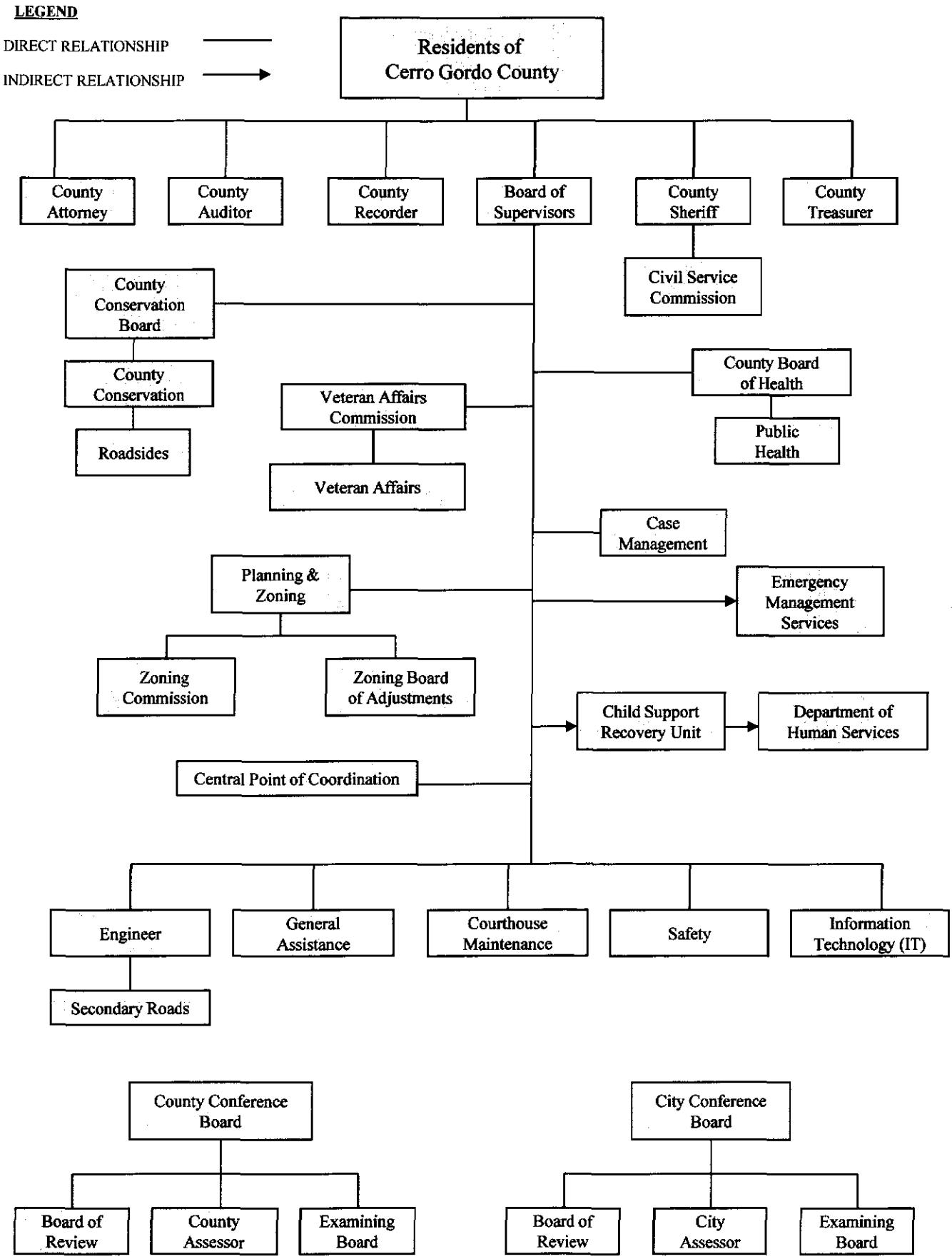
Board of Supervisors

Name	Term Expires	Address
Casey Callanan	January 2019	Clear Lake, Iowa
Phillip Dougherty	January 2017	Dougherty, Iowa
Jay Urdahl	January 2017	Mason City, Iowa

Officers

Name	Term Expires	Title
Kenneth Kline	January 2017	Auditor
Patricia Wright	January 2019	Treasurer
Colleen Pearce	January 2019	Recorder
Kevin Pals	January 2017	Sheriff
John Boedeker	Appointed	County Assessor
Danielle Naumann	Appointed	City Assessor
Carlyle Dalen	January 2019	County Attorney

CERRO GORDO COUNTY ORGANIZATIONAL CHART



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cerro Gordo County
Iowa

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

County Auditor
Cerro Gordo County Courthouse

220 N Washington Ave | Mason City, IA 50401-3254 | (641) 421-3028
Kenneth W. Kline, Auditor | FAX (641) 421-3139
www.co.cerro-gordo.ia.us

December 21, 2015

County Board of Supervisors and Citizens
Cerro Gordo County, Iowa

The Comprehensive Annual Financial Report (CAFR) for the County of Cerro Gordo, Iowa (the "County") for the fiscal year ended June 30, 2015, 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. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Gardiner Thomsen PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2015 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor issued an unqualified opinion on the County's financial statements for the fiscal year ended June 30, 2015, indicating that they are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The

standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

Profile of Cerro Gordo County

Organized in 1855, Cerro Gordo County is governed by a three-member board, each board member elected by citizens in one of the three districts. Board members serve overlapping four-year terms, with elections held every two years. The Board is the legislative body of the County, which annually adopts a budget and establishes tax rates to support County programs.

The County provides a full range of services to its citizens. These services include public safety, parks, planning and zoning, service to people with mental disabilities, construction and maintenance of secondary roads, physical health and social services, property assessment and taxation, and general administrative services. The County also provides a management information services department utilized by other governmental entities.

The Board of Supervisors is required to adopt a final budget by no later than March 15th for the fiscal year beginning the following July 1st. This annual budget serves as the foundation for the County's financial planning and control. The State of Iowa requires the adoption of an annual budget with total County operating expenditures listed by major program service area. Activities of the general fund, special revenue funds, capital projects funds, and the debt service fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the total function/program service area level. In addition, individual County officials' expenditures cannot exceed the amounts appropriated by the Board.

Local Economy

Cerro Gordo County, with the Cities of Mason City, Clear Lake, and eight smaller cities, has the thirteenth largest population of ninety-nine counties in the state, and serves as a regional center for north central Iowa in the areas of commerce, industry, retail shopping, higher education, and health care services. The surrounding area has an economic base that is historically agricultural in nature, but Cerro Gordo County also has several strong industries and commercial enterprises. With a usually low rate of unemployment and the lack of a single, dominant employer, the economy of the area is generally dynamic, robust, and broad-based. The City of Mason City is the largest city in Cerro Gordo County, with about two-thirds of the County's 43,000-plus population.

Tourism is an important industry in Cerro Gordo County, largely due to Clear Lake, which, at 3,865 acres, is the third largest natural lake in Iowa, and is the namesake of the surrounding city. According to figures from the Iowa Economic Development Authority, the County ranks eleventh in the state for tourism expenditures with more than $191 million in annual spending, resulting in almost 1,500 tourism related jobs.

Although educational systems in the entire north central Iowa area are well known for their quality of education, Cerro Gordo County has become a regional center for higher learning. Drake University of Des Moines offers several programs at the Masters level in coordination with the North Iowa Area Community College (NIACC). This adds to the wide range of baccalaureate programs offered at NIACC by Buena Vista College of Storm Lake, and Kaplan University, which offers AAS and BA degrees.

Cerro Gordo County serves as a regional hub for transportation with an airport, three railroad branch lines, Interstate 35, which runs north-south the length of the County, and the "Avenue of the Saints", the link between Interstates 35 and 80.

The County is a regional center for health care services. The City of Mason City has the third highest number of physicians per capita in the State, trailing only the Cities of Des Moines and Iowa City. Mercy Medical Center - North Iowa is the County's largest employer with two facilities and with affiliated clinics and hospitals in a 14-county region.

In general economic news for the fiscal year, the number of persons employed in the county went from 22,740 to 22,280, a decrease of 0.02% from June 2014 to June 2015, according to figures from Iowa Workforce Development. With high grain prices the agricultural economy of the area has been strong and stable.

The City of Mason City's cost of living for the second quarter of 2014 was 88.4% of the national average, according to the ACCRA Cost of Living Index, ranking it the second lowest cost of living for all Iowa communities that participate in the ACCRA index.

Major Initiatives

The IT Steering Committee, in concert with newly appointed IT Superintendent Tom Drzycimski, recommended and implemented several actions during the fiscal year:

- Hired internally to fill the new Application Development and Data Manager position
- Hired internally to fill the new Business Analyst/Modern Applications Developer position
- Hired new employees to fill the two PC Support Specialist positions
- Contracted with McGladrey LLP to transition from 30-plus hardware servers to hardware as a service, including server virtualization, disaster recovery, and domain upgrade
- Moved the Geographic Information System (GIS) Coordinator position from the IT Department to the County Auditor's Office effective July 1, 2015

In December 2014 the County contracted with McGladrey LLP to rewrite the Precinct Atlas election software, which was initially written by County IT software developers in 2009. After

receiving three national awards, the rights to the program were sold in 2013 to the Iowa Precinct Atlas Consortium (IPAC), a group of 57 Iowa counties. Benefits of the rewrite include increased usability and a more stable architectural design and more mainstream program language. The $131,730 estimated cost of the rewrite will be reimbursed by IPAC, pursuant to an Amendment to Limited Exclusive License Agreement dated November 2014.

In January 2015 the County entered into a three-year intergovernmental agreement with the City of Mason City for the distribution and exchange of GIS data. The County agreed to waive its $7,000 annual fee, and the City agreed to share imagery from its spring 2015 aerial photography project. The two entities have had similar GIS sharing agreements over the past nine years.

On recommendation of the North Iowa Fair Association, the Board of Supervisors adopted a resolution in February 2015 to sell Lot 3 in Fairgrounds First Subdivision to Mason City Investors LLC for $550,000. Fronting Iowa Highway 122, the land will be subdivided for development of retail outlets. The sale of the land was closed in April 2015, and the County transferred the net proceeds to the Fair Association.

In the prior fiscal year the Board of Supervisors approved a $656,000 forgivable loan for an unnamed company to build a 350,000 square foot distribution center in Clear Lake. On February 19, 2015 it was publicly announced the company was McKesson, a pharmaceutical warehouse and distribution company.

Also in February 2015 the Board of Supervisors adopted a resolution transferring management of the County Targeted Case Management program to the County Social Services 28E (CSS). The move affects 10.75 full-time employee positions (FTEs), which were merged into CSS Integrated Care Coordination effective April 1, 2015.

In March 2015 the County contracted with the North Iowa Area Council of Governments (NIACOG) to prepare an Urban Revitalization Plan, and in April 2015 the Board of Supervisors adopted a Resolution Finding Need for Establishment of an Urban Revitalization District. One purpose of the actions was to encourage economic development by the Portland Cooperative by providing real estate tax abatement on improvements estimated to cost $2.4 million. The District and Plan will also include opportunities for residential property owners in the unincorporated town of Portland to invest in improvements and take advantage of similar tax abatements.

In April 2015 the County issued $850,000 in General Obligation Capital Loan Notes for the following Essential County Purposes:

- $190,000 new courthouse generator
- $180,000 courthouse tuck pointing
- $455,000 various IT upgrades
- $25,000 issuance costs

The capital loan notes were issued to Clear Lake Bank & Trust for payment over a two-year term at a 1.05% interest rate.

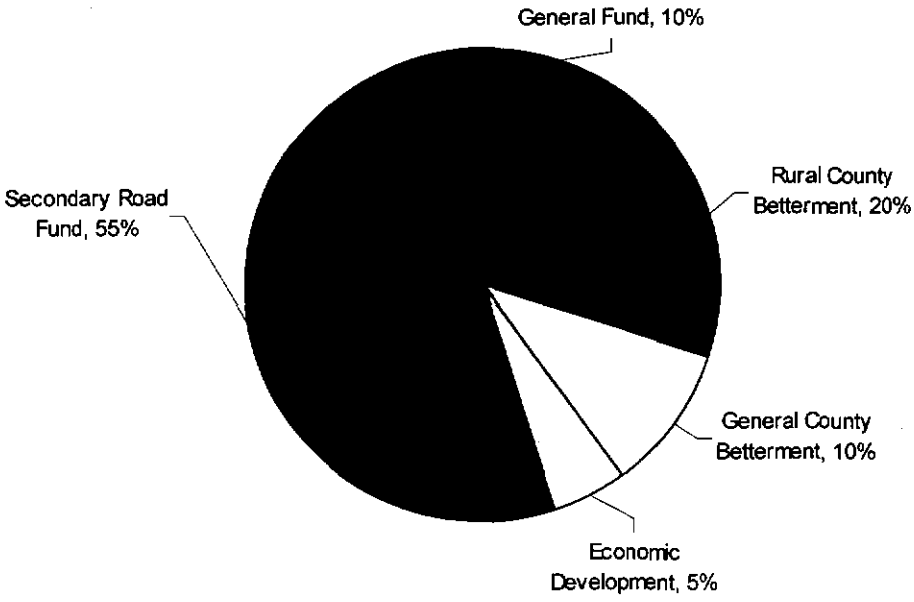
After having a partially self-funded health insurance program since 2006, the County moved to a completely self-funded program effective July 1, 2014. The County was assisted in the change by West Des Moines-based health insurance consulting firm Kingston Life and Health. Kingston had estimated savings of $700,000; however, as of June 30, 2015, the County had saved $1.086 million. At the same time, employee health insurance premiums were unchanged.

Long-Term Financial Planning

The County is continuing to develop strategies for improving service, quality and efficiency. The Board utilizes a long term fiscal policy and continues its strategic planning process. The County's secondary road system is also being continually reviewed. The County Engineer has developed a long-range five-year plan addressing how much additional funding will be required to maintain the quality of the County's roads and bridges.

Relevant Financial Policies

It is Cerro Gordo County's policy to use its share of local option sales and service taxes in the following allocation:



In FY2015, Cerro Gordo County received a total of $1,748,080 in local option sales and service taxes.

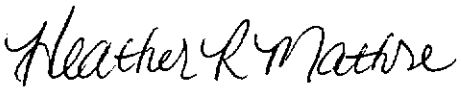
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Cerro Gordo County, Iowa for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the nineteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the Comprehensive Annual Financial Report on a timely basis could not have been completed without the cooperation and services of the staffs of the County Auditor's and Treasurer's offices. Gratitude is also expressed to the independent auditors, Gardiner Thomsen, who provided endless support and assistance in preparing this report, and to the Cerro Gordo County Board of Supervisors for their interest and support.

Respectfully submitted,



Heather R. Mathre, CPA
Budget Manager
Office of the County Auditor
Cerro Gordo County, Iowa

FINANCIAL SECTION

Gardiner Thomsen
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Officials of Cerro Gordo County
Mason City, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Cerro Gordo County, Iowa, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Cerro Gordo County, Iowa, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 23 to the financial statements, Cerro Gordo County adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of County Contributions and the Schedule of Funding Progress for the Retiree Health Plan on pages 12-21 and 61-68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required

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supplementary information in accordance with auditing standards generally accepted in the United States of America, 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 Cerro Gordo County, Iowa's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2014 (which are not presented herein) and expressed unmodified opinions on those financial statements. The introductory section, combining and individual nonmajor fund financial statements, capital asset schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2015, on our consideration of Cerro Gordo County, Iowa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Cerro Gordo County, Iowa's internal control over financial reporting and compliance.

Gardiner Thomsen, P.C.

Charles City, Iowa

December 21, 2015

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Cerro Gordo County provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information presented in the transmittal letter beginning on page 4, and the County's financial statements, which follow.

FINANCIAL HIGHLIGHTS

- Cerro Gordo County governmental fund revenues increased 4.5% or $1,302,326 from $29,232,782 in fiscal year 2014 (FY14) to $30,535,108 in fiscal year 2015 (FY15). Property taxes and other county taxes decreased $173,874, local option sales tax dollars increased $242,737, intergovernmental revenues increased $316,436, licenses and permits decreased $66,022, charges for services decreased $20,211, use of money and property decreased $306,398, and miscellaneous revenues increased $1,248,478 from FY14.

- Cerro Gordo County governmental fund expenditures for FY15 were $30,185,208, an increase of $2,134,918 from $28,050,290 in FY14. This increase was primarily contributable to capital projects increase of $784,250, mental health increase of $542,919, and government services to residents increase of $383,797.

- The assets of the county exceeded liabilities at fiscal year ended June 30, 2015 by $39,507,308 (net position compared to $46,239,392 at June 30, 2014.

- Cerro Gordo County's net position decreased 14.6% or $6,732,084 at June 30, 2015. Government activities decreased $6,664,847 and business-type activities decreased by $67,237. For fiscal year ended June 30, 2014, total net position increased $2,076,864. Governmental activities increased $2,146,821 and business-type activities decreased $69,957.

- Cerro Gordo County's governmental funds reported combined ending fund balances of $15,672,385, an increase of $1,723,178 in comparison with the FY14 fund balances of $13,949,207. Approximately 41.3% of the total amount, $6,473,260, is the County's unassigned fund balance.

- Cerro Gordo County's general long-term debt, excluding compensated absences, termination benefits, and claims payable, increased $583,329 during the fiscal year, from $10,129,520 in FY14 to $10,712,849 in FY15. This change was due to a combination of the issuance of capital loan notes and scheduled debt payments during FY15.

USING THIS ANNUAL REPORT

The 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 government's financial activities.

The Government-wide Financial Statements consist of the Government-Wide Statement of Net Position and the Government-Wide Statement of Activities (on pages 22-25). These provide information about the activities of the County as a whole and present an overall view of the County's finances.

The Fund Financial Statements (starting on page 26) tell how government services were financed in the short term as well as what remains for future spending. Fund financial statements report Cerro Gordo County's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Cerro Gordo County acts solely as an agent or custodian for the benefit of those outside of the government.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year, the County's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Funding Progress for the Retiree Health Plan.

Supplemental Information provides detailed information about the nonmajor governmental and the individual Agency Funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the County.

Reporting the County as a Whole

Government-wide Financial Statements

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about activities in a way the helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting and the economic resources measurement focus. This is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position presents all of the County's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the County's net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net position changed during the fiscal year. All changes in net position are reported as soon as the event or change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods.

The County's governmental activities are displayed in the Statement of Net Position and the Statement of Activities. Governmental activities include public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, government services to residents, administrative services, interest on long-term debt, and other non-program activities. Property taxes and state and federal grants finance most of these activities.

Fund Financial Statements

The fund financial statements begin on page 26 and provide detailed information about individual, significant funds; not the County as a whole. Some funds are required to be established by Iowa law or by bond covenants. However, the County establishes many other funds to help it control and manage money for particular purposes.

Cerro Gordo County has three kinds of funds:

1) Governmental funds account for most of the County's basic services, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These governmental funds include 1) General Fund, 2) Special Revenue Funds, 3) Debt Service Fund, and 4) Capital Projects Fund. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The government fund statements provide a detailed short-term view of the County's general governmental operations and the basic service it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

The governmental funds required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances.

2) Cerro Gordo County maintains two types of proprietary funds: internal service funds and enterprise funds.

a) Cerro Gordo County has two internal service funds: Central Services Fund and Health Insurance Fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions.

b) Enterprise funds are used to account for operations that are financed and operated in a manner similar to a private business. Cerro Gordo County maintains two enterprise funds: Meservey Wastewater Collection & Treatment Facility and Swaledale Wastewater Collection & Treatment Facility.

The proprietary funds required financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Fund Net Position, and a Statement of Cash Flows.

3) Fiduciary funds are used to report assets held in a trust or agency capacity for others and cannot be used to support the government's own programs. These fiduciary funds include agency funds that account for emergency management, county assessor, and city assessor to name a few.

The fiduciary funds required financial statements include a Statement of Fiduciary Assets and Liabilities.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the financial statements can be found beginning on page 38.

Supplemental Information

The supplemental information begins on page 69 and provides detailed information about the non-major governmental funds and the individual fiduciary funds. In addition, the Single Audit Section provides details of the various Federal awards received by the County.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Cerro Gordo County's net position decreased $6,732,084 from $46,239,392 to $39,507,308. The analysis below focuses on the net position and changes in net position of our government and business-type activities.

Cerro Gordo County's Net Position
June 30, 2015

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	$33,864,396	$31,612,208	$123,546	$118,242	$33,987,942	$31,730,450
Capital Assets	43,897,146	44,494,545	1,556,113	1,641,398	45,453,259	46,135,943
Total Assets	77,761,542	76,106,753	1,679,659	1,759,640	79,441,201	77,866,393
Long-Term Debt Outstanding	17,465,805	12,445,876	500,915	513,352	17,966,720	12,959,228
Other Liabilities	3,771,414	2,956,437	13,030	13,337	3,784,444	2,969,774
Total Liabilities	21,237,219	15,402,313	513,945	526,689	21,751,164	15,929,002
Deferred Inflows of Resources	19,577,296	15,697,999	0	0	19,577,296	15,697,999
Net Position:						
Invested in Capital Assets, Net of Related Debt	34,084,193	34,748,299	1,042,761	1,116,146	35,126,954	35,864,445
Restricted	6,172,763	6,340,085	0	0	6,172,763	6,340,085
Unrestricted	(1,915,362)	3,918,057	122,953	116,805	(1,792,409)	4,034,862
Total Net Position	$38,341,594	$45,006,441	$1,165,714	$1,232,951	$39,507,308	$46,239,392

The largest portion of the County's net position, 88.9%, is the Invested in Capital Assets (e.g., land, infrastructure, buildings, and equipment), less the related debt. The County uses these capital assets to provide services to citizens, therefore, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to cover the liabilities.

A restricted portion of the County's net position, 15.6% or $6,172,763, represents resources that are subject to external restrictions, constitution provisions, or enabling legislation on how they can be used. The remaining balance of unrestricted net position is $(1,792,409) or -4.5%.

The County's net position decreased $6,732,084 during the current fiscal year. The governmental-type activities decreased by $6,664,847 and the business-type activities decreased $67,237.

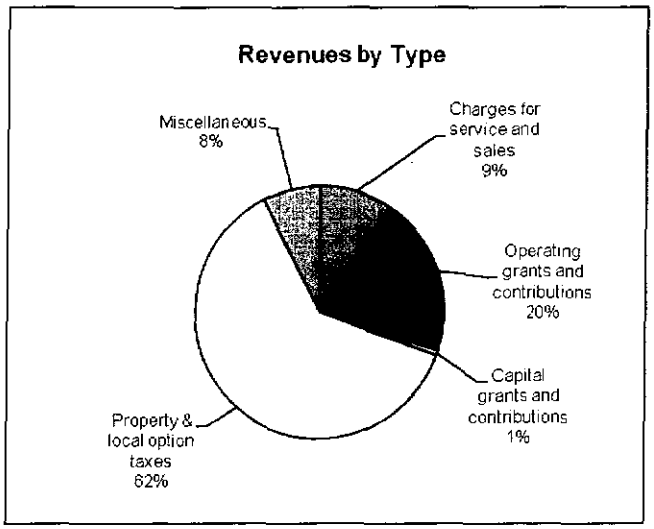
Governmental Accounting Standards Board Statement No.68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27 was implemented during fiscal year 2015. The beginning net position as of July 1, 2014 for governmental activities were restated by $8,465,389 to retroactively report the net pension liability as of June 30, 2013 and deferred outflows of resources related to contributions made after June 30, 2013 but prior to July 1, 2014. Fiscal year 2013 and 2014 financial statement amounts for net pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources were not restated because the information was not available. In the past, pension expense was the amount of the employer contribution. Current reporting provides a more comprehensive measure of pension expense which is more reflective of the amounts employees earned during the year.

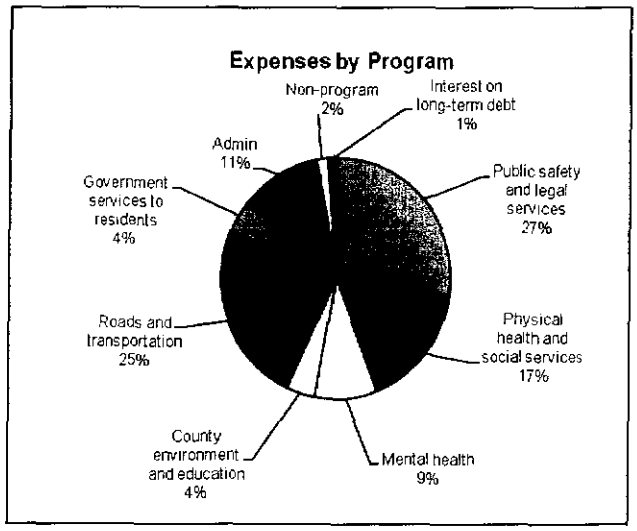
The following table highlights the County's revenues and expenses for the fiscal year ended June 30, 2015 and 2014. These two main components are subtracted to yield the change in net position. This table utilizes the full accrual method of accounting. Revenue is further divided into two major components: Program Revenue and General Revenue. Program Revenue is defined as charges for service and sales, operating grants and

contributions, and capital grants and contributions. General Revenue includes taxes, investment income, and other unrestricted revenue sources.

Cerro Gordo County's Changes in Net Position
June 30, 2015

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for service and sales	$2,850,522	$3,103,946	$62,871	$64,219	$2,913,393	$3,168,165
Operating grants and contributions	6,299,549	6,290,644	0	0	6,299,549	6,290,644
Capital grants and contributions	198,500	2,152,813	0	0	198,500	2,152,813
General Revenues						
Property taxes	16,237,563	16,407,328	0	0	16,237,563	16,407,328
Penalty & interest on property tax	158,706	152,169	0	0	158,706	152,169
State tax credits	887,296	565,129	0	0	887,296	565,129
Local option sales & service tax	1,748,080	1,505,343	0	0	1,748,080	1,505,343
Tax increment financing	2,960	8,912	0	0	2,960	8,912
Grants and contributions not restricted to specific purposes	0	0	0	0	0	0
Unrestricted investment earnings	46,530	42,439	64	60	46,594	42,499
Miscellaneous	2,296,860	1,100,792	0	0	2,296,860	1,100,792
Loss on Disposal of Capital Assets	(14,457)	(10,724)	0	0	(14,457)	(10,724)
Total revenues	**30,712,109**	**31,318,791**	**62,935**	**64,279**	**30,775,044**	**31,383,070**
Expenses:						
Public safety and legal services	7,916,626	8,402,604	0	0	7,916,626	8,402,604
Physical health and social services	4,915,152	5,066,738	0	0	4,915,152	5,066,738
Mental health	2,548,983	2,030,635	0	0	2,548,983	2,030,635
County environment and education	1,164,838	1,917,261	0	0	1,164,838	1,917,261
Roads and transportation	7,098,406	7,167,177	0	0	7,098,406	7,167,177
Government services to residents	1,239,392	1,117,636	0	0	1,239,392	1,117,636
Administrative services	3,295,671	2,771,301	0	0	3,295,671	2,771,301
Non-program	342,098	283,087	130,172	134,236	472,270	417,323
Interest on long-term debt	390,401	415,531	0	0	390,401	415,531
Total expenses	**28,911,567**	**29,171,970**	**130,172**	**134,236**	**29,041,739**	**29,306,206**
Increase (decrease) in net position	**1,800,542**	**2,146,821**	**(67,237)**	**(69,957)**	**1,733,305**	**2,076,864**
Net position July 1, as restated	36,541,052	42,859,620	1,232,951	1,302,908	37,774,003	44,162,528
Net position June 30,	**38,341,594**	**45,006,441**	**1,165,714**	**1,232,951**	**39,507,308**	**46,239,392**





Governmental Activities

Revenues for governmental activities decreased 1.9% or $606,682 over the prior year. Charges for services decreased $253,424, due to a $235,000 easement fee collected within the county for FY14, but not FY15. The County's operating grants and contributions remained fairly constant with a slight increase of $8,905. Roads and transportation received $2,106,013 in grants for FY14 and only $148,500 for FY15, causing the capital grants and contributions to have a decrease of $1,954,313 over the prior year's amount of $2,152,813, a decrease of 90.8%. Property tax revenues decreased $169,765 due to a decrease in the taxable value in the county. Unrestricted investment earnings increased marginally $4,091 due to a slightly higher investment rate of return.

The cost of all governmental activities this year was $28,911,567, a decrease of $260,403 over the prior years' $29,171,970. However, as shown in the Statement of Activities on page 24-25, the amount the taxpayers ultimately financed for these activities through County taxes was only $19,562,996 because some of the cost was paid by those that directly benefited from the programs, or by other governments and organizations that subsidized certain programs with grants and contributions.

County environment and education had the largest decrease of $752,423, followed by public safety and legal services with a decrease of $485,978. The decrease in county environment and education was due to a FY14 $656,000 economic development forgivable loan to Windmill Realty, LLC which is responsible under the development agreement to create a 350,000 square foot distribution center and 164 jobs with an average wage of $39,000. Administrative Services had the largest increase of $524,370 due to the distribution of land sale proceeds to the North Iowa Events Center of $450,000. Mental health also had a large increase of $518,348, from $2,030,635 to $2,548,983. As of July 1, 2010, mental health services have been accounted for in the newly formed County Social Services (CSS) Agency. The majority of the county expenditures for mental health are fund requests transferred to the CSS Agency. In the past four fiscal years, funds transfers have been inconsistently requested by the CSS causing dramatic sways in expenditures from year to year.

Cerro Gordo County maintained the rural rate of 3.50739 and slightly increased in the countywide tax rate from 6.23582 to 6.24934 for FY15. The combined tax rates resulted in decreased property tax dollars of approximately $209,900 for general purposes and $22,000 for mental health services and increased property taxes of $66,200 for rural purposes and $18,500 for debt service.

Business-Type Activities

Business-type activities decreased the County's net position by $67,237.

The County's Individual Major Funds

As Cerro Gordo County completed the year, its governmental funds reported a combined fund balance of $15,672,385, which is an increase of $1,723,178 or 12.4% over the combined fund balance for FY14. Of this amount, $6,473,260 represents the unassigned fund balance which is available for spending at the government's discretion. The remainder of the fund balance is assigned, restricted, or nonspendable. The following are the major reasons for the changes in fund balances from the prior year:

- The General Fund, as the main operating fund for Cerro Gordo County, ended FY15 with a 56.3% ending fund balance totaling $7,826,875. This is a $411,824 increase from the prior year's $7,415,051 fund balance. Revenues remained fairly constant with a 1.1% decrease from the prior year, or $190,910. Expenditures also remained steady with an increase of $94,394, or 0.7% from FY14.

- Cerro Gordo County has continued to look for ways to effectively manage the cost of mental health services. The county, along with four other counties, entered into a 28E agreement to create the CSS Agency in FY11. In FY12, three additional counties joined the CSS Agency for a total of eight

counties. FY13 led to 14 additional counties joining the CSS Agency, for a total of 22 counties that comprise the CSS Agency. This agency accounts for all mental health revenues, with the exception of each county's property taxes for mental health purposes. It also accounts for the majority of the mental health expenditures. The Mental Health Fund balance decreased from $840,599 in FY14 to $652,155, a decrease of $188,444. For the year, expenditures totaled $2,561,090, an increase of $542,919 or 26.9% over last year's expenditures of $2,018,171 due to the irregular requests for reimbursement from CSS. Revenues increased $81,531, or 3.6%.

- The Rural Services Fund balance increased $35,830 to $1,029,290 from the prior year ending balance of $993,460. Revenues increased $87,133, from $2,496,692 in FY14 to $2,583,825 in FY15. Expenditures totaled $697,995, an increase of $233,422, or 50.2% over last year's expenditures of $464,573. This increase was due to the purchase of the Sheriff patrol cars from the Rural Services Fund rather than the Rural County Betterment Fund that is funded with local sales and service tax dollars. The County supports the secondary roads fund with an annual property tax dollar transfer out of the rural services fund. In FY15, this transfer remained the same as the prior year at $1,850,000.

- The Secondary Roads Fund expenditures increased by $421,256 or 6.8%, from $6,238,578 in FY14 to $6,659,834 in FY15. This was due to an increase of $336,297 in spending for capital projects in FY15. The Secondary Roads fund balance increased $311,366, from $2,507,661 in FY14 to $2,819,027 in FY15 due to an increase in Reserve for Inventories of $353,767.

- The Public Health Fund ended FY15 with a fund balance of $1,103,221, an increase of $148,914 over the prior year's balance of $954,307. Expenditures increased $157,039, or 4.3% over the prior year. Revenues also increased .9%, or $21,565.

- The Debt Service Fund had a fund balance of $36,233, all of which is restricted for the payment of debt.

- The Capital Projects fund balance increase $402,047 from $933 at June 30, 2014 to $402,980 at June 30, 2015. The increase in fund balance is due to the Capital loan note proceeds issued in FY15. Revenues were $850,000 and expenditures $447,953 for FY15. In FY14, both revenues and expenditures were $0.

Budgetary Highlights

The county budget is based on ten functions/service areas as required by the State, not by fund or fund type. Over the course of the year, Cerro Gordo County amended its budget one time. The budgetary comparison schedule on pages 61-62 provides more information. The amendment, approved in May 2015, resulted in the following:
Revenues and Other Financing Sources increased $2,471,642, which included:

- An increase of $189,657 in local option sales and service tax and a decrease of $10,270 in utility replacement excise tax.

- A $71,368 decrease in intergovernmental revenues comprised of a decrease of $236,152 for state tax credits and increases of $95,300 for the Conservation department, $35,000 for Department of Human Services, $20,556 for Public Health Department, and $13,928 for various departments.

- An increase of $11,000 in licenses and permits for planning and zoning fees.

- Charges for services increased $108,812 due to an increase in County Sheriff fees of $40,000, $37,000 for fees provided by the General Relief department, an additional $18,000 received by the County Treasurer and $23,034 by the County IT department for services. There was an additional $5,000 in

service fees earned by the Planning & Zoning department. The Public Health department had a decrease in service fees of $14,222.

- Use of money & property increased $47,100 due to additional land rent of $2,100 and Jail Phone profits of $45,000.

- Miscellaneous revenue increased $1,341,695 due to several departments receiving additional miscellaneous revenue, with public health, $128,659, Conservation receiving a donation of $667,230 from an estate, the County Sheriff, $59,000, sale of Fairground frontal land for $450,259. There was an additional $36,547 received by various departments.

- Other Financing Sources of $855,016 is from the proceeds of $843,000 capital loan notes and operating transfers of $12,016.

Expenditures and Other Financing Uses increased $2,087,037, which included:

- Decrease of $71,583 in Public Safety and Legal Services. This is due to a decrease of expenditures for the County Sheriff department of $68,583 and Court Services of $13,000. The County Attorney department increased their budget by $10,000.

- Increase of $243,101 in Physical Health and Education due to increases in the following departments: Public Health $163,925, Case Management $28,000, Juvenile Detention $30,000, Veteran Affairs $10,000, and County Grants $11,176.

- An increase of $95,023 in County Environment & Education largely for additional REAP expenditures of $100,000 as well as a decrease of $4,977 in various other departments.

- An increase of $295,000 in Roads and Transportation for Secondary Roads department.

- An increase of $12,920 for Government Services to Residents. This was for additional County Recorder expenditures of $7,920 and County Auditor expenditures of $5,000.

- An increase of $424,375 in Administration. $450,500 of this increase was due to the sale of the Fairground frontal land, and the proceeds paid to the Fairgrounds. The county also approved an additional $270,000 for the IT department for possible equipment purchases. Also, a decrease in expenditures for the Courthouse Maintenance department of $227,000, the Non-Department of $34,125, and the Postage department of $35,000.
-
- A decrease of $3,815 in Debt Service due to the postage lease being paid in full.

- An increase in capital projects of $1,080,000. $600,000 was for Secondary Road construction projects and the other $480,000 was expenditure of Capital Loan Note proceeds for approved projects.

- Other Financing Uses of $12,016 is operating transfers.

During the year, however, revenues were $102,755 more than budgetary revenues and expenditures were $2,842,778 less than budgetary expenditures. Iowa law requires budget amendments to specific expenditure functions/service areas, i.e., public safety and legal service, to be enacted by the Board of Supervisors no later than May 31 of each fiscal year. Since the County's fiscal year ends on June 30 and the County's budget is based on the current financial resources measurement focus and the modified accrual basis of accounting, the Board takes a conservative approach when enacting yearend budget amendments. This means the comparison of actual to budgeted amounts will usually show expenditures to be well below budgeted amounts. This is especially true

for the Capital Projects and Roads and Transportation service areas when projects may roll over to a subsequent fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Cerro Gordo County's investment in capital assets for its governmental and business-type activities as of June 30, 2015 was $85,871,224, an increase of $1,706,443 or 2.0% compared to FY14. This investment in capital assets includes land, buildings, improvements other than buildings, machinery & equipment, vehicles, intangibles, and infrastructure.

Major capital asset additions during the current fiscal year included infrastructure and machinery and equipment for Conservation, Secondary Roads, and elections.

Cerro Gordo County's Capital Assets
FYE 2015

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	$ 1,788,492	$ 1,693,192	$ 62,300	$ 62,300	$ 1,850,792	$ 1,755,492
Construction-in-Process	524,981	978,252	0	0	524,981	978,252
Buildings	17,506,698	17,506,698	0	0	17,506,698	17,506,698
Improvements other than Buildings	603,760	603,760	0	0	603,760	603,760
Machinery & Equipment	7,351,768	7,127,856	0	0	7,351,768	7,127,856
Vehicles	4,530,047	4,470,620	0	0	4,530,047	4,470,620
Intangibles	263,734	263,734	0	0	263,734	263,734
Infrastructure	50,532,801	48,751,726	2,706,643	2,706,643	53,239,444	51,458,369
Total	83,102,281	81,395,838	2,768,943	2,768,943	85,871,224	84,164,781
Less: Accumulated Depreciation	39,205,135	36,901,293	1,212,830	1,127,544	40,417,965	38,028,837
Total	43,897,146	44,494,545	1,556,113	1,641,399	45,453,259	46,135,944

For governmental activities, Cerro Gordo County had depreciation expense of $3,028,120 and total accumulated depreciation of $39,205,135 for the year ended June 30, 2015. For business-type activities, depreciation expense was $85,286 and total accumulated depreciation was $1,212,830 for the year end.

Additional information on Cerro Gordo County's capital assets can be found in Note 5 of this report.

Debt

As of June 30, 2015, Cerro Gordo County had total long-term debt outstanding for governmental activities of $10,712,849, an increase of $583,329 compared to FY14. The County issued $850,000 in capital loan notes and $145,190 in drainage warrants. The change in debt also resulted from capital loan note retirement of $401,000 and $1,246 of capital lease purchase agreements. In the current year, the County paid $402,246 in principal and $404,889 in interest on outstanding debt, compared to $575,238 in principal and $416,469 in interest for FY14.

Sewer revenue capital loan notes (Business-Type Activities) outstanding totaled $513,352. This is a decrease of $11,900 due to debt retirement. Business-Type Activities paid $11,900 in principal and $23,636 in interest on outstanding debt in the current year.
The Code of Iowa limits the amount of general obligation debt that counties can issue to 5 percent of the assessed value of all taxable property within the county. Cerro Gordo County's outstanding general obligation debt is significantly below its limit of $232 million.

Cerro Gordo County's Outstanding Debt
June 30, 2015

	2015	2014
Governmental Activities:		
Capital Loan Notes & Revenue Bonds	$ 10,515,250	$ 10,066,250
Capital Lease Purchase Agreements	0	1,246
Drainage Warrants	197,599	62,024
Total	**$ 10,712,849**	**$ 10,129,520**
Business-Type Activities:		
Sewer Revenue Bonds	$ 513,352	$ 525,252

Additional information about the County's long-term liabilities can be found in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEARS'S BUDGETS AND RATES

Cerro Gordo County's elected and appointed officials and citizens considered many factors when setting the 2016 fiscal year budget, tax rates, and the fees that will be charged for the various county services. One of those factors is the economy. Cerro Gordo County's unemployment rate now stands at 4.52% versus 5.20% a year ago. This compares with the State unemployment rate of 3.7% and the national rate of 5.0%

- For the budget year ending June 30, 2016, Cerro Gordo County maintained both the countywide tax rate at $6.23582 per thousand of taxable valuation and the rural county tax rate at $3.50739 per thousand of taxable valuation.
- The tax base for Cerro Gordo County increased 1.8% over the prior year.
- The total expenditures for the FY16 budget are $31,260,561, an increase of $850,881, or 2.8%, from the FY15 budget. A large share of the increase is due to the increase in salary and benefits for county employees, along with an additional $400,000 for debt service payments. The County has four bargaining units. Three of the contracts were re-negotiated and will expire June 30, 2017; the other re-negotiated contract will expire June 30, 2016.

All these factors were considered in preparing the Cerro Gordo County budget for the June 30, 2016 fiscal year.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the County's finances and to demonstrate the accountability for the public dollars entrusted to us. If you have questions about this report or need additional information, contact the Cerro Gordo County Auditor's Office, 220 North Washington, Mason City, Iowa 50401.

CERRO GORDO COUNTY, IOWA

STATEMENT OF NET POSITION
June 30, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash, Cash Equivalents and Pooled Investments	$15,589,771	$116,037	$15,705,808
Receivables:			
Property Tax:			
Delinquent	38,636	0	38,636
Succeeding Year	15,644,835	0	15,644,835
Interest and Penalty on Property Tax	2,763	0	2,763
Accounts	358,657	0	358,657
Accrued Interest	11,962	0	11,962
Special Assessments	54,369	0	54,369
Drainage Assessments	54	0	54
Due From Other Governments	981,509	7,509	989,018
Inventories	1,181,840	0	1,181,840
Capital Assets:			
Land	1,788,492	62,300	1,850,792
Construction in Progress	524,981	0	524,981
Intangibles	263,734	0	263,734
Other Capital Assets	80,525,074	2,706,643	83,231,717
Less Accumulated Depreciation/Amortization	(39,205,135)	(1,212,830)	(40,417,965)
Total Assets	$77,761,542	$1,679,659	$79,441,201
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Deferred Outflows	$1,394,567	$0	$1,394,567
LIABILITIES			
Accounts Payable	$913,530	$593	$914,123
Accrued Interest Payable	19,167	0	19,167
Salaries and Benefits Payable	593,849	0	593,849
Due to Other Governments	46,134	0	46,134
Long-Term Liabilities:			
Portion Due or Payable Within One Year:			
General Obligation Bonds/Revenue Notes	1,216,500	12,437	1,228,937
Compensated Absences	879,934	0	879,934
Termination Benefits	102,300	0	102,300
Portion Due or Payable After One Year:			
General Obligation Bonds/Revenue Notes	9,298,750	500,915	9,799,665
Drainage District Warrants Payable	197,599	0	197,599
Termination Benefits	157,080	0	157,080
Net Pension Liability	5,026,904	0	5,026,904
Net OPEB Liability	2,785,472	0	2,785,472
Total Liabilities	$21,237,219	$513,945	$21,751,164
DEFERRED INFLOWS OF RESOURCES			
Unavailable Property Tax Revenue	$15,644,835	$0	$15,644,835
Pension Related Deferred Inflows	3,932,461	0	3,932,461
Total Deferred Inflows of Resources	$19,577,296	$0	$19,577,296

(Continued)

CERRO GORDO COUNTY, IOWA

STATEMENT OF NET POSITION
June 30, 2015

	Governmental Activities	Business-Type Activities	Total
NET POSITION			
Net Investment in Capital Assets	$34,084,193	$1,042,761	$35,126,954
Restricted For:			
Non-Expendable:			
Strand Endowment	60,000	0	60,000
Expendable:			
Supplemental Levy Purposes	177,458	0	177,458
Mental Health Purposes	698,996	0	698,996
Secondary Roads Purposes	2,637,102	0	2,637,102
Debt Service	19,115	0	19,115
Capital Projects	933	0	933
Other Purposes	2,579,159	0	2,579,159
Unrestricted	(1,915,362)	122,953	(1,792,409)
Total Net Position	$38,341,594	$1,165,714	$39,507,308

(Concluded)

See Notes to Financial Statements.

CERRO GORDO COUNTY, IOWA

STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

		Program Revenues		
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
FUNCTIONS/PROGRAMS:				
Governmental Activities:				
Public Safety and Legal Services	$7,916,626	$1,105,818	$553,659	$0
Physical Health and Social Services	4,915,152	413,983	2,288,572	0
Mental Health	2,548,983	102,868	0	0
County Environment and Education	1,164,838	156,790	24,505	50,000
Roads and Transportation	7,098,406	36,305	3,432,755	148,500
Governmental Services to Residents	1,239,392	727,195	58	0
Administration	3,295,671	78,154	0	0
Non-Program	342,098	229,409	0	0
Interest on Long Term Debt	390,401	0	0	0
	28,911,567	2,850,522	6,299,549	198,500
Business-type Activities:				
Wastewater Collection and Treatment	130,172	62,871	0	0
Total	$29,041,739	$2,913,393	$6,299,549	$198,500

GENERAL REVENUES:
Property and Other County Tax Levied For:
General Purposes
Debt Service
Penalty and Interest on Property Tax
State Tax Credits, Unrestricted
Local Option Sales and Service Tax
Tax Increment Financing
Unrestricted Investment Earnings
Miscellaneous

Total General Revenues

Change in Net Position

Net Position Beginning of Year, As Restated

Net Position End of Year

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
($6,257,149)	$0	($6,257,149)
(2,212,597)	0	(2,212,597)
(2,446,115)	0	(2,446,115)
(933,543)	0	(933,543)
(3,480,846)	0	(3,480,846)
(512,139)	0	(512,139)
(3,217,517)	0	(3,217,517)
(112,689)	0	(112,689)
(390,401)	0	(390,401)
(19,562,996)	0	(19,562,996)
0	(67,301)	(67,301)
($19,562,996)	($67,301)	($19,630,297)
$15,286,100	$0	$15,286,100
951,463	0	951,463
158,706	0	158,706
887,296	0	887,296
1,748,080	0	1,748,080
2,960	0	2,960
46,530	64	46,594
2,282,403	0	2,282,403
21,363,538	64	21,363,602
1,800,542	(67,237)	1,733,305
36,541,052	1,232,951	37,774,003
$38,341,594	$1,165,714	$39,507,308

CERRO GORDO COUNTY, IOWA

BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2015

		Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads	Public Health
Assets					
Cash, Cash Equivalents and Pooled Investments	$8,016,188	$659,636	$1,044,877	$1,302,013	$1,012,332
Receivables:					
Property Tax:					
Delinquent	25,091	3,508	7,137	0	0
Succeeding Year	10,563,044	1,476,502	2,281,916	0	0
Interest and Penalty on Property Tax	2,763	0	0	0	0
Accounts	125,726	0	0	1,420	216,472
Accrued Interest	11,753	0	0	0	0
Special Assessments	23,215	0	0	0	0
Drainage Assessments	0	0	0	0	0
Due From Other Funds	5,833	0	0	0	0
Due From Other Governments	268,431	59,006	0	490,246	50,924
Inventories	0	0	0	1,181,840	0
Total Assets	$19,042,044	$2,198,652	$3,333,930	$2,975,519	$1,279,728
Liabilities, Deferred Inflows of Resources And Fund Balances					
Liabilities:					
Accounts Payable	$189,608	$936	$9,776	$61,676	$47,298
Salaries and Benefits Payable	375,979	7,251	9,887	94,712	104,917
Due To Other Funds	0	254	0	104	5,475
Due To Other Governments	27,317	0	0	0	18,817
Compensated Absences	17,781	0	0	0	0
Total Liabilities	610,685	8,441	19,663	156,492	176,507
Deferred Inflows of Resources:					
Unavailable Revenues:					
Succeeding Year Property Tax	10,563,044	1,476,502	2,281,916	0	0
Other	41,440	61,554	3,061	0	0
Total Deferred Inflows of Resources	10,604,484	1,538,056	2,284,977	0	0

Debt Service	Capital Projects	Nonmajor	Total
$35,461	$647,030	$1,719,127	$14,436,664
2,821	0	79	38,636
1,264,952	0	58,421	15,644,835
0	0	0	2,763
0	0	13,760	357,378
0	0	209	11,962
0	0	31,154	54,369
0	0	54	54
0	0	0	5,833
0	0	112,891	981,498
0	0	0	1,181,840
$1,303,234	$647,030	$1,935,695	$32,715,832
$0	$244,050	$42,280	$595,624
0	0	1,103	593,849
0	0	0	5,833
0	0	0	46,134
0	0	0	17,781
0	244,050	43,383	1,259,221
1,264,952	0	58,421	15,644,835
2,049	0	31,287	139,391
1,267,001	0	89,708	15,784,226

(Continued)

CERRO GORDO COUNTY, IOWA

BALANCE SHEET – GOVERNMENTAL FUNDS (Continued)
June 30, 2015

		Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads	Public Health
Fund Balances:					
Nonspendable:					
Inventories	$0	$0	$0	$1,181,840	$0
Trust	0	0	0	0	0
Restricted For:					
Supplemental Levy Purposes	172,014	0	0	0	0
Mental Health Purposes	0	652,155	0	0	0
Rural Services Purposes	0	0	1,029,290	0	0
Secondary Roads Purposes	0	0	0	1,637,187	0
Drainage Warrants	0	0	0	0	0
Conservation Land Acquisition	78,944	0	0	0	0
Nature Center Endowment	0	0	0	0	0
Debt Service	0	0	0	0	0
Capital Projects	0	0	0	0	0
Other Purposes	0	0	0	0	0
Assigned – Public Health	0	0	0	0	1,103,221
Assigned – Health Screenings	12,327	0	0	0	0
Assigned – Conservation Parks	160,921	0	0	0	0
Assigned – Capital Improvements	511,941	0	0	0	0
Assigned – Bayside	314,220	0	0	0	0
Assigned – Sheriff's Department	103,248	0	0	0	0
Unassigned	6,473,260	0	0	0	0
Total Fund Balances	7,826,875	652,155	1,029,290	2,819,027	1,103,221
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$19,042,044	$2,198,652	$3,333,930	$2,975,519	$1,279,728

See Notes To Financial Statements.

Debt Service	Capital Projects	Nonmajor	Total
$0	$0	$0	$1,181,840
0	0	60,000	60,000
0	0	0	172,014
0	0	0	652,155
0	0	0	1,029,290
0	0	0	1,637,187
0	0	94,988	94,988
0	0	0	78,944
0	0	124,305	124,305
36,233	0	0	36,233
0	402,980	0	402,980
0	0	1,523,311	1,523,311
0	0	0	1,103,221
0	0	0	12,327
0	0	0	160,921
0	0	0	511,941
0	0	0	314,220
0	0	0	103,248
0	0	0	6,473,260
36,233	402,980	1,802,604	15,672,385
$1,303,234	$647,030	$1,935,695	$32,715,832

(Concluded)

CERRO GORDO COUNTY, IOWA

RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2015

Total Governmental Fund Balances (page 29)		$15,672,385
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 $83,102,281 and the accumulated depreciation/amortization is $39,205,135.		43,897,146
Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows in the governmental funds.		
Property Taxes – General Purposes	$23,913	
Property Taxes – Debt Service	2,049	
Reimbursements	59,006	
Drainage Assessments/Special Assessments	54,423	139,391
The Internal Service Funds are used by management to charge the costs of the self funding of the County's health insurance benefit plan and the costs of centralized service operations for telephone service and property insurance to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position.		836,491
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred Outflows of Resources	1,394,567	
Deferred Inflows of Resources	(3,932,461)	(2,537,894)
Long-term liabilities, including capital lease purchase agreements payable, bonds and notes payable, accrued interest payable, other post employment benefits payable, termination benefits payable, net pension liability and compensated absences payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds.		(19,665,925)
Net position of governmental activities (page 23)		$38,341,594

See Notes to Financial Statements.

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CERRO GORDO COUNTY, IOWA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
Year Ended June 30, 2015

		Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads	Public Health
REVENUES:					
Property and Other County Tax	$10,816,342	$1,987,197	$2,481,873	$0	$0
Local Option Sales Tax	174,808	0	0	961,445	0
Interest and Penalty on Property Tax	158,706	0	0	0	0
Intergovernmental	2,724,264	159,182	100,664	3,595,309	1,571,300
Licenses and Permits	44,220	0	0	10,895	99,843
Charges For Service	1,051,459	0	0	0	314,139
Use of Money and Property	186,338	0	0	0	0
Fines, Forfeitures and Defaults	0	0	0	0	0
Miscellaneous	740,365	226,267	1,288	190,434	332,462
Total Revenues	15,896,502	2,372,646	2,583,825	4,758,083	2,317,744
EXPENDITURES:					
Operating:					
Public Safety and Legal Services	7,834,097	0	196,223	0	0
Physical Health and Social Services	1,250,640	0	0	0	3,772,588
Mental Health	0	2,561,090	0	0	0
County Environment and Education	755,792	0	221,510	0	0
Roads and Transportation	0	0	273,389	5,345,285	0
Governmental Services to Residents	1,139,921	0	6,873	0	0
Administration	2,928,081	0	0	0	0
Non-Program	0	0	0	0	0
Debt Service	1,272	0	0	0	0
Capital Projects	0	0	0	1,314,549	0
Total Expenditures	13,909,803	2,561,090	697,995	6,659,834	3,772,588
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,986,699	(188,444)	1,885,830	(1,901,751)	(1,454,844)
Other Financing Sources (Uses):					
Sale of Capital Assets	14,971	0	0	9,350	0
Drainage Warrants Issued	0	0	0	0	0
Transfers In	13,912	0	0	1,850,000	1,603,758
Transfers Out	(1,603,758)	0	(1,850,000)	0	0
Issuance of General Obligation Capital Loan Notes	0	0	0	0	0
Total Other Financing Sources (Uses)	(1,574,875)	0	(1,850,000)	1,859,350	1,603,758
Change in Fund Balances	411,824	(188,444)	35,830	(42,401)	148,914
Fund Balances Beginning of Year	7,415,051	840,599	993,460	2,507,661	954,307
Increase in Reserve For:					
Inventories	0	0	0	353,767	0
Fund Balances End of Year	$7,826,875	$652,155	$1,029,290	$2,819,027	$1,103,221

See Notes To Financial Statements.

Debt Service	Capital Projects	Nonmajor	Total
$950,914	$0	$2,960	$16,239,286
0	0	611,827	1,748,080
0	0	0	158,706
53,877	0	73,442	8,278,038
0	0	0	154,958
0	0	36,633	1,402,231
180	0	2,296	188,814
0	0	79,834	79,834
0	0	794,345	2,285,161
1,004,971	0	1,601,337	30,535,108
0	0	154,244	8,184,564
0	0	86,904	5,110,132
0	0	0	2,561,090
0	0	297,991	1,275,293
0	0	0	5,618,674
0	0	314,315	1,461,109
0	0	67,110	2,995,191
0	0	189,518	189,518
1,000,848	0	25,015	1,027,135
0	447,953	0	1,762,502
1,000,848	447,953	1,135,097	30,185,208
4,123	(447,953)	466,240	349,900
0	0	0	24,321
0	0	145,190	145,190
0	0	0	3,467,670
0	0	(13,912)	(3,467,670)
0	850,000	0	850,000
0	850,000	131,278	1,019,511
4,123	402,047	597,518	1,369,411
32,110	933	1,205,086	13,949,207
0	0	0	353,767
$36,233	$402,980	$1,802,604	$15,672,385

CERRO GORDO 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, 2015

Change in fund balances - Total governmental funds (page 32)		$1,369,411
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. Depreciation/amortization expense exceeded capital outlay expenditures and contributed capital assets in the current year as follows:		
Expenditures for Capital Assets	$2,469,499	
Depreciation/Amortization Expense	(3,028,120)	(558,621)
In the Statement of Activities, the loss on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources.		(38,778)
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, as follows:		
Property Tax	1,238	
Other	(8,069)	(6,831)
Proceeds from issuing long-term liabilities 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 debt issuances exceeded repayments as follows:		
General Obligation Capital Loan Notes Issued	(850,000)	
Drainage Warrants Issued	(145,190)	
Principal Payments	401,000	
Lease Payments	1,246	
Drainage Warrants Payments	9,615	(583,329)
The current year County employer share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position.		1,078,215
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	(6,833)	
Other Postemployment Benefits/Termination Benefits	(234,510)	
Pension Expense	(177,624)	
Interest on Long-Term Debt	14,488	(404,479)
The change in the amount reserved for Secondary Roads inventory is reported as an increase or decrease in reserved fund balance in the governmental funds. This amount is reported as an increase or decrease in Secondary Roads expenses in the Statement of Activities.		353,767
The Internal Service Funds are used by management to charge the costs of employee health benefits, telephone service, and property insurance to individual funds. The change in Net Position of the Internal Service Funds are reported with governmental activities.		591,187
Change in net position of governmental activities (page 25)		$1,800,542

See Notes to Financial Statements.

CERRO GORDO COUNTY, IOWA

STATEMENT OF NET POSITION – PROPRIETARY FUNDS
June 30, 2015

	Enterprise			
	Meservey Wastewater Collection & Treatment Facility	Swaledale Wastewater Collection & Treatment Facility	Totals	Internal Service
ASSETS				
Current Assets:				
Cash	$44,812	$71,225	$116,037	$1,153,107
Receivables:				
Accounts	0	0	0	1,279
Due From Other Governments	2,574	4,935	7,509	11
Total Current Assets	47,386	76,160	123,546	1,154,397
Non-Current Assets:				
Capital Assets:				
Land	37,300	25,000	62,300	0
Improvements Other Than Buildings	1,542,226	1,164,417	2,706,643	0
Less Accumulated Depreciation	(585,661)	(627,169)	(1,212,830)	0
Total Non-Current Assets	993,865	562,248	1,556,113	0
Total Assets	$1,041,251	$638,408	$1,679,659	$1,154,397
LIABILITIES				
Current Liabilities:				
Accounts Payable	$415	$178	$593	$317,906
Note Payable:				
Portion Due Within One Year:				
Note Payable	6,274	6,163	12,437	0
Total Current Liabilities	6,689	6,341	13,030	317,906
Non-Current Liabilities:				
Portion Due After One Year:				
Note Payable	299,225	201,690	500,915	0
Total Liabilities	305,914	208,031	513,945	317,906
NET POSITION				
Net Investment in Capital Assets	688,366	354,395	1,042,761	0
Unrestricted	46,971	75,982	122,953	836,491
	$735,337	$430,377	$1,165,714	$836,491

See Notes To Financial Statements.

CERRO GORDO COUNTY, IOWA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION – PROPRIETARY FUNDS
Year Ended June 30, 2015

	Enterprise			
	Meservey Wastewater Collection & Treatment Facility	Swaledale Wastewater Collection & Treatment Facility	Totals	Internal Service
OPERATING REVENUES:				
Interfund Services Provided	$0	$0	$0	$3,092,204
Employee Payments	0	0	0	181,180
Miscellaneous	33,538	29,333	62,871	75,832
Total Operating Revenues	33,538	29,333	62,871	3,349,216
OPERATING EXPENSES:				
Waste Water Treatment Facility:				
Depreciation	48,805	36,481	85,286	0
Miscellaneous	9,803	11,447	21,250	0
Health Insurance:				
Medical Claims	0	0	0	2,315,960
Administrative Fees	0	0	0	65,000
Miscellaneous	0	0	0	36,542
Central Services:				
Telephone	0	0	0	33,791
Insurance	0	0	0	307,080
Total Operating Expenses	58,608	47,928	106,536	2,758,373
Operating Income (Loss)	(25,070)	(18,595)	(43,665)	590,843
NON-OPERATING REVENUES (EXPENSES)				
Interest Income	26	38	64	344
Interest Expense	(14,017)	(9,619)	(23,636)	0
Total Non-Operating Revenues (Expenses)	(13,991)	(9,581)	(23,572)	344
Net Income (Loss)	(39,061)	(28,176)	(67,237)	591,187
Net Position Beginning of Year	774,398	458,553	1,232,951	245,304
Net Position End of Year	$735,337	$430,377	$1,165,714	$836,491

See Notes To Financial Statements.

CERRO GORDO COUNTY, IOWA

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
Year Ended June 30, 2015

	Enterprise			
	Meservey Wastewater Collection & Treatment Facility	Swaledale Wastewater Collection & Treatment Facility	Totals	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	$33,938	$29,314	$63,252	$0
Cash Received from Operating Funds	0	0	0	3,092,206
Cash Received from Employees and Other	0	0	0	355,931
Cash Paid to Suppliers for Services	(10,429)	(11,666)	(22,095)	(2,478,359)
Net Cash Provided by Operating Activities	23,509	17,648	41,157	969,778
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Income	26	38	64	344
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Interest Expense	(14,017)	(9,619)	(23,636)	0
Note Payments	(6,003)	(5,897)	(11,900)	0
Net Cash Used in Capital and Related Financing Activities	(20,020)	(15,516)	(35,536)	0
Net Increase in Cash	3,515	2,170	5,685	970,122
Cash – Beginning of Year	41,297	69,055	110,352	182,985
Cash – End of Year	$44,812	$71,225	$116,037	$1,153,107
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating Income (Loss)	($25,070)	($18,595)	($43,665)	$590,843
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	48,805	36,481	85,286	0
(Increase) Decrease in Receivables	400	(19)	381	98,922
Increase (Decrease) in Payables	(626)	(219)	(845)	280,013
Net Cash Provided by Operating Activities	$23,509	$17,648	$41,157	$969,778

See Notes To Financial Statements.

CERRO GORDO COUNTY, IOWA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES – AGENCY FUNDS
June 30, 2015

ASSETS	
Cash, Cash Equivalents and Pooled Investments:	
County Treasurer	$4,018,800
Other County Officials	235,542
Receivables:	
Property Tax:	
Delinquent	19,815
Succeeding Year	52,591,859
Accounts	32,622
Assessments	1,184,031
Due From Other Governments	116,649
Total Assets	$58,199,318
LIABILITIES	
Accounts Payable	$408,564
Salaries and Benefits Payable	29,898
Due To Other Governments	57,570,413
Trusts Payable	164,260
Compensated Absences	26,183
Total Liabilities	$58,199,318
NET POSITION	$0

See Notes To Financial Statements.

Note 1: Summary of Significant Accounting Policies

Cerro Gordo County 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, general administrative services, and drainage district 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, Cerro Gordo County 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 an 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.

These financial statements present Cerro Gordo County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Blended Component Units – The following component units are entities which are legally separate from the County, but are so intertwined with the County they are, in substance, the same as the County. They are reported as part of the County and blended into the appropriate funds.

One hundred and sixty-one drainage districts have been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from agricultural and other lands or the protection of such lands from overflow. Although these districts are legally separate from the County, they are controlled, managed and supervised by the Cerro Gordo County Board of Supervisors. The drainage districts are reported as a Special Revenue Fund. Financial information of the individual drainage districts can be obtained from the Cerro Gordo County Auditor's Office.

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: Cerro Gordo County and City Assessor's Conference Board, Cerro Gordo County Emergency Management Commission, Cerro Gordo County Joint E911 Service Board, and Advanced Law Enforcement Investigative and Administrative System Users. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in the Agency Funds of the County.

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 the interfund activity has been removed from these statements. Governmental activities are supported by property tax, intergovernmental revenues and other nonexchange transactions.

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

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

Unrestricted net position consists of net position not meeting the definition of the two 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 other nonmajor governmental funds.

The County reports the following major governmental funds:

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

Special Revenue:

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

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

The Public Health Fund is utilized to account for Federal and State grants and fees collected by the County to provide and maintain the County Public Health Department.

The Debt Service Fund is a discretionary major fund 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.

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

Additionally, the County reports the following proprietary funds:

The Internal Service Funds account for the financing of goods and services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis. The Central Services Fund accounts for the costs of the centralized service operation for the telephone service and property insurance. The Health Insurance Fund accounts for the County's insurance for health insurance benefits provided by governmental funds to employees. Costs are billed to governmental funds and employees based on historical claims experience.

Note 1: Summary of Significant Accounting Policies (Continued)

The Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the government's council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes. The Enterprise Funds account for the activities of the Meservey Wastewater Collection and Treatment Facility and the Swaledale Wastewater Collection and Treatment Facility

Fiduciary Funds – Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The County's Agency Funds consist of the following:

Elected Officials - To account for the activity of various cash accounts maintained by elected officials and other County departments which have not been remitted to the County Treasurer, who acts as trustee for all pooled cash and investments of the County, or to other individuals, private entities or governments.

Relief – Representative Payee – To account for the funds of individuals incapable of managing their own affairs.

Veterans Affairs – To account for the funds used to maintain the veterans plaque.

Auditor – To account for revenues received from the sale of GIS maps, plat books, and copies.

Recorder – To account for the recording of deeds and mortgages, writing fees for DNR licenses, and the sale of various licenses (hunting, fishing, ATV, boat and snowmobile).

Sheriff – To account for fees associated with the serving of papers and the sale of gun permits.

Other Agency Funds – Clearing accounts that account for funds collected by the County on behalf of individuals and other governmental entities:

Agricultural Extension Education
County Assessor
City Assessor
Schools
Community College
Corporations
Townships
City Special Assessments
Auto License and Use Tax
Brucellosis and Tuberculosis Eradication
Joint Disaster Services
Clear Lake Sanitary District
County EMS Association
Advance Tax
Cash Long/Short
Tax Sale Redemption
E-911 Operations
Advance Law Enforcement Investigative and Administration System
Precinct Atlas
Recorder's Transfer Fee
Pass-Through Projects
Empowerment
Employee Benefits

Note 1: Summary of Significant Accounting Policies (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide, proprietary fund and fiduciary 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 for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the County considers revenues to be available if they are collected within sixty 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 judgements and compensated absences are recorded as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long term debt and acquisitions under capital leases are reported as other financing sources.

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY

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

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the County Board of Supervisors. Delinquent property taxes 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 deferred 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 1½% per month penalty for delinquent payments; is based on January 1, 2013 assessed property valuations; is for the tax accrual period July 1, 2014 through June 30, 2015 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2014.

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.

Drainage and Special Assessments Receivable - Drainage and special assessments receivable represents amounts assessed to individuals for work done which benefit their property. These assessments are payable by individuals in not less than 10 nor more than 20 annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Drainage assessments receivable represent assessments which are payable but not yet due.

Due from and Due to Other Funds - During the course of its operations, the County has numerous transactions between funds. To the extent that certain transactions between funds had not been paid or received as of June 30, 2015, balances of interfund amounts receivable or payable have been recorded in the financial statements.

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 in the Special Revenue Funds consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased. Reported inventories are equally offset by a fund balance reserve which indicates that they are not available to liquidate current obligations.

Capital Assets – Capital assets, which include property, equipment and vehicles, intangibles and infrastructure assets acquired after July 1, 1980 (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the County), are reported in the applicable governmental and business-type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual coats in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Infrastructure	$ 50,000
Land, buildings and improvements	25,000
Intangibles	75,000
Equipment and vehicles	5,000

Note 1: Summary of Significant Accounting Policies (Continued)

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

Asset Class	Estimated Useful lives (In Years)
Buildings	40-50
Building improvements	20-50
Infrastructure	30-50
Intangibles	2-20
Equipment	2-20
Vehicles	3-10

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

Due to Other Governments - Due to other governments represents taxes and other revenues collected by the County and payments for services which will be remitted to other governments.

Trusts Payable - Trusts payable represent 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 and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2015. Any accrued compensated absences that are carried over must be taken in the following fiscal year or else be lost. The compensated absence liability attributable to the governmental activities will be paid primarily by the General, Mental Health, Rural Services and Secondary Road Funds.

Long-Term Liabilities – In the government-wide financial statements and the 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources – Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. 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 represents 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 consist of property tax receivable and other receivables not collected within sixty days after year-end.

Deferred inflows of resources on the Statement of Net Position consist of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied and the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred inflows of resources.

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

Committed – Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Board of Supervisors through ordinance or resolution approved prior to year end. Committed amounts cannot be used for any other purpose unless the Board of Supervisors removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned – Amounts the Board of Supervisors intend to use for specific purposes. In a resolution dated June 2011, the Board of Supervisors designed the County Auditor to make such determinations.

Unassigned – All amounts not included in other classifications.

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

E. BUDGETS AND BUDGETARY ACCOUNTING

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2015, disbursements did not exceed amounts budgeted.

Note 2: Cash, Cash Equivalents and Pooled Investments

The County's deposits in banks at June 30, 2015 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.

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.

Note 3: Due from and Due to Other Funds

The detail of inter-fund receivables and payables at June 30, 2015, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Special Revenue:	
	Mental Health	$254
	Secondary Roads	104
	Public Health	5,475
Total		$5,833

These balances resulted from the time lag between the dates that inter-fund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Note 4: Inter-fund Transfers

The detail of inter-fund transfers for the year ended June 30, 2015 is as follows:

Transfer To	Transfer From	Amount
General Basic	Special Revenue:	
	Rural County Betterment	$5,000
	Tax Increment Financing	8,912
Special Revenue:	Special Revenue:	
Secondary Roads	Rural Services	1,850,000
Public Health	General Basic	1,603,758
Total		$3,467,670

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

Note 5: Capital Assets

Capital assets activity for the year ended June 30, 2015 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental Activities:				
Capital assets not being depreciated/amortized:				
Land	$1,693,192	$95,300	$0	$1,788,492
Construction in progress	978,252	1,327,804	1,781,075	524,981
Total capital assets not being depreciated/amortized	2,671,444	1,423,104	1,781,075	2,313,473
Capital assets being depreciated/amortized:				
Buildings	17,506,698	0	0	17,506,698
Improvements other than buildings	603,760	0	0	603,760
Machinery and equipment	7,127,857	801,583	577,672	7,351,768
Vehicles	4,470,619	258,241	198,813	4,530,047
Intangibles	263,734	0	0	263,734
Infrastructure, road network	48,751,726	1,781,075	0	50,532,801
Total capital assets being depreciated/amortized	78,724,394	2,840,899	776,485	80,788,808
Less accumulated depreciation/amortization for:				
Buildings	4,146,665	336,395	0	4,483,060
Improvements other than buildings	473,699	9,300	0	482,999
Machinery and equipment	6,131,280	281,352	563,090	5,849,542
Vehicles	2,826,790	444,616	161,188	3,110,218
Intangibles	263,734	0	0	263,734
Infrastructure, road network	23,059,125	1,956,457	0	25,015,582
Total accumulated depreciation/amortization	36,901,293	3,028,120	724,278	39,205,135
Total capital assets being depreciated/amortized, net	41,823,101	(187,221)	52,207	41,583,673
Governmental activities capital assets, net	$44,494,545	$1,235,883	$1,833,282	$43,897,146

Depreciation/amortization expense was charged to the following functions:

Governmental Activities:	
Public safety and legal services	$393,201
Physical health and social services	17,109
Mental health	2,121
County environment and education	51,415
Roads and transportation	2,419,922
Governmental services to residents	38,332
Administration	106,020
Total depreciation/amortization expense – governmental activities	$3,028,120

Capital asset activity of the Enterprise Funds for the year ended June 30, 2015 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Capital Assets not being depreciated:				
Land	$62,300	$0	$0	$62,300
Capital Assets being depreciated:				
Infrastructure	2,706,643	0	0	2,706,643
Less accumulated depreciation for:				
Infrastructure	1,127,544	85,286	0	1,212,830
Total capital assets being depreciated, net	1,579,099	(85,286)	0	1,493,813
Business-type activities capital assets, net	$1,641,399	($85,286)	$0	$1,556,113

Note 6: 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, 2015 is as follows:

Fund	Description	Amount
General	Services	$27,317
Special Revenue:		
Public Health		18,817
Total Governmental Funds		$46,134
Agency:	Collections	
County Assessor		$1,535,875
City Assessor		1,214,644
Schools		26,547,277
Community Colleges		1,526,982
Corporations		22,421,000
City Special Assessments		1,201,773
Auto License and Use Tax		1,072,363
Clear Lake Sanitary		813,238
E911 Operations		627,343
All Others		609,918
Total for Agency Funds		$57,570,413

Note 7: Changes in Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2015, is as follows:

Governmental Activities	Capital Loan Notes & Revenue Bonds	Lease Obligations	Compensated Absences	Termination Benefits
Balance – Beginning of Year, As Restated	$10,066,250	$1,246	$867,325	$293,700
Increases	850,000	0	879,934	66,660
Decreases	401,000	1,246	867,325	100,980
Balance – End of Year	$10,515,250	$0	$879,934	$259,380
Due within one year	$1,216,500	$0	$879,934	$102,300

	Drainage Warrants	Net Pension Liability	Net OPEB Liability	Total
Balance – Beginning of Year	$62,024	$9,506,415	$2,516,642	$23,313,602
Increases	145,190	0	345,810	2,287,594
Decreases	9,615	4,479,511	76,980	5,936,657
Balance – End of Year	$197,599	$5,026,904	$2,785,472	$19,664,539
Due within one year	$0	$0	$0	$2,198,734

Business Type Activities	Sewer Revenue Capital Loan Notes
Balance – Beginning of Year	$525,252
Increases	0
Decreases	11,900
Balance – End of Year	$513,352
Due within one year	$12,437

Note 8: Capital Lease Purchase Agreements

The County entered into a capital lease purchase agreement for the Administration's postage machine totaling $20,679. Payments under capital lease purchase agreements for year ended June 30, 2015, totaled $1,246 and the lease was paid in full.

Note 9: General Obligation Capital Loan Notes / Local Option Sales and Service Tax Revenue Bonds

During the year ended June 30, 2007, the County issued $9,000,000 and $4,500,000 of General Obligation Capital Loan Notes for the purpose of constructing and equipping a new Law Enforcement Center. During the year ended June 30, 2011, the County refunded the $2,470,000 outstanding balance of the $4,500,000 General Obligation Capital Loan Notes issuance with the issuance of $2,000,000 General Obligation Crossover Refunding Capital Loan Notes. This obligation was paid in full during the fiscal year. During the year ended June 30, 2012, the County refunded the $9,000,000 outstanding balance of the $9,000,000 General Obligation Capital Loan Notes issuance with the issuance of $9,365,000 General Obligation Refunding Capital Loan Notes. The notes are payable from a continuing annual levy of taxes on all of the taxable property in the County. Interest on each note is due annually on December 1 and principal and interest payments are due annually on June 1. Maturities of the various notes range from 2009 through 2026. Details of the outstanding note is as follows:

	2012A $9,365,000 Issue		
Year Ending June 30,	Interest Rate	Principal	Interest
2016	2.00%	$770,000	$205,228
2017	2.00%	785,000	189,827
2018	2.00%	800,000	174,128
2019	2.00%	815,000	158,127
2020	2.00%	830,000	141,828
2021-2025	2.00%-2.55%	4,415,000	442,842
2026	2.65%	950,000	25,175
		$9,365,000	$1,337,155

During the year ended June 30, 2009, the County issued $885,000 of Local Option Sales and Service Tax Revenue Bonds. The purpose of the bonds was for paying the County's share of the Clear Lake Dredging and Restoration Project, a rural County betterment project for the County of Cerro Gordo. The funds were to be advanced as needed for the project. As of June 30, 2009, $300,000 had been advanced to the County. During the year ended June 30, 2010, an additional $ 168,750 was advanced to the County. Interest payments are due semiannually, commencing December 1, 2008 and principal payments are due annually commencing June 1, 2009, maturing June 1, 2028. Payments made during fiscal year 2015 totaled $ 21,000. Details of the outstanding bonds are as follows:

	2008 $885,000 Issue		
Year Ending June 30,	Interest Rate	Principal	Interest
2016	1.25%	$21,500	$3,753
2017	1.25%	21,500	3,484
2018	1.25%	22,000	3,216
2019	1.25%	22,000	2,941
2020	1.25%	22,500	2,666
2021-2025	1.25%	117,500	9,022
2026-2028	1.25%	73,250	1,846
		$300,250	$26,928

Note 9: General Obligation Capital Loan Notes / Local Option Sales and Service Tax Revenue Bonds (continued)

During the year ended June 30, 2015, the County issued $850,000 of General Obligation Capital Loan Notes for the purchase of Information Systems equipment and other courthouse improvement projects. The notes are payable from a continuing annual levy of taxes on all of the taxable property in the County. Interest on the notes is due annually on December 1 and principal and interest payments are due annually on June 1. Details of the outstanding note is as follows:

	2015 $850,000 Issue		
Year Ending June 30,	Interest Rate	Principal	Interest
2016	1.050%	$425,000	$9,718
2017	1.050%	425,000	4,463
		$850,000	$14,181

Note 10: Retirement Benefits

The County offers retirement benefits to its employees. There are different criteria for different collective bargaining units and non-bargaining units, however, the general rule is: Any retiree with 30 years of service at age 58, or 20 years at age 62, will be provided with a single health insurance policy premium until the age of 65 for some, or 65 or Medicare eligible, whichever is later, for others.

At June 30, 2015, the County has obligations to fourteen participants with a total liability of $259,380. Retirement benefits expenses for seventeen retirees for the year ended June 30, 2015 totaled $100,980 and were paid from the General Fund and the Secondary Roads Fund.

Note 11: Drainage Warrants Payable

Drainage warrants are warrants which are legally drawn on drainage district funds but are not paid for lack of funds, in accordance with Chapter 74 of the Code of Iowa. The warrants bear interest at rates in effect at the time the warrants are first presented. Warrants will be paid as funds are available.

Drainage warrants are paid from the Special Revenue Fund solely from special assessments against benefited properties.

Note 12: Operating Leases

During the fiscal year ended June 30, 2014, the County entered into operating lease agreements for four vehicles for the Cerro Gordo County Public Health Department. During the fiscal year ended June 30, 2015, the County entered into operating lease agreements for two vehicles for the Cerro Gordo County Public Health Department. Rental expense for the year ended June 30, 2015 is $16,027. Rental payments are paid from the Public Health Fund. Following is a schedule of minimum future rentals for non-cancelable operating leases in effect at June 30, 2015:

Year Ending June 30,	Vehicles
2016	$18,444
2017	16,617
2018	2,417
Total	$37,478

Note 13: Sewer Revenue Capital Loan Notes

The County has issued $280,000 in sewer revenue capital loan notes to fund the costs of improvement and extensions to the County's Sanitary Sewer Utility including construction of a sanitary sewer collection and treatment facility for users in the City of Swaledale. The notes and interest are payable solely from the net earnings of the system and not from general funds of the County. Payments on the capital loan notes began on July 1, 1999. The capital loan notes have an interest rate of 4.50% with the final payment due July 1, 2036. Details of the sewer revenue capital loan notes are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	$6,163	$9,353	$15,516
2017	6,440	9,076	15,516
2018	6,730	8,786	15,516
2019	7,033	8,483	15,516
2020	7,349	8,167	15,516
2021-2025	42,013	35,567	77,580
2026-2030	52,357	25,223	77,580
2031-2035	65,245	12,335	77,580
2036	14,523	654	15,177
	$207,853	$117,644	$325,497

The County has also issued $59,100, $253,200 and $49,000 in sewer revenue capital loan notes to fund the costs of improvements and extensions to the County's Sanitary Sewer Utility including construction of a sanitary sewer collection and treatment facility for users in the City of Meservey. The notes and interest are payable solely from the net earnings of the system and do not represent general obligations of the County. Interest payments on the capital loan notes began on July 1, 2003. The capital loan notes have an interest rate of 4.50% with final payment due by July 1, 2044. Details of the sewer revenue capital loan notes are as follows:

Year Ending	$59,100 Note		$253,200 Note		$49,000 Note		Total	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	$1,044	$2,231	$4,471	$9,560	$759	$1,957	$6,274	$13,748
2017	1,091	2,184	4,671	9,358	794	1,922	6,556	13,464
2018	1,140	2,135	4,882	9,148	829	1,887	6,851	13,170
2019	1,192	2,083	5,101	8,929	867	1,849	7,160	12,861
2020	1,245	2,030	5,331	8,699	906	1,810	7,482	12,539
2021-2025	7,116	9,259	30,477	39,673	5,177	8,403	42,770	57,335
2026-2030	8,868	7,507	37,979	32,171	6,452	7,128	53,299	46,806
2031-2035	11,051	5,324	47,329	22,821	8,040	5,540	66,420	33,685
2036-2040	13,772	2,603	58,981	11,169	10,019	3,561	82,772	17,333
2041-2044	3,063	138	13,215	595	9,637	1,100	25,915	1,833
	$49,582	$35,494	$212,437	$152,123	$43,480	$35,157	$305,499	$222,774

Note 14: Pension Plan

Plan Description – IPERS membership is mandatory for employees of the County, except for those covered by another retirement system. Employees of the County are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive, P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

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

Note 14: Pension Plan (Continued)

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. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.)

Sheriff and deputy and protection occupation members may retire at normal retirement age which is generally at age 55. Sheriff and deputy and protection occupation members may retire any time after reaching age 50 with 22 or more years of covered employment.

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

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for years of service greater than 22 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 percent for each month that the member received benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member received 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 – Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. 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 2015, pursuant to the required rate, Regular members contributed 5.95 percent of pay and the County contributed 8.93 percent for a total rate of 14.88 percent. Sheriff and deputy members and the County both contributed 9.88 percent of pay for a total rate of 19.76 percent. Protection occupation members contributed 6.76 percent of pay and the County contributed 10.14 percent for a total rate of 16.90 percent.

The County's contributions to IPERS for the year ended June 30, 2015 were $1,078,215.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2015, the County reported a liability of $5,026,904 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all IPERS participating employers.

Note 14: Pension Plan (Continued)

At June 30, 2014, the County's collective proportion was 0.1267530% which was a decrease of 0.038816% from its collective proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of $177,624. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$58,495	$73,695
Changes of Assumptions	238,356	56,796
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	2,761,772
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	19,501	1,040,198
County Contributions Subsequent to the Measurement Date	1,078,215	0
Total	$1,394,567	$3,932,461

$1,078,215 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Total
2016	($199,612)
2017	(199,612)
2018	(199,612)
2019	(199,612)
2020	(55,891)
Total	($854,339)

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation (effective June 30, 2014)	3.00 percent per annum
Rates of Salary Increase (effective June 30, 2010)	4.00 to 17.00 percent, average, including inflation, Rates vary by membership group
Long-Term Investment Rate of Return (Effective June 30, 1996)	7.50 percent, compounded annually, net of investment expense, including inflation

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

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

Note 14: Pension Plan (Continued)

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
US Equity	23%	6.31
Non US Equity	15	6.76
Private Equity	13	11.34
Real Estate	8	3.52
Core Plus Fixed Income	28	2.06
Credit Opportunities	5	3.67
TIPS	5	1.92
Other Real Assets	2	6.27
Cash	1	(0.69)
Total	100%	

Discount Rate – The discount rate used to measure the total pension liability was 7.5 percent. 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, the pension plan's 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, 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 percentage point lower (6.5 percent) or 1 percentage point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
County's Proportionate Share of the Net Pension Liability:			
Regular Membership Group	$10,169,498	$5,382,191	$1,341,208
Sheriffs and Deputies	823,396	(38,163)	(761,692)
Protection Occupation	334,328	(317,124)	(866,063)
Total	$11,327,222	$5,026,904	($286,547)

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

Payables to the Pension Plan – At June 30, 2015, the County reported payables to the defined benefit pension plan of $79,558 for legally required employer contributions and $56,170 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Note 15: Other Postemployment Benefits (OPEB)

Plan Description. The County operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees, retirees and their spouses. There are 234 active and 20 retired members in the plan. Employees must be age 55 or older at retirement. The medical/prescription drug benefits are provided through a self -funded medical plan. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability. The plan does not issue a stand-alone report.

Funding Policy. The contribution requirements of plan members are established and may be amended by the County. The County currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation. The County's annual OPEB cost is calculated based on the annual required contribution (ARC) of the County, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for June 30, 2015, the amount actually contributed to the plan and the changes in the County's net OPEB obligation:

Annual required contribution	$494,785
Interest on net OPEB obligation	61,655
Adjustment to annual required contribution	(210,630)
Annual OPEB cost	345,810
Contributions made	(76,980)
Increase in net OPEB obligation	268,830
Net OPEB obligation - beginning of the year	2,516,642
Net OPEB obligation – end of the year	$2,785,472

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the plan's actual contributions for the year ended June 30, 2015. For the year ended June 30, 2015, the County contributed $ 76,980 to the medical plan. Plan members receiving benefits contributed $153,960, or 66.67% of the premium costs.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation are summarized as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	$525,278	8.56%	$2,035,763
June 30, 2014	$559,227	14.01%	$2,516,642
June 30, 2015	$345,810	22.26%	$2,785,472

Funded Status and Funding Progress. As of July 1, 2014, the most recent actuarial valuation date for the period July 1, 2014 through June 30, 2015, the actuarial accrued liability was $3,535,140, with no actuarial value of assets, resulting in an unfunded actuarial liability (UAAL) of $3,535,140. The covered payroll (annual payroll of active employees covered by the plan) was $10,459,566, and the ratio of the UAAL to the covered payroll was 33.80%. As of June 30, 2015, there were no trust fund assets. The General Fund and the Special Revenue Secondary Roads Fund will be used to liquidate the net pension obligation.

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress for the Retiree Health Plan, presented as Required Supplementary Information in the section following the Notes to the Financial Statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Note 15: Other Postemployment Benefits (OPEB) (Continued)

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations.

As of the July 1, 2014 actuarial date, the Frozen Entry Age Actuarial Cost method was used. The actuarial assumptions included a 2.50% discount rate based on the County's funding policy. The projected annual medical trend rate is 6.00%. An inflation rate of 0.00% is assumed for the purpose of this computation.

Mortality rates are from the 94 Group Annuity Mortality Table, applied on a gender specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Valuation Report as of June 30, 2010 and applying the termination factors used in IPERS Actuarial Report as of June 30, 2010.

Projected claim costs of the medical plan are $824 per month for retirees. The salary increase rate was assumed to be 4.00% per year. The UAAL is being amortized as a level percentage on an open basis over 30 years.

Note 16: Risk Management

Cerro Gordo County 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 727 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine, and boiler/machinery. There have been no reductions in insurance coverage from prior years.

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

The Pool also provides property coverage. Members who elect such coverage make annual 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 annual contributions to the Pool for the year ended June 30, 2015 were $213,882.

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 $350,000 per claim. Claims exceeding $350,000 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 or losses shall be the obligation of the respective individual member against whom the claim was made or the loss was incurred.

Note 16: Risk Management (Continued)

The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2015, no liability has been recorded in the County's financial statements. As of June 30, 2015, 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 $5,000,000 and $100,000, (except for the Treasurer which is $500,000) respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 17: Employee Health Insurance Plan

The Internal Service, Health Insurance Fund was established to account for the 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 Blue Cross and Blue Shield of Iowa. The agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of $75,000. Claims in excess of coverage are insured through purchase of stop loss insurance.

Monthly payments of service fees and plan contributions to the Cerro Gordo County Health Insurance 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 Cerro Gordo County Health Insurance Fund. The County's contribution to the fund for the year ended June 30, 2015 was $ 2,748,241.

Amounts payable from the Cerro Gordo County Health Insurance Fund at June 30, 2015 total $317,906 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 $768,432 at June 30, 2015 and is reported as a designation of the Cerro Gordo County Health Insurance 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 liabilities for claims for the current year is as follows:

	Balance as of July 1	Current Year Claims	Claims Payments	Balance as of June 30
2014-2015	$32,250	$2,601,616	$2,315,960	$317,906

Note 18: Closure and Postclosure Care Costs

Cerro Gordo County is a member of the Landfill of North Iowa. The Landfill of North Iowa is an inter-governmental agency established in accordance with the provisions of Chapter 28E of the State Code of Iowa (Inter-governmental Cooperation Agreement). The purpose of the agency is to provide for the economic disposal or collection and disposal of all solid waste produced or generated within each member city, town, and the unincorporated portion of Cerro Gordo County, comprising the municipalities. In performing its duties, the agency may contract with and expend funds from federal, state, and local agencies and private individuals and corporations.

State and federal laws and regulations require the agency to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, state laws require the agency to submit a closure and postclosure plan detailing the schedule for and the methods by which the operator will meet the conditions for proper closure and postclosure. The agency is in compliance with this requirement. On June 30, 2015, the County did not anticipate any additional assessments for closure and postclosure care costs.

Note 19: Related Party Transactions

Business transactions between the County and County officials or employees were noted. The transactions appear to be authorized in accordance with Chapter 331.342 of the Code of Iowa because the contract totals were less than $1,500 for the fiscal year or the county employee did not participate in acquiring the services.

Note 20: Commitments and Contingencies

The County participates in a number of federally assisted grant programs. The programs are subject to financial and compliance audits. The amount of expenditures, if any, which may be disallowed by the granting agency is not determinable at this time; however, County officials do not believe that such amounts would be significant.

The County has entered into a contract with Godbersen-Smith Construction totaling $587,277 for a box culvert replacement project. As of June 30, 2015, costs of $524,981 have been incurred. The balance remaining on the contract will be paid as work on the project progresses.

Note 21: Early Childhood Iowa Area Board

Cerro Gordo County is the fiscal agent for the Cerro Gordo, Hancock, Worth Empowerment 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 part of the Other Agency Funds because of the County's fiduciary relationship with the organization. The Area Board's financial data for the year ended June 30, 2015 is as follows:

	Early Childhood	School Ready	Total
Revenues:			
State Grants:			
Early Childhood	$80,030	$0	$80,030
Family Support and Parent Education	0	272,633	272,633
Preschool Support for Low-Income Families	0	119,706	119,706
Quality Improvement	0	53,837	53,837
Allocation for Administration	4,212	14,693	18,905
Other Grant Programs	0	29,454	29,454
Total State Grants	84,242	490,323	574,565
Interest on Investments	17	65	82
Total Revenues	84,259	490,388	574,647
Expenditures:			
Program Services:			
Early Childhood	78,382	0	78,382
Family Support and Parent Education	0	276,992	276,992
Preschool Support for Low-Income Families	0	121,697	121,697
Quality Improvement	0	54,185	54,185
Other Program Services	0	40,803	40,803
Total Program Services	78,382	493,677	572,059
Administration	4,212	15,402	19,614
Total Expenditures	82,594	509,079	591,673
Net Change in Fund Balance	1,665	(18,691)	(17,026)
Fund Balance Beginning of Year	6,629	88,721	95,350
Fund Balance End of Year	$8,294	$70,030	$78,324

Note 22: Cerro Gordo County Financial Information Included in the County Social Services Mental Health Region

County Social Services, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa which became effective July 10, 2014, includes the following member counties: Allamakee County, Black Hawk County, Butler County, Cerro Gordo County, Chickasaw County, Clayton County, Emmet County, Fayette County, Floyd County, Grundy County, Hancock County, Howard County, Humbolt County, Kossuth County, Mitchell County, Pocahontas County, Tama County, Webster County, Winnebago County, Winneshiek County, Worth County, and Wright County. The financial activity of Cerro Gordo County's Special Revenue, Mental Health Fund is included in the County Social Services Mental Health region for the year ended June 30, 2015 as follows:

Revenues:		
Property and Other County Tax		$1,987,197
Intergovernmental Revenues:		
State Tax Credits	$115,320	
Other Intergovernmental Revenues	43,862	159,182
Miscellaneous		226,267
Total Revenues		2,372,646
Expenditures:		
Services to Persons With:		
Mental Illness		52,850
General Administration		
Direct Administration	83,350	
Distribution to Regional Fiscal Agent	2,336,285	2,419,635
County Provided Case Management		88,605
Total Expenditures		2,561,090
Deficiency of Revenues Under Expenditures		(188,444)
Fund Balance – Beginning of Year		840,599
Fund Balance – End of Year		$652,155

Note 23: Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27 was implemented during fiscal year 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional footnote disclosures and required supplementary information. In addition, GASB No. 68 requires a state or local government employer to recognize a net pension liability and changes in the net pension liability, deferred outflows of resources and deferred inflows of resources which arise from other types of events related to pensions. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources will not be reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension liability which is required to be reported by Governmental Accounting Standards Board Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Beginning net position for governmental activities was restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date, as follows:

	Governmental Activities
Net Position June 30, 2014, As Previously Reported	$45,006,441
Net Pension Liability at June 30, 2014	(9,506,415)
Deferred Outflows of Resources Related to Prior Year Contributions Made After the June 30, 2013 Measurement Date	1,041,026
Net Position July 1, 2014, As Restated	$36,541,052

Note 24: Subsequent Events

Management has evaluated subsequent events through December 21, 2015, the date which the financial statements were available to be issued.

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Required Supplementary Information

CERRO GORDO COUNTY, IOWA

BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN BALANCE – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS
Year Ended June 30, 2015

	Actual	Less Funds Not Required To Be Budgeted	Net
REVENUES:			
Property and Other County Tax	$17,987,366	$0	$17,987,366
Interest and Penalty on Property Tax	158,706	0	158,706
Intergovernmental	8,278,038	0	8,278,038
Licenses and Permits	154,958	0	154,958
Charges for Service	1,402,231	28,967	1,373,264
Use of Money and Property	188,814	21	188,793
Miscellaneous	2,364,995	0	2,364,995
Total Revenues	30,535,108	28,988	30,506,120
EXPENDITURES:			
Public Safety and Legal Services	8,184,564	0	8,184,564
Physical Health and Social Services	5,110,132	0	5,110,132
Mental Health	2,561,090	0	2,561,090
County Environment and Education	1,275,293	0	1,275,293
Roads and Transportation	5,264,907	0	5,264,907
Governmental Services to Residents	1,461,109	0	1,461,109
Administration	2,995,191	0	2,995,191
Non-Program	189,518	189,518	0
Debt Service	1,027,135	0	1,027,135
Capital Projects	1,762,502	0	1,762,502
Total Expenditures	29,831,441	189,518	29,641,923
Excess (Deficiency) of Revenues Over (Under) Expenditures	703,667	(160,530)	864,197
Other Financing Sources, Net	1,019,511	145,190	874,321
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,723,178	(15,340)	1,738,518
Balance Beginning of Year	13,949,207	110,328	13,838,879
Balance End of Year	$15,672,385	$94,988	$15,577,397

See Accompanying Independent Auditor's Report.

Budgeted Amounts		Final to Net Variance - Positive (Negative)
Original	Final	
$17,452,337	$17,631,724	$355,642
163,000	163,000	(4,294)
8,325,154	8,253,786	24,252
131,500	142,500	12,458
1,312,342	1,421,154	(47,890)
223,745	270,845	(82,052)
1,178,661	2,520,356	(155,361)
28,786,739	30,403,365	102,755
8,604,385	8,532,802	348,238
5,287,162	5,530,263	420,131
2,649,580	2,649,580	88,490
1,372,986	1,468,009	192,716
5,724,050	6,019,050	754,143
1,507,339	1,520,259	59,150
3,082,226	3,506,601	511,410
0	0	0
1,031,952	1,028,137	1,002
1,150,000	2,230,000	467,498
30,409,680	32,484,701	2,842,778
(1,622,941)	(2,081,336)	2,945,533
10,000	853,000	21,321
(1,612,941)	(1,228,336)	2,966,854
13,850,533	13,850,533	(11,654)
$12,237,592	$12,622,197	$2,955,200

CERRO GORDO COUNTY, IOWA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
BUDGETARY REPORTING
June 30, 2015

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the modified accrual basis following required public notice and hearing for all funds, except blended component units, drainage districts, the Internal Service Funds and Agency Funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the 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, special revenue funds, debt service fund and capital projects funds. 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, a budget amendment increased budgeted revenues and expenditures by $1,616,626 and $2,075,021 respectively. This budget amendment is 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, 2015, disbursements did not exceed the amounts budgeted.

CERRO GORDO COUNTY, IOWA

SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM - LAST FISCAL YEAR*
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2015

	2015
County's Collective Proportion of the Net Pension Liability (Asset)	0.126753%
County's Collective Proportionate Share of the Net Pension Liability	$ 5,026,904
County's Covered-Employee Payroll	$ 11,356,394
County's Collective Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	44.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.61%

*The amounts presented for each fiscal year were determined as of June 30.

See Accompanying Independent Auditor's Report.

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.

CERRO GORDO COUNTY, IOWA

SCHEDULE OF COUNTY CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
Last Ten Fiscal Years

	Fiscal Year			
	2006	2007	2008	2009
Statutorily Required Contribution	$ 547,784	$ 597,106	$ 646,745	$ 732,243
Contributions in relation to the Statutorily Required Contribution	(547,784)	(597,106)	(646,745)	(732,243)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
County's Covered-Employee Payroll	$ 9,132,536	$ 9,571,729	$ 10,089,513	$ 10,637,529
Contributions as a Percentage of Covered-Employee Payroll	6.00%	6.24%	6.41%	6.88%

See Accompanying Independent Auditor's Report.

Fiscal Year					
2010	2011	2012	2013	2014	2015
$ 794,797	869,139	$ 1,056,889	$ 1,065,375	$ 1,105,050	$ 1,139,628
(794,797)	(869,139)	(1,056,889)	(1,065,375)	(1,105,050)	(1,139,628)
$ -	$ -	$ -	$ -	$ -	$ -
$ 10,993,725	$ 11,163,893	$ 11,334,109	$ 11,247,738	$ 11,356,394	$ 11,763,018
7.23%	7.79%	9.32%	9.47%	9.73%	9.69%

Changes of Benefit Terms:

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

In 2008, legislative action transferred four groups – emergency medical service providers, county jailers, county attorney investigators, and nation guard installation security officers – from Regular membership to the protected occupation group for future service only.

Benefit provisions for sheriffs and deputies were changed in the 2004 legislative session. The eligibility for unreduced retirement benefits was lowered from age 55 by one year each July 1 (beginning in 2004) until it reached age 50 on July 1, 2008. The years of service requirement remained 22 or more. Their contribution rates were also changed to be shared 50-50 by the employee and employer, instead of the previous 40-60 split.

Changes of Assumptions:

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

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

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate.

The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25 percent to 4.00 percent.
- Lowered the inflation assumptions from 3.50 percent to 3.25 percent.
- Lowered disability rates for sheriffs and deputies and protection occupation members.

CERRO GORDO COUNTY, IOWA

SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN (IN THOUSANDS)
REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
2009	July 1, 2008	$0	$2,045	$2,045	0%	$9,426	21.7%
2010	July 1, 2008	$0	$2,045	$2,045	0%	$9,761	20.9%
2011	July 1, 2010	$0	$4,399	$4,399	0%	$9,861	44.6%
2012	July 1, 2010	$0	$4,743	$4,743	0%	$10,446	45.4%
2013	July 1, 2012	$0	$4,302	$4,302	0%	$9,959	43.2%
2014	July 1, 2012	$0	$4,302	$4,302	0%	$10,111	42.5%
2015	July 1, 2014	$0	$3,535	$3,535	0%	$10,460	33.8%

See Note 15 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB costs and Net OPEB Obligation, and the funded status and funding progress.

See Accompanying Independent Auditor's Report.

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Supplementary Information

CERRO GORDO COUNTY, IOWA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GENERAL FUND
Year ended June 30, 2015

REVENUES:		
Property and Other County Tax:		
Property Tax	$10,378,181	
Local Option Sales Tax	174,808	
Utility Tax Replacement Excise Tax	430,517	
Other County Tax	7,644	$10,991,150
Interest and Penalty on Property Tax		158,706
Intergovernmental:		
State Shared Revenues		20,170
State Tax Credits		627,377
State and Federal Pass-Thru Revenues:		
Child Support Recovery Incentives	471,702	
Human Services Administration Reimbursement	154,316	
Other	626,009	1,252,027
Contributions From Other Intergovernmental Units		698,385
State Grants and Entitlements		126,305
Licenses and Permits		44,220
Charges for Service:		
Office Fees and Collections:		
County Auditor	2,035	
County Recorder	276,496	
County Sheriff	94,340	
Auto License, Use Tax and Postage	397,856	
Miscellaneous	280,732	1,051,459
Use of Money and Property:		
Interest on Investments	45,502	
Miscellaneous	140,836	186,338
Miscellaneous:		
Reimbursements	206,744	
Miscellaneous	533,621	740,365
Total Revenues		15,896,502

(Continued)

CERRO GORDO COUNTY, IOWA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GENERAL FUND
Year Ended June 30, 2015

EXPENDITURES:		
Operating:		
Public Safety and Legal Services		$7,834,097
Physical Health and Social Services		1,250,640
County Environment and Education		755,792
Governmental Services to Residents		1,139,921
Administration		2,928,081
Debt Service		1,272
Total Expenditures		13,909,803
Excess of Revenues Over Expenditures		1,986,699
Other Financing Sources (Uses):		
Sale of Capital Assets	14,971	
Transfers In:		
Rural County Betterment	5,000	
Tax Increment Financing	8,912	
Transfers Out:		
Public Health	(1,603,758)	(1,574,875)
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses		411,824
Fund Balance Beginning of Year		7,415,051
Fund Balance End of Year		$7,826,875

See Accompanying Independent Auditor's Report.

CERRO GORDO COUNTY, IOWA

SCHEDULE OF EXPENDITURES – GENERAL FUND
Year Ended June 30, 2015

Public Safety and Legal Services:		
Law Enforcement:		
Uniformed Patrol Services	$1,564,093	
Law Enforcement Communications	976,764	
Adult Correctional Services	2,704,295	
Administration	592,500	
	5,837,652	
Legal Services:		
Criminal Prosecution	1,037,839	
Medical Examinations	153,614	
Child Support Recovery	465,822	
	1,657,275	
Emergency Services:		
Emergency Management	30,226	
Fire Protection and Rescue Services	21,000	
	51,226	
Assistance to District Court System:		
Physical Operations	1,872	
Research and Other Assistance	250	
	2,122	
Court Proceeding Program:		
Juries and Witnesses	12,634	
Detention Services	16,448	
Court Costs	13,522	
Service of Civil Papers	196,230	
	238,834	
Juvenile Justice Administration:		
Juvenile Victim Restitution	39,683	
Juvenile Representation Services	1,680	
Court-Appointed Attorneys and Court Costs for Juveniles	5,625	
	46,988	
Total Public Safety and Legal Services		$7,834,097

(Continued)

CERRO GORDO COUNTY, IOWA

SCHEDULE OF EXPENDITURES – GENERAL FUND
Year Ended June 30, 2015

Physical Health and Social Services:		
Services to the Poor:		
Administration	$286,897	
General Welfare Services	18,285	
	305,182	
Services to Military Veterans:		
Administration	136,569	
General Services to Veterans	13,081	
	149,650	
Children's and Family Services:		
Youth Guidance	162,367	
Services to Other Adults:		
Other Social Services	619,429	
Chemical Dependency:		
Treatment Services	2,250	
Preventive Services	11,762	
	14,012	
Total Physical Health and Social Services		$1,250,640
County Environment and Education:		
Conservation and Recreation Services:		
Administration	$474,878	
Maintenance and Operations	158,166	
	633,044	
Animal Control:		
Animal Shelter	12,265	
County Development:		
Land Use and Building Controls	56,989	
Community Economic Development	53,494	
	110,483	
Total County Environment and Education		$755,792

(Continued)

CERRO GORDO COUNTY, IOWA

SCHEDULE OF EXPENDITURES – GENERAL FUND
Year Ended June 30, 2015

Governmental Services to Residents:		
Representation Services:		
Elections Administration	$364,428	
Local Elections	1,867	
	366,295	
State Administrative Services:		
Motor Vehicle Registrations and Licensing	397,437	
Recording of Public Documents	376,189	
	773,626	
Total Governmental Services to Residents		$1,139,921
Administration:		
Policy and Administration:		
General County Management	$795,662	
Administrative Management Services	552,104	
Treasury Management Services	182,717	
Other Policy and Administration	56,709	
	1,587,192	
Central Services:		
General Services	436,114	
Information Technology Services	623,484	
GIS Systems	122,670	
	1,182,268	
Risk Management Services:		
Safety of Workplace	124,067	
Fidelity of Public Officers	4,013	
Unemployment Compensation	30,541	
	158,621	
Total Administration		$2,928,081
Debt Service:		
Principal	$1,246	
Interest	26	$1,272
Total Expenditures		$13,909,803

(Concluded)

See Accompanying Independent Auditor's Report.

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CERRO GORDO COUNTY, IOWA

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
June 30, 2015

	Resource Enhancement and Protection	Recorder's Records Management	General County Betterment	Nature Center	Supplemental Environmental Project
ASSETS					
Cash, Cash Equivalents and Pooled Investments	$57,488	$39,122	$3,390	$401,814	$104
Receivables:					
Property Tax:					
Delinquent	0	0	0	0	0
Succeeding Year	0	0	0	0	0
Accounts	0	2,019	0	11,741	0
Accrued Interest	0	5	0	67	0
Special Assessments	0	0	0	0	0
Drainage Assessments	0	0	0	0	0
Due From Other Governments	0	0	16,127	0	0
Total Assets	$57,488	$41,146	$19,517	$413,622	$104
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	$0	$0	$0	$1,027	$0
Salaries and Benefits Payable	0	0	0	1,103	0
Total Liabilities	0	0	0	2,130	0
Deferred Inflows of Resources:					
Unavailable Revenues:					
Succeeding Year Property Tax	0	0	0	0	0
Other Revenues	0	0	0	0	0
	0	0	0	0	0
Fund Balances:					
Nonspendable	0	0	0	0	0
Restricted for:					
Drainage Warrants	0	0	0	0	0
Nature Center Endowment	0	0	0	124,305	0
Other Purposes	57,488	41,146	19,517	287,187	104
Total Fund Balances	57,488	41,146	19,517	411,492	104
Total Liabilities, Deferred Inflows Of Resources and Fund Balances	$57,488	$41,146	$19,517	$413,622	$104

See Accompanying Independent Auditor's Report.

Rural County Betterment	Economic Development	On Site Sewage Program	Sanberg Estate	Tax Increment Financing	Drainage	Strand Estate Grant	Sheriff Forfeiture	Attorney Forfeiture	Total
$68,410	$119,772	$11,422	$667,171	$3,017	$127,003	$68,207	$118,211	$33,996	$1,719,127
0	0	0	0	79	0	0	0	0	79
0	0	0	0	58,421	0	0	0	0	58,421
0	0	0	0	0	0	0	0	0	13,760
0	0	0	137	0	0	0	0	0	209
0	0	31,154	0	0	0	0	0	0	31,154
0	0	0	0	0	54	0	0	0	54
64,509	32,255	0	0	0	0	0	0	0	112,891
$132,919	$152,027	$42,576	$667,308	$61,517	$127,057	$68,207	$118,211	$33,996	$1,935,695
$602	$0	$8,220	$0	$0	$32,015	$416	$0	$0	$42,280
0	0	0	0	0	0	0	0	0	1,103
602	0	8,220	0	0	32,015	416	0	0	43,383
0	0	0	0	58,421	0	0	0	0	58,421
0	0	31,154	0	79	54	0	0	0	31,287
0	0	31,154	0	58,500	54	0	0	0	89,708
0	0	0	0	0	0	60,000	0	0	60,000
0	0	0	0	0	94,988	0	0	0	94,988
0	0	0	0	0	0	0	0	0	124,305
132,317	152,027	3,202	667,308	3,017	0	7,791	118,211	33,996	1,523,311
132,317	152,027	3,202	667,308	3,017	94,988	67,791	118,211	33,996	1,802,604
$132,919	$152,027	$42,576	$667,308	$61,517	$127,057	$68,207	$118,211	$33,996	$1,935,695

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2015

	Resource Enhancement and Protection	Recorder's Records Management	General County Betterment	Nature Center	Supplemental Environmental Project
REVENUES:					
Property and Other County Tax	$0	$0	$0	$0	$0
Local Option Sales Tax	0	0	87,403	0	0
Intergovernmental	73,385	0	0	0	0
Charges For Service	0	7,666	0	0	0
Use of Money and Property	42	57	0	808	0
Fines, Forfeitures and Defaults	0	0	0	0	0
Miscellaneous	0	0	0	49,536	0
Total Revenues	73,427	7,723	87,403	50,344	0
EXPENDITURES:					
Operating:					
Public Safety and Legal Services	0	0	0	0	0
Physical Health and Social Services	0	0	72,404	0	0
County Environment and Education	99,499	0	2,000	41,426	0
Governmental Services to Residents	0	14,315	0	0	0
Administration	0	0	0	0	0
Non-Program	0	0	0	0	0
Debt Service	0	0	0	0	0
Total Expenditures	99,499	14,315	74,404	41,426	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,072)	(6,592)	12,999	8,918	0
Other Financing Sources (Uses):					
Drainage Warrants Issued	0	0	0	0	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(26,072)	(6,592)	12,999	8,918	0
Fund Balances Beginning of Year	83,560	47,738	6,518	402,574	104
Fund Balances End of Year	$57,488	$41,146	$19,517	$411,492	$104

See Accompanying Independent Auditor's Report.

Rural County Betterment	Economic Development	On Site Sewage Program	Sanberg Estate	Tax Increment Financing	Drainage
$0	$0	$0	$0	$2,960	$0
349,616	174,808	0	0	0	0
0	0	0	0	57	0
0	0	0	0	0	28,967
0	0	0	1,078	0	21
0	0	0	0	0	0
73,500	0	5,079	666,230	0	0
423,116	174,808	5,079	667,308	3,017	28,988
112,771	0	0	0	0	0
14,500	0	0	0	0	0
60,678	84,400	8,220	0	0	0
300,000	0	0	0	0	0
67,110	0	0	0	0	0
0	0	0	0	0	189,518
25,015	0	0	0	0	0
580,074	84,400	8,220	0	0	189,518
(156,958)	90,408	(3,141)	667,308	3,017	(160,530)
0	0	0	0	0	145,190
(5,000)	0	0	0	(8,912)	0
(5,000)	0	0	0	(8,912)	145,190
(161,958)	90,408	(3,141)	667,308	(5,895)	(15,340)
294,275	61,619	6,343	0	8,912	110,328
$132,317	$152,027	$3,202	$667,308	$3,017	$94,988

(Continued)

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (Continued)
Year Ended June 30, 2015

	Strand Estate Grant	Sheriff Forfeiture	Attorney Forfeiture	Total
REVENUES:				
Property and Other County Tax	$0	$0	$0	$2,960
Local Option Sales Tax	0	0	0	611,827
Intergovernmental	0	0	0	73,442
Charges For Service	0	0	0	36,633
Use of Money and Property	290	0	0	2,296
Fines, Forfeitures and Defaults	0	70,675	9,159	79,834
Miscellaneous	0	0	0	794,345
Total Revenues	290	70,675	9,159	1,601,337
EXPENDITURES:				
Operating:				
Public Safety and Legal Services	0	29,040	12,433	154,244
Physical Health and Social Services	0	0	0	86,904
County Environment and Education	1,768	0	0	297,991
Governmental Services to Residents	0	0	0	314,315
Administration	0	0	0	67,110
Non-Program	0	0	0	189,518
Debt Service	0	0	0	25,015
Total Expenditures	1,768	29,040	12,433	1,135,097
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,478)	41,635	(3,274)	466,240
Other Financing Sources (Uses):				
Drainage Warrants Issued	0	0	0	145,190
Transfers Out	0	0	0	(13,912)
Total Other Financing Sources (Uses)	0	0	0	131,278
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,478)	41,635	(3,274)	597,518
Fund Balances Beginning of Year	69,269	76,576	37,270	1,205,086
Fund Balances End of Year	$67,791	$118,211	$33,996	$1,802,604

(Concluded)

See Accompanying Independent Auditor's Report.

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF NET POSITION – INTERNAL SERVICE FUNDS
June 30, 2015

	Central Services	Health Insurance	Total
ASSETS			
Cash, Cash Equivalents and Pooled Investments	$67,172	$1,085,935	$1,153,107
Receivables:			
Accounts	876	403	1,279
Due From Other Governments	11	0	11
Total Assets	$68,059	$1,086,338	$1,154,397
LIABILITIES			
Liabilities			
Accounts Payable	$0	$317,906	$317,906
Net Position			
Unrestricted	$68,059	$768,432	$836,491

See Accompanying Independent Auditor's Report.

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION – INTERNAL SERVICE FUNDS
Year Ended June 30, 2015

	Central Services	Health Insurance	Total
OPERATING REVENUES:			
Interfund Services Provided	$343,963	$2,748,241	$3,092,204
Employee Payments	0	181,180	181,180
Miscellaneous	678	75,154	75,832
Total Operating Revenues	344,641	3,004,575	3,349,216
OPERATING EXPENSES:			
Health Insurance:			
Medical Claims	0	2,315,960	2,315,960
Administrative Fees	0	65,000	65,000
Miscellaneous	0	36,542	36,542
Central Services:			
Telephone	33,791	0	33,791
Insurance	307,080	0	307,080
Total Operating Expenses	340,871	2,417,502	2,758,373
Operating Income	3,770	587,073	590,843
NON-OPERATING REVENUES:			
Interest	0	344	344
Net Income	3,770	587,417	591,187
Net Position Beginning of Year	64,289	181,015	245,304
Net Position End of Year	$68,059	$768,432	$836,491

See Accompanying Independent Auditor's Report.

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF CASH FLOWS – INTERNAL SERVICE FUNDS
Year Ended June 30, 2015

	Central Services	Health Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Other Funds	$343,965	$2,748,241	$3,092,206
Cash Received from Employees and Others	671	355,260	355,931
Cash Paid to Suppliers for Services	(346,514)	(2,131,845)	(2,478,359)
Net Cash Provided By (Used In) Operating Activities	(1,878)	971,656	969,778
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Income	0	344	344
Net Increase (Decrease) in Cash	(1,878)	972,000	970,122
Cash Beginning of Year	69,050	113,935	182,985
Cash End of Year	$67,172	$1,085,935	$1,153,107
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating Income	$3,770	$587,073	$590,843
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used In) Operating Activities:			
(Increase) Decrease in Receivables	(5)	98,927	98,922
Increase (Decrease) in Payables	(5,643)	285,656	280,013
Net Cash Provided By (Used In) Operating Activities	($1,878)	$971,656	$969,778

See Accompanying Independent Auditor's Report.

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES – ALL AGENCY FUNDS
June 30, 2015

	Elected Officials	Other	Total
ASSETS			
Cash, Cash Equivalents and Pooled Investments:			
County Treasurer	$0	$4,018,800	$4,018,800
Other County Officials	235,542	0	235,542
Receivables:			
Property Tax:			
Delinquent	0	19,815	19,815
Succeeding Year	0	52,591,859	52,591,859
Accounts	277	32,345	32,622
Assessments	0	1,184,031	1,184,031
Due From Other Governments	0	116,649	116,649
Total Assets	$235,819	$57,963,499	$58,199,318
LIABILITIES			
Accounts Payable	$0	$408,564	$408,564
Salaries and Benefits Payable	0	29,898	29,898
Due to Other Governments	(1,076)	57,571,489	57,570,413
Trusts Payable	236,895	(72,635)	164,260
Compensated Absences	0	26,183	26,183
Total Liabilities	$235,819	$57,963,499	$58,199,318

See Accompanying Independent Auditor's Report.

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES – ELECTED OFFICIALS
June 30, 2015

	Relief Representative Payee	Veterans Affairs	Recorder	Sheriff	Total
ASSETS					
Cash, Cash Equivalents and Pooled Investments:					
Other County Officials	$77,356	$1,000	($1,353)	$158,539	$235,542
Receivables:					
Accounts	0	0	277	0	277
Total Assets	$77,356	$1,000	($1,076)	$158,539	$235,819
LIABILITIES					
Due to Other Governments	$0	$0	($1,076)	$0	($1,076)
Trusts Payable	77,356	1,000	0	158,539	236,895
Total Liabilities	$77,356	$1,000	($1,076)	$158,539	$235,819

See Accompanying Independent Auditor's Report.

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES – OTHER AGENCY FUNDS
June 30, 2015

	Agricultural Extension Education	County Assessor	City Assessor	Schools
ASSETS				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	$2,203	$974,565	$646,699	$240,672
Receivables:				
Property Tax:				
Delinquent	164	735	44	14,692
Succeeding Year	252,918	649,659	607,841	26,291,913
Accounts	0	0	0	0
Assessments	0	0	0	0
Due From Other Governments	0	0	0	0
Total Assets	$255,285	$1,624,959	$1,254,584	$26,547,277
LIABILITIES				
Accounts Payable	$0	$53,282	$22,769	$0
Salaries and Benefits Payable	0	15,894	10,896	0
Due to Other Governments	255,285	1,535,875	1,214,644	26,547,277
Trusts Payable	0	0	0	0
Compensated Absences	0	19,908	6,275	0
Total Liabilities	$255,285	$1,624,959	$1,254,584	$26,547,277

See Accompanying Independent Auditor's Report.

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	Brucellosis and Tuberculosis Eradication
$12,533	$197,573	$2,624	$54,265	$1,072,363	$64
983	2,539	623	0	0	4
1,513,466	22,218,985	284,863	0	0	6,983
0	0	0	0	0	0
0	1,903	0	1,147,508	0	0
0	0	0	0	0	0
$1,526,982	$22,421,000	$288,110	$1,201,773	$1,072,363	$7,051
$0	$0	$0	$0	$0	$0
0	0	0	0	0	0
1,526,982	22,421,000	288,110	1,201,773	1,072,363	7,051
0	0	0	0	0	0
0	0	0	0	0	0
$1,526,982	$22,421,000	$288,110	$1,201,773	$1,072,363	$7,051

(Continued)

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES – OTHER AGENCY FUNDS (Continued)
June 30, 2015

	Joint Disaster Services	Clear Lake Sanitary	County EMS Association	Advance Tax	Cash Long/Short
ASSETS					
Cash, Cash Equivalents and Pooled Investments:					
County Treasurer	$26,220	$13,356	$3,212	$98,907	$415
Receivables:					
Property Tax:					
Delinquent	0	31	0	0	0
Succeeding Year	0	765,231	0	0	0
Accounts	0	0	0	0	0
Assessments	0	34,620	0	0	0
Due From Other Governments	32,733	0	6,572	0	0
Total Assets	$58,953	$813,238	$9,784	$98,907	$415
LIABILITIES					
Accounts Payable	$411	$0	$6,573	$0	$0
Salaries and Benefits Payable	3,108	0	0	0	0
Due to Other Governments	55,434	813,238	3,211	0	415
Trusts Payable	0	0	0	98,907	0
Compensated Absences	0	0	0	0	0
Total Liabilities	$58,953	$813,238	$9,784	$98,907	$415

E911 Operations	Recorder's Transfer Fee	Pass Through Projects	Empowerment	Employee Benefits	Total
$586,614	$716	$0	$78,324	$7,475	$4,018,800
0	0	0	0	0	19,815
0	0	0	0	0	52,591,859
31,418	772	0	0	155	32,345
0	0	0	0	0	1,184,031
36,561	0	40,783	0	0	116,649
$654,593	$1,488	$40,783	$78,324	$7,630	$57,963,499
$27,250	$0	$238,264	$57,724	$2,291	$408,564
0	0	0	0	0	29,898
627,343	1,488	0	0	0	57,571,489
0	0	(197,481)	20,600	5,339	(72,635)
0	0	0	0	0	26,183
$654,593	$1,488	$40,783	$78,324	$7,630	$57,963,499

(Concluded)

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES – ALL AGENCY FUNDS
Year Ended June 30, 2015

	Elected Officials			
	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
ASSETS				
Cash, Cash Equivalents and Pooled Investments:				
Other County Officials	$272,916	$2,661,667	$2,699,041	$235,542
Receivables:				
Accounts	160	277	160	277
Total Assets	$273,076	$2,661,944	$2,699,201	$235,819
LIABILITIES				
Due to Other Governments	$900	$2,425,049	$2,427,025	($1,076)
Trusts Payable	272,176	236,895	272,176	236,895
Total Liabilities	$273,076	$2,661,944	$2,699,201	$235,819

	Other Agency Funds			
	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
ASSETS				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	$3,747,976	$22,080,891	$21,810,067	$4,018,800
Receivables:				
Property Tax:				
Delinquent	4,563	19,815	4,563	19,815
Succeeding Year	53,223,941	52,591,859	53,223,941	52,591,859
Accounts	102,629	32,345	102,629	32,345
Assessments	1,575,186	1,184,031	1,575,186	1,184,031
Due From Other Governments	568,655	116,649	568,655	116,649
Total Assets	$59,222,950	$76,025,590	$77,285,041	$57,963,499
LIABILITIES				
Accounts Payable	$663,500	$408,564	$663,500	$408,564
Salaries and Benefits Payable	24,912	29,898	24,912	29,898
Due to Other Governments	58,375,513	75,633,580	76,437,604	57,571,489
Trusts Payable	135,749	(72,635)	135,749	(72,635)
Compensated Absences	23,276	26,183	23,276	26,183
Total Liabilities	$59,222,950	$76,025,590	$77,285,041	$57,963,499

See Accompanying Independent Auditor's Report.

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES – ELECTED OFFICIALS
Year Ended June 30, 2015

	Relief Representative Payee	Veterans Affairs	Auditor	Recorder	Sheriff	Total
ASSETS AND LIABILITIES						
Balance Beginning of Year	$73,644	$999	$0	$900	$197,533	$273,076
Additions:						
Office Fees and Collections	0	0	2,035	736,130	851,467	1,589,632
Trusts	614,932	1	0	0	457,379	1,072,312
Total Additions	614,932	1	2,035	736,130	1,308,846	2,661,944
Deductions:						
Agency Remittances:						
To County Funds	0	0	2,035	276,496	94,340	372,871
To Other Governments	0	0	0	461,295	4,243	465,538
Trusts Paid Out	611,220	0	0	315	1,249,257	1,860,792
Total Deductions	611,220	0	2,035	738,106	1,347,840	2,699,201
Balance End of Year	$77,356	$1,000	$0	($1,076)	$158,539	$235,819

See Accompanying Independent Auditor's Report.

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES – OTHER AGENCY FUNDS
Year Ended June 30, 2015

	Agricultural Extension Education	County Assessor	City Assessor	Schools	Community Colleges
ASSETS AND LIABILITIES					
Balance Beginning of Year	$243,139	$1,431,502	$1,016,090	$26,510,915	$1,384,044
Additions:					
Property and Other County Tax	259,076	682,549	603,871	26,913,168	1,548,544
E911 Surcharge	0	0	0	0	0
State Tax Credits	14,316	27,376	49,143	1,598,689	81,426
Auto Licenses, Use Tax and Postage	0	0	0	0	0
Assessments	0	0	0	0	0
Trusts	0	0	0	0	0
Miscellaneous	0	448	34	0	0
Total Additions	273,392	710,373	653,048	28,511,857	1,629,970
Deductions:					
Agency Remittances:					
To Other Governments	261,246	516,916	414,554	28,475,495	1,487,032
Trusts Paid Out	0	0	0	0	0
Total Deductions	261,246	516,916	414,554	28,475,495	1,487,032
Balance End of Year	$255,285	$1,624,959	$1,254,584	$26,547,277	$1,526,982

See Accompanying Independent Auditor's Report.

Corporations	Townships	City Special Assessments	Auto License and Use Tax	Brucellosis and Tuberculosis Eradication	Joint Disaster Services	Clear Lake Sanitary
$23,296,530	$280,245	$1,539,885	$1,006,927	$7,127	$54,299	$827,327
22,150,773	301,206	0	0	21,675	0	774,017
0	0	0	0	0	0	0
1,474,823	11,370	0	0	419	0	26,879
0	0	0	12,011,834	0	0	0
8,993	0	139,326	0	0	0	27,633
0	0	0	0	0	0	0
0	0	0	0	0	124,995	0
23,634,589	312,576	139,326	12,011,834	22,094	124,995	828,529
24,510,119	304,711	477,438	11,946,398	22,170	120,341	842,618
0	0	0	0	0	0	0
24,510,119	304,711	477,438	11,946,398	22,170	120,341	842,618
$22,421,000	$288,110	$1,201,773	$1,072,363	$7,051	$58,953	$813,238

(Continued)

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES – OTHER AGENCY FUNDS (Continued)
Year Ended June 30, 2015

	County EMS Association	Advance Tax	Cash Long/Short	Tax Sale Redemption	E911 Operations
ASSETS AND LIABILITIES					
Balance Beginning of Year	$7,078	$103,242	$345	$0	$750,912
Additions:					
Property and Other County Tax	0	0	0	0	0
E911 Surcharge	0	0	0	0	351,217
State Tax Credits	0	0	0	0	0
Auto Licenses, Use Tax and Postage	0	0	0	0	0
Assessments	0	0	0	0	0
Trusts	0	0	0	675,336	0
Miscellaneous	7,251	0	70	0	570
Total Additions	7,251	0	70	675,336	351,787
Deductions:					
Agency Remittances:					
To Other Governments	4,545	0	0	0	448,106
Trusts Paid Out	0	4,335	0	675,336	0
Total Deductions	4,545	4,335	0	675,336	448,106
Balance End of Year	$9,784	$98,907	$415	$0	$654,593

Advanced Law Enforcement Investigative and Administrative System	Precinct Atlas	Recorder's Transfer Fee	Pass Through Projects	Empowerment	Employee Benefits	Total
$1,965	$97,890	$1,422	$562,982	$95,350	$3,734	$59,222,950
0	0	0	0	0	0	53,254,879
0	0	0	0	0	0	351,217
0	0	0	0	0	0	3,284,441
0	0	0	0	0	0	12,011,834
0	0	0	0	0	0	175,952
0	0	0	5,064,433	574,647	303,710	6,618,126
0	188,107	7,666	0	0	0	329,141
0	188,107	7,666	5,064,433	574,647	303,710	76,025,590
1,965	285,997	7,600	0	0	0	70,127,251
0	0	0	5,586,632	591,673	299,814	7,157,790
1,965	285,997	7,600	5,586,632	591,673	299,814	77,285,041
$0	$0	$1,488	$40,783	$78,324	$7,630	$57,963,499

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CERRO GORDO COUNTY, IOWA

SCHEDULE OF CAPITAL ASSETS BY FUNDING SOURCE
Year Ended June 30, 2015

	Balance July 1, 2014	Additions	Disposals	**Balance June 30, 2015**
ASSETS				
Land	$ 1,693,192	$ 95,300	$ -	$ **1,788,492**
Construction in Process	978,252	1,327,804	1,781,075	**524,981**
Buildings and Structures	17,506,698	-	-	**17,506,698**
Improvements other than Buildings	603,760	-	-	**603,760**
Machinery and Equipment	7,127,857	801,583	577,672	**7,351,768**
Licensed Vehicles	4,470,619	258,241	198,813	**4,530,047**
Intangibles	263,734	-	-	**263,734**
Infrastructure	48,751,726	1,781,075	-	**50,532,801**
	$ 81,395,838	$ 4,264,003	$ 2,557,560	$ **83,102,281**
FUNDING SOURCE				
General Fund	$ 6,622,979	$ 28,918	$ 50,089	$ **6,601,808**
Special Revenue Funds	60,240,200	3,936,684	2,070,020	**62,106,864**
Capital Project Fund	14,532,659	298,401	437,451	**14,393,609**
	$ 81,395,838	$ 4,264,003	$ 2,557,560	$ **83,102,281**

CERRO GORDO COUNTY, IOWA

SCHEDULE OF CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
AS OF JUNE 30, 2015

	Land	Construction in Process	Buildings and Structures
Public Safety and Legal Services			
Law Enforcement	$ -	-	13,273,609
Legal Services	-	-	90,020
Total Public Safety and Legal Services	-	-	13,363,629
Physical Health and Social Services:			
Physical Health Services	-	-	-
Services to Poor	-	-	-
Services to Military Veterans	-	-	-
Total Physical Health and Social Services	-	-	-
Mental Health, MR & DD:			
Chronic Mental Illness	-	-	-
Total Mental Health, MR & DD	-	-	-
County Environment and Education:			
Environmental Quality Program	-	-	-
Conservation and Recreation Services	292,898	-	490,292
County Development	-	-	-
Total County Environment and Education	292,898	-	490,292
Roads & Transportation:			
Secondary Roads Administration and Engineering	-	-	325,259
Roadway Maintenance	-	524,981	-
General Roadway Expenditures	-	-	266,661
Total Roads & Transportation	-	524,981	591,920
Government Services to Residents:			
Representation Services	-	-	
State Administration Services		-	
Total Government Services to Residents	-	-	-
Administration:			
Policy and Administration		-	417,192
Central Services	1,495,594	-	2,643,665
Total Administration	1,495,594	-	3,060,857
Total Capital Assets	**$ 1,788,492**	**524,981**	**$ 17,506,698**

Improvements other than Buildings	Machinery and Equipment	Licensed Vehicles	Intangibles	Infrastructure	Total
35,379	432,808	720,564	-	-	$ **14,462,360**
-	34,237	-	-	-	**124,257**
35,379	467,045	720,564	-	-	**14,586,617**
-	273,608	22,343	-	-	**295,951**
-	14,366	-	-	-	**14,366**
-	-	-	-	-	**-**
-	287,974	22,343	-	-	**310,317**
-	6,261	13,037	-	-	**19,298**
-	6,261	13,037	-	-	**19,298**
-	-	-	-	-	**-**
132,939	270,071	256,511	-	-	**1,442,711**
-	5,157	10,641	-	-	**15,798**
132,939	275,228	267,152	-	-	**1,458,509**
31,151	88,868	22,854	-	-	**468,132**
-	97,920	137,803	-	50,532,801	**51,293,505**
-	4,929,127	3,346,294	-	-	**8,542,082**
31,151	5,115,915	3,506,951	-	50,532,801	**60,303,719**
-	182,226		97,786	-	**280,012**
	54,872		-	-	**54,872**
-	237,098	-	97,786	-	**334,884**
	68,714	-	-	-	**485,906**
404,291	893,533	-	165,948	-	**5,603,031**
404,291	962,247	-	165,948	-	**6,088,937**
603,760	**$ 7,351,768**	**$ 4,530,047**	**$ 263,734**	**50,532,801**	**83,102,281**

CERRO GORDO COUNTY, IOWA

SCHEDULE OF CHANGES IN CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
Year Ended June 30, 2015

	Balance July 1, 2014	Additions	Deletions	**Balance June 30, 2015**
Public Safety and Legal Services				
Law Enforcement	$ 14,434,479	$ 154,421	$ 126,540	$ **14,462,360**
Legal Services	124,257	-	-	**124,257**
Total Public Safety and Legal Services	14,558,736	154,421	126,540	**14,586,617**
Physical Health and Social Services:				
Physical Health Services	359,100	-	63,149	**295,951**
Services to Poor	14,366	-	-	**14,366**
Services to Military Veterans	-	-	-	**-**
Total Physical Health and Social Services	373,466	-	63,149	**310,317**
Mental Health, MR & DD:				
Persons with Chronic Mental Illness	19,298	-	-	**19,298**
Total Mental Health, MR & DD	19,298	-	-	**19,298**
County Environment and Education:				
Environmental Quality Program	-	-	-	**-**
Conservation and Recreation Services	1,341,648	123,950	22,887	**1,442,711**
County Development	15,798	-	-	**15,798**
Total County Environment and Education	1,357,446	123,950	22,887	**1,458,509**
Roads & Transportation:				
Secondary Roads Administration & Engineering	474,557	-	6,425	**468,132**
Roadway Maintenance	49,943,805	3,166,781	1,817,081	**51,293,505**
General Roadway Expenditures	8,326,270	330,326	114,514	**8,542,082**
Total Roads & Transportation	58,744,632	3,497,107	1,938,020	**60,303,719**
Government Services to Residents:				
Representation Services	477,548	182,226	379,762	**280,012**
State Administration Services	55,707	7,898	8,733	**54,872**
Total Government Services to Residents	533,255	190,124	388,495	**334,884**
Administration:				
Policy and Administration	485,906	-	-	**485,906**
Central Services	5,323,099	298,401	18,469	**5,603,031**
Total Administration	5,809,005	298,401	18,469	**6,088,937**
Total Capital Assets	**$ 81,395,838**	**$ 4,264,003**	**$ 2,557,560**	**83,102,281**

STATISTICAL SECTION

CERRO GORDO COUNTY, IOWA

STATISTICAL SECTION
June 30, 2015

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

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CERRO GORDO COUNTY, IOWA

NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2006	2007	2008	2009
Government activities:				
Invested in capital assets, net of related debt	$ 19,084,939	$ 25,918,908	$ 26,166,841	$ 28,174,721
Restricted	5,369,094	7,059,287	6,552,918	8,449,567
Unrestricted	2,972,174	4,705,865	5,609,581	5,136,789
Total government activities net position	$ 27,426,207	$ 37,684,060	$ 38,329,340	$ 41,761,077
Business-type activities:				
Invested in capital assets, net of related debt	$ 1,765,188	$ 1,971,672	$ 1,910,172	$ 1,490,330
Restricted	-	-	-	-
Unrestricted	49,236	(240,350)	(270,020)	83,268
Total business-type activities net position	$ 1,814,424	$ 1,731,322	$ 1,640,152	$ 1,573,598
Primary Government:				
Invested in capital assets, net of related debt	$ 20,850,127	$ 27,890,580	$ 28,077,013	$ 29,665,051
Restricted	5,369,094	7,059,287	6,552,918	8,449,567
Unrestricted	3,021,410	4,465,515	5,339,561	5,220,057
Total primary government net position	$ 29,240,631	$ 39,415,382	$ 39,969,492	$ 43,334,675

Source: County Records

Fiscal Year					
2010	2011	2012	2013	2014	2015
$ 29,988,315	$ 30,961,033	$ 31,446,880	$ 33,106,986	$ 34,748,299	$ 34,084,193
7,113,380	7,714,036	5,912,520	5,221,592	6,340,085	6,172,763
5,173,073	4,918,867	4,179,261	4,531,042	3,918,057	(1,915,362)
$ 42,274,768	$ 43,593,936	$ 41,538,661	$ 42,859,620	$ 45,006,441	$ 38,341,594
$ 1,414,592	$ 1,339,288	$ 1,264,433	$ 1,189,440	$ 1,116,146	$ 1,042,761
-	-	-	-	-	-
92,301	95,914	100,842	113,468	116,805	122,953
$ 1,506,893	$ 1,435,202	$ 1,365,275	$ 1,302,908	$ 1,232,951	$ 1,165,714
$ 31,402,907	$ 32,300,321	$ 32,711,313	$ 34,296,426	$ 35,864,445	$ 35,126,954
7,113,380	7,714,036	5,912,520	5,221,592	6,340,085	6,172,763
5,265,374	5,014,781	4,280,103	4,644,510	4,034,862	(1,792,409)
$ 43,781,661	$ 45,029,138	$ 42,903,936	$ 44,162,528	$ 46,239,392	$ 39,507,308

CERRO GORDO COUNTY, IOWA

CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2006	2007	2008	2009
Expenses:				
Government activities:				
Public safety and legal services	$ 4,827,135	$ 5,598,566	$ 6,549,905	$ 7,202,831
Physical health and social services	4,274,119	4,730,060	4,884,946	5,111,164
Mental health	5,617,449	5,851,088	6,373,624	5,813,641
County environment and education	1,291,161	1,128,411	1,536,823	1,676,138
Roads and transportation	4,996,566	6,085,524	5,944,155	6,534,326
Government services to residents	892,862	895,995	998,437	1,019,291
Administration or general government	2,441,271	2,227,192	2,448,491	2,166,888
Non-program	319,240	266,798	172,344	916,010
Interest on long-term debt	37,976	604,169	557,654	535,303
Capital projects	-	-	-	-
Total governmental activities expenses	24,697,779	27,387,803	29,466,379	30,975,592
Business-type activities:				
Wastewater collection and treatment	137,422	144,092	165,782	140,356
Total government expenses	$ 24,835,201	$ 27,531,895	$ 29,632,161	$ 31,115,948
Program Revenues:				
Government activities:				
Charges for services:				
Public safety and legal services	$ 556,195	$ 457,988	$ 900,473	$ 893,693
Physical health and social services	510,549	500,140	579,215	574,979
Mental health	514,799	52,699	586,315	548,039
County environment and education	82,626	78,750	63,167	90,782
Roads and Transportation	547,931	100,061	23,057	57,906
Government services to residents	676,740	677,734	721,702	641,497
Administration or general government	269,375	257,804	232,344	253,284
Non-program	468,310	87,828	89,556	153,355
Capital Projects	-	-	-	-
Operating grants and contributions	9,019,060	10,668,131	8,755,036	9,992,973
Capital grants and contributions revenues	5,216,480	850,690	611,123	3,974,119
	17,862,065	13,731,825	12,561,988	17,180,627
Business-type activities:				
Charges for services:				
Wastewater collection and treatment	70,251	60,990	74,612	73,802
revenues	70,251	60,990	74,612	73,802
Total government program revenues	$ 17,932,316	$ 13,792,815	$ 12,636,600	$ 17,254,429

Source: County Records

Fiscal Year					
2010	2011	2012	2013	2014	2015
$ 7,269,875	$ 7,580,694	$ 7,841,364	$ 8,030,019	$ 8,402,604	$ 7,916,626
4,726,961	5,289,561	4,816,751	4,932,071	5,066,738	4,915,152
5,943,074	660,626	3,805,315	2,371,135	2,030,635	2,548,983
1,329,604	1,171,665	1,267,463	1,152,679	1,917,261	1,164,838
7,061,925	6,838,237	6,906,435	6,732,570	7,167,177	7,098,406
969,501	1,117,534	1,118,476	1,118,470	1,117,636	1,239,392
2,920,542	2,482,454	2,697,211	2,924,656	2,771,301	3,295,671
2,399,569	240,487	217,755	204,592	283,087	342,098
513,578	515,350	799,924	426,969	415,531	390,401
-	-	-	-	-	-
33,134,629	25,896,608	29,470,694	27,893,161	29,171,970	28,911,567
133,970	137,781	136,701	129,405	134,236	130,172
$ 33,268,599	$ 26,034,389	$ 29,607,395	$ 28,022,566	$ 29,306,206	$ 29,041,739
$ 921,982	$ 924,425	$ 949,400	$ 1,035,154	$ 1,011,057	$ 1,105,818
649,560	413,120	375,956	363,339	430,535	413,983
557,386	43,112	-	26	-	102,868
78,204	80,193	86,241	80,471	195,454	156,790
58,176	53,251	19,285	61,890	30,591	36,305
694,326	674,094	728,588	714,053	827,250	727,195
187,016	176,074	208,308	181,257	375,668	78,154
228,208	182,654	204,314	173,985	233,391	229,409
-	-	-	-	-	-
7,396,827	6,339,798	5,735,343	5,855,315	6,290,644	6,299,549
5,371,687	429,002	937,276	1,651,919	2,152,813	198,500
16,143,372	9,315,723	9,244,711	10,117,409	11,547,403	9,348,571
67,217	66,040	66,716	66,979	64,219	62,871
67,217	66,040	66,716	66,979	64,219	62,871
$ 16,210,589	$ 9,381,763	$ 9,311,427	$ 10,184,388	$ 11,611,622	$ 9,411,442

(Continued)

CERRO GORDO COUNTY, IOWA

CHANGES IN NET POSITION (Continued)
Last Ten Fiscal Years
(Accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2006	2007	2008	2009
Net (Expense)/Revenue:				
Governmental activities	$ (6,835,714)	$ (13,655,978)	$ (16,904,391)	$ (13,794,965)
Business-type activities	(67,171)	(83,102)	(91,170)	(66,554)
Total government net expense	$ (6,902,885)	$ (13,739,080)	$ (16,995,561)	$ (13,861,519)
General Revenues and Other Changes in Net Position:				
Governmental activities				
Property and other county tax levied for:				
General purposes	$ 11,129,894	$ 11,789,658	$ 12,116,096	$ 12,881,530
Debt service	571,714	1,465,976	1,396,144	952,133
Penalty and interest on property tax	139,522	130,746	146,433	166,230
State tax credits, unrestricted	483,123	498,856	483,910	457,716
Local option sales and service tax	1,411,660	1,520,121	1,787,415	1,539,950
Tax Increment Financing	-	-	-	-
Grants & contribution not restricted to specific purpose	68,051	-	-	-
Unrestricted investment earnings	533,762	1,141,111	718,515	282,175
Loss on Disposal of Capital Assets	-	(18,897)	(24,774)	(19,063)
Miscellaneous	848,945	358,647	925,932	966,031
Total governmental activities	15,186,671	16,886,218	17,549,671	17,226,702
Business-type activities:				
Wastewater collection and treatment	-	-	-	-
Total business-type activities	$ -	$ -	$ -	$ -
Total government	$ 15,186,671	$ 16,886,218	$ 17,549,671	$ 17,226,702
Change in Net Position:				
Governmental activities	$ 8,350,957	$ 3,230,240	$ 645,280	$ 3,431,737
Business-type activities	(67,171)	(83,102)	(91,170)	(66,554)
Total government program revenues	$ 8,283,786	$ 3,147,138	$ 554,110	$ 3,365,183

Source: County Records

Fiscal Year					
2010	2011	2012	2013	2014	2015
$ (16,991,257)	$ (16,580,885)	$ (20,225,983)	$ (17,775,752)	$ (17,624,567)	$ (19,562,996)
(66,753)	(71,741)	(69,985)	(62,426)	(70,017)	(67,301)
$ (17,058,010)	$ (16,652,626)	$ (20,295,968)	$ (17,838,178)	$ (17,694,584)	$ (19,630,297)
$ 13,373,304	$ 13,558,781	$ 14,012,037	$ 14,527,567	$ 15,474,761	$ 15,286,100
951,217	950,610	936,277	936,215	932,567	951,463
174,381	161,757	163,122	153,414	152,169	158,706
443,450	408,057	420,545	466,927	565,129	887,296
1,424,656	1,650,341	1,682,466	1,584,772	1,505,343	1,748,080
-	-	-	-	8,912	2,960
-	-	-	-	-	-
134,595	110,664	88,847	48,577	42,439	46,530
(582,918)	(16,798)	(34,141)	(13,888)	(10,724)	(14,457)
1,464,133	1,076,641	952,897	1,393,127	1,100,792	2,296,860
17,382,818	17,900,053	18,222,050	19,096,711	19,771,388	21,363,538
48	50	58	59	60	64
$ 48	$ 50	$ 58	$ 59	$ 60	$ 64
$ 17,382,866	$ 17,900,103	$ 18,222,108	$ 19,096,770	$ 19,771,448	$ 21,363,602
$ 391,561	$ 1,319,168	$ (2,003,933)	$ 1,320,959	$ 2,146,821	$ 1,800,542
(66,705)	(71,691)	(69,927)	(62,367)	(69,957)	(67,237)
$ 324,856	$ 1,247,477	$ (2,073,860)	$ 1,258,592	$ 2,076,864	$ 1,733,305

(Concluded)

CERRO GORDO COUNTY, IOWA

FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified accrual accounting)
(Unaudited)

	Fiscal Year			
	2006	2007	2008	2009
General Fund				
Nonspendable	$ -	$ -	$ -	$ -
Restricted	256,829	414,957	611,152	792,804
Committed				-
Assigned	757,648	791,825	836,483	885,085
Unassigned	3,216,509	4,115,092	4,263,906	4,285,163
Total General Fund	$ 4,230,986	$ 5,321,874	$ 5,711,541	$ 5,963,052
All Other Governmental Funds				
Nonspendable	$ 1,278,393	$ 1,099,959	$ 1,480,937	$ 1,062,380
Restricted	3,998,814	11,137,918	4,586,705	6,105,723
Committed	-	-	-	-
Assigned	556,248	656,143	635,649	721,725
Unassigned	(588,497)	-	(254,172)	-
Total all other governmental funds	$ 5,244,958	$ 12,894,020	$ 6,449,119	$ 7,889,828
Total Fund Balance All Governmental Funds	$ 9,475,944	$ 18,215,894	$ 12,160,660	$ 13,852,880

Source: County Records

Fiscal Year					
2010	2011	2012	2013	2014	2015
$ -	$ -	$ -	$ -	$ -	$ -
1,062,596	591,110	162,622	48,546	185,143	250,958
-	-	-	-	-	-
1,026,793	1,296,116	1,208,277	1,267,562	1,086,036	1,102,657
4,207,065	4,550,586	4,976,088	5,295,536	6,143,872	6,473,260
$ 6,296,454	$ 6,437,812	$ 6,346,987	$ 6,611,644	$ 7,415,051	$ 7,826,875
$ 1,203,806	$ 1,384,730	$ 1,273,866	$ 1,097,904	$ 888,073	$ 1,241,840
5,200,556	5,812,740	4,168,577	4,407,104	4,691,776	5,500,449
-	-	-	-	-	-
893,266	871,341	704,823	774,065	954,307	1,103,221
(20,262)	-	-	-	-	-
$ 7,277,366	$ 8,068,811	$ 6,147,266	$ 6,279,073	$ 6,534,156	$ 7,845,510
$ 13,573,820	$ 14,506,623	$ 12,494,253	$ 12,890,717	$ 13,949,207	$ 15,672,385

CERRO GORDO COUNTY, IOWA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified accrual accounting)
(Unaudited)

	Fiscal Year			
	2006	2007	2008	2009
Revenues:				
Property and Other County Tax	$ 13,118,367	$ 14,782,265	$ 15,308,353	$ 15,367,915
Interest and Penalty on Property Tax	139,522	130,746	146,433	166,230
Intergovernmental	11,191,640	11,356,056	10,584,094	12,986,761
Licenses and Permits	324,776	327,967	414,152	397,960
Charges for Services	1,205,710	1,132,140	1,155,633	1,173,034
Use of Money and Property	637,056	1,246,172	902,907	439,098
Miscellaneous	1,203,546	867,131	921,893	942,716
Total Revenues	27,820,617	29,842,477	29,433,465	31,473,714
Expenditures:				
Public safety and legal services	4,808,056	5,565,965	6,229,452	6,769,038
Physical health and social services	4,251,999	4,725,534	4,866,227	5,150,211
Mental health	5,611,348	5,861,602	6,366,901	5,802,641
County environment and education	1,235,315	1,112,434	1,631,652	1,661,836
Roads and transportation	5,111,457	4,513,467	4,972,994	5,079,324
Government services to residents	827,433	830,775	928,523	939,846
Administration	1,872,576	2,157,767	2,466,608	2,187,056
Non-program	169,026	72,906	50,342	276,787
Debt service		-	-	-
Principal	640,000	1,160,000	955,000	964,252
Interest	33,630	435,718	560,657	528,766
Capital projects	3,267,852	7,893,520	6,858,012	1,224,944
Total Expenditures	27,828,692	34,329,688	35,886,368	30,584,701
Excess of revenues over (under) expenditures	(8,075)	(4,487,211)	(6,452,903)	889,013
Other Financing Sources (Uses)				
Proceeds from the sale of capital assets	204,378	21,910	10,910	60,525
Transfers in	2,372,050	2,461,511	2,600,826	2,738,466
Transfers out	(2,372,050)	(2,461,511)	(2,600,826)	(2,738,466)
Issuance of drainage warrants	24,554	7,199	5,781	18,985
Issuance of general obligation capital loan notes	500,000	13,500,000	-	-
Discount on general obligation notes	(5,473)	(123,514)	-	-
Issuance of crossover refunding capital loan notes				
Issuance of capital lease purchase agreement	24,394	-	-	199,413
Issuance of LOSST revenue bonds	-	-	-	300,000
Issuance of installment purchase contracts	-	-	-	642,841
Total other financing sources (uses)	747,853	13,405,595	16,691	1,221,764
Net change in fund balances	$ 739,778	$ 8,918,384	$ (6,436,212)	$ 2,110,777
Debt service as % of noncapital expenditures	2.74%	6.04%	5.22%	5.09%

Source: County Records

Fiscal Year					
2010	2011	2012	2013	2014	2015
$ 15,746,255	$ 16,151,502	$ 16,630,974	$ 17,057,026	$ 17,918,503	$ 17,987,366
174,381	161,757	163,122	153,414	152,169	158,706
12,253,236	7,827,411	7,295,931	7,144,890	7,961,602	8,278,038
413,794	126,934	125,044	120,712	220,980	154,958
1,248,757	1,391,135	1,332,932	1,304,748	1,422,442	1,402,231
311,405	277,433	283,542	250,226	495,212	188,814
1,476,175	933,810	948,232	1,313,451	1,061,874	2,364,995
31,624,003	26,869,982	26,779,777	27,344,467	29,232,782	30,535,108
6,826,705	7,095,863	7,500,849	7,577,137	7,962,487	8,184,564
4,656,497	5,095,095	4,639,871	4,845,164	4,914,277	5,110,132
5,941,119	676,241	3,793,476	2,361,533	2,018,171	2,561,090
1,302,316	1,181,451	1,233,631	1,106,735	1,851,989	1,275,293
5,340,158	4,963,655	5,066,973	4,417,491	5,500,566	5,618,674
970,387	988,933	1,052,040	1,048,894	1,077,312	1,461,109
2,886,708	2,355,944	2,485,101	2,580,211	2,659,540	2,995,191
167,932	114,044	84,682	27,405	95,989	189,518
-	-	-	-	-	
861,763	2,541,936	9,607,704	564,368	575,238	622,246
517,357	519,010	804,707	427,889	416,469	404,889
3,022,467	2,628,619	1,769,644	1,850,331	978,252	1,762,502
32,493,409	28,160,791	38,038,678	26,807,158	28,050,290	30,185,208
(869,406)	(1,290,809)	(11,258,901)	537,309	1,182,492	349,900
214,204	7,714	12,000	24,266	29,016	24,321
2,860,798	3,227,450	3,241,067	3,352,612	3,354,612	3,467,670
(2,860,798)	(3,227,450)	(3,241,067)	(3,352,612)	(3,354,612)	(3,467,670)
45,287	34,974	31,737	10,851	56,813	145,190
-	-	-	-	-	850,000
-	-	-	-	-	-
	2,000,000	9,365,000	-	-	-
20,679	-	-	-	-	-
168,750	-	-	-	-	-
-	-	-	-	-	-
448,920	2,042,688	9,408,737	35,117	85,829	1,019,511
$ (420,486)	$ 751,879	$ (1,850,164)	$ 572,426	$ 1,268,321	$ 1,369,411
4.39%	12.22%	29.22%	4.05%	3.81%	3.71%

CERRO GORDO COUNTY, IOWA

PROGRAM REVENUES BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2006	2007	2008	2009
Government activities:				
Public safety and legal services	$ 1,005,372	$ 1,537,752	$ 1,480,436	$ 1,536,881
Physical health and social services	2,972,838	3,210,734	3,025,728	2,917,504
Mental health	2,962,403	3,758,706	3,248,590	4,571,818
County environment and education	132,769	149,244	114,371	586,783
Roads and Transportation	9,247,719	4,027,815	3,646,140	6,323,786
Government services to residents	754,886	697,549	724,823	642,216
Administration or general government	317,768	258,451	232,344	448,284
Non-program	468,310	91,574	89,556	153,355
Capital Projects	-	-	-	-
Total Governmental activities program revenues	17,862,065	13,731,825	12,561,988	17,180,627
Business-type activities:				
Wastewater collection and treatment	70,251	60,990	74,612	73,802
Total business-type activities program revenues	70,251	60,990	74,612	73,802
Total government program revenues	$ 17,932,316	$ 13,792,815	$ 12,636,600	$ 17,254,429

Source: County Records

Fiscal Year					
2010	2011	2012	2013	2014	2015
$ 1,561,615	$ 1,589,118	$ 1,548,358	$ 1,626,138	$ 1,591,878	$ 1,659,477
2,975,874	2,915,052	2,394,545	2,490,087	2,938,155	2,702,555
2,032,435	49,943	-	26	-	102,868
128,474	121,681	137,477	98,434	219,358	231,295
6,188,066	3,596,827	3,840,156	4,792,027	5,314,851	3,617,560
694,771	674,408	728,731	714,103	827,302	727,253
187,016	186,040	391,130	222,609	422,468	78,154
2,375,121	182,654	204,314	173,985	233,391	229,409
-	-	-	-	-	-
16,143,372	9,315,723	9,244,711	10,117,409	11,547,403	9,348,571
67,217	66,040	66,716	66,979	64,219	62,871
67,217	66,040	66,716	66,979	64,219	62,871
$ 16,210,589	$ 9,381,763	$ 9,311,427	$ 10,184,388	$ 11,611,622	$ 9,411,442

CERRO GORDO COUNTY, IOWA

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY (1)
Last Ten Fiscal Years
(Unaudited)

	Assessed Value and Actual Value of Taxable Property			
Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Agricultural Property
2006	$ 1,669,700,033	$ 387,968,624	$ 108,897,495	$ 243,226,460
2007	1,847,067,126	406,188,967	115,663,644	243,061,267
2008	1,931,601,558	415,706,118	118,533,891	245,007,595
2009	2,082,080,113	454,631,950	124,087,009	291,362,364
2010	2,158,325,908	472,474,791	125,039,073	292,634,499
2011	2,185,469,250	462,309,715	122,515,972	432,256,773
2012	2,232,467,433	467,738,844	117,498,875	430,812,881
2013	2,258,003,711	487,676,744	102,684,643	532,611,206
2014	2,314,550,636	500,947,523	110,270,222	532,853,133
2015	2,319,642,432	498,090,582	99,822,358	732,431,140

	Taxable Value of Property			
Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Agricultural Property
2006	$ 796,987,659	$ 387,968,624	$ 108,897,495	$ 243,226,460
2007	841,230,630	402,277,964	115,663,644	243,061,267
2008	871,747,220	415,706,118	118,533,891	245,007,595
2009	903,062,500	453,264,680	124,087,009	262,503,636
2010	965,567,898	472,474,791	125,039,073	274,580,757
2011	1,003,294,020	462,309,715	122,515,972	285,781,276
2012	1,059,415,029	467,738,844	117,498,875	296,510,611
2013	1,122,798,241	487,676,744	102,684,643	305,127,041
2014	1,216,008,264	500,947,523	110,270,222	317,879,766
2015	1,238,055,392	470,580,246	93,054,272	315,174,766

Source: Cerro Gordo County Auditor's Office

(1) Net Taxable Value is the value on which real estate taxes are calculated and on which budgets of the various Levy Authorities are based. For property valued by local assessors, taxable value of property is the actual value of property multiplied by the statewide rollback rate that is determined annually by the Iowa Department of Management.
(2) Other Property includes utility property, railroad property, and gas and electric utility property, all of which are valued by the Iowa Department of Management. All other property classes are valued by the local assessor.
(3) Per $1,000 of value

Assessed Value and Actual Value of Taxable Property

TIF Increment	(2) Other Property	Total Assessed Taxable Property	Less: Military Tax-Exempt Property	Net Assessed Taxable Property
$ 75,170,736	$ 355,470,345	$ 2,840,433,693	$ 6,721,097	$ 2,833,712,596
84,837,300	557,830,644	3,254,648,948	6,725,715	3,247,923,233
83,605,174	557,706,923	3,352,161,259	6,674,947	3,345,486,312
94,990,249	524,896,066	3,572,047,751	6,546,853	3,565,500,898
100,955,290	552,664,832	3,702,094,393	6,400,851	3,695,693,542
116,873,546	630,695,007	3,950,120,263	6,267,987	3,943,852,276
125,306,712	729,052,147	4,102,876,892	6,115,677	4,096,761,215
130,243,719	769,636,251	4,280,856,274	5,926,400	4,274,929,874
79,114,218	802,921,546	4,340,657,278	5,786,528	4,334,870,750
144,709,810	854,374,308	4,649,070,630	5,589,246	4,643,481,384

Taxable Value of Property

TIF Increment	(2) Other Property	Total Taxable Property	Less: Military Tax-Exempt Property	Net Taxable Property	(3) Total Direct Tax Rate Urban
$ 75,170,736	$ 149,339,489	$ 1,761,590,463	$ 6,721,097	$ 1,754,869,366	6.20
84,837,300	185,780,708	1,872,851,513	6,725,715	1,866,125,798	6.59
83,605,174	167,798,894	1,902,398,892	6,674,947	1,895,723,945	6.59
94,990,249	184,296,587	2,022,204,661	6,546,853	2,015,657,808	6.32
100,955,290	168,369,930	2,106,987,739	6,400,851	2,100,586,888	6.29
116,873,546	157,060,949	2,147,835,478	6,267,987	2,141,567,491	6.27
125,306,712	158,266,959	2,224,737,030	6,115,677	2,218,621,353	6.25
130,243,719	156,083,846	2,304,614,234	5,926,400	2,298,687,834	6.23
79,114,218	172,180,865	2,396,400,858	5,786,528	2,390,614,330	6.24
144,709,810	170,878,079	2,432,452,565	5,589,246	2,426,863,319	6.25

CERRO GORDO COUNTY, IOWA

DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Fiscal Years
(rate per $1,000 of assessed value)
(Unaudited)

	Fiscal Year Taxes are Payable			
	2006	2007	2008	2009
County Direct Rates:				
General Basic	3.50	3.50	3.50	3.50
General Supplemental	1.00	1.00	1.08	1.14
MH/DD Service	1.36	1.28	1.26	1.19
Debt Service	0.34	0.81	0.76	0.49
Total Urban County Rate	6.20	6.59	6.59	6.32
Rural Basic	3.51	3.51	3.51	3.51
Total Rural County Rate	9.71	10.11	10.11	9.83
City and Town Rates:				
Mason City	11.64	12.26	12.67	12.80
Clear Lake	9.36	10.05	10.05	10.05
Dougherty	17.24	17.77	18.20	17.67
Meservey	9.83	9.81	9.80	9.77
Plymouth	5.34	5.55	8.92	11.49
Rock Falls	6.84	6.50	6.50	6.50
Rockwell	8.10	8.10	8.10	8.10
Swaledale	16.64	16.15	16.61	17.08
Thornton	12.71	12.09	12.77	12.64
Ventura	7.26	3.00	7.73	6.78
Nora Springs	12.12	11.22	13.23	14.05
Township Rates:				
Bath	0.54	0.54	0.54	0.54
Clear Lake	0.29	0.28	0.27	0.25
Dougherty	0.35	0.35	0.35	0.35
Falls	0.62	0.62	0.62	0.62
Geneseo	0.47	0.47	0.46	0.40
Grant - Clear Lake	0.50	0.50	0.51	0.42
Grant - Forest City	0.50	0.50	0.51	0.44
Grant - Ventura	0.50	0.50	0.51	0.38
Gimes	0.82	0.76	0.78	0.76
Lake	0.18	0.10	0.12	0.10
Lime Creek	0.42	0.41	0.41	0.41
Lincoln	0.39	0.39	0.39	0.37
Mason	0.41	0.41	0.41	0.41
Mount Vernon	0.47	0.47	0.48	0.49
Owen	0.63	0.63	0.63	0.63
Pleasant Valley	0.51	0.51	0.51	0.52
Portland	0.38	0.38	0.41	0.46
Union	0.28	0.24	0.25	0.25

Source: Cerro Gordo County Auditors Office

Fiscal Year Taxes are Payable					
2010	2011	2012	2013	2014	2015
3.50	3.50	3.50	3.50	3.50	3.50
1.19	1.20	1.23	1.26	1.43	1.43
1.13	1.12	1.08	1.05	0.90	0.91
0.47	0.45	0.43	0.42	0.40	0.41
6.29	6.27	6.25	6.23	6.24	6.25
3.51	3.51	3.51	3.51	3.51	3.51
9.80	9.78	9.76	9.74	9.74	9.76
12.73	13.39	13.57	13.55	13.02	13.85
10.05	10.05	10.54	10.54	10.54	10.54
21.70	21.93	20.60	20.64	21.78	22.85
9.70	9.77	9.74	9.82	9.79	9.74
12.09	12.40	12.11	12.21	12.13	11.98
6.50	6.50	6.50	6.50	6.50	6.50
8.10	8.10	8.10	11.09	10.95	10.88
16.52	16.70	16.53	16.59	16.31	16.56
11.98	13.19	13.55	13.27	13.57	13.93
9.98	10.98	10.32	12.00	11.99	11.40
14.71	14.15	13.65	13.53	13.03	12.42
0.54	0.54	0.54	0.54	0.54	0.54
0.23	0.24	0.24	0.21	0.20	0.33
0.35	0.34	0.34	0.33	0.32	0.32
0.62	0.62	0.62	0.62	0.62	0.62
0.37	0.41	0.35	0.35	0.35	0.35
0.41	0.39	0.43	0.37	0.39	0.56
0.41	0.39	0.43	0.45	0.47	0.67
0.39	0.41	0.43	0.40	0.42	0.63
0.73	0.73	0.82	0.82	0.82	0.82
0.12	0.12	0.11	0.13	0.11	0.11
0.41	0.41	0.41	0.41	0.41	0.41
0.35	0.34	0.33	0.31	0.30	0.32
0.41	0.41	0.41	0.41	0.41	0.41
0.49	0.49	0.45	0.47	0.43	0.49
0.63	0.63	0.63	0.62	0.67	0.67
0.49	0.48	0.47	0.49	0.53	0.53
0.44	0.44	0.43	0.42	0.41	0.41
0.25	0.25	0.25	0.26	0.27	0.40

(Continued)

CERRO GORDO COUNTY, IOWA

DIRECT AND OVERLAPPING PROPERTY TAX RATES (Continued)
Last Ten Fiscal Years
(rate per $1,000 of assessed value)
(Unaudited)

	Fiscal Year Taxes are Payable			
	2006	2007	2008	2009
School District Rates:				
Clear Lake	12.64	11.89	11.90	11.88
Forest City	15.36	14.56	14.64	15.01
Mason City	14.72	14.10	14.08	13.67
Meservey-Thornton (1)	11.63	10.05	10.27	10.77
Central Springs - Nora Springs-Rock Falls (2)	16.74	16.62	16.75	16.46
Central Springs - North Central (2)	14.37	13.31	14.20	13.47
Rockwell-Swaledale (1)	13.55	13.74	14.37	14.26
Rudd-Rockford-Marble Rock	15.96	15.79	15.79	16.24
Sheffield-Chapin (1)	14.23	14.25	12.59	12.85
Ventura	10.99	10.40	10.10	9.61
West Fork (1)				
Other Taxing Authority Rates:				
County Assessor	0.40	0.41	0.49	0.56
City Assessor	0.22	0.20	0.23	0.26
North Iowa Area Community College	0.62	0.62	0.66	0.66
Ag. Extension	0.12	0.11	0.11	0.10
State	0.00	0.00	0.00	0.00
Clear Lake Sanitary Sewer	1.67	1.67	1.66	1.59
Falls - Rock Falls Cemetery	0.07	0.07	0.07	0.07

(1) In 2012, West Fork School District was formed by combining Meservey-Thornton School District, Rockwell-Swaledale School District, and Sheffield-Chapin School District.
(2) Beginning in 2012, Nora Springs-Rock Falls School District and North Central School District consolidated. However, each school has its own property tax rate.

Source: Cerro Gordo County Auditors Office

Fiscal Year Taxes are Payable					
2010	2011	2012	2013	2014	2015
11.88	12.94	12.92	12.92	12.24	11.48
15.43	16.74	16.27	15.75	13.57	13.25
13.62	15.12	15.11	13.32	11.05	13.20
11.32	11.68	-	-	-	-
16.85	16.41	14.11	12.11	11.90	10.73
14.31	14.48	14.60	13.58	13.33	12.17
13.78	13.77	-	-	-	-
14.01	14.02	14.00	14.00	12.00	11.63
13.29	13.59	-	-	-	-
10.39	10.57	9.92	8.94	9.20	8.88
		10.99	12.01	11.17	11.82
0.55	0.52	0.43	0.43	0.53	0.54
0.23	0.23	0.25	0.23	0.64	0.64
0.62	0.66	0.66	0.66	0.66	0.64
0.11	0.11	0.11	0.11	0.11	0.11
0.00	0.00	0.00	0.00	0.00	0.00
1.49	1.46	1.35	1.31	1.27	1.24
0.07	0.07	0.07	0.07	0.07	0.07

(Concluded)

CERRO GORDO COUNTY, IOWA

PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago
(Unaudited)

	Fiscal Year 2015			Fiscal Year 2006		
	Net Taxable Value	Rank	Percent of Total Taxable Value	Net Taxable Value	Rank	Percent of Total Taxable Value
Interstate Power & Light Co	$ 80,233,353	1	3.35%	$ 59,662,182	1	3.47%
Union Pacific	29,823,047	2	1.24%	17,416,084	3	1.01%
Golden Grain Energy LLC	17,981,622	3	0.75%			
Lehigh Portland Cement Co	17,437,908	4	0.73%	19,497,363	2	
Hawkeye Power Partners LLC	12,151,983	5	0.51%			
Mills Properties Inc	11,694,389	6	0.49%	10,017,262	10	0.58%
Wal-Mart Real Estate Business Trust	11,019,649	7	0.46%			
AADG Inc (Curries Company)	10,942,594	8	0.46%	14,870,817	5	0.86%
Qwest Corp	9,870,895	9	0.41%	13,548,489	6	0.79%
Northern Border Pipeline Co	9,501,506	10	0.40%	11,792,252	8	0.69%
Holnam Inc/Northwestern States Portland Cement Co				15,645,316	4	0.91%
Mall Associates LLC				12,082,830	7	0.70%
Mason City Shopping Center				10,454,660	9	0.61%
	$ 210,656,946		8.79%	$ 184,987,255		9.62%

Net Taxable Value is the value on which real estate taxes are calculated and on which the budgets of the various Levy Authorities are based.

Source: Cerro Gordo County Auditor's Office

CERRO GORDO COUNTY, IOWA

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Property Taxes Levied for the Fiscal Year	Property Taxes Collected Within the Fiscal Year of the Levy		Property Tax Collections in Subsequent Years	Property Taxes Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	$ 51,164,802	$ 49,185,934	96.13%	$ -3,149	$ 49,182,785	96.13%
2007	54,025,405	52,028,179	96.30%	16,638	52,044,817	96.33%
2008	55,911,709	53,942,250	96.48%	36,357	53,978,607	96.54%
2009	58,154,094	56,220,505	96.68%	4,747	56,225,252	96.68%
2010	61,066,901	59,136,632	96.84%	13,163	59,149,795	96.86%
2011	65,508,663	63,720,109	97.27%	9,348	63,729,457	97.28%
2012	67,300,914	65,466,374	97.27%	-6,788	65,459,586	97.26%
2013	67,840,071	65,795,178	96.99%	37,696	65,832,874	97.04%
2014	66,904,841	64,623,723	96.59%	37,085	64,660,808	96.65%
2015	70,801,705	67,733,439	95.67%	23,775	67,757,214	95.70%

Total tax collections solely for Cerro Gordo County were:

Fiscal Year	Amount
2006	$ 11,607,154
2007	12,752,868
2008	13,075,127
2009	13,234,094
2010	13,906,364
2011	14,211,708
2012	14,678,427
2013	15,239,651
2014	16,178,353
2015	16,340,578

Source: Cerro Gordo County Treasurer's Office

CERRO GORDO COUNTY, IOWA

RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(Unaudited)

	Governmental Activities					Business-Type Activities			
Fiscal Year	General Obligation Bonds	Capital Loan Notes	Capital Lease Purchases	Drainage Warrants	Revenue Bonds	Sewer Revenue Capital Loan Notes	Total Government	Percentage of Personal Income (1)	Per Capita (1)
2006	$ 215,000	$ 880,000	$ 20,698	$ 39,802	$ -	$ 603,750	$ 1,759,250	0.13%	$ 39.24
2007	145,000	13,290,000	15,393	21,418	-	595,379	14,067,190	0.98%	311.79
2008	75,000	12,405,000	9,621	16,457	-	586,635	13,092,713	0.88%	290.76
2009	-	11,945,000	469,623	29,971	253,000	577,497	13,275,091	0.87%	296.08
2010	-	11,470,000	117,605	34,700	401,750	567,946	12,592,001	0.78%	283.71
2011	-	11,000,000	65,669	20,088	381,750	557,967	12,025,474	0.73%	273.21
2012	-	10,835,000	10,351	14,417	361,750	547,538	11,769,056	0.70%	269.07
2013	-	10,295,000	5,984	20,817	341,750	536,642	11,200,193	0.62%	253.17
2014	-	9,745,000	1,246	62,024	321,250	525,252	10,654,772	0.52%	243.33
2015	-	10,215,000	-	197,599	300,250	513,352	11,226,201	0.56%	259.54

1. Calculated using population and personal income figures from Demographics and Economic Statistics Table.

Source: Cerro Gordo County Auditor's Office

CERRO GORDO COUNTY, IOWA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	General Bonded Debt Outstanding: General Obligation Bonds	General Bonded Debt Outstanding: Total	Percentage Net Taxable Value of Property (1)	Per Capita (2)
2006	$ 215,000	$ 215,000	0.01%	$ 4.80
2007	145,000	145,000	0.01%	3.27
2008	75,000	75,000	0.00%	1.70
2009	0	0	0.00%	0
2010	0	0	0.00%	0
2011	0	0	0.00%	0
2012	0	0	0.00%	0
2013	0	0	0.00%	0
2014	0	0	0.00%	0
2015	0	0	0.00%	0

1. See Assessed Value and Actual Value of Taxable Property Schedule for property value data.
2. Calculated using population figure from Demographics and Economic Statistics Table.

Source: Cerro Gordo County Auditor's Office

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CERRO GORDO COUNTY, IOWA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2015
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
County direct debt	$ 10,712,849	100.00%	$ 10,712,849
City debt:			
Clear Lake	$ 4,630,500	100.00%	$ 4,630,500
Mason City	27,460,000	100.00%	27,460,000
Nora Springs	632,000	3.84%	24,266
Rockwell	963,871	100.00%	963,871
Swaledale	11,834	100.00%	11,834
Thornton	87,797	100.00%	87,797
Ventura	2,995,000	100.00%	2,995,000
Subtotal, City debt			36,173,268
School Districts:			
Clear Lake	$ 5,260,000	100.00%	5,260,000
Forest City	849,600	3.59%	30,500
Mason City	31,520,561	100.00%	31,520,561
Ventura	1,295,000	70.64%	914,820
West Fork	185,000	60.92%	112,703
Subtotal, School District debt			37,838,585
Other Districts:			
Clear Lake Sanitary District	$ 1,060,000	100.00%	1,060,000
North Iowa Area Community College	32,460,000	31.72%	10,294,752
Subtotal, Other District debt			11,354,752
Total overlapping debt			85,366,605
Total direct and overlapping debt			$ 96,079,454

Source: Cities and school districts within Cerro Gordo County

* The overlapping debt percentage is calculated by dividing the amount of valuation of each taxing jurisdiction that is partially or wholly within the County by the total valutaion of each taxing jurisdiction.

CERRO GORDO COUNTY, IOWA

LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(Unaudited)

	2006	2007	2008	2009
Debt Limit, 5% of Assessed Value	141,685,630	162,396,162	167,274,316	178,275,045
Total net debt applicable to limit	1,115,698	13,450,393	12,489,621	12,667,623
Legal Debt Margin	$ 140,569,932	$ 148,945,769	$ 154,784,695	$ 165,607,422
Total net debt applicable to the limit as a percentage of debt limit	0.79%	8.28%	7.47%	7.11%

Source: County records

Legal Debt Margin Calculation for Fiscal Year 2015

Net Assessed Value	$	4,643,481,384
Debt Limit (5% of assessed value)		232,174,069
Debt applicable to limit:		
General obligation capital loan notes		10,215,000
LOS&ST Revenue Bonds		300,250
Total net debt applicable to limit		10,515,250
Legal debt margin	$	221,658,819

2010	2011	2012	2013	2014	2015
184,784,677	197,192,614	204,838,061	213,746,494	216,743,538	232,174,069
11,989,355	11,447,419	11,427,102	10,642,734	10,067,496	10,515,250
$ 172,795,322	$ 185,745,195	$ 193,410,959	$ 203,103,760	$ 206,676,042	$ 221,658,819
6.49%	5.81%	5.58%	4.98%	4.64%	4.53%

CERRO GORDO COUNTY, IOWA

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years
(Unaudited)

Year	Population (1)	Personal Income (000's) (2)	Per Capita Personal Income (2)	Farm Proprietors (2)	School Enrollment (3)	Unemployment Rate (4)
2005	44,836	$ 1,431,405	$ 31,879	748	6,962	4.70%
2006	44,384	1,484,822	32,628	742	6,974	3.90%
2007	44,016	1,524,128	33,623	738	6,661	4.50%
2008	43,740	1,620,279	37,043	627	6,564	5.43%
2009	44,239	1,640,574	37,084	620	6,526	6.70%
2010	44,107	1,692,205	38,366	621	6,411	6.90%
2011	43,938	1,811,347	41,225	620	6,359	6.40%
2012	43,788	1,992,213	45,497	622	6,398	5.70%
2013	43,575	2,052,553	47,104	N/A	6,329	5.20%
2014	43,254	2,006,771	46,395	N/A	6,321	4.52%

(1) U.S. Census Bureau.
(2) Bureau of Economic Analysis, U.S. Department of Commerce.
(3) Iowa Department of Education.
(4) Iowa Workforce Development

CERRO GORDO COUNTY, IOWA

PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago
(Unaudited)

	2015			2006		
	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
Mercy Medical Center North Iowa	2,389	1	10.31%	1,900	1	7.34%
Curries Graham	600	2	2.59%	1,141	2	4.41%
Mason City Community School District	531	3	2.29%	600	3	2.32%
Principal Financial Group	416	4	1.80%	450	5	1.74%
Smithfield	273	5	1.18%	-		-
Opportunity Village	270	6	1.17%	-		-
City of Mason City	258	7	1.11%	-		-
Graham Doors	258	8	1.11%	-	-	-
Cerro Gordo County	239	9	1.03%	-	-	-
North Iowa Area Community College	225	10	0.97%			
Woodharbor Doors and Cabinetry, Inc.			-	480	4	1.85%
Hy-Vee Food Stores	-	-	-	323	6	1.25%
Larson Manufacturing Co.	-	-	-	320	7	1.24%
City of Mason City	-	-	-	255	8	0.98%
Oscar Meyer Foods Corp Svc Co.	-	-	-	250	9	0.97%
I C Systems Inc.	-	-	-	236	10	0.91%
	$ 5,459		23.56%	$ 5,955		23.01%

Source: Number of Employees provided by North Iowa Corridor Economic Development Corporation.
Total Cerro Gordo County labor force provided by Iowa Workforce Development.

CERRO GORDO COUNTY, IOWA

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
Function/Program	2006	2007	2008	2009
Public Safety and Legal Services:				
Sheriff	51.00	61.00	71.00	72.00
Attorney	10.00	11.00	11.00	11.00
Child Support Recovery	7.00	7.00	7.00	7.00
Physical Health and Social Services:				
Health Department	49.00	51.00	49.00	50.00
General Relief	1.35	1.35	1.35	1.35
Veteran Affairs	1.65	1.65	1.65	1.65
Mental Health:				
CPC	1.50	1.50	1.50	2.20
Case Management	10.00	9.00	9.00	9.00
County Environment and Education:				
Conservation	6.00	6.00	6.00	6.00
Planning and Zoning:	1.00	1.00	1.00	1.00
Roads and Transportation:				
Engineer	43.00	40.00	40.00	39.00
Roadsides	3.00	3.00	3.00	3.00
Governmental Services to Residents:				
Treasurer, motor vehicles	6.60	6.60	6.60	6.45
Recorder	5.00	5.00	5.00	5.00
Auditor, elections	3.00	3.00	3.00	3.00
Administration:				
Board of Supervisors	3.50	3.50	3.50	3.50
Auditor	5.50	6.50	6.50	6.50
Treasurer, tax	2.40	2.40	2.40	1.55
MIS	7.00	7.00	7.00	7.00
Courthouse Maintenance	2.50	2.50	2.50	2.50
Safety	0.50	0.50	0.50	0.50
Personnel	0.50	0.50	0.50	0.50
Total	221	231	239	240

Source: County Records

Fiscal Year					
2010	2011	2012	2013	2014	2015
72.00	73.00	73.00	73.00	73.00	73.00
11.00	11.00	11.00	12.00	12.00	12.50
7.00	7.00	6.00	6.00	6.00	6.00
51.00	48.00	50.00	48.00	46.00	47.00
1.35	1.35	1.35	1.35	1.35	1.35
1.65	1.65	1.65	1.65	1.65	1.65
2.20	3.20	3.20	3.20	3.20	3.20
9.00	9.00	9.00	9.00	8.00	8.00
6.50	6.50	7.00	6.50	6.50	6.50
1.00	1.00	1.00	1.00	0.60	0.55
38.00	39.00	39.00	38.00	39.00	39.00
3.00	3.00	2.00	3.00	3.00	3.00
5.75	5.75	5.75	5.75	5.75	5.75
5.00	5.00	5.00	5.00	5.00	5.00
3.00	3.00	3.00	3.00	3.08	3.00
3.50	3.50	3.50	3.50	3.35	3.30
6.50	6.50	6.50	6.50	6.72	6.50
2.25	2.25	2.25	2.25	2.25	2.25
6.00	6.00	6.00	7.00	6.00	8.00
2.50	2.50	2.50	2.50	2.60	2.55
0.50	0.50	0.50	0.50	0.60	0.55
0.50	0.50	0.50	0.50	0.60	0.55
239	239	240	239	236	239

CERRO GORDO COUNTY, IOWA

OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
Function/Program	2006	2007	2008	2009
Public Safety and Legal Services:				
Sheriff:				
Weapon permits issued	320	338	343	394
Number of Jail bookings	3,361	3,652	3,497	3,542
Civil Papers Served	4,304	4,289	4,068	4,911
Service Calls	5,568	5,519	5,151	7,953
Number of Arrests	434	1,005	344	1,604
Citations and Warnings issued	4,008	4,507	4,354	2,677
Attorney:				
Number Cases Filed:				
Felony	412	404	347	277
Indictable Misdemeanor	1,294	1,225	1,229	1,049
Juvenile	265	177	215	203
Physical Health and Social Services:				
Health Department:				
Number of Immunizations	5,036	5,685	6,255	7,006
Number of Nursing Clients	372	354	314	341
Number of Nursing Visits	5,854	5,968	5,516	5,649
Number of Home Care Aide Clients	222	247	223	148
Number Home Care Aide service hours	13,879	13,206	12,176	13,066
Number of Food Inspections	2,305	3,067	2,998	3,209
County Environment and Education:				
Conservation:				
Number of camper nights	3,800	4,097	4,583	4,017
Conservation programs presented	252	297	273	238
People attending programs	9,156	9,985	9,295	10,727
Planning and Zoning:				
Zoning Permits issued	122	105	153	105
Board of Adjustment cases	37	37	36	34
Roads and Transportation:				
Engineer: Miles maintained	970	970	970	970
Governmental Services to Residents:				
Treasurer: Titles issued	17,142	19,917	13,704	12,874
Recorder: Documents recorded	11,664	11,026	10,806	10,094
Auditor:				
Registered voters	32,171	31,470	32,089	32,200
Absentee ballots requested	1,992	5,370	3,067	10,145

Source: County Records

Fiscal Year					
2010	2011	2012	2013	2014	2015
495	1,149	673	679	705	764
3,431	2,998	3,130	3,024	3,071	2,942
4,743	4,647	4,627	4,650	4,236	3,872
8,634	8,876	7,554	7,316	8,128	7,859
2,423	2,572	2,546	2,073	1,315	1,019
2,764	4,029	2,755	2,482	3,022	2,841
218	283	234	297	345	373
984	1,036	871	919	1,086	831
174	151	165	185	216	166
5,516	5,081	4,978	5,463	4,995	6,398
324	358	378	411	388	397
6,443	6,320	6,376	6,380	6,958	6,886
144	296	145	141	259	141
13,527	12,175	12,365	10,987	10,939	11,706
2,664	840	386	971	810	837
4,359	4,209	4,173	3,895	3,527	3,509
251	274	271	309	377	58
10,451	11,169	10,487	10,227	11,558	12,844
92	96	103	71	88	90
26	28	37	28	28	34
970	970	970	970	970	970
14,989	13,791	14,812	15,363	16,631	17,261
9,961	9,495	9,137	9,899	8,325	7,666
32,114	32,158	32,449	31,975	32,211	31,265
1,731	5,872	1,530	9,865	2,643	7,639

CERRO GORDO COUNTY, IOWA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
Function/Program	2006	2007	2008	2009
Public Safety and Legal Services:				
Sheriff:				
Number of vehicles	22	24	26	26
Physical Health and Social Services:				
Health Department:				
Number of vehicles	9	8	8	9
County Environment and Education:				
Conservation:				
Number of park areas	30	30	30	31
Total acres managed	3,024	3,024	3,024	3,284
Number of vehicles	15	15	15	15
Roads and Transportation:				
Engineer:				
Number of vehicles	23	23	23	44*
Number of buildings	6	6	6	6
Governmental Services to Residents:				
Auditor, elections:				
Number of voting machines	59	59	59	59

Source: Various County Departments.

Note: Several programs do not have capital assets specific to their area and have been eliminated from this schedule.

* Beginning in FY2009, tandem trucks and single axle trucks were classified as vehicles.

Fiscal Year					
2010	2011	2012	2013	2014	2015
26	28	28	29	29	29
9	9	9	9	9	11
31	31	31	31	32	34
3,284	3,284	3,284	3,284	3,309	3,433
15	15	15	15	15	14
44*	44*	46*	46*	46*	46*
6	6	6	6	7	7
59	59	59	62	62	61

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FINANCIAL INFORMATION REQUIRED

BY THE STATE AUDITOR

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CERRO GORDO COUNTY, IOWA

SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION - ALL GOVERNMENTAL FUNDS
Years Ended June 30,

	Modified Accrual Basis			
	2015	2014	2013	2012
Revenues:				
Property and Other County Tax	$ 17,987,366	$ 17,918,503	$ 17,057,026	$ 16,630,974
Interest and Penalty on Property Tax	158,706	152,169	153,414	163,122
Intergovernmental	8,278,038	7,961,602	7,144,890	7,295,931
Licenses and Permits	154,958	220,980	120,712	125,044
Charges for Services	1,402,231	1,422,442	1,304,748	1,332,932
Use of Money and Property	188,814	495,212	250,226	283,542
Fines, Forfeitures, and Defaults	79,834	25,191	28,995	58,479
Miscellaneous	2,285,161	1,036,683	1,284,456	889,753
Total	$ 30,535,108	$ 29,232,782	$ 27,344,467	$ 26,779,777
Expenditures:				
Operating:				
Public Safety and Legal Services	$ 8,184,564	$ 7,962,487	$ 7,577,137	$ 7,500,849
Physical Health and Social Services	5,110,132	4,914,277	4,845,164	4,639,871
Mental Health	2,561,090	2,018,171	2,361,533	3,793,476
County Environment and Education	1,275,293	1,851,989	1,106,735	1,233,631
Roads and Transportation	5,618,674	5,500,566	4,417,491	5,066,973
Governmental Services to Residents	1,461,109	1,077,312	1,048,894	1,052,040
Administrative Services	2,995,191	2,659,540	2,580,211	2,485,101
Non-program	189,518	95,989	27,405	84,682
Debt Service	1,027,135	991,707	992,257	10,412,411
Capital Projects	1,762,502	978,252	1,850,331	1,769,644
Total	$ 30,185,208	$ 28,050,290	$ 26,807,158	$ 38,038,678

See Accompanying Independent Auditors' Report.

Modified Accrual Basis					
2011	2010	2009	2008	2007	2006
$ 16,151,502	$ 15,746,255	$ 15,367,915	$ 15,308,353	$ 14,782,265	$ 13,118,367
161,757	174,381	166,230	146,433	130,746	139,522
7,827,411	12,253,236	12,986,761	10,584,094	11,356,056	11,191,640
126,934	413,794	397,960	414,152	327,967	324,776
1,391,135	1,248,757	1,173,034	1,155,633	1,132,140	1,205,710
277,433	311,405	439,098	902,907	1,246,172	637,056
9,465	42,893	48,814	25,305	31,316	61,612
924,345	1,433,282	893,902	896,588	835,815	1,141,934
$ 26,869,982	$ 31,624,003	$ 31,473,714	$ 29,433,465	$ 29,842,477	$ 27,820,617
$ 7,095,863	$ 6,826,705	$ 6,769,038	$ 6,229,452	$ 5,565,965	$ 4,808,056
5,095,095	4,656,497	5,150,211	4,866,227	4,725,534	4,251,999
676,241	5,941,119	5,802,641	6,366,901	5,861,602	5,611,348
1,181,451	1,302,316	1,661,836	1,631,652	1,112,434	1,203,407
4,963,655	5,340,158	5,079,324	4,972,994	4,513,467	5,111,457
988,933	970,387	939,846	928,523	830,775	827,433
2,355,944	2,886,708	2,187,056	2,466,608	2,157,767	1,872,576
114,044	167,932	276,787	50,342	72,906	169,026
3,060,946	1,379,120	1,493,018	1,515,657	1,595,718	673,630
2,628,619	3,022,467	1,224,944	6,858,012	7,893,520	3,299,760
$ 28,160,791	$ 32,493,409	$ 30,584,701	$ 35,886,368	$ 34,329,688	$ 27,828,692

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SINGLE AUDIT SECTION

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CERRO GORDO COUNTY, IOWA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2015

Grantor/Program	CFDA Number	Agency or Pass-Through Number	Program Expenditures
Direct:			
U.S. Department of Health and Human Services			
Centers for Disease Control and Prevention			
Environmental Public Health and Emergency Response	93.070	5UE2H000726	$117,507
Total Direct			$117,507
Indirect:			
U.S. Department of Agriculture			
Iowa Department of Human Services			
Human Services Administrative Reimbursements			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		$38,938
U.S. Department of Housing and Urban Development			
Iowa Department of Economic Development			
Community Development Block Grant – State's Program			
Jumpstart Disaster Recovery Housing Program	14.228	08-DRH-202	1,585,805
Disaster Recovery Housing Program	14.228	08-DRH-002	3,676,109
			5,261,914
U.S. Department of Justice			
Iowa Department of Justice			
Violence Against Women Formula Grants	16.588	VW-14-62/VW-15-62	1,783
Iowa Office of Drug Control Policy			
Edward Byrne Memorial Justice Assistance Grant	16.803	12-JAG-78280	66,960
Federal Highway Administration			
Iowa Department of Transportation			
Highway Planning and Construction	20.205	BROS-C017(66)--8J-17	148,500
Highway Planning and Construction	20.205	STP-E-C017(68)--8V-17	148,169
			296,669
Iowa Department of Transportation			
Traffic Safety Bureau			
Alcohol Incentive Grant			
Intoxicated Persons Program	20.605	14-405d-M6OT/ 15-402-M0PT	8,903
U.S. Department of Health and Human Services			
Iowa Department of Public Health			
Special Programs for the Aging – Title III Part B	93.044	ES01901	8,872
Special Programs for the Aging – Title III Part B	93.044	ES01902	16,776
			25,648
Environmental Public Health and Emergency Response	93.070	IU53EH001100	177,032
Affordable Care Act Personal Responsibiity Education Program	93.092	5884CH22P/5885CH22P	34,370
Immunization Cooperative Agreements	93.268	5884I414/5885I414	18,303
Care For Yourself Program	93.283	5884NB07/5885NB07	7,519
Colorectal Cancer Prevention Program	93.283	5884CRC13/5885CRC13	3,100
			10,619
Community Transformation Grant	93.531	5884HP03	42,064
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance	93.539	5884I414/5885I414	8,758
HIV Prevention Activities	93.940	5884AP04/5885AP04	17,582

CERRO GORDO COUNTY, IOWA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2015 (Continued)

Grantor/Program	CFDA Number	Agency or Pass-Through Number	Program Expenditures
Iowa Department of Human Services			
Human Services Administrative Reimbursement			
Refugee and Entrant Assistance	93.566		$88
Child Care Mandatory and Matching Funds of the Child Care And Development Fund	93.596		10,106
Foster Care Title IV-E	93.658		14,948
Adoption Assistance	93.659		4,722
Social Services Block Grant	93.667		11,965
Children's Health Insurance Program	93.767		239
Medical Assistance Program	93.778		73,310
U.S. Department of Homeland Security			
Iowa Homeland Security and Emergency Management			
Emergency Management Performance Grant	97.042	EMPG-14-PT-17/EMPG-15-PT-17	69,361
Homeland Security Grant Program	97.067	HSGP-13-SHSP-52/HSGP-14-SHSP-51	11,523
Total Indirect			$6,205,805
Grand Total			$6,323,312

Basis of Presentation – The Schedule of Expenditures of Federal Awards includes the federal grant activity of Cerro Gordo County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See Accompanying Independent Auditor's Report.

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Gardiner Thomsen
Certified Public Accountants

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 Cerro Gordo County
Mason City, Iowa

We have audited, in accordance with the 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, the business-type activities, each major fund, and the aggregate remaining fund information of Cerro Gordo County, Iowa, as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the Cerro Gordo County, Iowa's basic financial statements and have issued our report thereon dated December 21, 2015.

Internal Control Over Financial Reporting

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

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

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in Part II of the accompanying Schedule of Finding and Questioned Costs as item II-A-15 to be a material weakness.

A significant deficiency is a deficiency, or 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. We consider the deficiency described in Part II of the accompanying Schedule of Findings and Questioned Costs as item II-B-15 to be a significant deficiency.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2015 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

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audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statues.

Cerro Gordo County, Iowa's Responses to Findings

Cerro Gordo County, Iowa's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Cerro Gordo County, Iowa's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gardiner Thomsen, P.C.

Charles City, Iowa

December 21, 2015

Gardiner Thomsen
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Officials of Cerro Gordo County
Mason City, Iowa

Report on Compliance for Each Major Federal Program

We have audited Cerro Gordo County, Iowa's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Cerro Gordo County, Iowa's major federal programs for the year ended June 30, 2015. Cerro Gordo County, Iowa's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Cerro Gordo County, Iowa's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cerro Gordo County, Iowa's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Cerro Gordo County, Iowa's compliance.

Opinion on Each Major Federal Program

In our opinion, Cerro Gordo County, Iowa, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Cerro Gordo County, Iowa is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cerro Gordo County, Iowa's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cerro Gordo County, Iowa's internal control over compliance.

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A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement 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.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Gardiner Thomsen, P.C.

Charles City, Iowa

December 21, 2015

CERRO GORDO COUNTY, IOWA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

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

a. Unmodified opinions were issued on the financial statements.

b. Significant deficiencies and material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.

c. The audit did not disclose any non-compliance which is material to the financial statements.

d. An unmodified opinion was issued on compliance with requirements applicable to the major programs.

e. The audit disclosed no audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).

f. The major program was CFDA Number 14.228 – Community Development Block Grants/State's Program - Jumpstart Disaster Recovery Housing Program and Disaster Recovery Housing Program.

g. The dollar threshold used to distinguish between Type A and Type B programs was $300,000.

h. Cerro Gordo County did not qualify as a low-risk auditee.

CERRO GORDO COUNTY, IOWA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

Part II: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

II-A-15 **Segregation of Duties**

Finding—During our review of internal control, the existing procedures are evaluated in order to determine that incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and, therefore, maximizes the accuracy of the County's financial statements. We noted that various functions of the County are performed by the same person.

Criteria – A good internal control contemplates an adequate segregation of duties so that no one individual handles a transactions from its inception to its completion.

Condition – Various functions of the Auditor, Treasurer, Recorder and Sheriff's Offices are performed by the same person.

Effect – Transaction errors could occur and not be detected in a timely manner.

Cause – Limited staff available to segregate duties.

Recommendation - We realize that with a limited number of office employees, segregation of duties is difficult. However, each County official should review the operating procedures of their office to obtain the maximum internal control possible under the circumstances.

Response and Corrective Action Planned —We have reviewed procedures and plan to make the necessary changes to improve internal control. Specifically, the custody, record-keeping and reconciling functions currently performed by the Deputy will be separated and spread among the County Official, Deputy and Clerks. We plan to implement these changes as soon as possible.

II-B-15 **Financial Reporting**

Finding — During the audit, we identified material amounts of accounts receivable and deferred inflows of resources that were not recorded on the County's financial statements.

Criteria – A good financial reporting system to record accounts receivable and deferred inflows of resources.

Condition – Receipts following year end were not always coded as a receipt for goods or services provided prior to June 30 to be included in the accounts receivable listing or as a deferred inflow of resources.

Effect – The accounts receivable listing and the deferred inflows of resources listing were understated.

Cause – Limited staff.

Recommendation—The County should implement procedures to ensure all accounts receivable and deferred inflows of resources are identified and included in the County's financial statements.

Response and Corrective Action Planned—We will adjust our financial statements to properly include these amounts and will revise our current procedures to ensure the proper amounts are recorded in the financial statements in the future.

CERRO GORDO COUNTY, IOWA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

Part II: Findings Related to the Financial Statements: (Continued)

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

INTERNAL CONTROL DEFICIENCIES:

No matters were reported.

Part IV: Other Findings Related to Required Statutory Reporting:

IV-A-15 **Certified Budget** – Disbursements during the year ended June 30, 2015 did not exceed the amounts budgeted.

IV-B-15 **Questionable Disbursements** – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 since the public benefits to be derived have not been clearly documented were noted.

IV-C-15 **Travel Expense** – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

IV-D-15 **Business Transactions** – The following business transactions between the County and County officials or employees were noted:

Name, Title and Business Connection	Transaction	Amount
Tracie Siemers, Auditor's Office		
Steve Siemers, Spouse	Snow Removal	$ 665
Linda Weatherwax, Mother	Election Worker	1,132
Barb Sowder, Auditor's Office		
Terri Gretillat, Sister	Election Worker	747
Colleen Young, Auditor's Office		
Kaitlin Sutcliffe, Daughter	Election Worker	225
Nikki Fessler, Treasurer's Office		
Allen Grooters, Father	Election Worker	162

In accordance with Chapter 331.342 of the Code of Iowa, the transactions with Steve Siemers, Linda Weatherwax, Terri Gretillat, Kaitlin Sutcliffe and Allen Grooters do not appear to represent conflicts of interest since total transactions were less than $1,500 during the fiscal year.

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

IV-E-15 **Bond Coverage** – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of all bonds should be periodically reviewed to ensure that the coverage is adequate for current operations.

IV-F-15 **Board Minutes** – No transactions were found that we believe should have been approved in the Board minutes but were not. However, it was noted that the November 25, 2014 and the December 29, 2014 Board minutes were not published within the time allowed by Chapter 349.18 of the Code of Iowa.

Recommendation – The County should publish the Board minutes in accordance with Chapter 349.18 of the Code of Iowa.

Response – The Board minutes will be published in accordance with Chapter 349.18 of the Code of Iowa.

Conclusion – Response accepted.

IV-G-15 **Deposits and Investments** – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the County's Investment Policy were noted.

IV-H-15 **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).

IV-I-15 **Economic Development** – During the year ended June 30, 2015, the County paid $84,400 for Economic Development, which appears to be an appropriate expenditure of public funds since the public benefits to be derived have been clearly documented.

IV-J-15 **Grant Activity** – The County complied with grant regulations; no violations were noted.

IV-K-15 **County Extension Office** – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an Extension Council separate and distinct from County operations. Disbursements for the County Extension Office during the year ended June 30, 2015, did not exceed the amount budgeted.

IV-L-15 **Early Childhood Iowa Area Board** – Cerro Gordo County is the fiscal agent for the Cerro Gordo, Hancock, Worth 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.

IV-M-15 **Emergency Management Budget** – Emergency Management disbursements exceeded the amounts budgeted during the fiscal year ended June 30, 2015.

Recommendation – The budget should have been amended in accordance with Chapter 24 of the Code of Iowa before disbursements were allowed to exceed the budget.

Response – We will amend the budget when required.

Conclusion – Response accepted.

IV-N-15 **Tax Increment Financing** – For the year ended June 30, 2015, the County Auditor prepared a reconciliation for each City reconciling TIF receipts with total outstanding TIF debt.

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

IV-O-15 **Credit Card Policy** – Several departments have credit cards for use by various employees while on County business. The County does have a written policy to regulate the use of credit cards and to establish procedures for the proper accounting of credit card charges. However, it was noted that supporting documentation was not always available to support credit card charges.

Recommendation – As required by the credit card policy, all claims for purchases by credit card should be supported by detailed invoices or other appropriate supporting documentation before payment.

Response – We will implement procedures to ensure credit card claims are supported by the appropriate documentation.

Conclusion – Response accepted.

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