

**WRIGHT COUNTY
CLARION, IOWA
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS
JUNE 30, 2015**

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Officials

Name	Title	Term Expires
(Before January, 2015)		
Board of Supervisors		
Rick Rasmussen	First District	January, 2017
Stan Watne	Second District	January, 2015
Karl Helgevold	Third District	January, 2017
Officials		
Betty Ellis	County Auditor	January, 2017
Peggy Schluttenhofer	County Treasurer	January, 2015
Dwight N. Reiland	County Recorder	January, 2015
Jason Schluttenhofer	County Sheriff	January, 2017
Eric Simonson	County Attorney	January, 2015
Shari Plagge	County Assessor	Appointed
(After January, 2015)		
Board of Supervisors		
Rick Rasmussen	First District	January, 2017
Stan Watne	Second District	January, 2019
Karl Helgevold	Third District	January, 2017
Officials		
Betty Ellis	County Auditor	January, 2017
Peggy Schluttenhofer	County Treasurer	January, 2019
Denise Baker	County Recorder	January, 2019
Jason Schluttenhofer	County Sheriff	January, 2017
Eric Simonson	County Attorney	January, 2019
Shari Plagge	County Assessor	Appointed

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Certified Public Accountants and Consultants

Independent Auditor's Report

Board of Supervisors
Wright County
Clarion, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Wright 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 County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Wright County as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, 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 16 to the financial statements, Wright 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 proportionate share of the net pension liability, the schedule of contributions and the schedule of funding progress for the retiree health plan on pages 4 through 10 and 43 through 50 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 which considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of 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 Wright County'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 three years ended June 30, 2014 (which are not presented herein) and expressed unmodified opinions on those financial statements. The financial statements for the seven years ended June 30, 2012 (which are not presented herein) were audited by other auditors in accordance with the standards referred to in the third paragraph of this report who expressed unmodified opinions on those financial statements. The supplementary information on pages 51 through 55 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in our 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2016 on our consideration of Wright County's internal control over financial reporting and 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 the 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 Wright County's internal control over financial reporting and compliance.

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Clear Lake, Iowa
January 28, 2016

WRIGHT COUNTY MANAGEMENT'S DISCUSSION AND ANALYSIS

Wright 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 this information in conjunction with the County's financial statements, which follow.

2015 FINANCIAL HIGHLIGHTS

- Government-wide revenue decreased 14.6%, or approximately \$2,600,000, from fiscal year 2014. Capital grants, contributions and restricted interest decreased approximately \$2,100,000 while charges for service, operating grants, contributions and restricted interest and property tax decreased approximately \$360,000.
- Program expenses of the governmental activities were 0.3%, or approximately \$44,000, more in fiscal year 2015 than in fiscal year 2014. Public safety and legal services and roads and transportation expenses increased approximately \$372,000 and \$917,000, respectively, while physical health and social services and nonprogram expenses, decreased approximately \$400,000 and \$525,000, respectively.
- The County's net position decreased 0.2%, or approximately \$380,000, from June 30, 2014 to June 30, 2015.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and other information, as follows:

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the County's financial activities.
- The Government-Wide Financial Statements consist of a statement of net position and a statement of activities. These provide information about the activities of Wright County as a whole and present an overall view of the County's finances.
- The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the 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 Wright County acts solely as an agent or custodian for the benefit of those outside of County government (Agency Funds).
- 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.
- Supplementary Information provides detailed information about the nonmajor governmental and the individual agency funds.

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

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 which helps answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting and the economic resources measurement focus, which is similar to the accounting used by most private-sector companies. All of the current year's revenue and expenses are taken into account, regardless of when cash is received or paid.

The statement of net position presents financial information on all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference 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 most recent fiscal year. All changes in net position are reported as soon as the change occurs, regardless of the timing of related cash flows. Thus, revenue 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 presented 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; governmental services to residents; administration; interest on long-term debt; and nonprogram activities. Property tax and state and federal grants finance most of these activities.

Fund Financial Statements

The County has three kinds of funds:

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

The required financial statements for governmental funds include a balance sheet and a statement of revenue, expenditures and changes in fund balances.

2. A proprietary fund accounts for the County's Internal Service, Employee Group Health Insurance Fund. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions.

The required financial statements for proprietary funds include a statement of net position, a statement of revenue, 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 which cannot be used to support the County's own programs. These fiduciary funds include agency funds that account for drainage districts, emergency management services and the County Assessor, to name a few.

The required financial statement for fiduciary funds is a statement of fiduciary assets and liabilities.

Reconciliations between the government-wide financial statements and the governmental fund financial statements follow the governmental fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of financial position. Wright County's combined net position at the end of fiscal year 2015 totaled \$22,454,782, compared to \$26,629,298 at the end of fiscal year 2014. The analysis that follows focuses on the changes in the net position of governmental activities.

	Condensed Statement of Net Position	
	Governmental Activities	
	June 30,	
	2015	2014
		(Not Restated)
Current and other assets.....	\$ 16,596,331	\$ 17,457,048
Capital assets	23,384,841	22,818,630
Total Assets	<u>39,981,172</u>	<u>40,275,678</u>
Deferred Outflows of Resources	<u>853,097</u>	<u>—</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 40,834,269</u>	<u>\$ 40,275,678</u>
Long-term liabilities	\$ 9,663,183	\$ 6,386,978
Other liabilities	641,917	929,560
Total Liabilities	<u>10,305,100</u>	<u>7,316,538</u>
Deferred Inflows of Resources	<u>8,074,387</u>	<u>6,329,842</u>
Net Position		
Net investment in capital assets.....	19,863,367	19,084,067
Restricted.....	3,888,244	5,261,439
Unrestricted	(1,296,829)	2,283,792
Total Net Position	<u>22,454,782</u>	<u>26,629,298</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 40,834,269</u>	<u>\$ 40,275,678</u>

Net position of Wright County's governmental activities decreased 1.4% from fiscal year 2014 (\$22,454,782 compared to \$26,629,298). The largest portion of the County's net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - decreased from \$2,283,792 as of June 30, 2014 to a deficit of \$1,296,829 at the end of this year, a decrease of 156.8%.

The reduction of approximately \$3,600,000 in unrestricted net position was primarily due to reporting the County's proportionate share of net pension liability as discussed in the following paragraph.

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 beginning net position as of July 1, 2014 was restated by \$3,794,063 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 analysis details the changes in net position of Wright County's activities.

	Changes in Net Position	
	Governmental Activities	
	June 30,	
	2015	2014
		(Not Restated)
Revenue		
Program Revenue		
Charges for service	\$ 641,157	\$ 792,041
Operating grants, contributions and restricted interest ..	6,126,361	6,161,229
Capital grants, contributions and restricted interest.....	444,360	2,593,351
General Revenue		
Property tax	6,694,432	6,870,563
Penalty and interest on property tax.....	48,289	47,141
State tax credits	446,875	316,686
Local option sales tax.....	396,804	395,481
Unrestricted investment earnings.....	297,547	284,451
Loss on disposal of capital assets.....	(4,323)	(39,758)
Other general revenue	210,836	489,410
Total Revenue	<u>15,302,338</u>	<u>17,910,595</u>

	Governmental Activities	
	June 30,	
	2015	2014
		(Not Restated)
Program Expenses		
Public safety and legal services	\$ 2,025,867	\$ 1,654,275
Physical health and social services	3,610,408	4,010,565
Mental health	756,862	951,369
County environment and education	854,044	908,847
Roads and transportation	6,006,854	5,090,059
Governmental services to residents	488,079	514,763
Administration	1,222,447	1,239,328
Nonprogram	502,766	1,028,007
Interest on long-term debt	<u>215,464</u>	<u>241,099</u>
Total Expenses	<u>15,682,791</u>	<u>15,638,312</u>
Change in Net Position	(380,453)	2,272,283
Net Position - Beginning of Year, as restated	<u>22,835,235</u>	<u>24,357,015</u>
Net Position - End of Year	<u>\$ 22,454,782</u>	<u>\$ 26,629,298</u>

Wright County’s governmental activities net position decreased approximately \$380,000 during the year. Revenue for governmental activities decreased approximately \$2,600,000 over the prior year which was mainly due to a decrease in capital grants and contributions.

The cost of all governmental activities this year was approximately \$15.7 million compared to approximately \$15.6 million last year. However, as shown in the statement of activities on page 12, the amount taxpayers ultimately financed for these activities was approximately \$8.5 million because some of the cost was paid by those directly benefited from the programs (approximately \$600,000) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately \$6.6 million). Overall, the County’s governmental program revenue, including intergovernmental aid and charges for service, decreased in fiscal year 2015 from approximately \$9,500,000 to approximately \$7,200,000, principally due to receiving fewer donations of capital assets from the Iowa Department of Transportation in fiscal year 2015.

INDIVIDUAL MAJOR FUND ANALYSIS

As Wright County completed the year, its governmental funds reported a combined fund balance of \$8,117,619, which is less than the \$8,846,543 combined fund balance of fiscal year 2014. The decrease of approximately \$729,000 is attributed to the construction costs in the Wind Farm Urban Renewal Capital Project Fund and expense increases across all funds. The following are the major reasons for the changes in fund balances of the major funds from the prior year.

The General Fund, the operating fund for Wright County, ended fiscal year 2015 with an ending balance totaling \$3,055,742, a decrease of \$158,095. The Board of Supervisors aim to maintain an ending fund balance of about 25% of expenditures. In fiscal year 2015, ending fund balance was approximately 37.5% of expenditures.

The Special Revenue, Rural Service Fund ended fiscal year 2015 with a \$325,830 balance compared to the prior year balance of \$357,598. Property tax revenue for the Rural Services Fund increased slightly in fiscal year 2015. The expenditures within the Rural Services Fund also increased slightly.

The Special Revenue, Secondary Roads Fund ended fiscal year 2015 with a \$2,755,395 balance compared to the prior year balance of \$2,987,744. Reserve for inventory decreased and expenditures increased resulting in a decrease in fund balance.

BUDGETARY HIGHLIGHTS

Over the course of the year, Wright County amended its budget once. The amendment was made in May, 2015. The amendment increased budgeted revenue by approximately \$171,000 and increased expenditures by approximately \$851,000.

The County's receipts were \$79,126 less than budgeted, a variance of less than 1%. The most significant variance resulted from the County receiving more intergovernmental receipts than anticipated.

Total disbursements were \$1,737,994 less than the amended budget. Actual disbursements for the physical health and social services, county environment and education and administrative services functions were \$469,389, \$315,304 and \$266,649, respectively, less than budgeted. Both the physical health and County environment service areas had budgeted for a transit building and restroom/shower house facility. These two buildings were being built in the summer and it was not known when construction would be completed. Consequently, with time of construction, the budget was reduced for the 2014-2015 fiscal year. The administrative services service area was reduced due to departments in that area not using 100% of their budgets and cut backs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2015, Wright County had invested \$23,384,841, net of accumulated depreciation, in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This amount is a net increase of \$566,211 from fiscal year 2014 including infrastructure.

The County had depreciation expense of \$1,427,167 in fiscal year 2015 and total accumulated depreciation of \$25,643,962 as of June 30, 2015. This is an increase (including additions and deletions) in the fiscal year 2015's total accumulated depreciation of \$916,992.

Capital Assets at Fiscal Year End (Net of Depreciation)

	Governmental Activities	
	June 30,	
	2015	2014
Land	\$ 939,291	\$ 939,291
Construction in progress	290,367	537,832
Buildings	4,209,859	3,798,598
Improvements	224,973	236,494
Machinery, equipment and vehicles	2,084,154	1,925,143
Infrastructure	<u>15,636,197</u>	<u>15,381,272</u>
Total	<u>\$ 23,384,841</u>	<u>\$ 22,818,630</u>

This year's major additions include four county road bridge replacements, various culvert replacements and a new transit building.

Long-Term Debt

As of June 30, 2015, Wright County had \$5,837,890 in general obligation bonds, notes and other debt outstanding, compared to \$5,510,141 as of June 30, 2014, as shown below.

Outstanding Debt at Year End

	<u>Governmental Activities</u>	
	<u>June 30,</u>	
	<u>2015</u>	<u>2014</u>
General obligation bonds and notes	\$ 3,475,000	\$ 3,685,000
Intermediary relending loan	160,772	175,992
Drainage warrants/improvement certificates.....	<u>2,202,118</u>	<u>1,649,149</u>
Total	<u>\$ 5,837,890</u>	<u>\$ 5,510,141</u>

Outstanding debt increased as a result of issuing additional drainage certificates and warrants. The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property within the County’s corporate limits. Wright County’s outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$40 million.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

Wright County's elected and appointed officials considered many factors when setting the fiscal year 2016 budget, tax rates, and fees charged for various County activities.

The assessed taxable value increased this year by \$20,766,687. This increase consisted of a \$15,720,647 increase in rural ag land combined with slight increases in other areas.

The 2016 budget shows increased expenses. The cost of health insurance continues to increase and the County continues to research options to reduce health care costs. The County has implemented an aggressive wellness program to try to make the employees more aware of their personal health.

CONTACTING THE COUNTY’S FINANCIAL MANAGEMENT

This financial report is designed to provide the County’s citizens, taxpayers, customers and creditors with a general overview of Wright County’s finances and to show the County’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Wright County Auditor’s Office, 115 North Main Street, Clarion, IA 50525.

Basic Financial Statements

Statement of Net Position

As of June 30, 2015

	Governmental Activities
Assets and Deferred Outflows of Resources	
Assets	
Cash, cash equivalents and pooled investments.....	\$ 7,487,552
Receivables	
Property Tax	
Delinquent.....	16,439
Succeeding year.....	6,593,614
Interest and penalty on property tax.....	202
Accounts.....	109,099
Drainage assessments.....	529,067
Accrued interest.....	112,176
Due from other governments.....	705,113
Loan receivable.....	174,183
Inventories.....	648,148
Prepaid insurance.....	220,738
Capital assets, net of accumulated depreciation.....	<u>23,384,841</u>
Total Assets	<u>39,981,172</u>
Deferred Outflows of Resources	
Pension-related deferred outflows.....	<u>853,097</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 40,834,269</u>
Liabilities, Deferred Inflows of Resources and Net Position	
Liabilities	
Accounts payable.....	\$ 312,737
Accrued interest payable.....	157,369
Salaries and benefits payable.....	171,811
Long-Term Liabilities	
Portion Due or Payable Within One Year	
General obligation bonds.....	190,000
General obligation notes.....	50,000
Intermediary relending loan.....	15,372
Compensated absences.....	332,807
Portion Due or Payable After One Year	
General obligation bonds.....	3,020,000
General obligation notes.....	215,000
Intermediary relending loan.....	145,400
Drainage warrants/improvement certificates.....	2,202,118
Net pension liability.....	2,882,896
Net OPEB liability.....	<u>609,590</u>
Total Liabilities	<u>10,305,100</u>
Deferred Inflows of Resources	
Unavailable property tax revenue.....	6,593,614
Pension-related deferred inflows.....	<u>1,480,773</u>
Total Deferred Inflows of Resources	<u>8,074,387</u>
Net Position	
Net investment in capital assets.....	19,863,367
Restricted for	
Supplemental levy purposes.....	417,422
Mental health purposes.....	475,470
Rural services purposes.....	325,830
Secondary roads purposes.....	2,006,033
Debt service.....	82,262
Capital projects.....	113,010
Other purposes.....	468,217
Unrestricted.....	<u>(1,296,829)</u>
Total Net Position	<u>22,454,782</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 40,834,269</u>

See accompanying notes to the financial statements.

Statement of Activities

Year Ended June 30, 2015

Functions/Programs	Expenses	Charges for Service	Program Revenue		Net (Expense) Revenue and Changes in Net Position
			Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
Governmental Activities					
Public safety and legal services	\$ 2,025,867	\$ 83,839	\$ 39,435	\$ —	\$ (1,902,593)
Physical health and social services	3,610,408	210,221	2,679,864	154,831	(565,492)
Mental health.....	756,862	—	190,913	—	(565,949)
County environment and education	854,044	88,809	1,001	—	(764,234)
Roads and transportation.....	6,006,854	6,899	3,182,980	289,529	(2,527,446)
Governmental services to residents	488,079	225,161	—	—	(262,918)
Administration	1,222,447	26,228	16,700	—	(1,179,519)
Nonprogram	502,766	—	15,468	—	(487,298)
Interest on long-term debt.....	215,464	—	—	—	(215,464)
Total Governmental Activities	<u>\$ 15,682,791</u>	<u>\$ 641,157</u>	<u>\$ 6,126,361</u>	<u>\$ 444,360</u>	<u>(8,470,913)</u>
General Revenue					
Property and Other County Tax Levied for					
General purposes.....					6,364,916
Debt service					329,516
Penalties and interest on property tax.....					48,289
State tax credits					446,875
Local option sales tax.....					396,804
Unrestricted investment earnings.....					297,547
Miscellaneous					210,836
Loss on disposal of capital assets					(4,323)
Total General Revenue					<u>8,090,460</u>
Change in Net Position.....					(380,453)
Net Position - Beginning of Year, as restated (Note 16) ...					<u>22,835,235</u>
Net Position - End of Year					<u>\$ 22,454,782</u>

See accompanying notes to the financial statements.

Balance Sheet - Governmental Funds

As of and for the Year Ended June 30, 2015

	General	Special Revenue		Nonmajor	Total
		Rural Services	Secondary Roads		
Assets					
Cash, cash equivalents and pooled investments	\$ 2,641,200	\$ 261,314	\$ 1,942,278	\$ 2,114,018	\$ 6,958,810
Receivables					
Property Tax					
Delinquent.....	13,487	1,300	—	1,652	16,439
Succeeding year.....	4,066,261	1,763,522	—	763,831	6,593,614
Interest and penalty on property tax.....	202	—	—	—	202
Accounts.....	94,229	—	458	14,412	109,099
Drainage assessments.....	—	—	—	529,067	529,067
Accrued interest.....	111,720	—	—	327	112,047
Due from other funds.....	—	—	1,747	—	1,747
Due from other governments.....	362,409	64,756	277,948	—	705,113
Loan receivable.....	—	—	—	174,183	174,183
Inventories.....	—	—	648,148	—	648,148
Prepaid insurance.....	119,524	—	101,214	—	220,738
Total Assets	\$ 7,409,032	\$ 2,090,892	\$ 2,971,793	\$ 3,597,490	\$ 16,069,207
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable.....	\$ 112,462	\$ 240	\$ 171,205	\$ 1,192	\$ 285,099
Salaries and benefits payable.....	122,285	—	45,183	4,343	171,811
Accrued interest payable.....	—	—	—	110,895	110,895
Due to other funds.....	1,747	—	—	—	1,747
Total Liabilities	236,494	240	216,388	116,430	569,552
Deferred Inflows of Resources					
Unavailable Revenue					
Succeeding year property tax.....	4,066,261	1,763,522	—	763,831	6,593,614
Other.....	50,535	1,300	10	736,577	788,422
Total Deferred Inflows of Resources	4,116,796	1,764,822	10	1,500,408	7,382,036
Fund Balances					
Nonspendable					
Inventories.....	—	—	648,148	—	648,148
Prepaid insurance.....	119,524	—	101,214	—	220,738
Restricted for					
Supplemental levy purposes.....	417,422	—	—	—	417,422
Mental health purposes.....	—	—	—	475,470	475,470
Rural services purposes.....	—	325,830	—	—	325,830
Secondary roads purposes.....	—	—	2,006,033	—	2,006,033
Drainage district purposes.....	—	—	—	492,334	492,334
Debt service.....	—	—	—	128,736	128,736
Capital projects.....	—	—	—	113,010	113,010
Other purposes.....	189,449	—	—	771,102	960,551
Assigned for					
Jail commissary.....	57,919	—	—	—	57,919
Public health.....	139,750	—	—	—	139,750
Other.....	55,479	—	—	—	55,479
Unassigned.....	2,076,199	—	—	—	2,076,199
Total Fund Balances	3,055,742	325,830	2,755,395	1,980,652	8,117,619
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 7,409,032	\$ 2,090,892	\$ 2,971,793	\$ 3,597,490	\$ 16,069,207

See accompanying notes to the financial statements.

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position

As of June 30, 2015

Total Fund Balances for Governmental Funds (Page 13)....		\$ 8,117,619
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. The cost of assets is \$49,028,803 and the accumulated depreciation is \$25,643,962		23,384,841
Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows in the governmental funds.		788,422
The Internal Service Fund is used by management to charge the costs of partial self-funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the statement of net position.....		501,233
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	\$ 853,097	
Deferred inflows of resources	<u>(1,480,773)</u>	(627,676)
Long-term liabilities, including bonds, loans and notes payable, compensated absences payable, drainage warrants/drainage improvement certificates payable, other post-employment benefits payable, net pension liability and accrued interest payable are not due and payable in the current year and, therefore, are not reported in the governmental funds.....		<u>(9,709,657)</u>
 Net Position of Governmental Activities (Page 11).....		 <u>\$ 22,454,782</u>

Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds

Year Ended June 30, 2015

	General	Special Revenue		Nonmajor	Total
		Rural Services	Secondary Roads		
Revenue					
Property and other county tax	\$ 3,832,730	\$ 1,756,546	\$ —	\$ 848,345	\$ 6,437,621
Local option sales tax.....	—	396,804	—	—	396,804
Interest and penalty on property tax.....	48,289	—	—	—	48,289
Intergovernmental	3,169,258	102,856	3,182,980	252,108	6,707,202
Licenses and permits	6,835	—	6,875	—	13,710
Charges for service	625,013	—	24	2,410	627,447
Use of money and property	244,920	—	—	52,627	297,547
Miscellaneous.....	239,951	—	42,127	358,717	640,795
Total Revenue	8,166,996	2,256,206	3,232,006	1,514,207	15,169,415
Expenditures					
Operating					
Public safety and legal services.....	1,655,612	447,564	—	—	2,103,176
Physical health and social services	3,946,753	—	—	—	3,946,753
Mental health.....	—	—	—	745,179	745,179
County environment and education	632,036	201,255	—	18,554	851,845
Roads and transportation	—	—	4,687,570	—	4,687,570
Governmental services to residents	493,577	2,130	—	3,525	499,232
Administration.....	1,202,577	—	—	18,113	1,220,690
Nonprogram.....	27,186	—	—	1,270,989	1,298,175
Debt service	—	—	—	330,591	330,591
Capital projects.....	200,264	—	373,410	399,972	973,646
Total Expenditures.....	8,158,005	650,949	5,060,980	2,786,923	16,656,857
Revenue Over (Under) Expenditures	8,991	1,605,257	(1,828,974)	(1,272,716)	(1,487,442)
Other Financing Sources (Uses)					
Sale of capital assets	3,240	—	11,500	—	14,740
Transfers in	—	—	1,767,351	40,000	1,807,351
Transfers out	(170,326)	(1,637,025)	—	—	(1,807,351)
Drainage warrants/improvement certificates issued.....	—	—	—	926,004	926,004
Total Other Financing Sources (Uses).....	(167,086)	(1,637,025)	1,778,851	966,004	940,744
Net Change in Fund Balances	(158,095)	(31,768)	(50,123)	(306,712)	(546,698)
Fund Balances - Beginning of Year.....	3,213,837	357,598	2,987,744	2,287,364	8,846,543
Decrease in reserve for inventories.....	—	—	(182,226)	—	(182,226)
Fund Balances - End of Year.....	\$ 3,055,742	\$ 325,830	\$ 2,755,395	\$ 1,980,652	\$ 8,117,619

See accompanying notes to the financial statements.

Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities

Year Ended June 30, 2015

Net Change in Fund Balances - Total Governmental Funds (Page 15) **\$ (546,698)**

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in the governmental funds as expenditures. However, those costs are reported in the statement of net position and are allocated over their estimated useful lives as depreciation expense in the statement of activities. The amounts of capital outlays and depreciation expense for the year are as follows:

Capital outlay	\$ 1,722,912	
Capital assets contributed by the Iowa Department of Transportation	289,529	
Depreciation expense.....	(1,427,167)	
Net book value of assets disposed	(19,063)	566,211

Because some revenue will not be collected for several months after the County's year end, it is not considered available revenue and is recognized as deferred inflows of resources in the governmental funds..... (152,272)

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 issues exceeded repayments, as follows:

Issued.	\$ (926,004)	
Repaid	598,255	(327,749)

The current year County employer share of IPERS contributions are reported as expenditures in the governmental funds, but is reported as a deferred outflow of resources in the statement of net position. 853,097

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 the governmental funds, as follows:

Compensated absences.....	\$ 12,081	
Other post-employment benefits.....	(77,641)	
Pension expense.....	(569,606)	
Interest on long-term debt	3,089	(632,077)

Inventories in the governmental funds have been recorded as expenditures when paid. However, the statement of activities will report these items as expenditures in the period that the corresponding asset is exhausted..... (182,226)

The Internal Service Fund is used by management to charge the costs of the partial self-funding of the County's health insurance benefit plan to individual funds. The change in net position of the Internal Service Fund is reported with governmental activities. 41,261

Change in Net Position of Governmental Activities (Page 12) **\$ (380,453)**

Statement of Net Position - Proprietary Fund

As of June 30, 2015

	Internal Service Employee Group Health
Current Assets	
Cash and cash equivalents.....	\$ 528,742
Receivables	
Accrued interest	<u>129</u>
Total Current Assets	<u>\$ 528,871</u>
Liabilities and Net Position	
Current Liabilities	
Accounts payable	<u>\$ 27,638</u>
Net Position	
Restricted	<u>501,233</u>
Total Liabilities and Net Position	<u>\$ 528,871</u>

Statement of Revenue, Expenses and Changes in Fund Net Position - Proprietary Fund

Year Ended June 30, 2015

	Internal Service Employee Group Health
Operating Revenue	
Reimbursements from operating funds	\$ 1,819,859
Reimbursements from employees	166,076
Miscellaneous.....	<u>20,775</u>
Total Operating Revenue	<u>2,006,710</u>
Operating Expenses	
Medical claims.....	164,333
Insurance premiums	1,778,856
Administrative fees	17,887
Miscellaneous.....	<u>6,000</u>
Total Operating Expenses	<u>1,967,076</u>
Operating Income	39,634
Nonoperating Revenue	
Interest income.....	<u>1,627</u>
Net Income	41,261
Net Position - Beginning of Year.....	<u>459,972</u>
Net Position - End of Year	<u>\$ 501,233</u>

Statement of Cash Flows - Proprietary Fund

Year Ended June 30, 2015

	Internal Service Employee Group Health
Cash Flows From Operating Activities	
Cash received from operating fund reimbursements.....	\$ 1,819,859
Cash received from employees and others.....	186,851
Cash payments to suppliers for services	<u>(1,963,952)</u>
Net Cash Provided by Operating Activities	<u>42,758</u>
Cash Flows From Investing Activities	
Interest on investments	<u>1,627</u>
Net Increase in Cash and Cash Equivalents.....	44,385
Cash and Cash Equivalents at Beginning of Year	<u>484,357</u>
Cash and Cash Equivalents at End of Year	<u>\$ 528,742</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income.....	\$ 39,634
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Increase in accounts payable	<u>3,124</u>
Net Cash Provided by Operating Activities	<u>\$ 42,758</u>

Statement of Fiduciary Assets and Liabilities - Agency Funds

As of June 30, 2015

Assets

Cash, Cash Equivalents and Pooled Investments	
County Treasurer.....	\$ 1,229,965
Other county officials	49,208
Receivables	
Property Tax	
Delinquent	73,791
Succeeding year	15,947,121
Accounts.....	35,493
Accrued interest.....	59
Assessments	54,144
Due from other governments	13,025
Prepaid insurance	<u>1,713</u>
Total Assets	<u>\$ 17,404,519</u>

Liabilities

Accounts payable	\$ 11,040
Salaries and benefits payable.....	15,546
Due to other governments	17,334,004
Trusts payable.....	22,348
Compensated absences	<u>21,581</u>
Total Liabilities	<u>\$ 17,404,519</u>

Notes to the Financial Statements

(1) Summary of Significant Accounting Policies and Other Matters

Wright 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; and general administrative services.

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

Reporting Entity

For financial reporting purposes, Wright 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 Wright 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 that they are, in substance, the same as the County. They are reported as part of the County and blended into the appropriate funds.

Two hundred thirty-three major 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 Wright 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 Wright 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 Wright County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Wright County Assessor's Conference Board, Wright County Emergency Management Commission and Wright County Joint E911 Service Board. 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.

Notes to the Financial Statements

(1) Summary of Significant Accounting Policies and Other Matters

Basis of Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the County and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by property tax, intergovernmental revenue 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 three categories:

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

Restricted net position 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 that does not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources that are imposed by management, but 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 revenue. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes: (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 that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenue are reported instead as general revenue.

Fund Financial Statements

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

The County had the following major governmental funds:

The *General Fund* is the general operating fund of the County. All general tax revenue and other revenue that is 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, fixed charges and capital improvement costs that are not paid from other funds.

(1) Summary of Significant Accounting Policies and Other Matters

Special Revenue

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

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

Additionally, the County reports the following funds:

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

Fiduciary Funds - Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units and/or other funds.

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. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

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

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized 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.

(1) Summary of Significant Accounting Policies and Other Matters

Under the terms of the grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. 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 revenue.

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 revenue and expenses from nonoperating items. Operating revenue 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 revenue of the County's Internal Service Fund is charges to customers for sales and services. Operating expenses for internal service funds include the cost of services and administrative expenses. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

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

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

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

Cash, Cash Equivalents and Pooled Investments

The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund unless otherwise provided by law. Investments are stated at fair value except for the investment in the Iowa Public Agency Investment Trust which is valued at amortized cost and nonnegotiable 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, have a maturity date no longer than three months.

Property Tax Receivable

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the County Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is 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.

(1) Summary of Significant Accounting Policies and Other Matters

Property tax revenue recognized in these funds becomes 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 Assessments Receivable

Drainage assessments receivable represent amounts assessed to individuals for work done on drainage districts 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. Delinquent drainage assessments receivable represent assessments which are due and payable but have not been collected. Succeeding year drainage assessments receivable represents remaining 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 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 fund financial statements.

Due From Other Governments

Due from other governments represents amounts due from the State of Iowa, various shared revenue, grants and reimbursements from other governments.

Inventories

Inventories are stated 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 governmental activities column in the government-wide statement of net position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

Notes to the Financial Statements

(1) Summary of Significant Accounting Policies and Other Matters

Asset Class	Amount
Infrastructure.....	\$ 50,000
Land and buildings.....	25,000
Improvements	25,000
Intangibles.....	25,000
Machinery, equipment and vehicles	5,000

All capital assets of the County are depreciated/amortized using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings	40 Years
Improvements	20 - 40 Years
Infrastructure.....	10 - 65 Years
Intangibles.....	5 - 20 Years
Machinery, equipment and vehicles	3 - 30 Years

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 revenue collected by the County and payments for services which will be remitted to other governments.

Trusts Payable

Trusts payable represents amounts due to others which are held by various County officials in fiduciary capacities until the underlying legal matters are resolved.

Compensated Absences

County employees accumulate a limited amount of earned but unused vacation 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 as of June 30, 2015. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

Long-Term Liabilities

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund statement of net position.

Notes to the Financial Statements

(1) Summary of Significant Accounting Policies and Other Matters

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 represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Although certain revenue is measurable, it is not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements 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 60 days after year end.

Deferred inflows of resources in the statement of net position consists 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.

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. The County had no committed amounts as of June 30, 2015.

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

Unassigned - All amounts not included in the preceding classifications.

Notes to the Financial Statements

(1) Summary of Significant Accounting Policies and Other Matters

Net Position

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

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; however, disbursements in certain departments exceeded the amounts appropriated.

Classification Changes

Certain items in the 2014 financial statements have been reclassified to conform with the current year presentation. These reclassifications had no net effects on the financial statements.

(2) Cash, Cash Equivalents and Pooled Investments

The County's deposits in banks as of 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 that there will be no loss of public funds.

The County is authorized by statute to invest public funds in obligations of the United States Government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Supervisors; prime eligible bankers acceptances; certain high-rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$850,317 pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Interest Rate Risk

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

Credit Risk

The investment in the Iowa Public Agency Investment Trust is unrated.

Notes to the Financial Statements

(3) Due From and Due to Other Funds

The detail of interfund receivables and payables as of June 30, 2015 is as follows:

Receivable Fund	Payable Fund	Amount
Special Revenue Secondary Roads	General	<u>\$ 1,747</u>

These balances result from the time lag between the dates interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

(4) Loans Receivable

Wright County Revolving Housing Assistance Fund

Wright County was the recipient of a grant from the Iowa Finance Authority (Authority) in the amount not to exceed \$100,000 under the Housing Assistance Fund Program. The Housing Assistance Fund Program was created by the Authority to provide a flexible program of financial assistance for housing projects. Funds were received by the County from the Authority as requested and were then disbursed as loans directly to qualifying lenders to lower the purchaser's mortgage amount or pay for rehabilitation costs.

The loans are repaid to Wright County over a five-year period with interest at 5% per annum. The loan repayments remain in the Special Revenue, Wright County Revolving Housing Assistance Fund, for future loans to other borrowers. The balance of the loans receivable as of June 30, 2015 totaled \$60,304. No amounts were disbursed to homeowners during the year ended June 30, 2015.

(5) Interfund Transfers

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

Transfer to	Transfer From	Amount
Special Revenue Secondary Roads	General	\$ 130,326
	Special Revenue	
	Rural Services	<u>1,637,025</u>
		<u>1,767,351</u>
Capital Projects Jail Capital Project	General	<u>40,000</u>
Total		<u>\$ 1,807,351</u>

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

Notes to the Financial Statements

(6) 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				
Land.....	\$ 939,291	\$ —	\$ —	\$ 939,291
Construction in progress	<u>537,832</u>	<u>1,303,341</u>	<u>1,550,806</u>	<u>290,367</u>
Total Capital Assets Not Being Depreciated.....	<u>1,477,123</u>	<u>1,303,341</u>	<u>1,550,806</u>	<u>1,229,658</u>
Capital Assets Being Depreciated				
Buildings	6,484,819	600,519	175,100	6,910,238
Improvements	292,946	—	—	292,946
Machinery, equipment and vehicles	6,885,823	590,296	354,138	7,121,981
Infrastructure.....	<u>32,404,889</u>	<u>1,069,091</u>	<u>—</u>	<u>33,473,980</u>
Total Capital Assets Being Depreciated.....	<u>46,068,477</u>	<u>2,259,906</u>	<u>529,238</u>	<u>47,799,145</u>
Less Accumulated Depreciation for				
Buildings	2,686,221	189,258	175,100	2,700,379
Improvements	56,452	11,521	—	67,973
Machinery, equipment and vehicles	4,960,680	412,222	335,075	5,037,827
Infrastructure.....	<u>17,023,617</u>	<u>814,166</u>	<u>—</u>	<u>17,837,783</u>
Total Accumulated Depreciation	<u>24,726,970</u>	<u>1,427,167</u>	<u>510,175</u>	<u>25,643,962</u>
Net Total Capital Assets Being Depreciated, Net	<u>21,341,507</u>	<u>832,739</u>	<u>19,063</u>	<u>22,155,183</u>
Net Governmental Activities				
Capital Assets	<u>\$ 22,818,630</u>	<u>\$ 2,136,080</u>	<u>\$ 1,569,869</u>	<u>\$ 23,384,841</u>

Depreciation expense was charged as follows:

Governmental Activities	
Public safety and legal services	\$ 87,960
Physical health and social services	21,147
Mental health	25,799
County environment and education.....	38,185
Roads and transportation	1,197,281
Government services to residents.....	2,263
Administration	24,496
Nonprogram	<u>30,036</u>
Total Governmental Activities Depreciation Expense	<u>\$ 1,427,167</u>

Notes to the Financial Statements

(7) 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 is as follows:

Fund	Description	Amount
County Offices		
Agency		
Agricultural Extension	Collections	\$ 211,100
Assessor		737,025
Schools		10,493,558
Community Colleges		599,236
Corporations		4,195,305
Auto licenses and use tax		395,272
All other		702,508
Total Agency Funds		<u>\$ 17,334,004</u>

(8) Long-Term Liabilities

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

	Balance - Beginning of Year (As Restated)	Additions	Reductions	Balance - End of Year	Due Within One Year
General obligation bonds.....	\$ 3,370,000	\$ —	\$ 160,000	\$ 3,210,000	\$ 190,000
General obligation notes.....	315,000	—	50,000	265,000	50,000
Intermediary relending loan ..	175,992	—	15,220	160,772	15,372
Compensated absences.....	344,888	332,807	344,888	332,807	332,807
Drainage warrants	1,045,293	926,004	267,454	1,703,843	—
Drainage improvement certificates.....	603,856	3,350	108,931	498,275	—
Net pension liability.....	3,794,063	—	911,167	2,882,896	—
Net OPEB liability	531,949	77,641	—	609,590	—
	<u>\$ 10,181,041</u>	<u>\$ 1,339,802</u>	<u>\$ 1,857,660</u>	<u>\$ 9,663,183</u>	<u>\$ 588,179</u>

General Obligation Notes Payable

As of June 30, 2015, the County's general obligation note indebtedness is as follows:

Year Ending June 30,	General Obligation Refunding Capital Loan Notes Issued May 11, 2010			Total
	Interest Rate	Principal	Interest	
2016	3.35%	\$ 50,000	\$ 9,785	\$ 59,785
2017	3.35	50,000	8,110	58,110
2018	3.90	55,000	6,435	61,435
2019	3.90	55,000	4,290	59,290
2020	3.90	55,000	2,145	57,145
Total		<u>\$ 265,000</u>	<u>\$ 30,765</u>	<u>\$ 295,765</u>

The County was in compliance in the issue of these notes.

Notes to the Financial Statements

(8) Long-Term Liabilities

General Obligation Bonds Payable

As of June 30, 2015, the County's general obligation bond indebtedness is as follows:

Year Ending June 30,	<u>General Obligation Urban Renewal Road Improvement Bonds</u>			
	<u>Issued November 8, 2010</u>			
	Interest Rate	Principal	Interest	Total
2016	3.000%	\$ 190,000	\$ 103,706	\$ 293,706
2017	3.000	210,000	98,006	308,006
2018	3.000	220,000	91,706	311,706
2019	3.000	225,000	85,106	310,106
2020	3.000	230,000	78,356	308,356
2021-2025	3.000 - 3.375	1,270,000	282,044	1,552,044
2026-2030	3.500 - 3.750	865,000	74,701	939,701
Total		<u>\$ 3,210,000</u>	<u>\$ 813,625</u>	<u>\$ 4,023,625</u>

The bonds contain various covenant requirements. The County was in compliance with those covenants as of June 30, 2015.

Drainage Warrants/Improvement Certificates 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 improvement certificates payable represent amounts due to purchasers of drainage improvement certificates. Drainage improvement certificates are waivers that provide for a landowner to pay an improvement assessment in installment payments over a designated number of years with interest at a designated interest rate. The improvement certificates representing the assessments or installments due from the landowner are sold for cash as interest-bearing certificates. Funds received from the sale of certificates are used to pay outstanding registered warrants issued to contractors who perform work on drainage district improvements and registered warrants issued for other related costs. Drainage improvement certificates are redeemed and interest is paid to the bearer of the certificate upon receipt of the installment payment plus interest from the landowner.

Drainage warrants and drainage improvement certificates are paid from the Special Revenue Drainage Districts Fund solely from drainage assessments against benefited properties.

Wright County Intermediary Relending Loan Program

The County entered into an intermediary relending loan program agreement with the Farmers Home Administration (FmHA) dated July 25, 1994, pursuant to the provisions of Chapter 331.402 of the Code of Iowa. The loan agreement is for the purpose of borrowing funds in order to make loans to private persons for economic development through Wright County Economic Development Corporation. FmHA loaned the County \$400,000 with interest at the fixed rate of 1% per annum. Principal and interest will be paid in 27 equal annual amortized installments beginning on July 25, 1998, with any remaining balance due and payable 30 years from the date of the note. In addition, the County has contributed \$100,000 to the intermediary relending loan program.

Notes to the Financial Statements

(8) Long-Term Liabilities

Details of the loan repayment requirements are as follows:

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2016	1.00%	\$ 15,372	\$ 1,608	\$ 16,980
2017	1.00	15,519	1,461	16,980
2018	1.00	15,675	1,305	16,980
2019	1.00	15,833	1,147	16,980
2020	1.00	15,992	988	16,980
2021-2025	1.00	82,381	2,519	84,900
Total		<u>\$ 160,772</u>	<u>\$ 9,028</u>	<u>\$ 169,800</u>

During the year ended June 30, 2015, the County made no new loans and received loan principal payments of \$44,578 leaving a balance of loans receivable as of June 30, 2015 of \$113,879.

(9) Operating Lease

The County has leased a tractor under an operating lease expiring on June 30, 2017.

The following is a schedule by year of future minimum rental payments required under the operating lease as of June 30, 2015.

Year Ending June 30,	Amount
2016	\$ 13,021
2017	<u>13,021</u>
Total	<u>\$ 26,042</u>

Total rental expenditures for the year ended June 30, 2015 for the operating lease was \$13,021.

(10) Pension and Retirement Benefits

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 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.

Notes to the Financial Statements

(10) Pension and Retirement Benefits

Pension Benefits

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

- A multiplier (based on years of service).
- The member's highest five-year average salary. (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 includes:

- 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% for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50% for each month that the member receives benefits before age 65.

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

Disability and Death Benefits

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

Notes to the Financial Statements

(10) Pension and Retirement Benefits

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 one 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% of pay and the County contributed 8.93% for a total rate of 14.88%. Sheriff and deputy members and the County both contributed 9.88% of pay for a total rate of 19.76%. Protection occupation members contributed 6.76% of pay and the County contributed 10.14% for a total rate of 16.90%.

The County's contributions to IPERS for the year ended June 30, 2015 were \$548,460.

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

As of June 30, 2015, the County reported a liability of \$2,882,896 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. As of June 30, 2014, the County's proportion was 0.0726920% which was a decrease of 0.002858% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$264,970. As of 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	\$ 32,907	\$ 28,588
Changes of assumptions	133,628	20,871
Net difference between projected and actual earnings on pension plan investments	—	1,431,314
Changes in proportion and differences between County contributions and proportionate share of contributions	138,102	—
County contributions subsequent to the measurement date	548,460	—
Total	<u>\$ 853,097</u>	<u>\$ 1,480,773</u>

Notes to the Financial Statements

(10) Pension and Retirement Benefits

\$548,460 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 ending 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,	
2016	\$ (298,208)
2017	(298,208)
2018	(298,208)
2019	(298,208)
2020	16,696
Total	<u>\$ (1,176,136)</u>

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%
Salary increases (effective June 30, 2014)	4% to 17%, average, including inflation. Rates may vary by membership group.
Investment rate of return (effective June 30, 1996)	7.5% per annum, compounded annually, net of pension plan 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.

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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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	<u>100%</u>	

Notes to the Financial Statements

(10) Pension and Retirement Benefits

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. 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%, 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 one percentage point lower (6.5%) or one percentage point higher (8.5%) 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	\$6,165,633	\$2,882,896	\$113,701

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

As of June 30, 2015, the County had no material payables to the defined benefit pension plan for legally required employer contributions and employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

(11) Employee Health Insurance Plan

The Internal Service, Employee Group Health Fund, was established to account for the partial self-funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Wellmark. The agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of \$20,000. Claims in excess of coverage are insured through purchase of stop loss insurance.

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to Wellmark from the Employee Group Health Fund. The County's contribution to the fund for the year ended June 30, 2015 was \$1,819,859.

Notes to the Financial Statements

(12) Other Postemployment Benefits (OPEB)

Amounts payable from the Employee Group Health Fund as of June 30, 2015 totaled \$24,592, 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 \$501,233 as of June 30, 2015 and is reported as a designation of the Internal Service, Employee Group Health Fund, net position. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims being reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Unpaid Claims - Beginning of Year.....	\$ 24,207
Incurred claims (including claims incurred but not reported as of June 30, 2015)	164,333
Payments	
Payment on claims during the fiscal year	(163,948)
Unpaid Claims - End of Year	<u>\$ 24,592</u>

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 122 active and 2 retired members in the plan. Retired participants must be age 55 or older at retirement.

The medical/prescription drug benefit, which is a partially self-funded medical plan, is administered by Employee Benefits System. 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.

Funding Policy

The contribution requirements of plan members are established and may be amended by the County. The County currently finances the retiree benefits 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 the year ended June 30, 2015, the amount actually contributed to the plan and changes in the County's net OPEB obligation:

Annual required contribution.....	\$ 93,144
Interest on net OPEB obligation.....	13,299
Adjustment to annual required contribution.....	<u>(26,676)</u>
Annual OPEB Cost	79,767
Contributions made	<u>(2,126)</u>
Increase in Net OPEB Obligation	77,641
Net OPEB Obligation - Beginning of Year.....	531,949
Net OPEB Obligation - End of Year	<u>\$ 609,590</u>

Notes to the Financial Statements

(12) Other Postemployment Benefits (OPEB)

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 actual contributions for the year ended June 30, 2015.

For the year ended June 30, 2015, the County contributed \$2,126 to the medical plan. Plan members eligible for benefits contributed approximately \$163,000.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2015 are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	\$ 99,639	0.00%	\$ 422,203
June 30, 2014	109,746	0.00	531,949
June 30, 2015	79,767	2.67	609,590

Funded Status and Funding Progress

As of July 1, 2014, the most recent actuarial valuation date for the period of July 1, 2014 through June 30, 2015, the actuarial accrued liability was \$622,815 with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$622,815. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$5,700,000 and the ratio of the UAAL to the covered payroll was 10.93%. As of June 30, 2015, there were no trust fund assets.

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 Financial Statements, presents 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.

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 the 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 valuation date, the entry age actuarial cost method was used. The actuarial assumptions included a 2.5% discount rate based on the County's funding policy and an annual healthcare cost trend rate of 6.0% per year.

Notes to the Financial Statements

(12) Other Postemployment Benefits (OPEB)

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 approximately \$500 per month per active employee. The UAAL is being amortized as a level percentage of projected payroll expense over 30 years.

(13) Risk Management

Wright County is a member of 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% of the basis rate.

The Pool also provides property coverage. Members who elect such coverage make annual property operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses, reinsurance premiums, losses and loss expenses for property risks estimated for the fiscal year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's contributions to the Pool for the year ended June 30, 2015 were \$153,769.

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 certificates.

Notes to the Financial Statements

(13) Risk Management

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 casualty claims, 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. The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, as of 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 \$1,000,000 and \$100,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(14) Construction Commitment

The County has entered into various contracts totaling approximately \$420,000 for construction of a conservation project. As of June 30, 2015, costs of approximately \$269,000 had been incurred against the contract. The balance of approximately \$151,000 remaining as of June 30, 2015 will be paid as work on the projects progress.

(15) Subsequent Events

Management has evaluated subsequent events through January 28, 2016, the date which the financial statements were available to be issued.

(16) 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 note disclosures and required supplementary information. In addition, GASB No. 68 requires a state or local government employer to

Notes to the Financial Statements

(16) Accounting Change/Restatement

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	\$ 26,629,298
Net pension liability as of June 30, 2014.....	(4,337,823)
Deferred outflows of resources related to contributions made after the June 30, 2013 measurement date.....	<u>543,760</u>
Net Position - July 1, 2014, as Restated.....	<u>\$ 22,835,235</u>

(17) Wright County Financial Information Included in the County Social Services Region

County Social Services Region, 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, Black Hawk, Butler, Cerro Gordo, Chickasaw, Clayton, Emmet, Fayette, Floyd, Grundy, Hancock, Howard, Humboldt, Kossuth, Mitchell, Pocahontas, Tama, Webster, Winnebago, Winneshiek, Worth and Wright. The financial activity of Wright County's Special Revenue, Mental Health Fund is included in the County Social Services Region for the year ended June 30, 2015, as follows:

Revenue	
Property and other county tax.....	\$ 518,829
Intergovernmental Revenue	
State tax credits	40,521
Regional fiscal agent.....	106,749
Other intergovernmental revenue.....	<u>84,630</u>
Total Revenue	<u>750,729</u>
Expenditures	
Services to persons with mental illness	34,458
County-provided case management	139,872
General Administration	
Direct administration	<u>570,849</u>
Total Expenditures	<u>745,179</u>
Excess of Revenue Over Expenditures	5,550
Fund Balance - Beginning of Year	<u>469,920</u>
Fund Balance - End of Year	<u>\$ 475,470</u>

Required Supplementary Information

Schedule of Budgetary Comparison of Receipts, Disbursements and Changes in Balances - Budget and Actual (Cash Basis) - All Governmental Funds

Year Ended June 30, 2015

	Govern- mental Funds Actual	Less Funds Not Required to be Budgeted	Net Actual	Budgeted Amounts		Over (Under) Budget
				Original	Final	
Receipts						
Property and other county tax.....	\$ 6,437,621	\$ —	\$ 6,437,621	\$ 6,839,995	\$ 6,864,995	\$ (427,374)
Interest and penalty on property tax.....	48,289	—	48,289	41,200	41,200	7,089
Intergovernmental	7,426,557	—	7,426,557	7,150,857	7,116,783	309,774
Licenses and permits	13,340	—	13,340	17,125	15,125	(1,785)
Charges for service	610,022	—	610,022	596,782	609,782	240
Use of money and property	230,554	—	230,554	220,208	219,612	10,942
Miscellaneous	645,614	314,476	331,138	139,225	309,150	21,988
Total Receipts	15,411,997	314,476	15,097,521	15,005,392	15,176,647	(79,126)
Disbursements						
Public safety and legal services	2,107,426	—	2,107,426	2,252,537	2,330,537	(223,111)
Physical health and social services	4,033,349	—	4,033,349	4,226,878	4,502,738	(469,389)
Mental health.....	834,551	—	834,551	976,818	976,818	(142,267)
County environment and education	859,162	—	859,162	1,158,829	1,174,466	(315,304)
Roads and transportation	4,814,401	—	4,814,401	4,708,000	4,884,300	(69,899)
Governmental services to residents	499,268	—	499,268	581,793	581,793	(82,525)
Administration	1,220,329	—	1,220,329	1,486,978	1,486,978	(266,649)
Nonprogram	305,507	278,327	27,180	33,992	33,992	(6,812)
Debt service	330,591	—	330,591	330,591	330,591	—
Capital projects	992,721	—	992,721	850,000	1,154,765	(162,044)
Total Disbursements ..	15,997,305	278,327	15,718,978	16,606,416	17,456,978	(1,738,000)
Receipts Over (Under) Disbursements.....	(585,308)	36,149	(621,457)	(1,601,024)	(2,280,331)	1,658,874
Other Financing Sources, Net.....	14,740	—	14,740	1,000	1,000	13,740
Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses.....	(570,568)	36,149	(606,717)	(1,600,024)	(2,279,331)	1,672,614
Balance - Beginning of Year	7,529,378	567,080	6,962,298	5,585,692	5,585,692	1,376,606
Balance - End of Year	\$ 6,958,810	\$ 603,229	\$ 6,355,581	\$ 3,985,668	\$ 3,306,361	\$ 3,049,220

Schedule of Budgetary Comparison - Budget to GAAP Reconciliation ▬

Year Ended June 30, 2015

	<u>Governmental Fund Types</u>		
	<u>Cash Basis</u>	<u>Accrual Adjustments</u>	<u>Modified Accrual Basis</u>
Revenue.....	\$ 15,097,521	\$ 71,894	\$ 15,169,415
Expenditures	<u>15,718,978</u>	<u>937,879</u>	<u>16,656,857</u>
Net.....	(621,457)	(865,985)	(1,487,442)
Other financing sources, net.....	14,740	926,004	940,744
Beginning fund balances	6,962,298	1,884,245	8,846,543
Decrease in reserve for inventories	<u>—</u>	<u>(182,226)</u>	<u>(182,226)</u>
Ending Fund Balances	<u>\$ 6,355,581</u>	<u>\$ 1,762,038</u>	<u>\$ 8,117,619</u>

Notes to Required Supplementary Information - Budgetary Reporting ————

Year Ended June 30, 2015

The budgetary comparison is presented as required supplementary information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except blended component units, the Internal Service Fund and Agency Funds and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon ten major classes of expenditures known as functions, not by fund. These ten functions are: public safety and legal services; physical health and social services; mental health; county environment and education; roads and transportation; governmental services to residents; administration; nonprogram; 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 Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, one budget amendment increased budgeted revenue and disbursements by a combined total of \$679,307. The 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 amounts budgeted or appropriated.

Schedule of Proportionate Share of the Net Pension Liability ————— Iowa Public Employees' Retirement System

Last Fiscal Year*

	2015
County's proportion of the net pension liability	0.0726920%
County's proportionate share of the net pension liability	\$2,882,896
County's covered-employee payroll	\$5,970,000
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	48.29%
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.

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full ten-year trend is compiled, the County will present information for those years for which information is available.

Schedule of Contributions
Iowa Public Employees' Retirement System

Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Statutorily required contribution	\$ 548,460	\$ 543,964	\$ 498,930	\$ 461,104	\$ 392,578	\$ 372,057	\$ 345,544	\$ 306,403	\$ 282,741	\$ 268,683
Contributions in relation to the statutorily required contributions.....	<u>(548,460)</u>	<u>(543,964)</u>	<u>(498,930)</u>	<u>(461,104)</u>	<u>(392,578)</u>	<u>(372,057)</u>	<u>(345,544)</u>	<u>(306,403)</u>	<u>(282,741)</u>	<u>(268,683)</u>
Contribution Deficiency (Excess).....	<u>\$ —</u>									
County's covered-employee payroll	\$ 6,019,000	\$ 5,970,000	\$ 5,597,000	\$ 5,496,000	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	9.11%	9.11%	8.91%	8.39%	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Information is not available for this fiscal year.

Notes to Required Supplementary Information - Pension Liability ---

Year Ended June 30, 2015

Changes of Benefit Terms

Legislation passed in 2010 modified benefit terms for current regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3% per year measured from the member's first unreduced retirement age to a 6% 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 National Guard installation security officers – from regular membership to the protection 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 at 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% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

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

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

Notes to Required Supplementary Information - Pension Liability ---

Year Ended June 30, 2015

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% to 4.00%.
- Lowered the inflation assumption from 3.50% to 3.25%.
- Lowered disability rates for sheriffs and deputies and protection occupation members.

Schedule of Funding Progress for the Retiree Health Plan ---

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	7-1-08	\$ —	\$ 537	\$ 537	0%	\$ 4,074	13.19%
2010	7-1-08	—	537	537	0	4,572	11.75
2011	7-1-08	—	537	537	0	4,649	11.56
2012	7-1-11	—	811	811	0	5,356	15.15
2013	7-1-11	—	800	800	0	5,263	15.19
2014	7-1-11	—	758	758	0	5,605	13.53
2015	7-1-14	—	623	623	0	5,700	10.93

See Note 11 in the accompanying notes to the financial statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress.

* Reported in thousands.

Supplementary Information 

Combining Balance Sheet Schedule - Nonmajor Governmental Funds

Year Ended June 30, 2015

	Special Revenue										Capital Projects			Total	
	Mental Health	County Recorder's Management	County Recorder's Electronic Transaction Fee	Attorney Share Forfeiture	Federal Forfeiture	State Forfeiture	Resource Enhancement and Protection	Wright County Intermediary Relending Loan Program	Wright County Revolving Housing Assistance	Drainage Districts	Drainage Administration	Debt Service	Wind Farm Urban Renewal		Capital Project
Assets															
Cash, cash equivalents and pooled investments	\$ 499,596	\$ 16,071	\$ 186	\$ 7,943	\$ 7,079	\$ 7,834	\$ 81,566	\$ 389,347	\$ 131,880	\$ 603,229	\$ 127,729	\$ 128,731	\$ 26,409	\$ 86,418	\$ 2,114,018
Receivables															
Property Tax															
Delinquent.....	1,475	—	—	—	—	—	—	—	—	—	—	177	—	—	1,652
Succeeding year	444,753	—	—	—	—	—	—	—	—	—	—	55,661	263,417	—	763,831
Accounts.....	12,957	606	—	—	—	—	—	849	—	—	—	—	—	—	14,412
Drainage assessments.....	—	—	—	—	—	—	—	—	—	529,067	—	—	—	—	529,067
Accrued interest.....	—	2	—	—	1	—	8	76	57	—	—	—	183	—	327
Loans receivable.....	—	—	—	—	—	—	—	113,879	60,304	—	—	—	—	—	174,183
Total Assets.....	\$ 958,781	\$ 16,679	\$ 186	\$ 7,943	\$ 7,080	\$ 7,834	\$ 81,574	\$ 504,151	\$ 192,241	\$ 1,132,296	\$ 127,729	\$ 184,569	\$ 290,009	\$ 86,418	\$ 3,597,490
Liabilities, Deferred Inflows of Resources and Fund Balances															
Liabilities															
Accounts payable.....	\$ 1,059	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 15	\$ —	\$ —	\$ 118	\$ —	\$ —	\$ —	\$ 1,192
Salaries and benefits payable.....	4,343	—	—	—	—	—	—	—	—	—	—	—	—	—	4,343
Accrued interest payable	—	—	—	—	—	—	—	—	—	110,895	—	—	—	—	110,895
Total Liabilities.....	5,402	—	—	—	—	—	—	15	—	110,895	118	—	—	—	116,430
Deferred Inflows of Resources															
Unavailable Revenue															
Succeeding year property tax.....	444,753	—	—	—	—	—	—	—	—	—	—	55,661	263,417	—	763,831
Other.....	33,156	—	—	—	—	—	—	113,879	60,303	529,067	—	172	—	—	736,577
Total Deferred Inflows of Resources.....	477,909	—	—	—	—	—	—	113,879	60,303	529,067	—	55,833	263,417	—	1,500,408
Fund Balances															
Restricted for															
Mental health purposes.....	475,470	—	—	—	—	—	—	—	—	—	—	—	—	—	475,470
Drainage district purposes.....	—	—	—	—	—	—	—	—	—	492,334	—	—	—	—	492,334
Debt service.....	—	—	—	—	—	—	—	—	—	—	—	128,736	—	—	128,736
Capital projects.....	—	—	—	—	—	—	—	—	—	—	—	—	26,592	86,418	113,010
Other purposes.....	—	16,679	186	7,943	7,080	7,834	81,574	390,257	131,938	—	127,611	—	—	—	771,102
Total Fund Balances.....	475,470	16,679	186	7,943	7,080	7,834	81,574	390,257	131,938	492,334	127,611	128,736	26,592	86,418	1,980,652
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 958,781	\$ 16,679	\$ 186	\$ 7,943	\$ 7,080	\$ 7,834	\$ 81,574	\$ 504,151	\$ 192,241	\$ 1,132,296	\$ 127,729	\$ 184,569	\$ 290,009	\$ 86,418	\$ 3,597,490

See accompanying notes to the financial statements.

Combining Schedule of Revenue, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds

Year Ended June 30, 2015

	Special Revenue										Capital Projects			Total	
	Mental Health	County Recorder's Management	County Recorder's Electronic Transaction Fee	Attorney Share Forfeiture	Federal Forfeiture	State Forfeiture	Resource Enhancement and Protection	Wright County Intermediary Relending Loan Program	Wright County Revolving Housing Assistance	Drainage Districts	Drainage Administration	Debt Service	Wind Farm Renewal		Capital Project
Revenue															
Property and other county tax.....	\$ 518,829	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 329,516	\$ —	\$ —	\$ 848,345
Intergovernmental	231,900	—	—	—	—	—	13,768	—	—	—	—	6,440	—	—	252,108
Charges for service	—	2,410	—	—	—	—	—	—	—	—	—	—	—	—	2,410
Use of money and property.....	—	17	—	—	18	18	113	46,387	5,415	—	—	—	659	—	52,627
Miscellaneous	—	—	—	—	—	—	—	—	—	314,476	364	—	—	43,877	358,717
Total Revenue	750,729	2,427	—	—	18	18	13,881	46,387	5,415	314,476	364	335,956	659	43,877	1,514,207
Expenditures															
Operating															
Mental health	745,179	—	—	—	—	—	—	—	—	—	—	—	—	—	745,179
County environment and education	—	—	—	—	—	—	—	17,104	1,450	—	—	—	—	—	18,554
Governmental services to residents	—	3,525	—	—	—	—	—	—	—	—	—	—	—	—	3,525
Administration.....	—	—	—	—	—	—	—	—	—	—	18,113	—	—	—	18,113
Nonprogram.....	—	—	—	—	—	—	—	—	—	1,270,989	—	—	—	—	1,270,989
Debt service	—	—	—	—	—	—	—	—	—	—	—	330,591	—	—	330,591
Capital projects	—	—	—	—	—	—	—	—	—	—	—	—	316,890	83,082	399,972
Total Expenditures	745,179	3,525	—	—	—	—	—	17,104	1,450	1,270,989	18,113	330,591	316,890	83,082	2,786,923
Revenue Over (Under) Expenditures	5,550	(1,098)	—	—	18	18	13,881	29,283	3,965	(956,513)	(17,749)	5,365	(316,231)	(39,205)	(1,272,716)
Other Financing Sources															
Transfers in	—	—	—	—	—	—	—	—	—	—	—	—	—	40,000	40,000
Drainage warrants/improvement certificates issued	—	—	—	—	—	—	—	—	—	926,004	—	—	—	—	926,004
Total Other Financing Sources	—	—	—	—	—	—	—	—	—	926,004	—	—	—	40,000	966,004
Net Change in Fund Balances	5,550	(1,098)	—	—	18	18	13,881	29,283	3,965	(30,509)	(17,749)	5,365	(316,231)	795	(306,712)
Fund Balances - Beginning of Year ...	469,920	17,777	186	7,943	7,062	7,816	67,693	360,974	127,973	522,843	145,360	123,371	342,823	85,623	2,287,364
Fund Balances - End of Year	\$ 475,470	\$ 16,679	\$ 186	\$ 7,943	\$ 7,080	\$ 7,834	\$ 81,574	\$ 390,257	\$ 131,938	\$ 492,334	\$ 127,611	\$ 128,736	\$ 26,592	\$ 86,418	\$ 1,980,652

See accompanying notes to the financial statements.

Combining Schedule of Fiduciary Assets and Liabilities - Agency Funds

Year Ended June 30, 2015

	County Offices	Agricultural Extension Education	County Assessor	Schools	Community Colleges	Corporations	Townships	City Special Assess- ments	Auto License and Use Tax	Other	Total
Assets											
Cash, Cash Equivalents and Pooled Investments											
County Treasurer.....	\$ —	\$ 2,925	\$ 277,586	\$ 154,437	\$ 8,781	\$ 59,805	\$ 3,536	\$ 11,698	\$ 395,272	\$ 315,925	\$ 1,229,965
Other county officials	49,208	—	—	—	—	—	—	—	—	—	49,208
Receivables											
Property Tax											
Delinquent	—	688	1,600	34,104	1,904	35,256	231	—	—	8	73,791
Succeeding year	—	207,487	482,388	10,305,017	588,551	4,100,244	247,715	—	—	15,719	15,947,121
Accounts.....	457	—	—	—	—	—	—	—	—	35,036	35,493
Accrued interest.....	—	—	—	—	—	—	—	—	—	59	59
Assessments	—	—	—	—	—	—	—	54,144	—	—	54,144
Due from other governments	—	—	—	—	—	—	—	—	—	13,025	13,025
Prepaid insurance.....	—	—	—	—	—	—	—	—	—	1,713	1,713
Total Assets	\$ 49,665	\$ 211,100	\$ 761,574	\$ 10,493,558	\$ 599,236	\$ 4,195,305	\$ 251,482	\$ 65,842	\$ 395,272	\$ 381,485	\$ 17,404,519
Liabilities											
Accounts payable	\$ —	\$ —	\$ 8,954	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,086	\$ 11,040
Salaries and benefits payable.....	—	—	6,203	—	—	—	—	—	—	9,343	15,546
Due to other governments	27,317	211,100	737,025	10,493,558	599,236	4,195,305	251,482	65,842	395,272	357,867	17,334,004
Trusts payable.....	22,348	—	—	—	—	—	—	—	—	—	22,348
Compensated absences.....	—	—	9,392	—	—	—	—	—	—	12,189	21,581
Total Liabilities	\$ 49,665	\$ 211,100	\$ 761,574	\$ 10,493,558	\$ 599,236	\$ 4,195,305	\$ 251,482	\$ 65,842	\$ 395,272	\$ 381,485	\$ 17,404,519

See accompanying notes to the financial statements.

Combining Schedule of Changes in Fiduciary Assets and Liabilities - Agency Funds

Year Ended June 30, 2015

	County Offices	Agricultural Extension Education	County Assessor	Schools	Community Colleges	Corporations	Townships	City Special Assess- ments	Auto License and Use Tax	Other	Total
Assets and Liabilities											
Balances - Beginning of Year	<u>\$ 44,344</u>	<u>\$ 196,124</u>	<u>\$ 702,529</u>	<u>\$ 10,367,911</u>	<u>\$ 607,508</u>	<u>\$ 4,279,949</u>	<u>\$ 238,692</u>	<u>\$ 56,243</u>	<u>\$ 335,938</u>	<u>\$ 364,195</u>	<u>\$ 17,193,433</u>
Additions											
Property and other county tax.....	—	210,275	488,437	10,442,401	597,307	4,051,794	253,442	—	—	16,057	16,059,713
Intergovernmental	—	—	—	—	—	—	—	—	—	62,201	62,201
Charges for service	—	—	—	—	—	—	—	—	—	2,443	2,443
Use of money and property	—	—	—	—	—	—	—	—	—	9,605	9,605
Miscellaneous.....	—	—	745	—	—	—	—	35,937	4,268,328	848,949	5,153,959
E911 surcharge.....	—	—	—	—	—	—	—	—	—	180,775	180,775
State tax credits.....	—	15,351	35,497	815,845	46,903	513,665	13,752	—	—	396	1,441,409
Office fees and collections.....	222,613	—	—	—	—	—	—	—	—	—	222,613
Trusts	141,527	—	—	—	—	—	—	—	—	—	141,527
Total Additions	<u>364,140</u>	<u>225,626</u>	<u>524,679</u>	<u>11,258,246</u>	<u>644,210</u>	<u>4,565,459</u>	<u>267,194</u>	<u>35,937</u>	<u>4,268,328</u>	<u>1,120,426</u>	<u>23,274,245</u>
Deductions											
Agency Remittances											
To other funds	112,500	—	465,634	—	—	—	—	—	—	411,715	989,849
To other governments.....	115,056	210,650	—	11,132,599	652,482	4,650,103	254,404	26,338	4,208,994	691,421	21,942,047
Trusts paid out.....	131,263	—	—	—	—	—	—	—	—	—	131,263
Total Deductions.....	<u>358,819</u>	<u>210,650</u>	<u>465,634</u>	<u>11,132,599</u>	<u>652,482</u>	<u>4,650,103</u>	<u>254,404</u>	<u>26,338</u>	<u>4,208,994</u>	<u>1,103,136</u>	<u>23,063,159</u>
Balances - End of Year.....	<u>\$ 49,665</u>	<u>\$ 211,100</u>	<u>\$ 761,574</u>	<u>\$ 10,493,558</u>	<u>\$ 599,236</u>	<u>\$ 4,195,305</u>	<u>\$ 251,482</u>	<u>\$ 65,842</u>	<u>\$ 395,272</u>	<u>\$ 381,485</u>	<u>\$ 17,404,519</u>

See accompanying notes to the financial statements.

**Schedule of Revenue by Source and Expenditures by Function
All Governmental Funds**

Last Ten Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenue										
Property and other county tax.....	\$ 6,834,425	\$ 6,910,281	\$ 6,717,170	\$ 6,536,647	\$ 6,128,897	\$ 5,424,065	\$ 5,836,128	\$ 5,295,126	\$ 4,752,466	\$ 4,324,172
Interest and penalty on property tax	48,289	47,141	46,913	47,310	57,070	43,006	44,104	37,785	37,595	37,622
Intergovernmental	6,707,202	6,860,328	6,430,309	6,333,584	6,762,706	6,965,763	7,005,066	6,443,329	5,867,073	6,019,667
Licenses and permits.....	13,710	13,940	13,510	14,865	12,390	11,375	12,949	21,679	8,140	10,153
Charges for service	627,447	588,704	584,188	478,952	513,636	509,793	557,591	543,306	474,686	492,079
Use of money and property	297,547	285,178	355,273	391,769	219,880	195,805	283,712	329,542	405,145	388,875
Miscellaneous.....	640,795	632,111	2,512,021	1,867,479	212,142	334,657	332,671	352,529	224,751	214,892
Nonprogram	—	—	—	—	620,555	478,675	874,142	413,633	192,577	233,397
Total Revenue	\$ 15,169,415	\$ 15,337,683	\$ 16,659,384	\$ 15,670,606	\$ 14,527,276	\$ 13,963,139	\$ 14,946,363	\$ 13,436,929	\$ 11,962,433	\$ 11,720,857
Expenditures										
Operating										
Public safety and legal services	\$ 2,103,176	\$ 1,967,763	\$ 1,894,829	\$ 1,882,769	\$ 1,835,101	\$ 1,713,067	\$ 1,649,360	\$ 1,541,242	\$ 1,524,566	\$ 1,520,355
Physical health and social services	3,946,753	3,985,011	3,472,659	3,206,903	3,143,205	3,174,449	3,163,386	3,059,909	2,979,665	2,822,320
Mental health	745,179	946,659	700,538	1,529,994	1,561,072	1,510,803	1,529,418	1,738,176	1,512,361	1,501,416
County environment and education.....	851,845	900,300	870,078	919,886	794,619	872,260	965,986	1,085,190	782,026	717,778
Roads and transportation	4,687,570	4,602,886	4,360,012	3,789,389	3,931,085	3,468,761	3,645,625	4,309,793	3,452,115	2,958,515
Governmental services to residents	499,232	509,082	488,573	470,356	438,464	435,546	438,472	390,403	394,625	511,328
Administration	1,220,690	1,248,707	1,267,213	1,230,153	1,088,070	1,080,895	1,042,801	1,083,971	976,728	1,005,368
Nonprogram	1,298,175	1,534,340	2,882,267	3,258,283	1,921,879	1,010,743	931,700	473,256	296,905	316,800
Debt service	330,591	305,891	336,031	391,464	251,743	812,457	282,208	217,907	235,922	168,962
Capital projects.....	973,646	734,646	145,256	2,392,976	1,128,938	1,306,959	437,068	163,735	982,057	401,644
Total Expenditures	\$ 16,656,857	\$ 16,735,285	\$ 16,417,456	\$ 19,072,173	\$ 16,094,176	\$ 15,385,940	\$ 14,086,024	\$ 14,063,582	\$ 13,136,970	\$ 11,924,486

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

Board of Supervisors
Wright County
Clarion, 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, each major fund and the aggregate remaining fund information of Wright 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 and have issued our report thereon dated January 28, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wright County's internal control over financial reporting to determine the audit procedures 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 Wright County's internal control. Accordingly, we do not express an opinion on the effectiveness of Wright County'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 significant deficiencies or material weaknesses and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the County's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies in internal control described in Part I of the accompanying schedule of findings as items 15-I-R-1, 15-I-R-2, 15-I-R-3 and 15-I-R-4 to be material weaknesses.

Compliance and Other Matters

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

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

Wright County's Responses to Findings

Wright County's responses to the findings identified in our audit are described in the accompanying schedule of findings. Wright County'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 County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HOGAN - HANSEN

HOGAN - HANSEN

Clear Lake, Iowa
January 28, 2016

Schedule of Findings

Year Ended June 30, 2015

Part I: Findings Related to the Financial Statements

Internal Control Deficiencies

15-I-R-1 Segregation of Duties

Prior Year Finding and Recommendation - One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. The 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 various functions of the Auditor, Treasurer, Recorder and Sheriff offices are performed by the same person. The potential effect of this material weakness is an error or fraud could occur and not be timely detected.

We recognize that with a limited number of office employees, segregation of duties is difficult. However, the County should review its control procedures to obtain the maximum internal control possible under the circumstances, segregate duties to the extent possible with existing personnel and utilize administrative personnel and elected officials to provide additional control through review of financial transactions and reports.

Current Year Finding - We found the same condition exists.

Auditor's Recommendation - We reiterate our prior year recommendation.

County's Response - We will monitor this situation and continue to segregate incompatible duties as efficiently as possible.

Auditor's Conclusion - Response accepted.

15-I-R-2 Financial Reporting

Prior Year Finding and Recommendation - During the audit, we identified material amounts of accounts receivable and accounts payable not recorded or incorrectly recorded in the County's financial records. Receipts or payments in July and August following year end were not always coded as a receipt or payment for goods or services provided prior to June 30 and included in the accounts receivable and accounts payable listings.

This finding could potentially result in a material misstatement in the County's financial records, and the County should implement procedures to ensure all receivables, payables and bank transfers are identified and included in the County's financial records.

Current Year Finding - We found the same condition exists.

Auditor's Recommendation - We reiterate our prior year recommendation.

County's Response - We will adjust our financial records to properly include those amounts and will revise our current procedures to ensure the proper amounts are recorded in the financial records in the future.

Auditor's Conclusion - Response accepted.

Schedule of Findings

Year Ended June 30, 2015

15-I-R-3 Financial Statement Preparation

Prior Year Finding and Recommendation - The County does not have a system of internal controls that fully prepares financial statements and disclosures that are fairly presented in conformity with accounting principles generally accepted in the United States of America. As is inherent in many organizations of this size, the County has management and employees who, while knowledgeable and skillful, do not have the time to maintain the current knowledge and expertise to fully apply generally accepted accounting principles in preparing the financial statements and the related disclosures. The potential effect of this material weakness is financial statements and related disclosures may not be prepared in accordance with generally accepted accounting principles.

We recommend that the County staff obtain additional knowledge through reading relevant accounting literature and attending local professional education courses.

Current Year Finding - We found the same condition exists.

Auditor's Recommendation - We reiterate our prior year recommendation.

County's Response - The County will consider obtaining additional knowledge where cost effective but will continue to rely on its audit firm for assistance with drafting the financial statements and disclosures.

Auditor's Conclusion - Response accepted.

15-I-R-4 Inventory

Prior Year Finding and Recommendation - The County does not have a system for maintaining an accurate inventory list for the Special Revenue, Secondary Roads Fund. We noted numerous errors in inventory unit prices and valuation of those items. While the valuation errors noted were immaterial in total, it is important to have a system to accurately track and value inventory. The potential effect of this weakness could lead to a material misstatement on the County's financial statements. We recommend that the Engineer's office implement an inventory tracking system and designate an individual to verify and update the price of each item with the most recent invoice from when that item was purchased. The price list and a physical inventory should be done at least annually.

Current Year Finding - We found the same condition exists.

County's Response - The Engineer's office is in the process of reviewing all inventory procedures. We feel department foremen are providing accurate inventory counts and by implementing a process where the office staff reviews and updates individual inventory item prices, our inventory valuation will be accurate.

Auditor's Conclusion - Response accepted.

Instances of Noncompliance

There were no instances of noncompliance reported.

Schedule of Findings

Year Ended June 30, 2015

Part II: Other Findings Related to Statutory Reporting

- 15-II-A Certified Budget** - Disbursements during the year ended June 30, 2015 did not exceed the amounts budgeted or appropriated.
- 15-II-B Questionable Disbursements** - No questionable disbursements were noted.
- 15-II-C Travel Expense** - No disbursements of County money for travel expenses of spouses of County officials or employees were noted.
- 15-II-D Business Transactions** - Business transactions between the County and County officials and employees which may be conflicts of interest are as follows:

Name, Title and Business Connection	Transaction Description	Amount
Rick Rasmussen, District Supervisor Oaks Garden Spot & Rasmussen Lawn Care, Inc.	Landscaping services	\$ 1,763

In accordance with Chapter 362.5 of the Code of Iowa, the transactions with Supervisor Rasmussen may represent conflicts of interest since a competitive bidding process was not utilized and the total of the transactions were in excess of \$1,500.

Auditor's Recommendation - The County should use a competitive bidding process when practicable.

County's Response - A competitive bidding process is not always practical; however, we will endeavor to competitively bid the work when practicable in the future.

Auditor's Conclusion - Response accepted.

- 15-II-E Bond Coverage** - Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.
- 15-II-F Board of Supervisors Minutes** - No transactions were found that we believe should have been approved in the Board minutes but were not.

Schedule of Findings

Year Ended June 30, 2015

15-II-G Deposits and Investments - No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted. We did note one day where amounts on deposit with one financial institution exceeded the maximum approved by the Board of Supervisors in accordance with Chapter 12C.2 of the Code of Iowa.

Auditor's Recommendation - The Board of Supervisors, by resolution, should approve amounts sufficient to cover anticipated balances at all approved depositories as required by Chapter 12C.2 of the Code of Iowa.

County's Response - The County Treasurer will submit to the Board of Supervisors a resolution that will include a new bank that will include a higher depository limit.

Auditor's Conclusion - Response accepted.

15-II-H Resource Enhancement and Protection Certification - The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

15-II-I Economic Development - During the year ended June 30, 2015, the County expended approximately \$172,000 for economic development purposes, which appear to be appropriate expenditures of public funds since the public benefits to be derived have been clearly documented.

15-II-J County Extension Office - The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an Extension Council separate and distinct from County operations and, consequently, is not included in the statements of net position or activities.

Disbursements during the year ended June 30, 2015 for the County Extension Office did not exceed the amount budgeted.

15-II-K Emergency Management Commission Budget - The disbursements in the Emergency Management Commission Fund did not exceed the amounts budgeted.

15-II-L E911 Service Board Budget - The disbursements in the E911 Service Board Fund did not exceed the amounts budgeted.

15-II-M Urban Renewal Annual Report - The urban renewal annual report was properly approved and certified to the Iowa Department of Management on or before December 1, and no exceptions were noted.