



Cerro Gordo County, Iowa

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020

CERRO GORDO COUNTY, IOWA

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020**

Prepared by: Cerro Gordo County Auditor's Office

INTRODUCTORY SECTION

CERRO GORDO COUNTY, IOWA

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CERRO GORDO COUNTY, IOWA

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YEAR ENDED JUNE 30, 2020

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CERRO GORDO COUNTY, IOWA

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	(Concluded)

CERRO GORDO COUNTY, IOWA

OFFICIALS
June 30, 2020

Board of Supervisors

<u>Name</u>	<u>Term Expires</u>	<u>Address</u>
Casey Callanan	January 2023.....	Clear Lake, Iowa
Tim Latham	January 2021.....	Mason City, Iowa
Chris Watts	January 2021.....	Mason City, Iowa

Officers

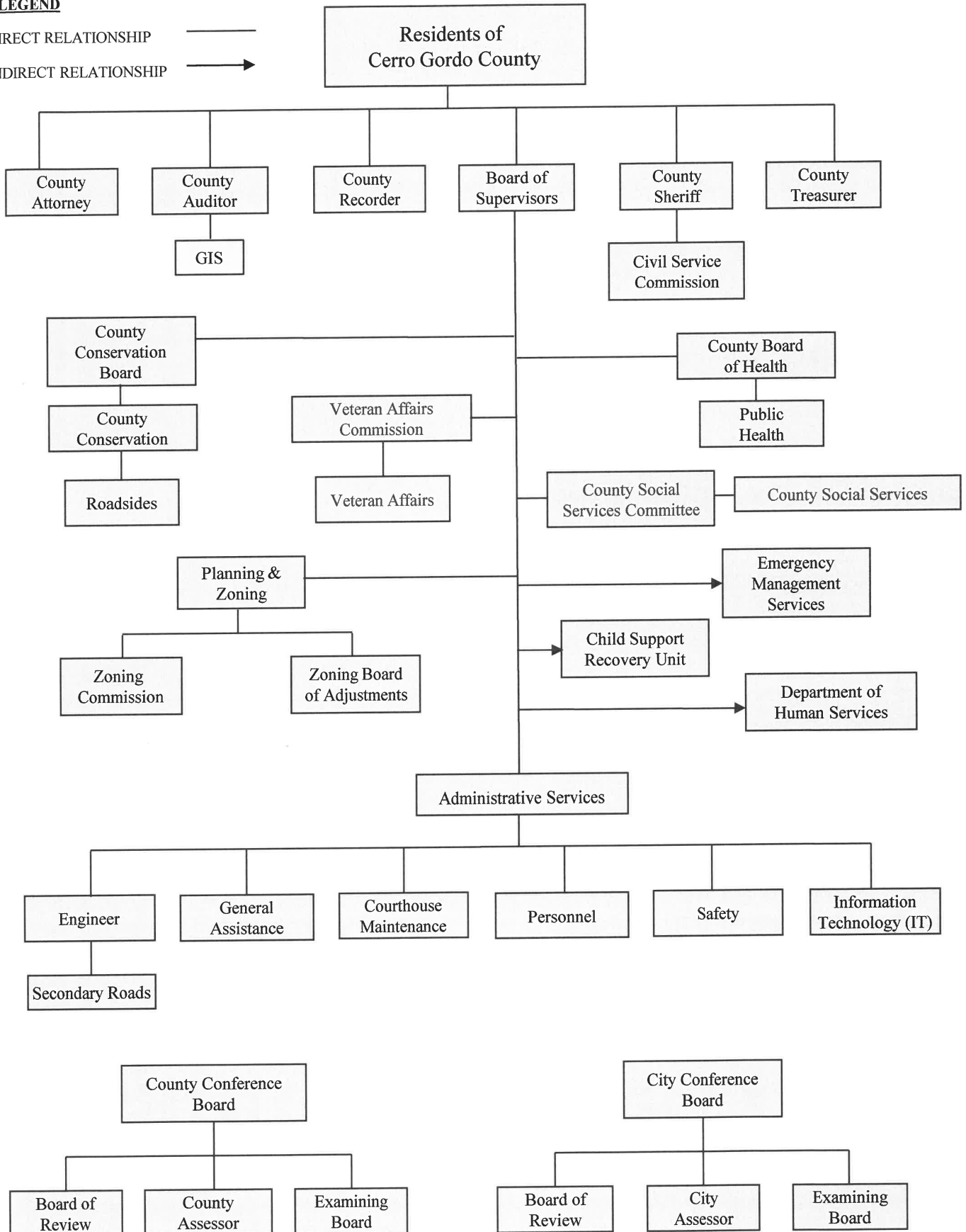
<u>Name</u>	<u>Term Expires</u>	<u>Title</u>
Adam Wedmore.....	January 2021.....	Auditor
Patricia Wright.....	January 2023.....	Treasurer
Colleen Pearce+	January 2023.....	Recorder
Kevin Pals.....	January 2021.....	Sheriff
Katie Bennett	Appointed.....	County Assessor
Danielle Shipley.....	Appointed.....	City Assessor
Carlyle Dalen	January 2023.....	County Attorney

+ Colleen Pearce retired effective June 30, 2020. Adam Wedmore was the interim Recorder until AnnMarie Legler was elected in November 2020.

CERRO GORDO COUNTY ORGANIZATIONAL CHART

LEGEND

DIRECT RELATIONSHIP ———
INDIRECT RELATIONSHIP ———>





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Cerro Gordo County
Iowa**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO



County Auditor
Cerro Gordo County Courthouse

220 N Washington Ave
Mason City, IA 50401
Adam Wedmore, Auditor

Ph: 641-421-3028
Fax: 641-421-3139
www.cgcounty.org

December 17, 2020

County Board of Supervisors and Citizens
Cerro Gordo County, Iowa

The Comprehensive Annual Financial Report (CAFR) for the County of Cerro Gordo, Iowa (the "County") for the fiscal year ended June 30, 2020, is hereby submitted in accordance with the provisions of Section 331.403 of the Code of Iowa.

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

The County's financial statements have been audited by Gardiner + Company, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor issued an unmodified opinion on the County's financial statements for the fiscal year ended June 30, 2020, indicating that they are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Single Audit Report. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

Profile of Cerro Gordo County

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

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

The Board of Supervisors is required to adopt a final budget by no later than March 30th for the fiscal year beginning the following July 1st. This annual budget serves as the foundation for the County's financial planning and control. The State of Iowa requires the adoption of an annual budget with total County operating expenditures listed by major program service area. Activities of the general fund, special revenue funds, capital projects funds, and the debt service fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the total function/program service area level. In addition, individual County officials' expenditures cannot exceed the amounts appropriated by the Board.

Local Economy

Cerro Gordo County, with the Cities of Mason City, Clear Lake, and eight smaller cities, has the fourteenth largest population of ninety-nine counties in the state, and serves as a regional center for north central Iowa in the areas of commerce, industry, retail shopping, higher education, and health care services. The surrounding area has an economic base that is historically agricultural in nature, but Cerro Gordo County also has several strong industries and commercial enterprises. With a usually low rate of unemployment and the lack of a single, dominant employer, the economy of the area is generally dynamic, robust, and broad-based. The City of Mason City is the largest city in Cerro Gordo County, with about two-thirds of the County's 42,000-plus population. Tourism is an important industry in Cerro Gordo County, largely due to Clear Lake, which, at 3,865 acres, is the third largest natural lake in Iowa, and is the namesake of the surrounding city.

Although educational systems in the entire north central Iowa area are well known for their quality of education, Cerro Gordo County has become a regional center for higher learning. Located in Cerro Gordo County, North Iowa Area Community College (NIACC) has articulation agreements with Buena Vista University, Iowa State University, The University of Iowa, University of Northern Iowa, and Upper Iowa University. These articulation agreements allow for courses to articulate to the institution completely without concern for our AA, AS, and AAS. NIACC also has a joint admissions agreement with Waldorf University. This adds to the wide range of baccalaureate programs offered at NIACC by Buena Vista University of Storm Lake.

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

The County is a regional center for health care services. Cerro Gordo County has the second highest number of primary care physicians per capita in the State, trailing only to Johnson County. MercyOne North Iowa Medical Center is the County's largest employer with two facilities and with affiliated clinics and hospitals in a 14-county region.

In general economic news for the fiscal year, the number of persons employed in the county went from 23,660 to 21,230, a decrease of 10.3% from June 2019 to June 2020, according to figures from Iowa Workforce Development. With high land prices the agricultural economy of the area has been strong and stable.

The City of Mason City's cost of living for 2019 was 88.0% of the national average, according to the cost of living index, ranking it the second lowest cost of living for all Iowa communities that participate in the index.

Major Initiatives

The Prairie Land Trail is a 21-mile rails-to-trails project in Cerro Gordo County. The trail begins at 240th Street, the southwest edge of Mason City, to 100th Street, the southwest edge of Meservey, Iowa. The condition of the trail when received by Cerro Gordo County was the old railroad bed with the rails and ties removed. To date, Cerro Gordo County has converted 11 miles of the railroad bed to a crushed limestone biking and hiking trail. During 2018, Cerro Gordo County converted six miles of the railroad bed to a crushed limestone biking and hiking trail. Engineering and construction costs for the initial six miles were \$473,550. Funding for the construction costs to convert the railbed and bridges have come from several sources: Transportation Alternatives Program grant \$347,348, Wellmark Foundation grant \$75,000, Cerro Gordo County Department of Public Health \$30,000, Cerro Gordo County Conservation Budget \$7,777 and Resource and Enhancement Program (REAP) \$13,425. Two miles of trail surface and bridge repair was completed in 2019 at a cost of \$430,314. Funding sources for the two miles were Transportation Alternatives Program grant \$283,000, Wellmark Foundation \$40,000, Cerro Gordo Public Health \$20,000, Resource Enhancement and Protection \$20,000 and In-Kind \$67,314. Phases 3 & 4 of development were completed in the Fall of 2020 and included three miles of trail along with two bridges. The construction cost for the project was \$511,857. Funding for the project was provided by a Transportation Alternatives Program grant, a Wellmark Foundation Grant and County Resource Enhancement and Protection funds. Phase 5 of the trail, a two-mile section connecting to Phase 4, has been awarded Transportation Alternatives Program funds for development in 2021. The remaining miles of the trail will be developed as additional funding sources become available.

During FY20, the educational displays inside the Lime Creek Nature Center were updated with professionally created displays. Displays highlighting wetlands, woodlands and prairies were installed. A room with nocturnal animals and their sounds was developed. An area depicting the history of the Lime Creek area greets visitors as they enter and an area highlighting the geological formations of the Lime Creek area was created. The live animal tanks that highlight local reptiles, amphibians and fish were updated and we created a pollinator room to raise awareness of the value of pollinating insects. The \$395,391 renovation was funded by donations from individuals, businesses, charitable trusts and grants.

The Cerro Gordo County Department of Public Health (CG Public Health) located a promising site in which to house its office and clinic space after the roof collapsed on its old location in May of 2019. After the approval of the Board, remodeling of the space commenced and has lasted throughout the entire fiscal year. Through necessity to function and innovation, the Department has shifted staff, resources, and entire rooms repeatedly to continue to serve residents, especially those most in need. Our staff has been adaptable to change after change in communication systems, policies and services which led CG Public Health to be adaptable when the pandemic hit in March.

The CG Public Health's common refrain of "when public health works, we are invisible" took a backseat. Routinely and normally quietly, public health monitors community health and investigates new health hazards in the community. We took these normal activities like administering health surveys, tracing contacts, investigating health risks and halting disease transmission from a day-to-day cadence to a critical point, shuttering most other department services several points throughout the year. Local health

departments, like this one, are at the forefront of responding to outbreaks and critical for mitigating the spread of infection. Many activities needed to slow the epidemic and minimize impact are in our wheelhouse; however, years of budget cuts from the state and underinvestment in public health overall have made it challenging to maintain these foundational capabilities – let alone have the surge capacity to address the COVID-19 crisis. In addition to COVID-19, residents have to battle influenza. As a trusted and Vaccines for Children provider, CG Public Health staff had to brainstorm how to disseminate hundreds of influenza vaccines safely while responding to COVID-19.

CG Public Health continues to lead the regional disaster preparedness efforts through providing fiscal agent services for the All Hazards Emergency Preparedness and Response Systems grants. These grants provide the opportunity for local hospitals, public health agencies and EMS organizations to collaborate to build upon their preparedness, response, recovery and mitigation activities. These grants total approximately a half a million dollars of funding for a 12-county region in north central Iowa. The relationships built through these opportunities have been vital for north Iowa to respond to COVID-19 as a group; however, Cerro Gordo County remains the health care hub for the region placing a larger burden of COVID-19 testing, education and other response activities on the shoulders of CG Public Health staff.

Awarded another round of HUD funding, CG Public Health is leading this 42-month, \$2.975 million project to make safe 120 homes in Cerro Gordo County. CG Public health also dedicates staff to lead North Iowa Children's Alliance. These two programs along with the Vaccines for Children program mentioned above, showcase the shift in focus toward serving the youngest residents to ensure every child, beginning at birth, will be healthy and successful. Other major funded initiatives included grant funding from the Food & Drug Administration, a 5 year grant allowing CG Public Health to meet the Voluntary National Retail Food Regulatory Program Standards that define what constitutes a highly effective and responsive program for the regulation of foodservice and retail food establishments. Funding from the Health Resources & Services Administration for the Rural Communities Opioid Response Program was extended to the end of the calendar year. This \$200,000 award set up the community to apply for the implementation grant and prevent, treat and respond to substance use in Cerro Gordo County.

Throughout the roof collapse and the pandemic, CG Public Health has looked to streamline inefficiencies, hire responsibly and continue to seek funding sources all under new leadership from the Director and Board of Health positions. Our mission is supporting healthy communities through prevention, promotion, and protection to reach our vision of a safer and healthier tomorrow.

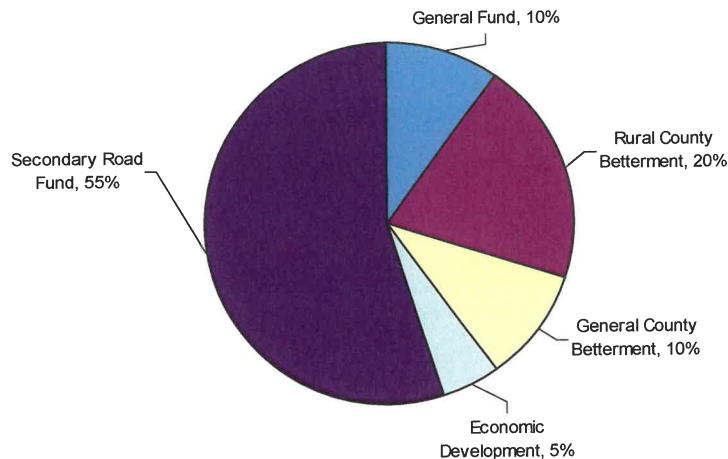
The county decided to construct a new secondary roads building that would house the county engineer's administrative offices, engineering, signs department, mechanic shop and maintenance equipment. In May 2019 county supervisors hired Bergland and Cram Architects of Mason City, Iowa as the architectural firm for the project, and in December 2019 they put out bids for a general contractor. Eight contractors bid for the project in March 2020 and Henkel Construction of Mason City, Iowa was selected with a bid of \$3,348,400.

Long-Term Financial Planning

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

Relevant Financial Policies

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



In FY2020, Cerro Gordo County received a total of \$1,882,685 in local option sales and service taxes.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Cerro Gordo County, Iowa for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the twenty-fourth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

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

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FINANCIAL SECTION



GARDINER + COMPANY

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Officials of Cerro Gordo County
Mason City, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Cerro Gordo County, Iowa, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Cerro Gordo County, Iowa's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Cerro Gordo County, Iowa, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 24 to the financial statements, Cerro Gordo County, Iowa adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 11-20 and 63-71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cerro Gordo County, Iowa's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2019 (which are not presented herein) and expressed unmodified opinions on those financial statements. The introductory section, general fund schedules, combining and individual nonmajor fund financial statements, capital asset schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2, U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2020, on our consideration of Cerro Gordo County, Iowa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Cerro Gordo County, Iowa's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cerro Gordo County, Iowa's internal control over financial reporting and compliance.



Charles City, Iowa

December 17, 2020

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MANAGEMENT’S DISCUSSION AND ANALYSIS

Cerro Gordo County provides this Management’s Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information presented in the transmittal letter beginning on page 4, and the County’s financial statements, which follow.

FINANCIAL HIGHLIGHTS

- ◆ Cerro Gordo County governmental fund revenues increased 3.12% or \$1,096,811 from \$35,160,027 in fiscal year 2019 (FY19) to \$36,256,838 in fiscal year 2020 (FY20). Property taxes and other county taxes increased \$788,580, local option sales tax dollars increased \$184,155, intergovernmental revenues increased \$246,286, charges for services decreased \$281,515, use of money and property decreased \$179,758, and miscellaneous revenues increased \$426,027 from FY19.
- ◆ Cerro Gordo County governmental fund expenditures for FY20 were \$34,588,024, a decrease of \$115,705 from \$34,703,729 in FY19.
- ◆ The assets and deferred outflows of resources of the County exceeded the liabilities and deferred inflows of resources at fiscal year ended June 30, 2020 by \$58,189,211 (net position) compared to \$52,256,849 at June 30, 2019.
- ◆ Cerro Gordo County’s net position increased 11.35% or \$5,932,362 for the fiscal year ended June 30, 2020. Government activities increased \$6,045,758 and business-type activities decreased by \$113,396. For fiscal year ended June 30, 2019, total net position increased \$2,649,012. Governmental activities increased \$2,703,056 and business-type activities decreased \$54,044.
- ◆ Cerro Gordo County’s governmental funds reported combined ending fund balances of \$23,328,895, an increase of \$2,993,989 in comparison with the prior year, including the inventory reserve change. Approximately 45% of the total amount, \$10,326,621, is the County’s unassigned fund balance.
- ◆ At June 30, 2020, the fund balance for the general fund was \$12,151,360, or 77% of total general fund expenditures.
- ◆ Cerro Gordo County’s general long-term debt, excluding compensated absences, termination benefits, net pension liability, net OPEB liability, and claims payable, decreased \$873,743 during the fiscal year from \$7,142,008 in FY19 to \$6,268,265 in FY20. This change was due to scheduled debt payments along with the issuance of additional drainage warrants.

USING THIS ANNUAL REPORT

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

Management’s Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the government’s financial activities.

The Government-wide Financial Statements consist of the Government-Wide Statement of Net Position and the Government-Wide Statement of Activities (on pages 21-24). These provide information about the activities of the County as a whole and present an overall view of the County’s finances.

The Fund Financial Statements (starting on page 25) tell how government services were financed in the short term as well as what remains for future spending. Fund financial statements report Cerro Gordo County's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Cerro Gordo County acts solely as an agent or custodian for the benefit of those outside of the government.

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

Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year, the County's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes.

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

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 about activities in a way that 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. This is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position presents 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 fiscal year. All changes in net position are reported as soon as the event or change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods.

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

Fund Financial Statements

The fund financial statements begin on page 25 and provide detailed information about individual, significant funds; not the County as a whole. Some funds are required to be established by Iowa law or by bond covenants. However, the County establishes many other funds to help it control and manage money for particular purposes.

Cerro Gordo County has three kinds of funds:

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

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

- ***Proprietary funds*** - Cerro Gordo County maintains two types of proprietary funds: internal service funds and enterprise funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County has two internal service funds: Health Insurance Fund and Central Services Fund. Enterprise funds are used to account for operations that are financed and operated in a manner similar to a private business. Cerro Gordo County maintains two enterprise funds: Meservey Wastewater Collection & Treatment Facility and Swaledale Wastewater Collection & Treatment Facility.

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

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

The fiduciary funds required financial statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

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

Notes to the Financial Statements

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

Supplementary Information

The supplementary information begins on page 72 and provides detailed information about the non-major governmental funds and the individual fiduciary funds. In addition, the Single Audit Section provides details of the various Federal awards received by the County.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Cerro Gordo County's net position increased \$5,932,362 from \$52,256,849 to \$58,189,211. The analysis below focuses on the net position and changes in net position of our government and business-type activities.

Cerro Gordo County's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$47,377,722	\$42,284,361	\$102,350	\$142,569	\$47,480,072	\$42,426,930
Capital Assets	48,786,461	46,543,986	1,129,684	1,214,970	49,916,145	47,758,956
Total Assets	96,164,183	88,828,347	1,232,034	1,357,539	97,396,217	90,185,886
Deferred Outflows of Resources	2,738,595	3,365,773	0	0	2,738,595	3,365,773
Long-Term Debt Outstanding	17,197,482	19,591,804	4,477	1,755	17,201,959	19,593,559
Other Liabilities	2,882,800	1,699,862	445,316	460,147	3,328,116	2,160,009
Total Liabilities	20,080,282	21,291,666	449,793	461,902	20,530,075	21,753,568
Deferred Inflows of Resources	21,415,526	19,541,242	0	0	21,415,526	19,541,242
Net Position:						
Net Investment in Capital Assets	43,421,461	39,970,386	684,368	754,823	44,105,829	40,725,209
Restricted	11,347,948	8,770,585	0	0	11,347,948	8,770,585
Unrestricted	2,637,561	2,620,241	97,873	140,814	2,735,434	2,761,055
Total Net Position	\$57,406,970	\$51,361,212	\$782,241	\$895,637	\$58,189,211	\$52,256,849

The largest portion of the County's net position, 75.80%, is the net investment in capital assets (e.g., land, infrastructure, buildings, and equipment). The County uses these capital assets to provide services to citizens, therefore, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to cover the liabilities.

The restricted portion of the County's net position, 19.50% or \$11,347,948, represents resources that are subject to external restrictions, constitution provisions, or enabling legislation on how they can be used. The remaining balance of unrestricted net position is \$2,735,434 or 4.70%.

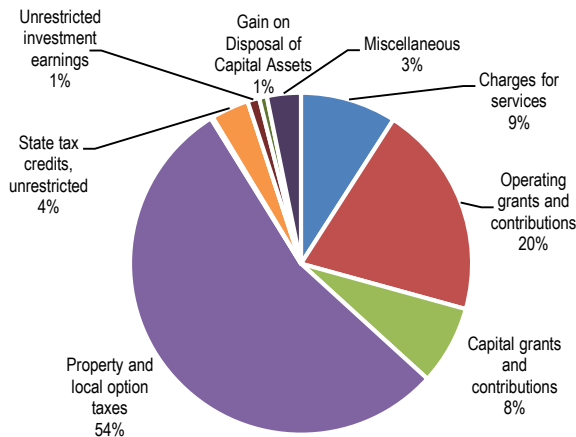
The County's net position increased \$5,932,362 during the current fiscal year. The governmental-type activities increased by \$6,045,758 and the business-type activities decreased \$113,396.

The following table highlights the County's revenues and expenses for the fiscal year ended June 30, 2020 and 2019. These two main components are subtracted to yield the change in net position. This table utilizes the full accrual method of accounting. Revenue is further divided into two major components: Program Revenue and General Revenue. Program Revenue is defined as charges for service and sales, operating grants and contributions, and capital grants and contributions. General Revenue includes taxes, investment income, and other unrestricted revenue sources.

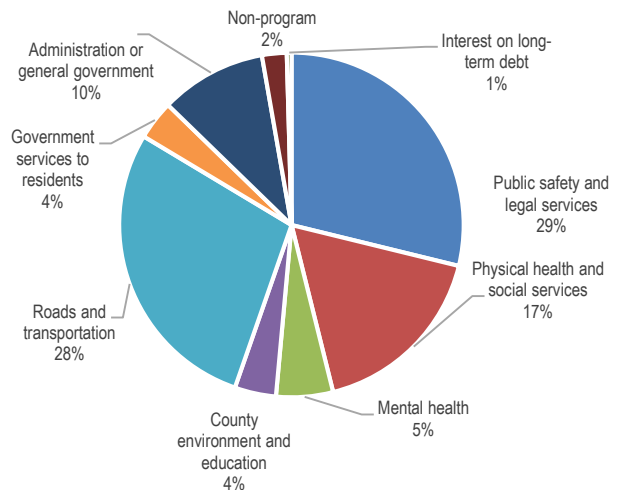
Cerro Gordo County's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for Service	\$3,556,478	\$4,102,244	\$59,169	\$61,290	\$3,615,647	\$4,163,534
Operating Grants, Contributions & Restricted Interest	7,926,145	7,521,265	0	0	7,926,145	7,521,265
Capital Grants, Contributions & Restricted Interest	2,926,407	1,370,729	0	0	2,926,407	1,370,729
General Revenues:						
Property Taxes	19,453,155	18,533,482	0	0	19,453,155	18,533,482
Penalty & Interest on Property Tax	78,950	191,486	0	0	78,950	191,486
State Tax Credits	1,406,270	1,374,283	0	0	1,406,270	1,374,283
Local Option Sales & Service Tax	1,882,685	1,698,530	0	0	1,882,685	1,698,530
Tax Increment Financing	0	17,286	0	0	0	17,286
Unrestricted Investment Earnings	429,531	554,745	119	457	429,650	555,202
Miscellaneous	1,260,647	1,354,171	0	0	1,260,647	1,354,171
Gain/(Loss) on Disposal of Capital Assets	289,311	(11,675)	0	0	289,311	(11,675)
Total Revenues	39,209,579	36,706,546	59,288	61,747	39,268,867	36,768,293
Expenses:						
Public Safety and Legal Services	9,557,895	9,402,303	0	0	9,557,895	9,402,303
Physical Health and Social Services	5,732,768	6,167,226	0	0	5,732,768	6,167,226
Mental Health	1,772,057	2,093,141	0	0	1,772,057	2,093,141
County Environment and Education	1,285,548	1,595,470	0	0	1,285,548	1,595,470
Roads and Transportation	9,370,525	9,322,331	0	0	9,370,525	9,322,331
Government Services to Residents	1,224,201	1,208,267	0	0	1,224,201	1,208,267
Administration	3,306,628	3,185,789	0	0	3,306,628	3,185,789
Non-Program	770,611	868,777	172,684	115,791	943,295	984,568
Interest on Long Term Debt	143,588	160,186	0	0	143,588	160,186
Total Expenses	33,163,821	34,003,490	172,684	115,791	33,336,505	34,119,281
Increase (Decrease) in Net Position	6,045,758	2,703,056	(113,396)	(54,044)	5,932,362	2,649,012
Net Position July 1	51,361,212	48,658,156	895,637	949,681	52,256,849	49,607,837
Net Position June 30	\$57,406,970	\$51,361,212	\$782,241	\$895,637	\$58,189,211	\$52,256,849

Revenues by Type



Expenses by Program



Governmental Activities

Cerro Gordo County's governmental activities net position increased \$6,045,758 during the year. Revenues for governmental activities increased 6.82% or \$2,503,033 over the prior year. The County's operating grants, contributions and restricted interest revenues were \$7,926,145, an additional \$404,880 over FY19. Capital grants, contributions and restricted interest increased \$1,555,678 over the previous year. Property tax revenues increased \$919,673 due to an increase in taxable valuation in the county. Local option sales & service tax increased \$184,155.

The cost of all governmental activities this year was \$33,163,821, a decrease of \$839,669 over the prior years' \$34,003,490. However, as shown in the Statement of Activities on page 23-24, the amount the taxpayers ultimately financed for these activities through County taxes was only \$18,754,791 since some of the cost was paid by those that directly benefited from the programs, or by other governments and organizations that subsidized certain programs with grants and contributions.

Public safety and legal services had the largest increase in expenditures of \$155,592 due the annual increase in personnel costs and operating expenses. The largest decrease in expenditures was \$455,022 in physical health and social services. Mental health experienced a \$321,084 decrease in expenditures for FY20. This was due to the reduction of seven employees at December 31, 2019. These positions were transferred to County Social Services as the new employer of record.

For FY20, Cerro Gordo County maintained the rural levy rate of 3.50739 and decreased the countywide levy rate from 6.19934 to 6.13391. The combined tax rates resulted in increased property tax dollars of \$785,000 for general purposes and \$245,000 for rural purposes, and a decrease of \$2,000 for mental health services and \$34,000 for debt services.

Business-Type Activities

Business-type activities decreased the County's net position by \$113,396.

THE COUNTY'S INDIVIDUAL MAJOR FUNDS

As Cerro Gordo County completed the year, its governmental funds reported a combined fund balance of \$23,328,895, which is an increase of \$2,993,989 or 14.72% over the combined fund balance for FY19. Of this amount, \$10,326,621 represents the unassigned fund balance which is available for spending at the government's discretion. The remainder of the fund balance is assigned, restricted, or non-spendable. The following are the major reasons for the changes in fund balances from the prior year:

- ◆ The General Fund, as the main operating fund for Cerro Gordo County, ended FY20 with a 64.78% ending fund balance totaling \$12,151,360. This is a \$806,019 increase from the prior year's \$11,345,341 fund balance. Revenues increased 4.52% from the prior year, or \$843,327. Expenditures experienced an increase of \$1,033,572, or 7.09% from FY19. Transfers out increased \$979,447. In FY20, there was a General fund transfer to the Capital Projects fund of \$1,239,708 in preparation of the construction of a new secondary roads building.
- ◆ Cerro Gordo County has continued to look for ways to effectively manage the cost of mental health services. The county, along with four other counties, entered into a 28E agreement to create County Social Services (CSS) in FY11. In FY12, three additional counties joined CSS for a total of eight counties. FY13 led to 14 additional counties joining, for a total of 22 counties that comprise CSS. In FY20, CSS became its own employer of record, taking seven of Cerro Gordo County's employees as its own. CSS accounts for all mental health revenues, with the exception of each county's property taxes for

mental health purposes. It also accounts for the majority of the mental health expenditures. The Mental Health Fund balance increased from \$307,698 in FY19 to \$361,099, an increase of \$53,401. For the year, revenues were \$1,844,024, a decrease of \$301,266, or 14.04%, due to CSS no longer reimbursing Cerro Gordo County for employee wages and benefits. Expenditures totaled \$1,790,623, a decrease of \$297,624 or 14.25% over last year's expenditures of \$2,088,247. These decreases were also due to a reduction in the number of employees.

- ◆ The Rural Services Fund balance decreased \$485,266 to \$481,571 from the prior year ending balance of \$966,837. Revenues increased \$203,817, from \$2,980,346 in FY19 to \$3,184,163 in FY20. Expenditures totaled \$619,429, a decrease of \$72,810, or 10.52% over last year's expenditures of \$692,239. This was due to the FY19 equipment purchase in the County Roadside department.
- ◆ The Secondary Roads Fund expenditures decreased \$1,650,952 or 17.7%, from \$9,325,748 in FY19 to \$7,674,796 in FY20. This was mainly due to a decrease in capital projects in FY20. Capital project expenditures for FY19 were \$1,837,891 compared to \$657,889 in FY20. Revenues increased from \$5,836,756 in FY19 to \$6,438,018 in FY20, a change of 10.34%. The Secondary Roads fund balance increased \$1,699,476 from \$3,935,998 in FY19 to \$5,635,474.
- ◆ The Public Health Fund ended FY20 with a fund balance of \$962,554, a decrease of \$13,390 over the prior year's balance of \$975,944. Expenditures totaled \$5,261,840, a decrease of \$122,345, or 2.27% over the prior year. Revenues of \$3,348,980 were a decrease of .75%, or \$25,502 over FY19 revenues of \$3,374,482. During FY19, a roof collapse led to an increase in expenditures for relocation, replacement of items lost and moving costs.
- ◆ The Debt Service Fund had a fund balance of \$46,648, all of which is restricted for the payment of debt.
- ◆ The Capital Projects fund balance increased from \$400,933 in FY19 to \$1,676,564 in FY20. This was due to operating transfers in preparation for a proposed capital project.

BUDGETARY HIGHLIGHTS

The county budget is based on ten functions/service areas as required by the State, not by fund or fund type. Over the course of the year, Cerro Gordo County amended its budget twice. The budgetary comparison schedule on pages 63-64 provides more information. The amendments, approved in January 2020 and May 2020, resulted in the following:

Revenues and Other Sources increased \$3,024,172, which included:

- ◆ An increase of \$92,430 in local option sales and service tax, \$69,112 in utility replacement excise tax and \$5,000 in hotel/motel tax.
- ◆ An increase of \$364,086 in intergovernmental revenues. This was comprised of \$1,626 additional revenue for the Roadside department, \$927,614 for Secondary Roads and \$30,100 for state tax replacements. There was a decrease in revenues of \$308,554 for the Public Health Department and \$286,700 for mental health reimbursements.
- ◆ An increase of \$16,500 in licenses and permits for the Planning & Zoning office and the Public Health department.
- ◆ Charges for services increased \$34,602. This included an increase of \$43,000 in fees for services provided by the General Assistance department, along with a decrease in revenues of \$8,398 for fees provided by the Public Health department.

- ◆ Use of money & property increased \$11,500 due to additional rent income within the Conservation department.
- ◆ Miscellaneous revenue increased \$188,430. Departments receiving additional miscellaneous revenue were Public Health \$135,180 and Conservation \$53,250.
- ◆ Other Financing Sources of \$2,242,512 is proceeds from the sale of capital assets and operating transfers in.

Expenditures and Other Uses increased \$5,722,994 which included:

- ◆ Increase of \$68,597 in Public Safety and Legal Services. This is due to an increase in expenditures for the Sheriff's department of \$86,097 and decreased expenditures of \$17,500 for Court Services department.
- ◆ Increase of \$454,025 in Physical Health and Social Services due to additional expenditures for Public Health Department of \$464,025 and a decrease of \$10,000 for the Juvenile Detention department.
- ◆ Decrease of \$274,414 in Mental Health.
- ◆ An increase of \$222,000 in County Environment & Education for an increase in expenditures in the County Grants department of \$12,000 and \$210,000 in expenses incurred by the County to fight and mitigate the COVID virus.
- ◆ An increase of \$1,588,000 in Roads and Transportation for Secondary Roads department.
- ◆ A decrease of \$6,000 in Government Services to Residents stems from decreased expenditures for the County Treasurer.
- ◆ A decrease of \$134,600 in Administration due to a decrease of \$127,600 in capital asset purchases, \$20,000 in the county Treasurer budget and an increase of \$13,000 for state unemployment tax.
- ◆ An increase in capital projects of \$2,075,000 for Secondary Road projects of \$2,440,000 and a decrease in Courthouse projects of \$365,000.
- ◆ An increase in Other Financing Uses of \$1,730,386 for additional operating transfers out.

During the year, however, revenues were \$488,140 more than budgetary revenues and expenditures were \$6,573,365 less than budgetary expenditures. Iowa law requires budget amendments to specific expenditure functions/service areas, i.e., public safety and legal service, to be enacted by the Board of Supervisors no later than May 31 of each fiscal year. Since the County's fiscal year ends on June 30 and the County's budget is based on the current financial resources measurement focus and the modified accrual basis of accounting, the Board takes a conservative approach when enacting year end budget amendments. This means the comparison of actual to budgeted amounts will usually show expenditures to be well below budgeted amounts. This is especially true for the Capital Projects and Roads and Transportation service areas when projects may roll over to a subsequent fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Cerro Gordo County's investment in capital assets for its governmental and business-type activities as of June 30, 2020 was \$104,071,249, an increase of \$5,485,466 or 5.56% compared to FY19. This investment in capital assets includes land, construction in progress, buildings, improvements other than buildings, machinery & equipment, vehicles, and infrastructure.

Major capital asset additions during the current fiscal year included Secondary Roads infrastructure, construction in progress and machinery & equipment, as well as vehicles for Public Safety.

Cerro Gordo County's Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$1,788,492	\$1,788,492	\$62,300	\$62,300	\$1,850,792	\$1,850,792
Construction in Progress	2,427,822	1,028,090	0	0	2,427,822	1,028,090
Buildings	17,702,361	17,506,698	0	0	17,702,361	17,506,698
Improvements other than Buildings	649,317	595,424	0	0	649,317	595,424
Machinery & Equipment	7,984,884	7,655,568	0	0	7,984,884	7,655,568
Vehicles	5,332,609	5,016,626	0	0	5,332,609	5,016,626
Infrastructure, road network	65,416,821	62,225,942	2,706,643	2,706,643	68,123,464	64,932,585
Total	101,302,306	95,816,840	2,768,943	2,768,943	104,071,249	98,585,783
Less: Accumulated Depreciation	52,515,845	49,272,854	1,639,259	1,553,973	54,155,104	50,826,827
Total	\$48,786,461	\$46,543,986	\$1,129,684	\$1,214,970	\$49,916,145	\$47,758,956

For governmental activities, Cerro Gordo County had depreciation expense of \$3,532,156 and total accumulated depreciation of \$52,515,845 for the year ended June 30, 2020. For business-type activities, depreciation expense was \$85,286 and total accumulated depreciation was \$1,639,259 for the year end.

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

Long-Term Debt

As of June 30, 2020, Cerro Gordo County had total long-term debt outstanding for governmental activities of \$6,268,265, a decrease of \$873,743 compared to FY19. The County issued \$482,450 in drainage warrants during the year. Reductions in debt resulted from capital loan note and revenue bond retirement of \$852,500, installment purchase pay-off of \$378,600 and \$125,093 of drainage warrants that were called.

In the current year, the County paid \$852,500 in principal and \$144,994 in interest on capital loan notes and revenue bonds, compared to \$837,000 in principal and \$161,567 in interest for FY19.

Sewer revenue capital loan notes (Business-Type Activities) outstanding totaled \$445,316. This is a decrease of \$14,831 due to debt retirement. Business-Type Activities paid \$14,831 in principal and \$20,707 in interest on outstanding debt in the current year.

The Code of Iowa limits the amount of general obligation debt that counties can issue to 5 percent of the assessed value of all taxable property within the county. Cerro Gordo County's outstanding general obligation debt is significantly below its limit of \$287 million.

Cerro Gordo County's Outstanding Debt

	2020	2019
Governmental Activities:		
Capital Loan Notes & Revenue Bonds	\$ 5,555,750	\$ 6,408,250
Installment Purchase	0	378,600
Drainage Warrants	712,515	355,158
Total	\$6,268,265	\$ 7,142,008
Business-Type Activities:		
Sewer Revenue Bonds	\$ 445,316	\$ 460,147

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

ECONOMIC FACTORS AND NEXT YEARS'S BUDGETS AND RATES

Cerro Gordo County's elected and appointed officials and citizens considered many factors when setting the 2021 fiscal year budget, tax rates, and the fees that will be charged for the various county services. One of those factors is the economy. Cerro Gordo County's unemployment rate now stands at 3.0% versus 2.9% a year ago. This compares with the State unemployment rate of 3.6% and the national rate of 6.7%.

- ◆ For the budget year ending June 30, 2021, Cerro Gordo County decreased the rural county levy rate from \$3.50739 per thousand of taxable valuation to 3.45477 per thousand of taxable valuation and decreased the countywide levy rate from \$6.13391 to \$6.04737 per thousand of taxable valuation.
- ◆ The tax base for Cerro Gordo County increased 1.81% over the prior year.
- ◆ The total expenditures for the FY21 budget are \$37,997,382, an increase of \$1,870,004, or 5.18%, from the FY20 budget. The major areas of increase are capital projects \$2,450,000, public health and social services \$258,366, and administration \$112,590. The County has four bargaining units, all of which re-negotiated their contracts in FY17. The contracts run from July 1, 2017 to June 30, 2022.

All these factors were considered in preparing the Cerro Gordo County budget for the fiscal year ending June 30, 2021.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

CERRO GORDO COUNTY, IOWA

STATEMENT OF NET POSITION

June 30, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash, Cash Equivalents & Pooled Investments	\$25,089,598	\$91,242	\$25,180,840
Receivables:			
Property Tax:			
Delinquent	182,467	0	182,467
Succeeding Year	18,773,722	0	18,773,722
Interest and Penalty on Property Tax	7,697	0	7,697
Accounts	580,130	0	580,130
Accrued Interest	93,053	0	93,053
Special Assessments	33,912	0	33,912
Drainage Assessments	65,041	0	65,041
Due From Other Governments	1,355,804	11,108	1,366,912
Inventories	1,196,298	0	1,196,298
Capital Assets:			
Land	1,788,492	62,300	1,850,792
Construction in Progress	2,427,822	0	2,427,822
Other Capital Assets	97,085,992	2,706,643	99,792,635
Less Accumulated Depreciation	52,515,845	1,639,259	54,155,104
Total Assets	\$96,164,183	\$1,232,034	\$97,396,217
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Deferred Outflows	\$2,738,595	\$0	\$2,738,595
LIABILITIES			
Accounts Payable	\$2,301,709	\$514	\$2,302,223
Accrued Interest Payable	10,635	0	10,635
Salaries and Benefits Payable	394,147	0	394,147
Due To Other Governments	176,309	3,963	180,272
Long Term Liabilities:			
Portion Due or Payable Within One Year:			
General Obligation Bonds/Revenue Notes	868,000	15,498	883,498
Compensated Absences	1,055,564	0	1,055,564
Retirement Benefits	96,390	0	96,390
Portion Due or Payable After One Year:			
General Obligation Bonds/Revenue Notes	4,687,750	429,818	5,117,568
Drainage District Warrants Payable	712,515	0	712,515
Retirement Benefits	226,338	0	226,338
Net Pension Liability	7,920,256	0	7,920,256
Total Other Post Employment Benefits	1,630,669	0	1,630,669
Total Liabilities	\$20,080,282	\$449,793	\$20,530,075
DEFERRED INFLOWS OF RESOURCES			
Unavailable Property Tax Revenue	\$18,773,722	\$0	\$18,773,722
Pension Related Deferred Inflows	1,982,227	0	1,982,227
OPEB Related Deferred Inflows	659,577	0	659,577
Total Deferred Inflows of Resources	\$21,415,526	\$0	\$21,415,526

(Continued)

CERRO GORDO COUNTY, IOWA

STATEMENT OF NET POSITION

June 30, 2020

	Governmental Activities	Business-Type Activities	Total
NET POSITION			
Net Investment in Capital Assets	\$43,421,461	\$684,368	\$44,105,829
Restricted For:			
Non-Expendable:			
Strand Endowment	60,000	0	60,000
Expendable:			
Supplemental Levy Purposes	1,478,718	0	1,478,718
Mental Health Purposes	370,791	0	370,791
Secondary Roads Purposes	5,400,899	0	5,400,899
Debt Service	41,277	0	41,277
Capital Projects	1,676,564	0	1,676,564
Other Purposes	2,319,699	0	2,319,699
Unrestricted	2,637,561	97,873	2,735,434
Total Net Position	\$57,406,970	\$782,241	\$58,189,211

(Concluded)

See Notes to Financial Statements.

CERRO GORDO COUNTY, IOWA

STATEMENT OF ACTIVITIES

Year Ended June 30, 2020

			Program Revenues
			Operating Grants, Contributions and Restricted Interest
	Expenses	Charges for Service	
FUNCTIONS/PROGRAMS:			
Governmental Activities:			
Public Safety and Legal Services	\$9,557,895	\$1,026,663	\$596,170
Physical Health and Social Services	5,732,768	361,865	2,516,005
Mental Health	1,772,057	281,874	0
County Environment and Education	1,285,548	159,628	24,636
Roads and Transportation	9,370,525	84,365	4,787,760
Governmental Services to Residents	1,224,201	870,155	453
Administration	3,306,628	100,510	1,121
Non-Program	770,611	671,418	0
Interest on Long Term Debt	143,588	0	0
	33,163,821	3,556,478	7,926,145
Business Type Activities:			
Wastewater Collection and Treatment	172,684	59,169	0
Total	\$33,336,505	\$3,615,647	\$7,926,145

General Revenues:

Property and Other County Tax Levied For:

- General Purposes
- Debt Service
- Penalty and Interest on Property Tax
- State Tax Credits and Replacements, Unrestricted
- Local Option Sales and Service Tax
- Unrestricted Investment Earnings
- Miscellaneous
- Gain on Disposal of Capital Assets
- Total General Revenues

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See Notes to Financial Statements.

Capital Grants, Contributions and Restricted Interest	Governmental Activities	Business-Type Activities	Total
\$0	(\$7,935,062)	\$0	(\$7,935,062)
0	(2,854,898)	0	(2,854,898)
0	(1,490,183)	0	(1,490,183)
268,850	(832,434)	0	(832,434)
2,657,557	(1,840,843)	0	(1,840,843)
0	(353,593)	0	(353,593)
0	(3,204,997)	0	(3,204,997)
0	(99,193)	0	(99,193)
0	(143,588)	0	(143,588)
2,926,407	(18,754,791)	0	(18,754,791)
0	0	(113,515)	(113,515)
\$2,926,407	(\$18,754,791)	(\$113,515)	(\$18,868,306)

\$18,563,400	\$0	\$18,563,400
889,755	0	889,755
78,950	0	78,950
1,406,270	0	1,406,270
1,882,685	0	1,882,685
429,531	119	429,650
1,260,647	0	1,260,647
289,311	0	289,311
24,800,549	119	24,800,668
6,045,758	(113,396)	5,932,362
51,361,212	895,637	52,256,849
\$57,406,970	\$782,241	\$58,189,211

CERRO GORDO COUNTY, IOWA

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2020

		Special Revenue		
	General	Mental Health	Rural Services	Secondary Roads
ASSETS				
Cash, Cash Equivalents & Pooled Investments	\$12,369,051	\$348,255	\$482,699	\$4,359,927
Receivables:				
Property Tax:				
Delinquent	144,892	14,911	13,708	0
Succeeding Year	13,919,577	1,187,628	2,786,365	0
Interest and Penalty on Property Tax	7,697	0	0	0
Accounts	153,337	0	0	8,672
Accrued Interest	87,693	0	0	0
Special Assessments	20,389	0	0	0
Drainage Assessments	0	0	0	0
Due From Other Funds	207	0	0	0
Due From Other Governments	132,690	8,718	0	726,684
Inventories	0	0	0	1,196,298
Total Assets	\$26,835,533	\$1,559,512	\$3,282,772	\$6,291,581
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$395,770	\$225	\$1,947	\$585,644
Salaries and Benefits Payable	244,354	691	4,526	69,890
Due to Other Funds	0	177	0	30
Due to Other Governments	6,109	0	42	543
Compensated Absences	14,260	0	0	0
Total Liabilities	660,493	1,093	6,515	656,107
Deferred Inflows of Resources:				
Unavailable Revenues				
Succeeding Year Property Tax	13,919,577	1,187,628	2,786,365	0
Other	104,103	9,692	8,321	0
Total Deferred Inflows of Resources	14,023,680	1,197,320	2,794,686	0

Public Health	Debt Service	Capital Projects	Nonmajor	Total
\$743,232	\$42,956	\$2,289,989	\$2,068,147	\$22,704,256
0	8,956	0	0	182,467
0	880,152	0	0	18,773,722
0	0	0	0	7,697
258,335	0	0	91,219	511,563
0	0	0	5,360	93,053
0	0	0	13,523	33,912
0	0	0	65,041	65,041
0	0	0	0	207
433,478	0	0	54,234	1,355,804
0	0	0	0	1,196,298
\$1,435,045	\$932,064	\$2,289,989	\$2,297,524	\$44,924,020

\$206,825	\$0	\$613,425	\$139,172	\$1,943,008
74,023	0	0	663	394,147
0	0	0	0	207
169,615	0	0	0	176,309
9,954	0	0	0	24,214
460,417	0	613,425	139,835	2,537,885

0	880,152	0	0	18,773,722
12,074	5,264	0	144,064	283,518
12,074	885,416	0	144,064	19,057,240

(Continued)

CERRO GORDO COUNTY, IOWA

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2020

	General	Special Revenue		
		Mental Health	Rural Services	Secondary Roads
Fund Balances:				
Nonspendable:				
Inventories	\$0	\$0	\$0	\$1,196,298
Trust	0	0	0	0
Restricted For:				
Supplemental Levy Purposes	1,450,645	0	0	0
Mental Health Purposes	0	361,099	0	0
Rural Services Purposes	0	0	481,571	0
Secondary Roads Purposes	0	0	0	4,439,176
Drainage Warrants	0	0	0	0
Conservation Land Acquisition	117,085	0	0	0
Nature Center Endowment	0	0	0	0
Debt Service	0	0	0	0
Capital Projects	0	0	0	0
Other Purposes	0	0	0	0
Assigned - Public Health	0	0	0	0
Assigned - Heath Screenings	12,327	0	0	0
Assigned - Conservation Parks	166,682	0	0	0
Assigned - Sheriff's Department	78,000	0	0	0
Unassigned	10,326,621	0	0	0
Total Fund Balances	12,151,360	361,099	481,571	5,635,474
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$26,835,533	\$1,559,512	\$3,282,772	\$6,291,581

See Notes to Financial Statements.

Public Health	Debt Service	Capital Projects	Nonmajor	Total
\$0	\$0	\$0	\$0	\$1,196,298
0	0	0	60,000	60,000
0	0	0	0	1,450,645
0	0	0	0	361,099
0	0	0	0	481,571
0	0	0	0	4,439,176
0	0	0	25,923	25,923
0	0	0	0	117,085
0	0	0	130,550	130,550
0	46,648	0	0	46,648
0	0	1,676,564	0	1,676,564
0	0	0	1,797,152	1,797,152
962,554	0	0	0	962,554
0	0	0	0	12,327
0	0	0	0	166,682
0	0	0	0	78,000
0	0	0	0	10,326,621
962,554	46,648	1,676,564	2,013,625	23,328,895
\$1,435,045	\$932,064	\$2,289,989	\$2,297,524	\$44,924,020

(Concluded)

CERRO GORDO COUNTY, IOWA

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION June 30, 2020

Total Governmental Fund Balances (page 28) \$23,328,895

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$101,302,306 and the accumulated depreciation/amortization is \$52,515,845. 48,786,461

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

Property Taxes - General Purposes	\$101,727	
Property Taxes - Debt Service	5,264	
Public Health Grants	12,074	
Drainage Assessments/Special Assessments	<u>164,453</u>	283,518

The Internal Service Funds are used by management to charge the costs of funding the County's health insurance benefit plan and the costs of centralized service operations for property insurance to the individual funds. The assets and liabilities of the Internal Service Funds are included with governmental activities in the Statement of Net Position. 2,095,208

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

Deferred Outflows of Resources	2,738,595	
Deferred Inflows of Resources	<u>(2,641,804)</u>	96,791

Long term liabilities, bonds and notes payable, accrued interest payable, total OPEB liability, retirement benefits payable, net pension liability, drainage district warrants payable and compensated absences payable, are not due and payable during the current year and, therefore, are not reported in the governmental funds. (17,183,903)

Net Position of Governmental Activities (page 22) \$57,406,970

See Notes to Financial Statements.

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CERRO GORDO COUNTY, IOWA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS Year Ended June 30, 2020

			Special	Revenue
	General	Mental Health	Rural Services	Secondary Roads
REVENUES:				
Property and Other County Tax	\$14,005,256	\$1,437,487	\$3,051,034	\$0
Local Option Sales Tax	188,269	0	0	1,035,476
Interest and Penalty on Property Tax	78,950	0	0	0
Intergovernmental	3,028,097	405,983	133,129	5,055,434
Licenses and Permits	38,227	0	0	42,560
Charges for Service	1,147,577	0	0	0
Use of Money and Property	523,747	0	0	0
Fines, Forfeitures and Defaults	0	0	0	0
Miscellaneous	496,162	554	0	304,548
Total Revenues	19,506,285	1,844,024	3,184,163	6,438,018
EXPENDITURES:				
Operating:				
Public Safety and Legal Services	9,076,467	0	88,675	0
Physical Health and Social Services	638,803	0	0	0
Mental Health	0	1,790,623	0	0
County Environment and Education	1,122,793	0	156,886	0
Roads and Transportation	0	0	271,193	7,016,907
Governmental Services to Residents	1,197,860	0	2,500	0
Administration	3,158,712	0	0	0
Non-Program	0	0	0	0
Debt Service	0	0	0	0
Capital Projects	423,307	0	100,175	657,889
Total Expenditures	15,617,942	1,790,623	619,429	7,674,796
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,888,343	53,401	2,564,734	(1,236,778)
Other Financing Sources (Uses):				
Sale of Capital Assets	56,853	0	0	0
Drainage Warrants Issued	0	0	0	0
Transfers In	0	0	0	2,600,000
Transfers Out	(3,139,177)	0	(3,050,000)	0
Total Other Financing Sources (Uses)	(3,082,324)	0	(3,050,000)	2,600,000
Change in Fund Balances	806,019	53,401	(485,266)	1,363,222
Fund Balances Beginning of Year	11,345,341	307,698	966,837	3,935,998
Increase in Reserve for Inventories	0	0	0	336,254
Fund Balances End of Year	\$12,151,360	\$361,099	\$481,571	\$5,635,474

See Notes to Financial Statements.

Public Health	Debt Service	Capital Projects	Nonmajor	Total
\$0	\$885,190	\$0	\$12,622	\$19,391,589
0	0	0	658,940	1,882,685
0	0	0	0	78,950
2,353,728	69,297	0	17,864	11,063,532
124,559	0	0	0	205,346
237,305	0	0	133,919	1,518,801
0	319	0	12,808	536,874
0	0	0	13,567	13,567
633,388	0	0	130,842	1,565,494
3,348,980	954,806	0	980,562	36,256,838
0	0	0	190,213	9,355,355
5,261,840	0	0	76,260	5,976,903
0	0	0	0	1,790,623
0	0	0	719,368	1,999,047
0	0	0	0	7,288,100
0	0	0	133	1,200,493
0	0	0	71,083	3,229,795
0	0	0	705,149	705,149
0	972,328	0	25,166	997,494
0	0	863,694	0	2,045,065
5,261,840	972,328	863,694	1,787,372	34,588,024
(1,912,860)	(17,522)	(863,694)	(806,810)	1,668,814
0	0	449,618	0	506,471
0	0	0	482,450	482,450
1,899,470	0	1,689,707	0	6,189,177
0	0	0	0	(6,189,177)
1,899,470	0	2,139,325	482,450	988,921
(13,390)	(17,522)	1,275,631	(324,360)	2,657,735
975,944	64,170	400,933	2,337,985	20,334,906
0	0	0	0	336,254
\$962,554	\$46,648	\$1,676,564	\$2,013,625	\$23,328,895

CERRO GORDO COUNTY, IOWA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES Year Ended June 30, 2020

Change in Fund Balances - Total Governmental Funds (page 31) \$2,657,735

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation/amortization expense to allocate those expenditures over the life of the assets. Capital outlay expenditures and contributed capital assets exceeded depreciation/amortization expense in the current year as follows:

Expenditures for Capital Assets	\$3,566,915	
Capital Assets Contributed by the Iowa Department of Transportation	2,424,876	
Depreciation/Amortization Expense	(3,532,156)	2,459,635

In the Statement of Activities, the gain on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources.

(217,160)

Because some revenues will not be collected for several months after the County's year end, they are not considered available revenues and are recognized as deferred inflows of resources in the governmental funds as follows:

Property Tax	94,166	
Other	(83,274)	10,892

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

Principal Payments	852,500	
Installment Payments	378,600	
Drainage Warrants Issued	(482,450)	
Drainage Warrants Payments	125,093	873,743

The current year County share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position.

1,282,216

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, as follows:

Compensated Absences	31,497	
Retirement Benefits	(139,720)	
Pension	(1,830,758)	
OPEB	57,802	
Interest on Long-Term Debt	1,406	(1,879,773)

The change in the amount reserved for Secondary Roads inventory is reported as an increase or decrease in reserved fund balance in the governmental funds. This amount is reported as an increase or decrease in Secondary Roads expenses in the Statement of Activities.

336,254

The Internal Service Funds are used by management to charge the costs of employee health benefits and property insurance to individual funds. The change in Net Position of the Internal Service Funds is reported with governmental activities.

522,216

Change in Net Position of Governmental Activities (page 24)

\$6,045,758

See Notes to Financial Statements.

CERRO GORDO COUNTY, IOWA

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

June 30, 2020

	Enterprise Funds			
	Mesurvey Wastewater Collection & Treatment Facility	Swaledale Wastewater Collection & Treatment Facility	Total	Internal Service
ASSETS				
Current Assets:				
Cash, Cash Equivalents and Pooled Investments	\$22,407	\$68,835	\$91,242	\$2,385,342
Receivables:				
Accounts	0	0	0	68,567
Due From Other Governments	5,781	5,327	11,108	0
Total Current Assets	28,188	74,162	102,350	2,453,909
Non-Current Assets:				
Capital Assets:				
Land	37,300	25,000	62,300	0
Improvements Other Than Buildings	1,542,226	1,164,417	2,706,643	0
Less Accumulated Depreciation	(829,686)	(809,573)	(1,639,259)	0
Total Non-Current Assets	749,840	379,844	1,129,684	0
Total Assets	\$778,028	\$454,006	\$1,232,034	\$2,453,909
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$298	\$216	\$514	\$358,701
Due to Other Governments	2,197	1,766	3,963	0
Note Payable:				
Portion Due Within One Year:				
Note Payable	7,818	7,680	15,498	0
Total Current Liabilities	10,313	9,662	19,975	358,701
Non-Current Liabilities:				
Portion Due After One Year:				
Note Payable	263,359	166,459	429,818	0
Total Liabilities	\$273,672	\$176,121	\$449,793	\$358,701
NET POSITION				
Net Investment in Capital Assets	\$478,663	\$205,705	\$684,368	\$0
Unrestricted	25,693	72,180	97,873	2,095,208
	\$504,356	\$277,885	\$782,241	\$2,095,208

See Notes to Financial Statements.

CERRO GORDO COUNTY, IOWA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS Year Ended June 30, 2020

	Enterprise Funds			
	Meservey Wastewater Collection & Treatment Facility	Swaledale Wastewater Collection & Treatment Facility	Total	Internal Service
OPERATING REVENUES:				
Interfund Services Provided	\$0	\$0	\$0	\$2,983,061
Employee Payments	0	0	0	217,641
Miscellaneous	28,527	30,642	59,169	267,284
Total Operating Revenues	28,527	30,642	59,169	3,467,986
OPERATING EXPENSES:				
Waste Water Treatment Facility:				
Depreciation	48,805	36,481	85,286	0
Miscellaneous	31,134	35,558	66,692	0
Health Insurance:				
Medical Claims	0	0	0	2,039,990
Insurance Premiums	0	0	0	501,178
Administrative Fees	0	0	0	218,895
Miscellaneous	0	0	0	1,442
Central Services:				
Insurance	0	0	0	186,428
Total Operating Expenses	79,939	72,039	151,978	2,947,933
Operating Income (Loss)	(51,412)	(41,397)	(92,809)	520,053
NON-OPERATING REVENUES (EXPENSES):				
Interest Income	37	82	119	2,163
Interest Expense	(12,539)	(8,167)	(20,706)	0
Total Non-Operating Revenues (Expenses)	(12,502)	(8,085)	(20,587)	2,163
Net Income (Loss)	(63,914)	(49,482)	(113,396)	522,216
Net Position Beginning of Year	568,270	327,367	895,637	1,572,992
Net Position End of Year	\$504,356	\$277,885	\$782,241	\$2,095,208

See Notes to Financial Statements.

CERRO GORDO COUNTY, IOWA

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS Year Ended June 30, 2020

	Enterprise Funds			
	Meservey Wastewater Collection & Treatment Facility	Swaledale Wastewater Collection & Treatment Facility	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received From Customers	\$26,378	\$30,333	\$56,711	\$0
Cash Received From Operating Funds	0	0	0	2,983,060
Cash Received From Employees and Others	0	0	0	803,958
Cash Payments to Suppliers For Services	(29,291)	(34,680)	(63,971)	(3,536,738)
Net Cash Provided By (Used In) Operating Activities	(2,913)	(4,347)	(7,260)	250,280
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Income	37	82	119	2,163
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Interest Expense	(12,539)	(8,167)	(20,706)	0
Note Payments	(7,482)	(7,349)	(14,831)	0
Net Cash Used in Capital and Related Financing Activities	(20,021)	(15,516)	(35,537)	0
Net Increase (Decrease) in Cash	(22,897)	(19,781)	(42,678)	252,443
Cash, Cash Equivalents and Pooled Investments - Beginning of Year	45,304	88,616	133,920	2,132,899
Cash, Cash Equivalents and Pooled Investments - End of Year	\$22,407	\$68,835	\$91,242	\$2,385,342
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating Income (Loss)	(\$51,412)	(\$41,397)	(\$92,809)	\$520,053
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:				
Depreciation	48,805	36,481	85,286	0
(Increase) Decrease in Accounts Receivable	(2,150)	(309)	(2,459)	12,567
Increase (Decrease) in Accounts Payable	1,844	878	2,722	(282,340)
Net Cash Provided By (Used In) Operating Activities	(\$2,913)	(\$4,347)	(\$7,260)	\$250,280

See Notes to Financial Statements.

CERRO GORDO COUNTY, IOWA

STATEMENT OF FIDUCIARY NET POSITION

CUSTODIAL FUNDS

June 30, 2020

ASSETS

Cash, Cash Equivalents and Pooled Investments:

County Treasurer \$5,054,980

Other County Officials 605,519

Receivables:

Property Tax:

Delinquent 714,907

Succeeding Year 65,783,918

Accounts 38,688

Assessments 887,519

Due From Other Governments 126,513

Total Assets \$73,212,044

LIABILITIES

Accounts Payable \$166,419

Salaries and Benefits Payable 18,410

Due to Other Governments 2,967,306

Trusts Payable 764,609

Compensated Absences 25,504

Total Liabilities 3,942,248

DEFERRED INFLOWS OF RESOURCES

Unavailable Revenues 67,031,036

NET POSITION

Restricted for Individuals, Organizations and Other Governments \$2,238,760

See Notes to Financial Statements.

CERRO GORDO COUNTY, IOWA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS

Year Ended June 30, 2020

Additions:

Property and Other County Tax	\$63,135,597
911 Surcharge	380,022
State Tax Credits	5,481,153
Office Fees and Collections	1,531,204
Auto Licenses, Use Tax and Postage	13,997,472
Assessments	392,740
Trusts	3,883,734
Miscellaneous	216,038
Total Additions	89,017,960

Deductions:

Agency Remittances:	
To County Funds	442,353
To Other Governments	84,256,030
Trusts Paid Out	4,390,866
Total Deductions	89,089,249

Changes in Net Position (71,289)

Net Position Beginning of Year, As Restated 2,310,049

Net Position End of Year \$2,238,760

See Notes to Financial Statements.

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

Note 1: Summary of Significant Accounting Policies

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

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

A. REPORTING ENTITY

For financial reporting purposes, Cerro Gordo County has included all funds, organizations, agencies, boards, commissions, and authorities. The County has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the County.

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

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

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

Jointly Governed Organizations – The County participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Cerro Gordo County and City Assessor's Conference Board, Cerro Gordo County Emergency Management Commission and Cerro Gordo 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 Custodial Funds of the County.

B. BASIS OF PRESENTATION

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the County and its component units. For the most part, the effect of interfund activity has been removed from these statements except for interfund services provided and used which are not eliminated in the process of consolidation. Governmental activities are supported by property tax, intergovernmental revenues and other nonexchange transactions.

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

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

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

Restricted net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

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

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

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

The County reports the following major governmental funds:

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

Special Revenue:

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

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

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

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

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

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

Additionally, the County reports the following funds:

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

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

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

Fiduciary Funds – Custodial funds are used to account for assets held by the County as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units, and/or other funds. The County's Custodial Funds consist of the following:

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

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

Veterans Affairs – To account for the funds used to maintain the veteran's plaque.

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

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

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

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

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

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

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

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

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

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE/NET POSITION

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

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

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the County Board of Supervisors. Delinquent property 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 reported as deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds 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, 2018 assessed property valuations; is for the tax accrual period July 1, 2019 through June 30, 2020 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2019.

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

Drainage and Special Assessments Receivable - Drainage and special assessments receivable represents amounts assessed to individuals for work done which benefits their property. These assessments are payable by individuals in not less than 10 nor more than 20 annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Drainage assessments receivable represent assessments which are due and payable but have not been collected and 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 that certain transactions between funds had not been paid or received as of June 30, 2020, balances of interfund amounts receivable or payable have been recorded in the financial statements.

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

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

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

<u>Asset Class</u>	<u>Amount</u>
Infrastructure	\$ 50,000
Land, buildings and improvements	25,000
Intangibles	75,000
Equipment and vehicles	5,000

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

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

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings	40-50
Building improvements	20-50
Infrastructure	30-50
Intangibles	2-20
Equipment	2-20
Vehicles	3-10

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

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

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

Compensated Absences - County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2020. Any accrued compensated absences that are carried over must be taken in the following fiscal year or else be lost. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Road Funds.

Long-Term Liabilities – In the government-wide and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund Statement of Net Position.

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. The net pension liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

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

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

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

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax receivable that will not be recognized until the year for which it is levied, unrecognized items not yet charged to pension and OPEB expense and the unamortized portion of the net difference between projected and actual earnings on pension plan assets.

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

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

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

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

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

Unassigned – All amounts not included in the preceding classifications. The General Fund is the only fund that reports a positive unassigned fund balance. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

E. BUDGETS AND BUDGETARY ACCOUNTING

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2020, disbursements did not exceed amounts budgeted.

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

Note 2: Cash, Cash Equivalents and Pooled Investments

The County's deposits in banks at June 30, 2020 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 ensure 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.

At June 30, 2020, the County had the following investments:

Investment	Fair Value	Maturity
Federal Farm Credit Banks (FFCB)	\$500,675	June 2022
Federal Farm Credit Banks (FFCB)	500,405	July 2023
Federal Home Loan Mortgage Company (FHLMC)	500,030	June 2025
Federal Home Loan Mortgage Company (FHLMC)	250,140	January 2025
	<u>\$1,751,250</u>	

The County uses the fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

The recurring fair value measurement for the FFCB securities of \$1,001,080 and the FHLMC securities of \$750,170 were determined using the last reported sales price at current exchange rates. (Level 1 inputs)

In addition, the County had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at an amortized cost of \$612,918. There were no limitations or restrictions on withdrawals for the IPAIT investments. The County's investment in IPAIT is unrated.

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

Credit Risk – The County does not have a policy relating to the credit risk of investments. The County's FFCB and FHLMC investments at June 30, 2020 are rated Aaa by Moody's Investors Service. The investment in the Iowa Public Agency Investment Trust is unrated.

Concentration of Credit Risk – The County places no limit on the amount which may be invested in any one issuer. More than 5% of the County's investments are in the Federal Farm Credit Banks and the Federal Home Loan Mortgage Company. The County's investments in the Federal Farm Credit Banks and the Federal Home Loan Mortgage Company are 19.94% and 14.94%, respectively, of the County's total investments.

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

Note 3: Due from and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2020, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Special Revenue:	
	Mental Health	\$177
	Secondary Roads	30
Total		<u>\$207</u>

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

Note 4: Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2020 is as follows:

Transfer To	Transfer From	Amount
Special Revenue:	Special Revenue:	
Secondary Roads	Rural Service	\$2,600,000
Public Health	General Fund	1,899,470
Capital Projects	General Fund	1,239,707
	Special Revenue:	
	Rural Service	450,000
Total		<u>\$6,189,177</u>

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

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

Note 5: Capital Assets

Capital assets activity for the year ended June 30, 2020 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental Activities:				
Capital assets not being depreciated/amortized:				
Land	\$1,788,492	\$0	\$0	\$1,788,492
Construction in progress	1,028,090	4,590,611	3,190,879	2,427,822
Total capital assets not being depreciated/amortized	2,816,582	4,590,611	3,190,879	4,216,314
Capital assets being depreciated/amortized:				
Buildings	17,506,698	390,663	195,000	17,702,361
Improvements other than buildings	595,424	53,893	0	649,317
Machinery and equipment	7,655,568	491,447	162,131	7,984,884
Vehicles	5,016,626	465,176	149,193	5,332,609
Infrastructure, road network	62,225,942	3,190,879	0	65,416,821
Total capital assets being depreciated/amortized	93,000,258	4,592,058	506,324	97,085,992
Less accumulated depreciation/amortization for:				
Buildings	5,827,169	337,456	43,550	6,121,075
Improvements other than buildings	515,616	8,884	0	524,500
Machinery and equipment	5,273,620	400,309	130,285	5,543,644
Vehicles	3,852,699	429,732	115,330	4,167,101
Infrastructure, road network	33,803,750	2,355,775	0	36,159,525
Total accumulated depreciation/amortization	49,272,854	3,532,156	289,165	52,515,845
Total capital assets being depreciated/amortized, net	43,727,404	1,059,902	217,159	44,570,147
Governmental activities capital assets, net	\$46,543,986	\$5,650,513	\$3,408,038	\$48,786,461

Depreciation/amortization expense was charged to the following functions:

Governmental Activities:	
Public Safety and Legal Services	\$432,054
Physical Health and Social Services	19,080
County Environment and Education	52,798
Roads and Transportation	2,866,490
Governmental Services to Residents	19,208
Administration	142,526
Total depreciation/amortization expense – governmental activities	\$3,532,156

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

Note 5: Capital Assets (Continued)

Capital asset activity of the Enterprise Funds for the year ended June 30, 2020 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Capital Assets not being depreciated:				
Land	\$62,300	\$0	\$0	\$62,300
Capital Assets being depreciated:				
Infrastructure	2,706,643	0	0	2,706,643
Less accumulated depreciation for:				
Infrastructure	1,553,973	85,286	0	1,639,259
Total capital assets being depreciated, net	1,152,670	(85,286)	0	1,067,384
Business-type activities capital assets, net	\$1,214,970	(\$85,286)	\$0	\$1,129,684

Note 6: Due to Other Governments

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments at June 30, 2020 is as follows:

Fund	Description	Amount
General Fund	Services	\$6,109
Special Revenue:		
Rural Services		42
Secondary Roads		543
Public Health		169,615
Total Governmental Funds		\$176,309
Custodial:	Collections	
Agricultural Extension Education		\$5,855
Schools		687,021
Community Colleges		44,106
Corporations		670,653
City Special Assessments		13,818
Auto License and Use Tax		1,487,492
Clear Lake Sanitary District		57,505
All Others		856
Total for Custodial Funds		\$2,967,306

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

Note 7: Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2020 is as follows:

Governmental Activities	Capital Loan Notes & Revenue Bonds	Installment Purchase	Compensated Absences	Retirement Benefits
Balance – Beginning of Year	\$6,408,250	\$378,600	\$1,084,827	\$183,008
Increases	0	0	1,055,564	241,920
Decreases	852,500	378,600	1,084,827	102,200
Balance – End of Year	\$5,555,750	\$0	\$1,055,564	\$322,728
Due within one year	\$868,000	\$0	\$1,055,564	\$96,390

	Drainage Warrants	Net Pension Liability	Total OPEB Liability	Total
Balance – Beginning of Year	\$355,158	\$8,824,894	\$2,357,067	\$19,591,804
Increases	482,450	0	188,959	1,968,893
Decreases	125,093	904,638	915,357	4,363,215
Balance – End of Year	\$712,515	\$7,920,256	\$1,630,669	\$17,197,482
Due within one year	\$0	\$0	\$0	\$2,019,954

Business-Type Activities	Sewer Revenue Capital Loan Notes
Balance – Beginning of Year	\$460,147
Increases	0
Decreases	14,831
Balance – End of Year	\$445,316
Due within one year	\$15,498

Note 8: General Obligation Capital Loan Notes / Local Option Sales and Service Tax Revenue Bonds

During the year ended June 30, 2012, the County issued \$9,365,000 General Obligation Refunding Capital Loan Notes to refund \$9,000,000 of General Obligation Capital Loan Notes that had been issued for the purpose of constructing and equipping a new Law Enforcement Center. The notes are payable from a continuing annual levy of taxes on all of the taxable property in the County. Interest on each note is due annually on December 1 and principal and interest payments are due annually on June 1, maturing on June 1, 2026. A summary of the County's June 30, 2020 general obligation indebtedness is as follows:

Year Ending June 30,	2012A \$9,365,000 Issue		
	Interest Rate	Principal	Interest
2021	2.00%	\$845,000	\$125,227
2022	2.10%	865,000	108,327
2023	2.25%	880,000	90,163
2024	2.40%	900,000	70,362
2025	2.55%	925,000	48,763
2026	2.65%	950,000	25,175
		<u>\$5,365,000</u>	<u>\$468,017</u>

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

Note 8: General Obligation Capital Loan Notes / Local Option Sales and Service Tax Revenue Bonds (Continued)

During the year ended June 30, 2009, the County issued \$885,000 of Local Option Sales and Service Tax Revenue Bonds. The purpose of the bonds was for paying the County's share of the Clear Lake Dredging and Restoration Project, a rural County betterment project for the County of Cerro Gordo. The funds were to be advanced as needed for the project. As of June 30, 2009, \$300,000 had been advanced to the County. During the year ended June 30, 2010, an additional \$ 168,750 was advanced to the County. Interest payments are due semiannually, commencing December 1, 2008 and principal payments are due annually commencing June 1, 2009, maturing June 1, 2028. Principal payments made during fiscal year 2020 totaled \$22,500. Details of the outstanding bonds are as follows:

Year Ending June 30,	Interest Rate	2008 \$885,000 Issue	
		Principal	Interest
2021	1.25%	\$23,000	\$2,384
2022	1.25%	23,000	2,097
2023	1.25%	23,500	1,809
2024	1.25%	24,000	1,516
2025	1.25%	24,000	1,216
2026-2028	1.25%	73,250	1,847
		<u>\$190,750</u>	<u>\$10,869</u>

Note 9: Installment Purchase Agreement

During the year ended June 30, 2019, the County entered into an installment purchase agreement with Ziegler for the purchase of four motor graders. The motor graders were delivered to the County in July 2018 and an initial payment of \$550,000 was made to Ziegler with the \$378,600 balance paid in July 2019.

Note 10: Retirement Benefits

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

At June 30, 2020, the County has obligations to thirteen participants with a total liability of \$322,728. Retirement benefits expenses for sixteen retirees for the year ended June 30, 2020 totaled \$102,200 and were paid from the General Fund, Public Health Fund and the Secondary Roads Fund.

Note 11: Drainage Warrants Payable

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

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

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

Note 12: Operating Leases

During the fiscal year ended June 30, 2017, the County entered into operating lease agreements for seven vehicles for the Cerro Gordo County Public Health Department. These terms were completed during the fiscal year ended June 30, 2020 and new operating leases for six vehicles were entered into. During the fiscal year ended June 30, 2018, the County entered into operating lease agreements for three vehicles for the Cerro Gordo County Public Health Department. Rental expense for the year ended June 30, 2020 is \$24,636. Rental payments are paid from the Public Health Fund. Following is a schedule of minimum future rentals for non-cancelable operating leases in effect at June 30, 2020:

Year Ending June 30,	Vehicles
2021	\$20,448
2022	17,124
2023	14,368
Total	<u>\$51,940</u>

The County entered into operating lease agreements for copiers for the Cerro Gordo County Auditor, Attorney, Recorder, Sheriff, Treasurer, County Social Services, Public Health and Board of Supervisor offices. Rental expense for the year ended June 30, 2020 is \$33,946. Rental payments are paid from the General Fund and the Public Health Fund. Following is a schedule of minimum future rentals for non-cancelable operating leases in effect at June 30, 2020:

Year Ending June 30,	Copiers
2021	\$19,511
2022	17,459
2023	17,459
2024	12,288
2025	6,374
Total	<u>\$73,091</u>

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

Note 13: Sewer Revenue Capital Loan Notes

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

Year Ending June 30,	Principal	Interest	Total
2021	\$7,680	\$7,836	\$15,516
2022	8,025	7,491	15,516
2023	8,386	7,130	15,516
2024	8,764	6,752	15,516
2025	9,158	6,358	15,516
2026-2030	52,356	25,224	77,580
2031-2035	65,246	12,334	77,580
2036	14,524	653	15,177
	\$174,139	\$73,778	\$247,917

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

Year Ending	\$59,100 Note		\$253,200 Note		\$49,000 Note		Total	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$1,301	\$1,974	\$5,571	\$8,459	\$946	\$1,770	\$7,818	\$12,203
2022	1,359	1,916	5,822	8,208	989	1,727	8,170	11,851
2023	1,420	1,855	6,084	7,946	1,033	1,683	8,537	11,484
2024	1,484	1,791	6,357	7,673	1,080	1,636	8,921	11,100
2025	1,551	1,724	6,643	7,387	1,129	1,587	9,323	10,698
2026-2030	8,868	7,507	37,978	32,172	6,451	7,129	53,297	46,808
2031-2035	11,051	5,324	47,330	22,820	8,041	5,539	66,422	33,683
2036-2040	13,772	2,603	58,980	11,170	10,019	3,561	82,771	17,334
2041-2044	3,065	138	13,216	595	9,637	1,101	25,918	1,834
	\$43,871	\$24,832	\$187,981	\$106,430	\$39,325	\$25,733	\$271,177	\$156,995

Note 14: Pension Plan

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

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

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

Note 14: Pension Plan (Continued)

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

- A multiplier based on years of service.
- The member's highest five-year average salary, except members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

Sheriffs, deputies and protection occupation members may retire at normal retirement age, which is generally age 55. Sheriffs, deputies 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's, deputy's or protection occupation member's monthly IPERS benefit includes:

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for more than 22 years of service 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 the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month the member receives benefits before age 65.

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

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

Contributions – Contribution rates are established by IPERS following the annual actuarial valuation which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires 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 2020, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the County contributed 9.44% of covered payroll, for a total rate of 15.73%. The Sheriff, deputies and the County each contributed 9.51% of covered payroll for a total rate of 19.02%. Protection occupation members contributed 6.61% of covered payroll and the County contributed 9.91% of covered payroll for a total rate of 16.52%.

The County's contributions to IPERS for the year ended June 30, 2020 were \$1,282,216.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2020, the County reported a liability of \$7,920,256 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 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.

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

Note 14: Pension Plan (Continued)

At June 30, 2019, the County's proportion was 0.136776% which was a decrease of 0.002676% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$1,830,758. At June 30, 2020, 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	\$48,974	\$331,508
Changes of Assumptions	1,108,441	202,457
Net Difference Between Projected and Actual Earnings on IPERS' Investments	0	1,237,171
Changes in Proportion and Differences Between County Contributions and the County's Proportionate Share of Contributions	298,964	211,091
County Contributions Subsequent to the Measurement Date	1,282,216	0
Total	<u>\$2,738,595</u>	<u>\$1,982,227</u>

\$1,282,216 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. 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,	Amount
2021	\$224,472
2022	(270,241)
2023	(257,038)
2024	(210,229)
2025	(12,812)
Total	<u>(\$525,848)</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Rate of Inflation (effective June 30, 2017)	2.60% per annum.
Rates of Salary Increase (effective June 30, 2017)	3.25 to 16.25%, average, including inflation. Rates vary by membership group.
Long-Term Investment Rate of Return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage Growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an economic assumptions study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2019 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

Note 14: Pension Plan (Continued)

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	22.00%	5.60%
International Equity	15.00	6.08
Global Smart Beta Equity	3.00	5.82
Core Plus Fixed Income	27.00	1.71
Public Credit	3.50	3.32
Public Real Assets	7.00	2.81
Cash	1.00	(0.21)
Private Equity	11.00	10.13
Private Real Assets	7.50	4.76
Private Credit	3.00	3.01
Total	100.00%	

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's Proportionate Share of the Net Pension Liability	\$16,187,717	\$7,920,256	\$987,516

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

Payables to IPERS – All legally required County contributions and legally required employee contributions which had been withheld from employee wages were remitted by the County to IPERS by June 30, 2020.

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

Note 15: Other Postemployment Benefits (OPEB)

Plan Description – The County administers a single-employer benefit plan which provides medical, prescription drug and dental benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75.

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

Retired participants must be age 55 or older at retirement. At June 30, 2020, the following employees were covered by benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	16
Active Employees	234
Total	250

Total OPEB Liability – The County's total OPEB liability of \$1,630,669 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019.

Actuarial Assumptions – The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of Inflation (effective July 1, 2019)	2.75% per annum.
Rate of Salary Increase (effective July 1, 2019)	0.00% per annum, including inflation.
Discount Rate (effective July 1, 2019)	3.15% compounded annually, including inflation.
Healthcare Cost Trend Rate (effective July 1, 2019)	6.00% initial rate.

Discount Rate – The discount rate used to measure the total OPEB liability was 3.15% which reflects the index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the RP2014 Annuity Mortality Table. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB Liability Beginning of Year	\$2,357,067
Changes for the Year:	
Service Cost	82,138
Interest	52,051
Differences Between Expected and Actual Experiences	(765,675)
Changes in Assumptions	54,770
Benefit Payments	(149,682)
Net Changes	(726,398)
Total OPEB Liability End of Year	\$1,630,669

Changes of assumptions reflect a change in the discount rate from 3.72% in fiscal year 2019 to 3.15% in fiscal year 2020.

Sensitivity of the County's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.15%) or 1% higher (4.15%) than the current discount rate.

	1% Decrease (2.15%)	Discount Rate (3.15%)	1% Increase (4.15%)
Total OPEB Liability	\$1,769,289	\$1,630,669	\$1,505,710

Sensitivity of the County's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.00%) or 1% higher (7.00%) than the current healthcare cost trend rates.

	1% Decrease (5.00%)	Healthcare Cost Trend Rate (6.00%)	1% Increase (7.00%)
Total OPEB Liability	\$1,462,921	\$1,630,669	\$1,830,695

OPEB Expense and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2020, the County recognized OPEB income of \$57,802. At June 30, 2020, the County reported deferred inflows of resources related to OPEB from the following resources:

	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	(\$710,392)
Changes in Assumptions	50,815
Total	(\$659,577)

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

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

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

Year Ending June 30,	Amount
2021	(\$51,329)
2022	(51,329)
2023	(51,329)
2024	(51,329)
2025	(51,329)
Thereafter	(402,932)
Total	<u>(\$659,577)</u>

Note 16: Risk Management

Cerro Gordo 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 779 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 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 Pool are recorded as expenditures from its operating funds at the time of payment to the Pool. The County's annual contributions to the Pool for the year ended June 30, 2020 were \$270,358.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$500,000 per claim. Claims exceeding \$500,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location. Property risks exceeding \$250,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim, property loss or series of claims or losses exceeds the amount of risk-sharing protection provided by the County's risk-sharing certificate, or in the event a casualty claim, property loss or series of claims or losses exhausts the Pool's funds and any excess risk-sharing recoveries, then payment of such claims 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 that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2020, no liability has been recorded in the County's financial statements. As of June 30, 2020, 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.

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

Note 16: Risk Management (Continued)

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$5,000,000 and \$100,000, (except for the Treasurer which is \$500,000) respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 17: Employee Health Insurance Plan

The Internal Service, Health Insurance Fund was established to account for the self-funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Wellmark. The agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of \$75,000. Claims in excess of coverage are insured through purchase of stop loss insurance.

Monthly payments of service fees and plan contributions to the Cerro Gordo County Health Insurance Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to Wellmark from the Cerro Gordo County Health Insurance Fund. The County's contribution to the fund for the year ended June 30, 2020 was \$2,796,633.

Amounts payable from the Cerro Gordo County Health Insurance Fund at June 30, 2020 total \$358,701 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 \$2,093,399 at June 30, 2020 and is reported as a designation of the Cerro Gordo County Health Insurance Fund Net Position. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liabilities for claims for the current year is as follows:

	Balance as of July 1	Current Year Claims	Claims Payments	Balance as of June 30
2019-2020	\$641,041	\$1,757,650	\$2,039,990	\$358,701

Note 18: Tax Abatements

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

County Tax Abatements

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

For the year ended June 30, 2020, \$38,896 of property tax was diverted from the County under the County's urban renewal and economic development projects.

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

Note 18: Tax Abatements (Continued)

Tax Abatements of Other Entities

Other entities within the County also provided tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa. Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2020 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Mason City	Urban renewal and economic Development projects	\$305,618
City of Clear Lake	Urban renewal and economic Development projects	\$140,408
City of Rockwell	Urban renewal and economic Development projects	\$1,406

Note 19: Closure and Postclosure Care Costs

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

State and federal laws and regulations require the agency to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, state laws require the agency to submit a closure and postclosure plan detailing the schedule for and the methods by which the operator will meet the conditions for proper closure and postclosure. The agency is in compliance with this requirement. On June 30, 2020, the County did not anticipate any additional assessments for closure and postclosure care costs.

Note 20: Related Party Transactions

Business transactions between the County and County officials or employees were noted. The transactions appear to be authorized in accordance with Chapter 331.342 of the Code of Iowa because the transaction totals were less than \$6,000 for the fiscal year.

Note 21: Commitments and Contingencies

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

The County has entered into a contract with Iowa Bridges & Culverts for a bridge project. As of June 30, 2020, costs of \$139,836 have been incurred on the project. Through the Iowa Department of Transportation Farm to Market Account, the County has entered into two contracts with Heartland Asphalt for resurfacing projects totaling \$1,113,604 and \$630,695. As of June 30, 2020, costs of \$1,295 and \$1,308 have been incurred respectively. The County has also started construction of the Prairie Land Trail. As of June 30, 2020, costs of \$1,073,297 have been incurred on the project. The County has continued the parking lot project. As of June 30, 2020, costs of \$61,524 have been incurred on the project. The Secondary Roads department is in the process of constructing a new building. As of June 30, 2020, costs of \$980,999 have been incurred. The Public Health department is in the process of remodeling the office space. Costs of \$169,563 have been incurred as of June 30, 2020. The balances on the projects will be paid as work on the projects progresses.

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

Note 22: Early Childhood Iowa Area Board

Cerro Gordo County is the fiscal agent for the Cerro Gordo, Hancock, Worth Early Childhood Iowa Area, an organization formed pursuant to the provisions of Chapter 256I of the Code of Iowa. The Area Board receives state grants to administer early childhood and school ready programs. Financial transactions of the Area Board are included in the County's financial statements as part of the Other Custodial Funds because of the County's fiduciary relationship with the organization. The Area Board's financial data for the year ended June 30, 2020 is as follows:

	Early Childhood	School Ready	Total
Revenues:			
State Grants:			
Early Childhood	\$87,932	\$0	\$87,932
Quality Improvement	0	54,253	54,253
Allocation for Administration	4,628	12,934	17,562
School Ready General Use	0	364,198	364,198
Total State Grants	92,560	431,385	523,945
Interest on Investments	44	163	207
Total Revenues	92,604	431,548	524,152
Expenditures:			
Program Services:			
Early Childhood	92,818	0	92,818
Quality Improvement	0	47,946	47,946
School Ready General Use	0	371,917	371,917
Total Program Services	92,818	419,863	512,681
Administration	5,007	11,752	16,759
Total Expenditures	97,825	431,615	529,440
Change in Fund Balance	(5,221)	(67)	(5,288)
Fund Balance Beginning of Year, As Restated	18,186	70,662	88,848
Fund Balance End of Year	\$12,965	\$70,595	\$83,560

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

Note 23: Cerro Gordo County Financial Information Included in the County Social Services Mental Health Region

County Social Services, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa includes the following member counties: Allamakee County, Black Hawk County, Butler County, Cerro Gordo County, Chickasaw County, Clayton County, Emmet County, Fayette County, Floyd County, Grundy County, Hancock County, Howard County, Humboldt County, Kossuth County, Mitchell County, Pocahontas County, Tama County, Webster County, Winnebago County, Winneshiek County, Worth County, and Wright County. The financial activity of Cerro Gordo County's Special Revenue, Mental Health Fund is included in the County Social Services Mental Health region for the year ended June 30, 2020 as follows:

Revenues:		
Property and Other County Tax		\$1,437,487
Intergovernmental Revenues:		
State Tax Credits	\$112,482	
Payments from Regional Fiscal Agent	293,501	405,983
Miscellaneous		554
Total Revenues		<u>1,844,024</u>
Expenditures:		
Services to Persons With:		
Mental Illness		185,700
General Administration:		
Direct Administration	48,375	
Distribution to Regional Fiscal Agent	1,512,950	1,561,325
County Provided Case Management		43,598
Total Expenditures		<u>1,790,623</u>
Excess of Revenues Over Expenditures		53,401
Fund Balance – Beginning of Year		<u>307,698</u>
Fund Balance – End of Year		<u>\$361,099</u>

Note 24: Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, was implemented during fiscal year 2020. The new requirements change the definition of fiduciary activity and establish new financial reporting requirements for state and local governments which report fiduciary activity. Beginning net position for fiduciary funds was restated to retroactively report the change in net position, as follows:

	Fiduciary Activities
Net Position June 30, 2019, as Previously Reported	\$0
Change to Implement GASBS No. 84	<u>2,310,049</u>
Net Position July 1, 2019, as Restated	<u>\$2,310,049</u>

Note 25: COVID-19

In March 2020, the COVID-19 outbreak was declared a global pandemic. The disruption to businesses across a range of industries in the United States continues to evolve. The full impact to local, regional and national economies, including that of Cerro Gordo County remains uncertain. To date, the outbreak has not created a material disruption to the operations of Cerro Gordo County. However, the extent of the financial impact of COVID-19 will depend on future developments, including the spread of the virus, duration and timing of the economic recovery. Due to these uncertainties, management cannot reasonably estimate the potential impact to Cerro Gordo County's operations and finances.

Note 26: Subsequent Events

Management has evaluated subsequent events through December 17, 2020, the date which the financial statements were available to be issued.

Required Supplementary Information

CERRO GORDO COUNTY, IOWA

BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN BALANCE - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30, 2020

	Actual	Less Funds Not Required To Be Budgeted	Net
REVENUES:			
Property and Other County Tax	\$21,274,274	\$0	\$21,274,274
Interest and Penalty on Property Tax	78,950	0	78,950
Intergovernmental	11,063,532	0	11,063,532
Licenses and Permits	205,346	0	205,346
Charges For Service	1,518,801	125,128	1,393,673
Use of Money and Property	536,874	334	536,540
Miscellaneous	1,579,061	0	1,579,061
Total Revenues	36,256,838	125,462	36,131,376
EXPENDITURES			
Public Safety and Legal Services	9,355,355	0	9,355,355
Physical Health and Social Services	5,976,903	0	5,976,903
Mental Health	1,790,623	0	1,790,623
County Environment and Education	1,999,047	0	1,999,047
Roads and Transportation	6,951,846	0	6,951,846
Governmental Services to Residents	1,200,493	0	1,200,493
Administration	3,229,795	0	3,229,795
Non-Program	705,149	705,149	0
Debt Service	997,494	0	997,494
Capital Projects	2,045,065	0	2,045,065
Total Expenditures	34,251,770	705,149	33,546,621
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,005,068	(579,687)	2,584,755
Other Financing Sources, Net	988,921	482,450	506,471
Change in Balance	2,993,989	(97,237)	3,091,226
Balance Beginning of Year	20,334,906	123,160	20,211,746
Balance End of Year	\$23,328,895	\$25,923	\$23,302,972

See Accompanying Independent Auditor's Report.

Budgeted Amounts		Final to
Original	Final	Net Variance -
		Positive (Negative)
\$21,040,251	\$21,206,793	\$67,481
150,000	150,000	(71,050)
10,344,221	10,708,307	355,225
124,500	141,000	64,346
1,417,445	1,452,047	(58,374)
486,281	497,781	38,759
1,298,878	1,487,308	91,753
34,861,576	35,643,236	488,140
9,994,629	10,063,226	707,871
6,162,737	6,616,762	639,859
2,217,305	1,942,891	152,268
2,194,796	2,416,796	417,749
7,320,263	8,908,263	1,956,417
1,262,118	1,256,118	55,625
3,813,036	3,678,436	448,641
0	0	0
997,494	997,494	0
2,165,000	4,240,000	2,194,935
36,127,378	40,119,986	6,573,365
(1,265,802)	(4,476,750)	7,061,505
25,000	537,126	(30,655)
(1,240,802)	(3,939,624)	7,030,850
18,782,471	20,208,678	3,068
\$17,541,669	\$16,269,054	\$7,033,918

CERRO GORDO COUNTY, IOWA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING June 30, 2020

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

Formal and legal budgetary control is based upon ten major classes of expenditures known as functions, not by fund. These ten functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the general fund, special revenue funds, debt service fund and capital projects funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted revenues and expenditures by \$781,660 and \$3,992,608 respectively. The budget amendments are reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Assessor by the County Conference Board, for the 911 System by the Joint 911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2020, disbursements did not exceed the amounts budgeted.

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CERRO GORDO COUNTY, IOWA

SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM - LAST SIX YEARS* REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2020

	2015	2016
County's Proportion of the Net Pension Liability	0.126753%	0.133881%
County's Proportionate Share of the Net Pension Liability	\$ 5,026,904	\$ 6,614,382
County's Covered Payroll	\$ 11,356,394	\$ 11,763,018
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	44.26%	56.23%
IPERS' Net Position as a Percentage of the Total Pension Liability	87.61%	85.19%

*In accordance with GASB Statement No. 68, the amounts presented in each fiscal year were determined as of June 30 of the preceding fiscal year.

See Accompanying Independent Auditor's Report.

2017	2018	2019	2020
0.140754%	0.152230%	0.139453%	0.136776%
\$ 8,858,084	\$ 10,140,444	\$ 8,824,894	\$ 7,920,256
\$ 12,150,989	\$ 13,596,109	\$ 13,238,498	\$ 13,541,052
72.90%	74.58%	66.66%	58.49%
81.82%	82.21%	83.62%	85.45%

CERRO GORDO COUNTY, IOWA

SCHEDULE OF COUNTY CONTRIBUTIONS IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM REQUIRED SUPPLEMENTARY INFORMATION

Last Ten Fiscal Years

	Fiscal Year			
	2011	2012	2013	2014
Statutorily Required Contribution	\$ 869,139	\$ 1,056,889	\$ 1,065,375	\$ 1,105,050
Contributions in Relation to the Statutorily Required Contribution	(869,139)	(1,056,889)	(1,065,375)	(1,105,050)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
County's Covered Payroll	\$ 11,163,893	\$ 11,334,109	\$ 11,247,738	\$ 11,356,394
Contributions as a Percentage of Covered Payroll	7.79%	9.32%	9.47%	9.73%

See Accompanying Independent Auditor's Report.

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 1,139,628	\$ 1,110,617	\$ 1,237,678	\$ 1,201,858	\$ 1,291,251	\$ 1,282,216
(1,139,628)	(1,110,617)	(1,237,678)	(1,201,858)	(1,291,251)	(1,282,216)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 11,763,018	\$ 12,150,989	\$ 13,596,109	\$ 13,238,498	\$ 13,541,052	\$ 13,502,781
9.69%	9.14%	9.10%	9.08%	9.54%	9.50%

CERRO GORDO COUNTY, IOWA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY YEAR ENDED JUNE 30, 2020

Changes of Benefit Terms:

There are no significant changes in benefits terms.

Changes of Assumptions:

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

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

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

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

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

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

CERRO GORDO COUNTY, IOWA

SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY, RELATED RATIOS AND NOTES FOR THE LAST THREE YEARS REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2020

	2018	2019	2020
Service Cost	\$ 108,359	\$ 108,310	\$ 82,138
Interest Cost	82,403	86,265	52,051
Difference Between Expected and Actual Experiences	40,735	9,805	(765,675)
Changes in Assumptions	0	0	54,770
Benefit Payments	(147,238)	(110,885)	(149,682)
Net Change in Total OPEB Liability	84,259	93,495	(726,398)
Total OPEB Liability Beginning of Year	2,179,313	2,263,572	2,357,067
Total OPEB Liability End of Year	\$ 2,263,572	\$ 2,357,067	1,630,669
Covered-Employee Payroll	\$ 12,006,058	\$ 12,590,592	12,603,981
Total OPEB Liability as a Percentage of Covered-Employee Payroll	18.85%	18.72%	12.94%

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

Changes in Benefit Terms:

There were no significant changes in benefit terms.

Changes in Assumptions:

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

Year ended June 30, 2020	3.15%
Year ended June 30, 2019	3.72%
Year ended June 30, 2018	3.72%

See Accompanying Independent Auditor's Report.

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Supplementary Information

CERRO GORDO COUNTY, IOWA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND

Year Ended June 30, 2020

REVENUES:

Property and Other County Tax:		
Property Tax	\$13,255,637	
Local Option Sales Tax	188,269	
Utility Tax Replacement Excise Tax	729,471	
Other County Tax	20,148	\$14,193,525
Interest and Penalty on Property Tax		78,950
Intergovernmental:		
State Shared Revenues		18,093
State Tax Credits		1,092,987
State and Federal Pass-Thru Revenues:		
Child Support Recovery Incentives	520,762	
Human Services Administration Reimbursement	132,103	
Other	63,471	716,336
Contributions From Other Intergovernmental Units		841,161
State Grants and Entitlements		357,669
Federal Grants and Entitlements		1,851
Licenses and Permits		38,227
Charges for Services:		
Office Fees and Collections:		
County Auditor	878	
County Recorder	328,554	
County Sheriff	112,921	
Auto License, Use Tax and Postage	457,004	
Miscellaneous	248,220	1,147,577
Use of Money and Property:		
Interest on Investments	421,463	
Miscellaneous	102,284	523,747
Miscellaneous:		
Reimbursements	113,047	
Miscellaneous	383,115	496,162
Total Revenues		19,506,285

(Continued)

CERRO GORDO COUNTY, IOWA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND

Year Ended June 30, 2020

EXPENDITURES:

Operating:		
Public Safety and Legal Services		\$9,076,467
Physical Health and Social Services		638,803
County Environment and Education		1,122,793
Governmental Services to Residents		1,197,860
Administration		3,158,712
Capital Projects		423,307
Total Expenditures		15,617,942
Excess of Revenues Over Expenditures		3,888,343
Other Financing Sources (Uses):		
Sale of Capital Assets	\$56,853	
Transfers Out:		
Public Health	(1,899,470)	
Capital Projects	<u>(1,239,707)</u>	(3,082,324)
Change in Fund Balance		806,019
Fund Balance Beginning of Year		<u>11,345,341</u>
Fund Balance End of Year		<u><u>\$12,151,360</u></u>

(Concluded)

See Accompanying Independent Auditor's Report.

CERRO GORDO COUNTY, IOWA

SCHEDULE OF EXPENDITURES - GENERAL FUND

Year Ended June 30, 2020

Public Safety and Legal Services:

Law Enforcement:

Uniformed Patrol Services	\$1,788,303
Law Enforcement Communications	1,073,304
Adult Correctional Services	3,052,026
Administration	607,345
	<u>6,520,978</u>

Legal Services:

Criminal Prosecution	1,495,097
Medical Examinations	157,758
Child Support Recovery	511,167
	<u>2,164,022</u>

Emergency Services:

Emergency Management	63,399
Fire Protection and Rescue Services	21,000
	<u>84,399</u>

Assistance to District Court System:

Physical Operations	1,872
Research and Other Assistance	250
	<u>2,122</u>

Court Proceeding Program:

Juries and Witnesses	9,579
Detention Services	26,264
Court Costs	1,822
Service of Civil Papers	227,050
	<u>264,715</u>

Juvenile Justice Administration:

Juvenile Victim Restitution	30,790
Juvenile Representations Services	1,952
Court-Appointed Attorneys and Court Costs for Juveniles	7,489
	<u>40,231</u>

Total Public Safety and Legal Services

\$9,076,467

(Continued)

CERRO GORDO COUNTY, IOWA

SCHEDULE OF EXPENDITURES - GENERAL FUND

Year Ended June 30, 2020

Physical Health and Social Services:

Services to the Poor:

Administration	\$356,427
General Welfare Services	27,534
	<u>383,961</u>

Services to Military Veterans:

Administration	148,507
General Services to Veterans	14,288
	<u>162,795</u>

Children's and Family Services:

Youth Guidance	<u>84,473</u>
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Chemical Dependency:

Treatment Services	120
Prevention Services	7,454
	<u>7,574</u>

Total Physical Health and Social Services

\$638,803

County Environment and Education:

Conservation and Recreation Services Program:

Administration	\$526,119
Maintenance and Operations	445,640
	<u>971,759</u>

Animal Control Program:

Animal Shelter	4,036
Animal Bounties and State Apiarist Expense	138
	<u>4,174</u>

County Development:

Land Use and Building Controls	<u>99,789</u>
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President or Governor Declared Disasters:

Equipment	33,750
Public Facilities	13,321
	<u>47,071</u>

Total County Environment and Education

\$1,122,793

(Continued)

CERRO GORDO COUNTY, IOWA

SCHEDULE OF EXPENDITURES - GENERAL FUND

Year Ended June 30, 2020

Governmental Services to Residents:

Representation Services:

Elections Administration	\$333,150
Local Elections	61,874
	<u>395,024</u>

State Administrative Services:

Motor Vehicle Registration and Licensing	403,657
Recording of Public Documents	399,179
	<u>802,836</u>

Total Governmental Services to Residents

\$1,197,860

Administration:

Policy and Administration:

General County Management	\$427,232
Administrative Management Services	546,757
Treasury Management Services	234,448
Other Policy and Administration	67,839
	<u>1,276,276</u>

Central Services:

General Services	506,322
Information Technology Services	1,043,375
GIS Systems	134,203
	<u>1,683,900</u>

Risk Management Services:

Safety of Workplace	170,840
Fidelity of Public Officers	4,768
Unemployment Compensation	22,928
	<u>198,536</u>

Total Administration

\$3,158,712

Capital Projects:

Conservation Land Acquisition and Development	\$411,353
Other Capital Projects	11,954
	<u>423,307</u>

\$423,307

Total Expenditures

\$15,617,942

(Concluded)

See Accompanying Independent Auditor's Report.

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CERRO GORDO COUNTY, IOWA

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

June 30, 2020

	Resource Enhancement and Protection	Recorder's Records Management	General County Betterment
ASSETS			
Cash, Cash Equivalents and Pooled Investments	\$167,136	\$44,859	\$14,573
Receivables:			
Accounts	0	2,377	0
Accrued Interest	0	10	0
Special Assessments	0	0	0
Drainage Assessments	0	0	0
Due From Other Governments	0	0	7,274
Total Assets	\$167,136	\$47,246	\$21,847
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$0	\$0	\$0
Salaries and Benefits Payable	0	0	0
Total Liabilities	0	0	0
Deferred Inflows of Resources:			
Unavailable Revenues:			
Other	0	0	0
Fund Balances:			
Nonspendable	0	0	0
Restricted for:			
Drainage Warrants	0	0	0
Nature Center Endowment	0	0	0
Other Purposes	167,136	47,246	21,847
Total Fund Balances	167,136	47,246	21,847
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$167,136	\$47,246	\$21,847

Nature Center	Supplemental Environmental Project	Rural County Betterment	Economic Development	On Site Sewage Program	Sanberg Estate
\$468,036	\$226	\$124,722	\$385,145	\$29,257	\$377,468
13,025	0	0	0	0	10
69	0	0	0	0	5,281
0	0	0	0	13,523	0
0	0	0	0	0	0
0	0	29,096	17,855	0	0
\$481,130	\$226	\$153,818	\$403,000	\$42,780	\$382,759
\$30	\$0	\$7,790	\$0	\$0	\$0
663	0	0	0	0	0
693	0	7,790	0	0	0
0	0	0	0	13,523	0
0	0	0	0	0	0
0	0	0	0	0	0
130,550	0	0	0	0	0
349,887	226	146,028	403,000	29,257	382,759
480,437	226	146,028	403,000	29,257	382,759
\$481,130	\$226	\$153,818	\$403,000	\$42,780	\$382,759

(Continued)

CERRO GORDO COUNTY, IOWA

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

June 30, 2020

	Tax Increment Financing	Drainage	Strand Estate Grant
ASSETS			
Cash, Cash Equivalents and Pooled Investments	\$39	\$156,756	\$68,058
Receivables:			
Accounts	0	65,500	0
Accrued Interest	0	0	0
Special Assessments	0	0	0
Drainage Assessments	0	65,041	0
Due From Other Governments	0	0	0
Total Assets	\$39	\$287,297	\$68,058
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$0	\$130,833	\$0
Salaries and Benefits Payable	0	0	0
Total Liabilities	0	130,833	0
Deferred Inflows of Resources:			
Unavailable Revenues:			
Other	0	130,541	0
Fund Balances:			
Nonspendable	0	0	60,000
Restricted for:			
Drainage Warrants	0	25,923	0
Nature Center Endowment	0	0	0
Other Purposes	39	0	8,058
Total Fund Balances	39	25,923	68,058
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$39	\$287,297	\$68,058

See Accompanying Independent Auditor's Report.

Sheriff Forfeiture	Attorney Forfeiture	Attorney Collection	Total
\$94,073	\$60,241	\$77,558	\$2,068,147
7,000	304	3,003	91,219
0	0	0	5,360
0	0	0	13,523
0	0	0	65,041
0	0	9	54,234
\$101,073	\$60,545	\$80,570	\$2,297,524

\$348	\$0	\$171	\$139,172
0	0	0	663
348	0	171	139,835

0	0	0	144,064
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0	0	0	60,000
0	0	0	25,923
0	0	0	130,550
100,725	60,545	80,399	1,797,152
100,725	60,545	80,399	2,013,625

\$101,073	\$60,545	\$80,570	\$2,297,524
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(Concluded)

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2020

	Resource Enhancement and Protection	Recorder's Records Management	General County Betterment
REVENUES:			
Property and Other County Tax	\$0	\$0	\$0
Local Option Sales Tax	0	0	94,134
Intergovernmental	17,864	0	0
Charges for Service	0	8,271	0
Use of Money and Property	168	452	0
Fines, Forfeitures and Defaults	0	0	0
Miscellaneous	0	0	500
Total Revenues	18,032	8,723	94,634
EXPENDITURES:			
Operating:			
Public Safety and Legal Services	0	0	0
Physical Health and Social Services	0	0	63,760
County Environment and Education	12,722	0	4,500
Government Services to Residents	0	133	0
Administration	0	0	15,000
Non-Program	0	0	0
Debt Service	0	0	0
Total Expenditures	12,722	133	83,260
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,310	8,590	11,374
Other Financing Sources (Uses)			
Drainage Warrants Issued	0	0	0
Change in Fund Balances	5,310	8,590	11,374
Fund Balances Beginning of Year	161,826	38,656	10,473
Fund Balances End of Year	\$167,136	\$47,246	\$21,847

Nature Center	Supplemental Environmental Project	Rural County Betterment	Economic Development	On Site Sewage Program	Sanberg Estate	Tax Increment Financing
\$0	\$0	\$0	\$12,622	\$0	\$0	\$0
0	0	376,537	188,269	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
4,125	0	0	0	0	6,604	0
0	0	0	0	0	0	0
93,312	0	0	0	2,184	10	0
97,437	0	376,537	200,891	2,184	6,614	0
0	0	92,500	0	0	0	0
0	0	12,500	0	0	0	0
107,464	0	163,725	291,800	0	138,407	0
0	0	0	0	0	0	0
0	0	56,083	0	0	0	0
0	0	0	0	0	0	0
0	0	25,166	0	0	0	0
107,464	0	349,974	291,800	0	138,407	0
(10,027)	0	26,563	(90,909)	2,184	(131,793)	0
0	0	0	0	0	0	0
(10,027)	0	26,563	(90,909)	2,184	(131,793)	0
490,464	226	119,465	493,909	27,073	514,552	39
\$480,437	\$226	\$146,028	\$403,000	\$29,257	\$382,759	\$39

(Continued)

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2020

	Drainage	Strand Estate Grant	Sheriff Forfeiture
REVENUES:			
Property and Other County Tax	\$0	\$0	\$0
Local Option Sales Tax	0	0	0
Intergovernmental	0	0	0
Charges for Service	125,128	520	0
Use of Money and Property	334	1,125	0
Fines, Forfeitures and Defaults	0	0	7,760
Miscellaneous	0	0	0
Total Revenues	<u>125,462</u>	<u>1,645</u>	<u>7,760</u>
EXPENDITURES:			
Operating:			
Public Safety and Legal Services	0	0	76,042
Physical Health and Social Services	0	0	0
County Environment and Education	0	750	0
Government Services to Residents	0	0	0
Administration	0	0	0
Non-Program	705,149	0	0
Debt Service	0	0	0
Total Expenditures	<u>705,149</u>	<u>750</u>	<u>76,042</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(579,687)	895	(68,282)
Other Financing Sources (Uses)			
Drainage Warrants Issued	<u>482,450</u>	<u>0</u>	<u>0</u>
Change in Fund Balances	(97,237)	895	(68,282)
Fund Balances Beginning of Year	<u>123,160</u>	<u>67,163</u>	<u>169,007</u>
Fund Balances End of Year	<u>\$25,923</u>	<u>\$68,058</u>	<u>\$100,725</u>

See Accompanying Independent Auditor's Report.

Attorney Forfeiture	Attorney Collection	Total
\$0	\$0	\$12,622
0	0	658,940
0	0	17,864
0	0	133,919
0	0	12,808
5,807	0	13,567
0	34,836	130,842
5,807	34,836	980,562

500	21,171	190,213
0	0	76,260
0	0	719,368
0	0	133
0	0	71,083
0	0	705,149
0	0	25,166
500	21,171	1,787,372

5,307	13,665	(806,810)
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0	0	482,450
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5,307	13,665	(324,360)
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55,238	66,734	2,337,985
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\$60,545	\$80,399	\$2,013,625
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(Concluded)

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF NET POSITION - INTERNAL SERVICE FUNDS

June 30, 2020

	Central Services	Health Insurance	Total
ASSETS			
Cash, Cash Equivalents and Pooled Investments	\$1,869	\$2,383,473	\$2,385,342
Receivables:			
Accounts	0	68,567	68,567
Total Assets	\$1,869	\$2,452,040	\$2,453,909
LIABILITIES			
Accounts Payable	\$0	\$358,701	\$358,701
NET POSITION			
Unrestricted	\$1,869	\$2,093,339	\$2,095,208

See Accompanying Independent Auditor's Report.

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - INTERNAL SERVICE FUNDS Year Ended June 30, 2020

	Central Services	Health Insurance	Total
OPERATING REVENUES:			
Interfund Services Provided	\$186,428	\$2,796,633	\$2,983,061
Employee Payments	0	217,641	217,641
Miscellaneous	0	267,284	267,284
Total Operating Revenues	186,428	3,281,558	3,467,986
OPERATING EXPENSES:			
Health Insurance:			
Medical Claims	0	2,039,990	2,039,990
Insurance Premiums	0	501,178	501,178
Administrative Fees	0	218,895	218,895
Miscellaneous	0	1,442	1,442
Central Services:			
Insurance	186,428	0	186,428
Total Operating Expenses	186,428	2,761,505	2,947,933
Operating Income	0	520,053	520,053
NON-OPERATING REVENUES:			
Interest Income	0	2,163	2,163
Net Income	0	522,216	522,216
Net Position Beginning of Year	1,869	1,571,123	1,572,992
Net Position End of Year	\$1,869	\$2,093,339	\$2,095,208

See Accompanying Independent Auditor's Report.

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF CASH FLOWS - INTERNAL SERVICE FUNDS

Year Ended June 30, 2020

	Central Services	Health Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received From Operating Funds	\$186,428	\$2,796,632	\$2,983,060
Cash Received From Employees and Others	0	803,958	803,958
Cash Payments to Suppliers For Services	(186,428)	(3,350,310)	(3,536,738)
Net Cash Provided By Operating Activities	0	250,280	250,280
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Income	0	2,163	2,163
Net Increase in Cash	0	252,443	252,443
Cash, Cash Equivalents and Pooled Investments - Beginning of Year	1,869	2,131,030	2,132,899
Cash, Cash Equivalents and Pooled Investments - End of Year	\$1,869	\$2,383,473	\$2,385,342

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

Operating Income	\$0	\$520,053	\$520,053
Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities:			
Decrease in Accounts Receivable	0	12,567	12,567
Decrease in Accounts Payable	0	(282,340)	(282,340)
Net Cash Provided By Operating Activities	\$0	\$250,280	\$250,280

See Accompanying Independent Auditor's Report.

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CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF FIDUCIARY NET POSITION

ALL CUSTODIAL FUNDS

June 30, 2020

	Elected Officials	Other Custodial Funds	Total
ASSETS			
Cash, Cash Equivalents and Pooled Investments:			
County Treasurer	\$0	\$5,054,980	\$5,054,980
Other County Officials	605,519	0	605,519
Receivables:			
Property Tax:			
Delinquent	0	714,907	714,907
Succeeding Year	0	65,783,918	65,783,918
Accounts	0	38,688	38,688
Assessments	0	887,519	887,519
Due From Other Governments	0	126,513	126,513
Total Assets	\$605,519	\$72,606,525	\$73,212,044
LIABILITIES			
Accounts Payable	\$0	\$166,419	\$166,419
Salaries and Benefits Payable	0	18,410	18,410
Due to Other Governments	(5,856)	2,973,162	2,967,306
Trusts Payable	611,375	153,234	764,609
Compensated Absences	0	25,504	25,504
Total Liabilities	605,519	3,336,729	3,942,248
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues	0	67,031,036	67,031,036
NET POSITION			
Restricted for Individuals, Organizations and Other Governments	\$0	\$2,238,760	\$2,238,760

See Accompanying Independent Auditor's Report.

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF FIDUCIARY NET POSITION

ELECTED OFFICIALS

June 30, 2020

	Relief Representative Payee	Veterans Affairs	Recorder	Sheriff	Total
ASSETS					
Cash, Cash Equivalents and Pooled Investments:					
Other County Officials	\$567,909	\$1,006	(\$5,856)	\$42,460	\$605,519
LIABILITIES					
Due to Other Governments	\$0	\$0	(\$5,856)	\$0	(\$5,856)
Trusts Payable	567,909	1,006	0	42,460	611,375
Total Liabilities	\$567,909	\$1,006	(\$5,856)	\$42,460	\$605,519
NET POSITION					
Restricted for Individuals, Organizations and Other Governments	\$0	\$0	\$0	\$0	\$0

See Accompanying Independent Auditor's Report.

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF FIDUCIARY NET POSITION OTHER CUSTODIAL FUNDS

June 30, 2020

	Agricultural Extension Education	County Assessor	City Assessor	Schools
ASSETS				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$4,550	\$700,322	\$462,991	\$535,835
Receivables:				
Property Tax:				
Delinquent	2,986	4,332	6,360	360,268
Succeeding Year	297,014	535,659	518,310	33,159,950
Accounts	0	0	0	0
Assessments	0	0	0	0
Due From Other Governments	0	0	0	0
Total Assets	\$304,550	\$1,240,313	\$987,661	\$34,056,053
LIABILITIES				
Accounts Payable	\$0	\$3,407	\$7,977	\$0
Salaries and Benefits Payable	0	8,658	7,693	0
Due to Other Governments	5,855	0	0	687,021
Trusts Payable	0	0	0	0
Compensated Absences	0	13,250	12,254	0
Total Liabilities	5,855	25,315	27,924	687,021
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	298,695	538,476	521,313	33,369,032
NET POSITION				
Restricted for Individuals, Organizations and Other Governments	\$0	\$676,522	\$438,424	\$0

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	Brucellosis and Tuberculosis Eradication	Joint Disaster Services
\$32,542	\$534,134	\$3,525	\$13,818	\$1,487,492	\$117	\$53,449
21,357	314,876	1,599	0	0	77	0
2,656,761	27,849,362	334,866	0	0	7,113	0
0	0	0	0	0	0	7,351
0	0	0	839,874	0	0	0
0	0	0	0	0	0	38,810
\$2,710,660	\$28,698,372	\$339,990	\$853,692	\$1,487,492	\$7,307	\$99,610
\$0	\$0	\$0	\$0	\$0	\$0	\$8,450
0	0	0	0	0	0	2,059
44,106	670,653	4,190	13,818	1,487,492	148	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
44,106	670,653	4,190	13,818	1,487,492	148	10,509
2,666,554	28,027,719	335,800	839,874	0	7,159	0
\$0	\$0	\$0	\$0	\$0	\$0	\$89,101

(Continued)

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF FIDUCIARY NET POSITION

OTHER CUSTODIAL FUNDS

June 30, 2020

	Clear Lake Sanitary District	County EMS Association	Advance Tax	Cash Long/Short
ASSETS				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$8,339	\$3,311	\$121,275	\$536
Receivables:				
Property Tax:				
Delinquent	3,052	0	0	0
Succeeding Year	424,883	0	0	0
Accounts	0	0	0	0
Assessments	47,645	0	0	0
Due From Other Governments	0	0	0	0
Total Assets	\$483,919	\$3,311	\$121,275	\$536
LIABILITIES				
Accounts Payable	\$0	\$0	\$0	\$0
Salaries and Benefits Payable	0	0	0	0
Due to Other Governments	57,505	0	0	536
Trusts Payable	0	0	121,275	0
Compensated Absences	0	0	0	0
Total Liabilities	57,505	0	121,275	536
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	426,414	0	0	0
NET POSITION				
Restricted for Individuals, Organizations and Other Governments	\$0	\$3,311	\$0	\$0

See Accompanying Independent Auditor's Report.

E911 Operations	Recorder's Transfer Fee	Pass Through Projects	Empowerment	Employee Benefits	Total
\$892,321	\$797	\$0	\$167,710	\$31,916	\$5,054,980
0	0	0	0	0	714,907
0	0	0	0	0	65,783,918
29,805	1,041	448	0	43	38,688
0	0	0	0	0	887,519
87,703	0	0	0	0	126,513
\$1,009,829	\$1,838	\$448	\$167,710	\$31,959	\$72,606,525
\$61,987	\$0	\$448	\$84,150	\$0	\$166,419
0	0	0	0	0	18,410
0	1,838	0	0	0	2,973,162
0	0	0	0	31,959	153,234
0	0	0	0	0	25,504
61,987	1,838	448	84,150	31,959	3,336,729
0	0	0	0	0	67,031,036
\$947,842	\$0	\$0	\$83,560	\$0	\$2,238,760

(Concluded)

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION

ALL CUSTODIAL FUNDS

Year Ended June 30, 2020

	Elected Officials	Other Custodial Funds	Total
Additions:			
Property and Other County Tax	\$0	\$63,135,597	\$63,135,597
911 Surcharge	0	380,022	380,022
State Tax Credits	0	5,481,153	5,481,153
Office Fees and Collections	1,531,204	0	1,531,204
Auto Licenses, Use Tax and Postage	0	13,997,472	13,997,472
Assessments	0	392,740	392,740
Trusts	2,525,012	1,358,722	3,883,734
Miscellaneous	0	216,038	216,038
Total Additions	4,056,216	84,961,744	89,017,960
Deductions:			
Agency Remittances:			
To County Funds	442,353	0	442,353
To Other Governments	587,007	83,669,023	84,256,030
Trusts Paid Out	3,026,856	1,364,010	4,390,866
Total Deductions	4,056,216	85,033,033	89,089,249
Changes in Net Position	0	(71,289)	(71,289)
Net Position Beginning of Year, As Restated	0	2,310,049	2,310,049
Net Position End of Year	\$0	\$2,238,760	\$2,238,760

See Accompanying Independent Auditor's Report.

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION ELECTED OFFICIALS Year Ended June 30, 2020

	Relief Representative Payee	Veterans Affairs	Auditor	Recorder	Sheriff	Total
Additions:						
Office Fees and Collections	\$0	\$0	\$878	\$908,248	\$622,078	\$1,531,204
Trusts	2,249,372	0	0	0	275,640	2,525,012
Total Additions	2,249,372	0	878	908,248	897,718	4,056,216
Deductions:						
Agency Remittances:						
To County Funds	0	0	878	328,554	112,921	442,353
To Other Governments	0	0	0	579,679	7,328	587,007
Trusts Paid Out	2,249,372	0	0	15	777,469	3,026,856
Total Deductions	2,249,372	0	878	908,248	897,718	4,056,216
Changes in Net Position	0	0	0	0	0	0
Net Position Beginning of Year, As Restated	0	0	0	0	0	0
Net Position End of Year	\$0	\$0	\$0	\$0	\$0	\$0

See Accompanying Independent Auditor's Report.

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION

OTHER CUSTODIAL FUNDS

Year Ended June 30, 2020

	Agricultural Extension Education	County Assessor	City Assessor	Schools
Additions:				
Property and Other County Tax	\$288,154	\$607,120	\$429,404	\$33,353,871
911 Surcharge	0	0	0	0
State Tax Credits	22,528	33,111	47,559	2,728,008
Auto Licenses, Use Tax and Postage	0	0	0	0
Assessments	0	0	0	0
Trusts	0	0	0	0
Miscellaneous	0	220	0	0
Total Additions	310,682	640,451	476,963	36,081,879
Deductions:				
Agency Remittances:				
To Other Governments	310,682	564,329	469,121	36,081,879
Trusts Paid Out	0	0	0	0
Total Deductions	310,682	564,329	469,121	36,081,879
Changes in Net Position	0	76,122	7,842	0
Net Position Beginning of Year, As Restated	0	600,400	430,582	0
Net Position End of Year	\$0	\$676,522	\$438,424	\$0

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	Brucellosis and Tuberculosis Eradication	Joint Disaster Services
\$2,062,928	\$25,615,865	\$347,696	\$0	\$0	\$24,436	\$0
0	0	0	0	0	0	0
161,103	2,452,203	15,715	0	0	580	0
0	0	0	0	13,997,472	0	0
0	20,870	0	329,235	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	147,096
2,224,031	28,088,938	363,411	329,235	13,997,472	25,016	147,096
2,224,031	28,088,938	363,411	329,235	13,997,472	25,016	141,539
0	0	0	0	0	0	0
2,224,031	28,088,938	363,411	329,235	13,997,472	25,016	141,539
0	0	0	0	0	0	5,557
0	0	0	0	0	0	83,544
\$0	\$0	\$0	\$0	\$0	\$0	\$89,101

(Continued)

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION

OTHER CUSTODIAL FUNDS

Year Ended June 30, 2020

	Clear Lake Sanitary District	County EMS Association	Advance Tax	Cash Long/Short
Additions:				
Property and Other County Tax	\$406,123	\$0	\$0	\$0
911 Surcharge	0	0	0	0
State Tax Credits	20,346	0	0	0
Auto Licenses, Use Tax and Postage	0	0	0	0
Assessments	42,635	0	0	0
Trusts	0	0	6,260	0
Miscellaneous	0	0	0	0
Total Additions	469,104	0	6,260	0
Deductions:				
Agency Remittances:				
To Other Governments	469,104	0	0	0
Trusts Paid Out	0	0	6,260	0
Total Deductions	469,104	0	6,260	0
Changes in Net Position	0	0	0	0
Net Position Beginning of Year, As Restated	0	3,311	0	0
Net Position End of Year	\$0	\$3,311	\$0	\$0

See Accompanying Independent Auditor's Report.

Tax Sale Redemption	E911 Operations	Recorder's Transfer Fee	Pass Through Projects	Empowerment	Employee Benefits	Total
\$0	\$0	\$0	\$0	\$0	\$0	\$63,135,597
0	380,022	0	0	0	0	380,022
0	0	0	0	0	0	5,481,153
0	0	0	0	0	0	13,997,472
0	0	0	0	0	0	392,740
512,156	0	0	1,350	524,152	314,804	1,358,722
0	60,451	8,271	0	0	0	216,038
512,156	440,473	8,271	1,350	524,152	314,804	84,961,744
0	595,995	8,271	0	0	0	83,669,023
512,156	0	0	1,350	529,440	314,804	1,364,010
512,156	595,995	8,271	1,350	529,440	314,804	85,033,033
0	(155,522)	0	0	(5,288)	0	(71,289)
0	1,103,364	0	0	88,848	0	2,310,049
\$0	\$947,842	\$0	\$0	\$83,560	\$0	\$2,238,760

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CERRO GORDO COUNTY, IOWA

SCHEDULE OF CAPITAL ASSETS BY FUNDING SOURCE Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Disposals	Balance June 30, 2020
ASSETS				
Land	\$1,788,492	\$0	\$0	\$1,788,492
Construction in Progress	1,028,090	4,590,611	3,190,879	2,427,822
Buildings	17,506,698	390,663	195,000	17,702,361
Improvements other than Buildings	595,424	53,893	0	649,317
Machinery and Equipment	7,655,568	491,447	162,131	7,984,884
Vehicles	5,016,626	465,176	149,193	5,332,609
Infrastructure, road network	62,225,942	3,190,879	0	65,416,821
	\$95,816,840	\$9,182,669	\$3,697,203	\$101,302,306
FUNDING SOURCE				
General Fund	\$6,905,676	\$959,537	\$238,843	\$7,626,370
Special Revenue Funds	74,727,887	7,462,181	3,458,360	78,731,708
Capital Project Fund	14,183,277	760,951	0	14,944,228
	\$95,816,840	\$9,182,669	\$3,697,203	\$101,302,306

CERRO GORDO COUNTY, IOWA

SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY AS OF JUNE 30, 2020

	Land	Construction in Progress	Buildings
Public Safety and Legal Services			
Law Enforcement	\$0	\$0	\$13,273,609
Legal Services	0	0	90,020
Total Public Safety and Legal Services	0	0	13,363,629
Physical Health and Social Services:			
Physical Health Services	0	169,563	0
Services to Poor	0	0	0
Total Physical Health and Social Services	0	169,563	0
Mental Health, MR & DD:			
Chronic Mental Illness	0	0	0
Total Mental Health, MR & DD	0	0	0
County Environment and Education:			
Conservation and Recreation Services	292,898	1,073,298	880,955
County Development	0	0	0
Total County Environment and Education	292,898	1,073,298	880,955
Roads & Transportation:			
Secondary Roads Administration and Engineering	0	980,999	325,259
Roadway Maintenance	0	142,438	0
General Roadway Expenditures	0	0	266,661
Total Roads & Transportation	0	1,123,437	591,920
Government Services to Residents:			
Representation Services	0	0	0
State Administration Services	0	0	0
Total Government Services to Residents	0	0	0
Administration:			
Policy and Administration		11,954	417,192
Central Services	1,495,594	49,570	2,448,665
Total Administration	1,495,594	61,524	2,865,857
Total Capital Assets	\$1,788,492	\$2,427,822	\$17,702,361

Improvements other than Buildings	Machinery and Equipment	Vehicles	Infrastructure, road network	Total
\$35,379	\$501,530	\$1,069,690	\$0	\$14,880,208
0	10,925	0	0	100,945
35,379	512,455	1,069,690	0	14,981,153
10,176	134,405	0	0	314,144
0	7,996	0	0	7,996
10,176	142,401	0	0	322,140
0	0	13,037	0	13,037
0	0	13,037	0	13,037
176,656	417,308	272,460	0	3,113,575
0	0	10,641	0	10,641
176,656	417,308	283,101	0	3,124,216
31,151	68,089	0	0	1,405,498
0	124,573	178,236	65,416,821	65,862,068
0	5,647,485	3,783,545	0	9,697,691
31,151	5,840,147	3,961,781	65,416,821	76,965,257
0	255,013	0	0	255,013
0	31,009	0	0	31,009
0	286,022	0	0	286,022
	41,653	0	0	470,799
395,955	744,898	5,000	0	5,139,682
395,955	786,551	5,000	0	5,610,481
\$649,317	\$7,984,884	\$5,332,609	\$65,416,821	\$101,302,306

CERRO GORDO COUNTY, IOWA

SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY

Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Public Safety and Legal Services				
Law Enforcement	\$14,646,246	\$307,794	\$73,832	\$14,880,208
Legal Services	100,945	0	0	100,945
Total Public Safety and Legal Services	14,747,191	307,794	73,832	14,981,153
Physical Health and Social Services:				
Physical Health Services	119,743	239,560	45,159	314,144
Services to Poor	7,996	0	0	7,996
Total Physical Health and Social Services	127,739	239,560	45,159	322,140
Mental Health, MR & DD:				
Persons with Chronic Mental Illness	13,037	0	0	13,037
Total Mental Health, MR & DD	13,037	0	0	13,037
County Environment and Education:				
Conservation and Recreation Services	2,039,285	1,175,214	100,924	3,113,575
County Development	10,641	0	0	10,641
Total County Environment and Education	2,049,926	1,175,214	100,924	3,124,216
Roads & Transportation:				
Secondary Roads Administration & Engineering	447,353	980,999	22,854	1,405,498
Roadway Maintenance	62,919,168	6,133,778	3,190,878	65,862,068
General Roadway Expenditures	9,555,621	210,626	68,556	9,697,691
Total Roads & Transportation	72,922,142	7,325,403	3,282,288	76,965,257
Government Services to Residents:				
Representation Services	255,013	0	0	255,013
State Administration Services	31,009	0	0	31,009
Total Government Services to Residents	286,022	0	0	286,022
Administration:				
Policy and Administration	458,845	11,954	0	470,799
Central Services	5,211,938	122,744	195,000	5,139,682
Total Administration	5,670,783	134,698	195,000	5,610,481
Total Capital Assets	\$95,816,840	\$9,182,669	\$3,697,203	\$101,302,306

STATISTICAL SECTION

CERRO GORDO COUNTY, IOWA

STATISTICAL SECTION

June 30, 2020

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

<u>Contents</u>	<u>Pages</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	104-113
Revenue Capacity	
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	114-123
Debt Capacity	
These schedules present information to help the readers assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	124-128
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	129-130
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	131-136

CERRO GORDO COUNTY, IOWA

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(Accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2011	2012	2013	2014
Government activities:				
Net investment in capital assets	\$30,961,033	\$31,446,880	\$33,106,986	\$34,748,299
Restricted	7,714,036	5,912,520	5,221,592	6,340,085
Unrestricted	4,918,867	4,179,261	4,531,042	3,918,057
Total government activities net position	<u>\$43,593,936</u>	<u>\$41,538,661</u>	<u>\$42,859,620</u>	<u>\$45,006,441</u>
Business-type activities:				
Net investment in capital assets	\$1,339,288	\$1,264,433	\$1,189,440	\$1,116,146
Restricted	0	0	0	0
Unrestricted	95,914	100,842	113,468	116,805
Total business-type activities net position	<u>\$1,435,202</u>	<u>\$1,365,275</u>	<u>\$1,302,908</u>	<u>\$1,232,951</u>
Primary Government:				
Net investment in capital assets	\$32,300,321	\$32,711,313	\$34,296,426	\$35,864,445
Restricted	7,714,036	5,912,520	5,221,592	6,340,085
Unrestricted	5,014,781	4,280,103	4,644,510	4,034,862
Total primary government net position	<u>\$45,029,138</u>	<u>\$42,903,936</u>	<u>\$44,162,528</u>	<u>\$46,239,392</u>

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$34,084,193	\$33,383,175	\$39,672,513	\$38,584,802	\$39,970,386	\$43,421,461
6,172,763	8,472,965	6,883,575	9,028,748	8,770,585	11,347,948
(1,915,362)	(680,073)	(377,892)	1,044,606	2,620,241	2,637,561
\$38,341,594	\$41,176,067	\$46,178,196	\$48,658,156	\$51,361,212	\$57,406,970
\$1,042,761	\$969,910	\$897,621	\$825,916	\$754,823	\$684,368
0	0	0	0	0	0
122,953	116,749	118,128	123,765	140,814	97,873
\$1,165,714	\$1,086,659	\$1,015,749	\$949,681	\$895,637	\$782,241
\$35,126,954	\$34,353,085	\$40,570,134	\$39,410,718	\$40,725,209	\$44,105,829
6,172,763	8,472,965	6,883,575	9,028,748	8,770,585	11,347,948
(1,792,409)	(563,324)	(259,764)	1,168,371	2,761,055	2,735,434
\$39,507,308	\$42,262,726	\$47,193,945	\$49,607,837	\$52,256,849	\$58,189,211

CERRO GORDO COUNTY, IOWA

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2011	2012	2013	2014
Expenses:				
Government activities:				
Public safety and legal services	\$7,580,694	\$7,841,364	\$8,030,019	\$8,402,604
Physical health and social services	5,289,561	4,816,751	4,932,071	5,066,738
Mental health	660,626	3,805,315	2,371,135	2,030,635
County environment and education	1,171,665	1,267,463	1,152,679	1,917,261
Roads and transportation	6,838,237	6,906,435	6,732,570	7,167,177
Government services to residents	1,117,534	1,118,476	1,118,470	1,117,636
Administration or general government	2,482,454	2,697,211	2,924,656	2,771,301
Non-program	240,487	217,755	204,592	283,087
Interest on long-term debt	515,350	799,924	426,969	415,531
Total governmental activities expenses	25,896,608	29,470,694	27,893,161	29,171,970
Business-type activities:				
Wastewater collection and treatment	137,781	136,701	129,405	134,236
Total government expenses	\$26,034,389	\$29,607,395	\$28,022,566	\$29,306,206
Program Revenues:				
Government activities:				
Charges for services:				
Public safety and legal services	\$924,425	\$949,400	\$1,035,154	\$1,011,057
Physical health and social services	413,120	375,956	363,339	430,535
Mental health	43,112	0	26	0
County environment and education	80,193	86,241	80,471	195,454
Roads and Transportation	53,251	19,285	61,890	30,591
Government services to residents	674,094	728,588	714,053	827,250
Administration or general government	176,074	208,308	181,257	375,668
Non-program	182,654	204,314	173,985	233,391
Operating grants and contributions	6,339,798	5,735,343	5,855,315	6,290,644
Capital grants and contributions	429,002	937,276	1,651,919	2,152,813
revenues	9,315,723	9,244,711	10,117,409	11,547,403
Business-type activities:				
Charges for services:				
Wastewater collection and treatment	66,040	66,716	66,979	64,219
revenues	66,040	66,716	66,979	64,219
Total government program revenues	\$9,381,763	\$9,311,427	\$10,184,388	\$11,611,622

Source: County Records

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$7,916,626	\$8,291,562	\$8,702,477	\$9,857,325	\$9,402,303	\$9,557,895
4,915,152	5,052,470	4,825,144	5,815,911	6,167,226	5,732,768
2,548,983	1,842,523	2,702,145	2,358,002	2,093,141	1,772,057
1,164,838	1,245,636	1,388,699	1,311,611	1,595,470	1,285,548
7,098,406	7,836,177	7,943,799	8,620,455	9,322,331	9,370,525
1,239,392	1,206,907	1,197,544	1,269,761	1,208,267	1,224,201
3,295,671	3,053,373	3,423,941	3,527,669	3,185,789	3,306,628
342,098	280,242	501,760	475,269	868,777	770,611
390,401	216,513	196,721	176,485	160,186	143,588
28,911,567	29,025,403	30,882,230	33,412,488	34,003,490	33,163,821
130,172	163,218	134,762	127,986	115,791	172,684
\$29,041,739	\$29,188,621	\$31,016,992	\$33,540,474	\$34,119,281	\$33,336,505
\$1,105,818	\$1,054,368	\$1,043,633	\$1,214,194	\$1,056,636	\$1,026,663
413,983	479,945	508,409	505,791	521,501	361,865
102,868	228,722	892,871	601,682	572,004	281,874
156,790	100,589	91,241	96,795	114,392	159,628
36,305	68,131	52,193	80,695	345,133	84,365
727,195	834,257	829,853	836,829	749,279	870,155
78,154	152,164	157,447	161,024	126,821	100,510
229,409	754,916	461,111	802,862	616,478	671,418
6,299,549	6,310,156	6,657,110	7,058,689	7,521,265	7,926,145
198,500	572,773	3,799,988	817,787	1,370,729	2,926,407
9,348,571	10,556,021	14,493,856	12,176,348	12,994,238	14,409,030
62,871	84,097	63,790	61,803	61,290	59,169
62,871	84,097	63,790	61,803	61,290	59,169
\$9,411,442	\$10,640,118	\$14,557,646	\$12,238,151	\$13,055,528	\$14,468,199

(Continued)

CERRO GORDO COUNTY, IOWA

CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years

(Accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2011	2012	2013	2014
Net (Expense)/Revenue:				
Governmental activities	(\$16,580,885)	(\$20,225,983)	(\$17,775,752)	(\$17,624,567)
Business-type activities	(71,741)	(69,985)	(62,426)	(70,017)
Total government net expense	(\$16,652,626)	(\$20,295,968)	(\$17,838,178)	(\$17,694,584)
General Revenues and Other Changes in Net Position:				
Governmental activities:				
Property and other county tax levied for:				
General purposes	\$13,558,781	\$14,012,037	\$14,527,567	\$15,474,761
Debt service	950,610	936,277	936,215	932,567
Penalty and interest on property tax	161,757	163,122	153,414	152,169
State tax credits, unrestricted	408,057	420,545	466,927	565,129
Local option sales and service tax	1,650,341	1,682,466	1,584,772	1,505,343
Tax Increment Financing	0	0	0	8,912
Grants & contribution not restricted to specific purpose	0	0	0	0
Unrestricted investment earnings	110,664	88,847	48,577	42,439
Gain/(Loss) on Disposal of Capital Assets	(16,798)	(34,141)	(13,888)	(10,724)
Miscellaneous	1,076,641	952,897	1,393,127	1,100,792
Total governmental activities	17,900,053	18,222,050	19,096,711	19,771,388
Business-type activities:				
Unrestricted Investment Earnings	50	58	59	60
Total business-type activities	\$50	\$58	\$59	\$60
Total government	\$17,900,103	\$18,222,108	\$19,096,770	\$19,771,448
Change in Net Position:				
Governmental activities	\$1,319,168	(\$2,003,933)	\$1,320,959	\$2,146,821
Business-type activities	(71,691)	(69,927)	(62,367)	(69,957)
Total government program revenues	\$1,247,477	(\$2,073,860)	\$1,258,592	\$2,076,864

Source: County Records

Fiscal Year					
2015	2016	2017	2018	2019	2020
(\$19,562,996)	(\$18,469,382)	(\$16,388,374)	(\$21,236,140)	(\$21,009,252)	(\$18,754,791)
(67,301)	(79,121)	(70,972)	(66,183)	(54,501)	(113,515)
(\$19,630,297)	(\$18,548,503)	(\$16,459,346)	(\$21,302,323)	(\$21,063,753)	(\$18,868,306)

\$15,286,100	\$15,156,934	\$15,581,470	\$16,821,409	\$17,610,730	\$18,563,400
951,463	1,319,663	1,297,542	883,310	922,752	889,755
158,706	148,127	145,759	152,884	191,486	78,950
887,296	1,264,653	1,322,146	1,353,157	1,374,283	1,406,270
1,748,080	1,803,331	1,732,131	1,656,500	1,698,530	1,882,685
2,960	58,781	70,511	46,163	17,286	0
0	0	0	0	0	0
46,530	70,713	124,604	341,324	554,745	429,531
(14,457)	(48,337)	(27,607)	10,952	(11,675)	289,311
2,296,860	1,529,990	1,143,947	1,278,379	1,354,171	1,260,647
21,363,538	21,303,855	21,390,503	22,544,078	23,712,308	24,800,549

64	66	62	115	457	119
\$64	\$66	\$62	\$115	\$457	\$119
\$21,363,602	\$21,303,921	\$21,390,565	\$22,544,193	\$23,712,765	\$24,800,668

\$1,800,542	\$2,834,473	\$5,002,129	\$1,307,938	\$2,703,056	\$6,045,758
(67,237)	(79,055)	(70,910)	(66,068)	(54,044)	(113,396)
\$1,733,305	\$2,755,418	\$4,931,219	\$1,241,870	\$2,649,012	\$5,932,362

(Concluded)

CERRO GORDO COUNTY, IOWA

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified accrual accounting)

(Unaudited)

	Fiscal Year			
	2011	2012	2013	2014
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Restricted	591,110	162,622	48,546	185,143
Committed	0	0	0	0
Assigned	1,296,116	1,208,277	1,267,562	1,086,036
Unassigned	4,550,586	4,976,088	5,295,536	6,143,872
Total General Fund	<u>\$6,437,812</u>	<u>\$6,346,987</u>	<u>\$6,611,644</u>	<u>\$7,415,051</u>
All Other Governmental Funds				
Nonspendable	\$1,384,730	\$1,273,866	\$1,097,904	\$888,073
Restricted	5,812,740	4,168,577	4,407,104	4,691,776
Committed	0	0	0	0
Assigned	871,341	704,823	774,065	954,307
Unassigned	0	0	0	0
Total all other governmental funds	<u>\$8,068,811</u>	<u>\$6,147,266</u>	<u>\$6,279,073</u>	<u>\$6,534,156</u>
Total Fund Balance All Governmental Funds	<u>\$14,506,623</u>	<u>\$12,494,253</u>	<u>\$12,890,717</u>	<u>\$13,949,207</u>

Source: County Records

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$0	\$0	\$0	\$0	\$0	\$0
250,958	525,160	589,757	1,433,742	1,354,407	1,567,730
0	0	0	0	0	0
1,102,657	1,162,680	1,178,685	1,148,367	1,118,942	257,009
6,473,260	6,322,435	6,093,603	6,821,174	8,871,992	10,326,621
\$7,826,875	\$8,010,275	\$7,862,045	\$9,403,283	\$11,345,341	\$12,151,360
\$1,241,840	\$1,262,595	\$834,101	\$1,241,424	\$920,044	\$1,256,298
5,500,449	7,516,391	6,370,019	7,205,593	7,093,577	8,958,683
0	0	0	0	0	0
1,103,221	1,286,680	1,207,808	1,225,917	975,944	962,554
0	0	0	0	0	0
\$7,845,510	\$10,065,666	\$8,411,928	\$9,672,934	\$8,989,565	\$11,177,535
\$15,672,385	\$18,075,941	\$16,273,973	\$19,076,217	\$20,334,906	\$23,328,895

CERRO GORDO COUNTY, IOWA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified accrual accounting)

(Unaudited)

	Fiscal Year			
	2011	2012	2013	2014
Revenues:				
Property and Other County Tax	\$16,151,502	\$16,630,974	\$17,057,026	\$17,918,503
Interest and Penalty on Property Tax	161,757	163,122	153,414	152,169
Intergovernmental	7,827,411	7,295,931	7,144,890	7,961,602
Licenses and Permits	126,934	125,044	120,712	220,980
Charges for Services	1,391,135	1,332,932	1,304,748	1,422,442
Use of Money and Property	277,433	283,542	250,226	495,212
Miscellaneous	933,810	948,232	1,313,451	1,061,874
Total Revenues	26,869,982	26,779,777	27,344,467	29,232,782
Expenditures:				
Public Safety and Legal Services	7,095,863	7,500,849	7,577,137	7,962,487
Physical Health and Social Services	5,095,095	4,639,871	4,845,164	4,914,277
Mental Health	676,241	3,793,476	2,361,533	2,018,171
County Environment and Education	1,181,451	1,233,631	1,106,735	1,851,989
Roads and Transportation	4,963,655	5,066,973	4,417,491	5,500,566
Government Services to Residents	988,933	1,052,040	1,048,894	1,077,312
Administrative Services	2,355,944	2,485,101	2,580,211	2,659,540
Non-Program	114,044	84,682	27,405	95,989
Debt Service				
Principal	2,541,936	9,607,704	564,368	575,238
Interest	519,010	804,707	427,889	416,469
Capital Projects	2,628,619	1,769,644	1,850,331	978,252
Total Expenditures	28,160,791	38,038,678	26,807,158	28,050,290
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,290,809)	(11,258,901)	537,309	1,182,492
Other Financing Sources (Uses):				
Sale of Capital Sssets	7,714	12,000	24,266	29,016
Transfers In	3,227,450	3,241,067	3,352,612	3,354,612
Transfers Out	(3,227,450)	(3,241,067)	(3,352,612)	(3,354,612)
Issuance of Drainage Warrants	34,974	31,737	10,851	56,813
Issuance of General Obligation Capital Loan Notes	0	0	0	0
Issuance of Crossover Refunding Capital Loan Notes	2,000,000	9,365,000	0	0
Issuance of Installment Purchase Contracts	0	0	0	0
Total Other Financing Sources (Uses)	2,042,688	9,408,737	35,117	85,829
Change in Fund Balances	\$751,879	(\$1,850,164)	\$572,426	\$1,268,321
Debt service as % of noncapital expenditures	12.22%	29.22%	4.05%	3.81%

Source: County Records

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$17,987,366	\$18,334,856	\$18,674,759	\$19,394,724	\$20,301,539	\$21,274,274
158,706	148,127	145,759	152,884	191,486	78,950
8,278,038	8,703,780	9,802,673	10,360,262	10,817,246	11,063,532
154,958	133,989	167,887	165,698	156,893	205,346
1,402,231	1,710,171	1,645,611	2,124,942	1,800,316	1,518,801
188,814	273,850	300,827	537,827	716,632	536,874
2,364,995	1,352,813	1,164,216	1,251,205	1,175,915	1,579,061
30,535,108	30,657,586	31,901,732	33,987,542	35,160,027	36,256,838
8,184,564	8,389,453	8,712,033	8,972,657	9,100,310	9,355,355
5,110,132	5,098,205	5,005,487	5,637,490	6,118,575	5,976,903
2,561,090	1,848,842	2,744,081	2,329,891	2,088,247	1,790,623
1,275,293	1,249,483	1,360,421	1,434,640	1,593,856	1,999,047
5,618,674	5,837,654	5,665,460	6,401,635	7,851,936	7,288,100
1,461,109	1,203,391	1,220,779	1,239,005	1,147,836	1,200,493
2,995,191	3,048,671	3,379,361	3,336,359	3,069,854	3,229,795
189,518	293,382	364,685	360,759	858,987	705,149
622,246	1,216,500	1,231,500	822,000	837,000	852,500
404,889	219,199	198,423	177,842	161,567	144,994
1,762,502	19,424	3,632,991	1,200,730	1,875,561	2,045,065
30,185,208	28,424,204	33,515,221	31,913,008	34,703,729	34,588,024
349,900	2,233,382	(1,613,489)	2,074,534	456,298	1,668,814
24,321	48,994	21,800	47,141	23,200	506,471
3,467,670	3,666,959	4,513,322	4,145,424	4,459,730	6,189,177
(3,467,670)	(3,666,959)	(4,513,322)	(4,145,424)	(4,459,730)	(6,189,177)
145,190	100,425	218,215	273,246	171,971	482,450
850,000	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	928,600	0
1,019,511	149,419	240,015	320,387	1,123,771	988,921
\$1,369,411	\$2,382,801	(\$1,373,474)	\$2,394,921	\$1,580,069	\$2,657,735
3.71%	5.17%	4.95%	3.32%	3.20%	3.22%

CERRO GORDO COUNTY, IOWA

PROGRAM REVENUES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

(Accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2011	2012	2013	2014
Government Activities:				
Public Safety and Legal Services	\$1,589,118	\$1,548,358	\$1,626,138	\$1,591,878
Physical Health and Social Services	2,915,052	2,394,545	2,490,087	2,938,155
Mental Health	49,943	0	26	0
County Environment and Education	121,681	137,477	98,434	219,358
Roads and Transportation	3,596,827	3,840,156	4,792,027	5,314,851
Government Services to Residents	674,408	728,731	714,103	827,302
Administrative Services	186,040	391,130	222,609	422,468
Non-Program	182,654	204,314	173,985	233,391
Total Governmental Activities Program Revenues	9,315,723	9,244,711	10,117,409	11,547,403
Business-Type Activities:				
Wastewater Collection and Treatment	66,040	66,716	66,979	64,219
Total Business-Type Activities Program Revenues	66,040	66,716	66,979	64,219
Total Government Program Revenues	\$9,381,763	\$9,311,427	\$10,184,388	\$11,611,622

Source: County Records

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$1,659,477	\$1,609,729	\$1,598,134	\$1,802,257	\$1,648,404	\$1,622,833
2,702,555	2,164,079	2,252,275	2,922,674	3,019,274	2,877,870
102,868	228,722	892,871	601,682	572,004	281,874
231,295	171,028	131,497	515,630	219,770	453,114
3,617,560	4,641,083	8,170,537	4,532,917	6,041,455	7,529,682
727,253	834,300	829,984	837,302	750,032	870,608
78,154	152,164	157,447	161,024	126,821	101,631
229,409	754,916	461,111	802,862	616,478	671,418
9,348,571	10,556,021	14,493,856	12,176,348	12,994,238	14,409,030
62,871	84,097	63,790	61,803	61,290	59,169
62,871	84,097	63,790	61,803	61,290	59,169
\$9,411,442	\$10,640,118	\$14,557,646	\$12,238,151	\$13,055,528	\$14,468,199

CERRO GORDO COUNTY, IOWA

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY (1)

Last Ten Fiscal Years

(Unaudited)

Fiscal Year Ended June 30	Assessed Value and Actual Value of Taxable Property				
	Residential Property	Commercial Property	Industrial Property	Agricultural Property	(3) Multi- Residential Property
2011	\$2,185,469,250	\$462,309,715	\$122,515,972	\$432,256,773	
2012	2,232,467,433	467,738,844	117,498,875	430,812,881	
2013	2,258,003,711	487,676,744	102,684,643	532,611,206	
2014	2,314,550,636	500,947,523	110,270,222	532,853,133	
2015	2,319,642,432	498,090,582	99,822,358	732,431,140	
2016	2,374,484,803	499,855,563	101,958,618	735,514,820	
2017	2,424,164,466	475,769,880	105,905,615	680,530,712	51,406,587
2018	2,450,688,240	539,441,999	133,133,193	680,442,561	57,083,686
2019	2,564,821,074	611,059,396	111,940,379	615,998,178	59,480,791
2020	2,693,844,145	609,295,398	131,240,258	616,933,321	66,620,986

Fiscal Year Ended June 30	Taxable Value of Property				
	Residential Property	Commercial Property	Industrial Property	Agricultural Property	(3) Multi- Residential Property
2011	\$1,003,294,020	\$462,309,715	\$122,515,972	\$285,781,276	
2012	1,059,415,029	467,738,844	117,498,875	296,510,611	
2013	1,122,798,241	487,676,744	102,684,643	305,127,041	
2014	1,216,008,264	500,947,523	110,270,222	317,879,766	
2015	1,238,055,392	470,580,246	93,054,272	315,174,766	
2016	1,299,592,831	444,409,241	88,152,884	327,847,665	
2017	1,329,468,034	424,543,682	92,976,910	313,720,303	\$41,742,683
2018	1,367,806,683	482,106,807	119,678,443	322,888,292	43,619,871
2019	1,413,967,540	545,976,879	98,196,248	335,372,613	42,399,444
2020	1,505,420,756	541,516,047	117,443,800	346,273,495	47,169,313

Source: Cerro Gordo County Auditor's Office

(1) Net Taxable Value is the value on which real estate taxes are calculated and on which budgets of the various Levy Authorities are based. For property valued by local assessors, total taxable value is the actual value of property multiplied by the statewide rollback rate that is determined annually by the Iowa Department of Management.

(2) Other Property includes utility property, railroad property, and gas and electric utility property, all of which are valued by the Iowa Department of Management. All other property classes are valued by the local assessor.

(3) 2013 Iowa Acts Senate File 295 created a new property classification, multiresidential, for property valuations established on or after January 1, 2015.

(4) Per \$1,000 of value

Assessed Value and Actual Value of Taxable Property				
TIF Increment	(2) Other Property	Total Assessed Value	Less: Military Tax-Exempt Property	Net Assessed Value
\$116,873,546	\$630,695,007	\$3,950,120,263	\$6,267,987	\$3,943,852,276
125,306,712	729,052,147	4,102,876,892	6,115,677	4,096,761,215
130,243,719	769,636,251	4,280,856,274	5,926,400	4,274,929,874
79,114,218	802,921,546	4,340,657,278	5,786,528	4,334,870,750
144,709,810	854,374,308	4,649,070,630	5,589,246	4,643,481,384
146,155,210	965,594,757	4,823,563,771	5,346,590	4,818,217,181
110,008,629	1,028,589,845	4,876,375,734	5,148,426	4,871,227,308
108,332,110	984,657,464	4,953,779,253	4,948,598	4,948,830,655
103,937,562	1,452,289,981	5,519,527,361	4,742,100	5,514,785,261
140,580,140	1,490,741,396	5,749,255,644	4,542,441	5,744,713,203

Taxable Value of Property					(4) Total Direct Tax Rate Urban
TIF Increment	(2) Other Property	Total Taxable Value	Less: Military Tax-Exempt Property	Net Taxable Value	
\$116,873,546	\$157,060,949	\$2,147,835,478	\$6,267,987	\$2,141,567,491	6.27042
125,306,712	158,266,959	2,224,737,030	6,115,677	2,218,621,353	6.25077
130,243,719	156,083,846	2,304,614,234	5,926,400	2,298,687,834	6.23582
79,114,218	172,180,865	2,396,400,858	5,786,528	2,390,614,330	6.23582
144,709,810	170,878,079	2,432,452,565	5,589,246	2,426,863,319	6.24934
146,155,210	167,742,054	2,473,899,885	5,346,590	2,468,553,295	6.24934
110,008,629	200,595,239	2,513,055,480	5,148,426	2,507,907,054	6.23314
108,332,110	208,951,777	2,653,383,983	4,948,598	2,648,435,385	6.19934
103,937,562	202,937,388	2,742,787,674	4,742,100	2,738,045,574	6.19934
140,580,140	230,252,612	2,928,656,163	4,542,441	2,924,113,722	6.13391

CERRO GORDO COUNTY, IOWA

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Fiscal Years

(rate per \$1,000 of assessed value)

(Unaudited)

	Fiscal Year Taxes are Payable			
	2010-2011	2011-2012	2012-2013	2013-2014
County Direct Rates:				
General Basic	3.50000	3.50000	3.50000	3.50000
General Supplemental	1.19709	1.23408	1.26294	1.43434
County MHDS Fund	1.11742	1.08252	1.05366	0.89872
Debt Service	0.45591	0.43417	0.41922	0.40276
Total Urban County Rate	6.27042	6.25077	6.23582	6.23582
Rural Services Basic	3.50739	3.50739	3.50739	3.50739
Total Rural County Rate	9.77781	9.75816	9.74321	9.74321
City and Town Rates:				
Mason City	13.39427	13.56506	13.55111	13.02255
Clear Lake	10.04870	10.54051	10.54051	10.54051
Dougherty	21.92952	20.60153	20.64068	21.77695
Meservey	9.76964	9.74292	9.81933	9.78939
Plymouth	12.39961	12.11006	12.20913	12.12610
Rock Falls	6.50142	6.50149	6.50154	6.50145
Rockwell	8.10000	8.10000	11.08920	10.94949
Swaledale	16.69821	16.52590	16.58887	16.30666
Thornton	13.18875	13.55458	13.27395	13.57071
Ventura	10.98226	10.31588	11.99924	11.99276
Nora Springs	14.14998	13.65250	13.52895	13.02874
Township Rates:				
Bath	0.53818	0.53818	0.53818	0.53818
Clear Lake (3)	0.24488	0.24488	0.21442	0.20265
Clear Lake - Clear Lake Fire (3)				
Clear Lake - Ventura Fire (3)				
Dougherty	0.33910	0.33910	0.32847	0.31617
Falls	0.61663	0.61663	0.61663	0.61663
Geneseo	0.40500	0.35250	0.35250	0.35250
Grant - Clear Lake Schools	0.38541	0.42718	0.37829	0.38821
Grant - Forest City Schools	0.38544	0.42718	0.45467	0.46532
Grant - Ventura Schools	0.40805	0.42718	0.39710	0.42416
Grant - Garner-Hayfield-Ventura Schools				
Gimes	0.72990	0.81888	0.81888	0.81888
Lake	0.11862	0.11476	0.13259	0.11136
Lime Creek	0.40500	0.40500	0.40500	0.40500
Lincoln	0.34428	0.33077	0.31231	0.29717
Mason	0.40500	0.40500	0.40500	0.40500
Mount Vernon	0.48673	0.45272	0.46750	0.42705
Owen	0.63008	0.63008	0.62431	0.67200
Pleasant Valley	0.48381	0.46551	0.48580	0.52831
Portland	0.43574	0.43226	0.41877	0.40730
Union	0.25329	0.25327	0.26324	0.27000

Source: Cerro Gordo County Auditors Office

Fiscal Year Taxes are Payable					
2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
3.50000	3.50000	3.50000	3.50000	3.50000	3.50000
1.43434	1.49075	1.55513	1.78628	1.77291	1.77291
0.90717	0.69761	0.63323	0.56082	0.57419	0.54265
0.40783	0.56098	0.54478	0.35224	0.35224	0.31835
6.24934	6.24934	6.23314	6.19934	6.19934	6.13391
3.50739	3.50739	3.50739	3.50739	3.50739	3.50739
9.75673	9.75673	9.74053	9.70673	9.70673	9.64130
13.85102	13.51799	13.71268	13.70261	13.82774	13.72143
10.54051	10.54051	10.04870	9.80000	9.70000	9.70000
22.84754	24.26206	24.58217	22.97122	15.36624	14.68144
9.74056	9.69966	9.72881	12.97847	9.61393	12.82879
11.98483	12.09539	11.89468	13.56582	14.27330	14.86507
6.50148	6.50153	6.54562	6.50798	6.50802	6.58433
10.88225	10.73172	10.79451	10.60937	10.54977	10.28839
16.56274	15.35735	15.44233	15.32206	17.06742	16.91877
13.92504	13.71065	11.26277	11.20355	10.93464	11.29903
11.39807	10.78005	10.66823	10.52017	10.60528	10.53223
12.41945	12.48296	11.94478	11.52665	12.07226	12.22129
0.53818	0.53818	0.53008	0.53008	0.53008	0.53008
0.32721					
	0.24501	0.24501	0.24501	0.24501	0.22720
	0.63750	0.63750	0.63750	0.63750	0.63533
0.31617	0.31617	0.32636	0.32636	0.32636	0.31449
0.61663	0.61663	0.61663	0.61663	0.61663	0.61663
0.35490	0.34546	0.35568	0.35568	0.34678	0.40500
0.56082	0.56627	0.56541	0.53061	0.51537	0.45942
0.66611	0.52668	0.52397	0.50346	0.48312	0.43260
0.62767					
	0.52598	0.77596	0.76981	0.76383	0.74774
0.81628	0.81628	0.81297	0.79154	0.79154	0.61441
0.11327	0.17683	0.16233	0.18846	0.22790	0.18863
0.40500	0.40500	0.40500	0.40500	0.40500	0.38591
0.32293	0.40392	0.42136	0.42136	0.42136	0.42136
0.40500	0.40500	0.39701	0.40500	0.40407	0.37256
0.48964	0.54213	0.54380	0.29256	0.36820	0.48753
0.67130	0.66892	0.67182	0.66935	0.66755	0.66755
0.52811	0.58311	0.50503	0.59267	0.71770	0.53966
0.41188	0.41034	0.41598	0.40285	0.37079	0.37079
0.40000	0.40000	0.41999	0.42002	0.42001	0.39659

(Continued)

CERRO GORDO COUNTY, IOWA

DIRECT AND OVERLAPPING PROPERTY TAX RATES (Continued)

Last Ten Fiscal Years

(rate per \$1,000 of assessed value)

(Unaudited)

	Fiscal Year Taxes are Payable			
	2010-2011	2011-2012	2012-2013	2013-2014
School District Rates:				
Clear Lake	12.94152	12.92279	12.91652	12.23909
Forest City (6)	16.73516	16.26585	15.74705	13.57052
Garner-Hayfield-Ventura (5)				
Mason City	15.11732	15.11036	13.31719	11.04654
Meservey-Thornton (1)	11.67653			
Central Springs (4)				
Central Springs - Nora Springs-Rock Falls (2) & (4)	16.40896	14.11412	12.11061	11.90297
Central Springs - North Central (2) & (4)	14.47611	14.60022	13.58070	13.33098
Rockwell-Swaledale (1)	13.76616			
Rudd-Rockford-Marble Rock	14.01998	13.99784	14.00006	11.99531
Sheffield-Chapin (1)	13.58888			
Ventura	10.56830	9.91583	8.93613	9.19665
West Fork (1)		10.98663	12.01129	11.16849
Other Taxing Authority Rates:				
County Assessor	0.52205	0.42718	0.42584	0.52836
City Assessor	0.23123	0.25035	0.23272	0.64245
North Iowa Area Community College	0.65707	0.66261	0.66163	0.66157
Ag. Extension	0.10718	0.10730	0.11294	0.10859
State	0.00350	0.00320	0.00320	0.00330
Clear Lake Sanitary Sewer	1.45557	1.34516	1.30997	1.27051
Falls - Rock Falls Cemetery	0.06750	0.06750	0.06750	0.06750

(1) In 2012, West Fork School District was formed by combining Meservey-Thornton School District, Rockwell-Swaledale School District, and Sheffield-Chapin School District.

(2) Beginning in 2012, Nora Springs-Rock Falls School District and North Central School District consolidated. However, each school has its own property tax rate.

(3) In 2016, Clear Lake Township divided its township according to the fire department service area.

(4) There is only one tax rate for the Central Springs School District beginning in 2016.

(5) On 7/1/2015, the Ventura School District and the Garner-Hayfield School District consolidated to form the Garner-Hayfield-Ventura School District.

(6) Beginning 7/1/2019, Forest City Schools combined with Woden-Crystal Lake schools. However, the school name remains Forest City

Source: Cerro Gordo County Auditors Office

Fiscal Year Taxes are Payable					
2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
11.48331	10.78057	9.58620	10.39338	10.39297	10.39160
13.25268	13.32296	13.40134	13.40094	12.47410	11.52744
	9.66527	10.01424	10.19281	10.50279	12.19976
13.19829	13.95080	14.13036	14.26365	14.26190	14.41970
		11.16423	10.92385	10.89351	10.78321
10.73475	10.45408				
12.16563	10.45408				
11.62550	11.65981	11.68003	11.74394	11.94012	11.94077
8.88310					
11.82496	11.24071	10.41784	10.19464	10.43761	11.09339
0.54081	0.56281	0.56281	0.52340	0.42415	0.39488
0.64240	0.63172	0.63172	0.61966	0.40998	0.38530
0.64054	0.71508	0.71508	0.71947	0.79303	0.77721
0.11261	0.11950	0.11950	0.11453	0.11312	0.10868
0.00330	0.00330	0.00330	0.00310	0.00290	0.00280
1.24120	1.22510	1.20067	0.54000	0.54000	0.54000
0.06750	0.06750	0.06750	0.06750	0.06750	0.06750

(Concluded)

CERRO GORDO COUNTY, IOWA

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

(Unaudited)

	Fiscal Year 2020			Fiscal Year 2011		
	Total Taxable Value	Rank	Percent of Total Taxable Value	Total Taxable Value	Rank	Percent of Total Taxable Value
Interstate Power & Light Co	\$110,814,579	1	3.78%	\$73,239,489	1	3.41%
Union Pacific	45,184,021	2	1.54%	17,897,691	5	0.83%
Windmill Realty, LLC	18,521,154	3	0.63%			
Golden Grain Energy LLC	17,590,350	4	0.60%	56,333,979	2	2.62%
Lehigh Portland Cement Co	16,000,498	5	0.55%	18,883,940	3	0.88%
ITC Midwest LLC	15,391,957	6	0.53%			
MFF Mortgage Borrower 20, LLC	14,839,767	7	0.51%			
Magellan Pipeline Company, LLC	14,508,328	8	0.50%			
Five Star Cooperative	12,365,937	9	0.42%	17,174,966	6	0.80%
Wal-Mart Real Estate Business Trust	11,856,803	10	0.40%			
Ag Processing, LLC				18,360,227	4	0.85%
Hawkeye Power Partners LLC				12,793,651	7	0.60%
AADG Inc (Curries Company)				12,673,982	8	0.59%
Mall Associates LLC				11,439,113	9	0.53%
Quest Corp.				11,392,211	10	0.53%
	<u>\$277,073,394</u>		<u>9.46%</u>	<u>\$250,189,249</u>		<u>11.64%</u>

Source: Cerro Gordo County Auditor's Office

CERRO GORDO COUNTY, IOWA

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

(Unaudited)

Fiscal Year Ended June 30	Property Taxes Levied for the Fiscal Year	Property Taxes Collected Within the Fiscal Year of the Levy		Property Tax Collections in Subsequent Years	Property Taxes Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$65,508,663	\$63,720,109	97.27%	\$9,348	\$63,729,457	97.28%
2012	67,300,914	65,466,374	97.27%	(6,788)	65,459,586	97.26%
2013	67,840,071	65,795,178	96.99%	37,696	65,832,874	97.04%
2014	66,904,841	64,623,723	96.59%	37,085	64,660,808	96.65%
2015	70,801,705	67,733,439	95.67%	23,775	67,757,214	95.70%
2016	72,052,658	68,174,393	94.62%	38,469	68,212,862	94.67%
2017	71,881,538	67,545,939	93.97%	7,059	67,552,998	93.98%
2018	75,943,689	71,579,712	94.25%	28,397	71,608,109	94.29%
2019	78,801,117	74,410,837	94.43%	212,799	74,623,636	94.70%
2020	83,920,162	78,580,862	93.64%	1,869	78,582,731	93.64%

Total tax collections solely for Cerro Gordo County were:

Fiscal Year Ended June 30	Amount
2011	\$14,211,708
2012	14,678,427
2013	15,239,651
2014	16,178,353
2015	16,340,578
2016	16,974,826
2017	17,212,787
2018	18,143,716
2019	18,807,488
2020	19,466,868

Source: Cerro Gordo County Treasurer's Office

CERRO GORDO COUNTY, IOWA

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Governmental Activities					Business-Type Activities		Percentage of Personal Income (1)	Per Capita (1)
	Capital Loan Notes	Installment Purchase	Capital Lease Purchases	Drainage Warrants	Revenue Bonds	Sewer Revenue Capital Loan Notes	Total Government		
2011	\$11,000,000	\$0	\$65,669	\$20,088	\$381,750	\$557,967	\$12,025,474	0.71%	\$273
2012	10,835,000	0	10,351	14,417	361,750	547,538	11,769,056	0.65%	267.86
2013	10,295,000	0	5,984	20,817	341,750	536,642	11,200,193	0.56%	255.78
2014	9,745,000	0	1,246	62,024	321,250	525,252	10,654,772	0.52%	244.52
2015	10,215,000	0	0	197,599	300,250	513,352	11,226,201	0.50%	259.80
2016	9,020,000	0	0	122,010	278,750	500,917	9,921,677	0.41%	230.65
2017	7,810,000	0	0	288,454	257,250	487,921	8,843,625	0.39%	205.33
2018	7,010,000	0	0	480,036	235,250	474,340	8,199,626	0.38%	190.66
2019	6,195,000	378,600	0	355,158	213,250	460,147	7,602,155	0.33%	178.26
2020	5,365,000	0	0	712,515	190,750	445,316	6,713,581	0.29%	179.08

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

Source: Cerro Gordo County Auditor's Office

CERRO GORDO COUNTY, IOWA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	General Bonded Debt Outstanding	Percentage Net Taxable	Per Capita (2)
	Bonds & Capital Loan Notes	Value of Property (1)	
2011	\$11,000,000	0.51%	\$249
2012	10,835,000	0.49%	247
2013	10,295,000	0.45%	235
2014	9,745,000	0.41%	224
2015	10,215,000	0.42%	236
2016	9,020,000	0.37%	210
2017	7,810,000	0.31%	181
2018	7,010,000	0.26%	163
2019	6,195,000	0.23%	145
2020	5,365,000	0.18%	126

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

Source: Cerro Gordo County Auditor's Office

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CERRO GORDO COUNTY, IOWA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2020

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
County direct debt	\$6,268,265	100.00%	<u>\$6,268,265</u>
City debt:			
Clear Lake	1,357,500	100.00%	1,357,500
Mason City	45,565,000	100.00%	45,565,000
Nora Springs	355,000	4.36%	15,473
Plymouth	59,725	100.00%	59,725
Rockwell	1,635,000	100.00%	1,635,000
Swaledale	7,571	100.00%	7,571
Thornton	97,900	100.00%	97,900
Ventura	1,430,000	100.00%	1,430,000
Subtotal, City debt			<u>50,168,169</u>
School Districts:			
Clear Lake	22,477,000	100.00%	22,477,000
Mason City	23,145,785	100.00%	23,145,785
Garner-Hayfield Ventura	5,625,000	39.26%	2,208,280
Subtotal, School District debt			<u>47,831,065</u>
Other Districts:			
North Iowa Area Community College	47,205,000	35.31%	16,666,504
Subtotal, Other District debt			<u>16,666,504</u>
Total overlapping debt			<u>114,665,738</u>
Total direct and overlapping debt			<u><u>\$120,934,003</u></u>

Source: Cities, schools, and other districts within Cerro Gordo County.

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

CERRO GORDO COUNTY, IOWA

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

(Unaudited)

	2011	2012	2013	2014
Debt Limit, 5% of Assessed Value	\$197,192,614	\$204,838,061	\$213,746,494	\$216,743,538
Total net debt applicable to limit	11,447,419	11,427,102	10,642,734	10,067,496
Legal Debt Margin	\$185,745,195	\$193,410,959	\$203,103,760	\$206,676,042
Total net debt applicable to the limit as a percentage of debt limit	5.81%	5.58%	4.98%	4.64%

Source: County records

Legal Debt Margin Calculation for Fiscal Year 2020

Net Assessed Value	\$5,744,713,203
Debt Limit (5% of assessed value)	287,235,660
Debt applicable to limit:	
General obligation capital loan notes	5,365,000
LOS&ST Revenue Bonds	190,750
Total net debt applicable to limit	<u>5,555,750</u>
Legal debt margin	<u><u>\$281,679,910</u></u>

2015	2016	2017	2018	2019	2020
\$232,174,069	\$240,910,859	\$243,561,365	\$247,441,533	\$275,739,263	\$287,235,660
10,515,250	9,298,750	8,067,250	7,245,250	6,786,850	5,555,750
\$221,658,819	\$231,612,109	\$235,494,115	\$240,196,283	\$268,952,413	\$281,679,910
4.53%	3.86%	3.31%	2.93%	2.46%	1.93%

CERRO GORDO COUNTY, IOWA

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Calendar Years

(Unaudited)

Year	Population (1)	Personal Income (000's) (2)	Per Capita Personal Income (2)	Public School Enrollment (3)	Private School Enrollment (3)	Unemployment Rate (4)
2010	44,107	\$1,692,205	\$38,366	5,817	594	6.90%
2011	43,938	1,811,347	41,225	5,757	602	6.40%
2012	43,788	1,992,213	45,497	5,832	566	5.70%
2013	43,575	2,052,553	47,104	5,741	588	5.20%
2014	43,211	2,227,485	51,549	5,712	584	4.52%
2015	43,017	2,438,050	56,676	5,694	600	3.76%
2016	43,070	2,284,221	53,035	5,659	584	3.30%
2017	43,006	2,164,780	50,337	5,505	573	3.10%
2018	42,647	2,274,873	53,342	5,429	595	2.70%
2019	42,450	2,303,031	54,253	5,505	661	2.90%

(1) U.S. Census Bureau.

(2) Bureau of Economic Analysis, U.S. Department of Commerce.

(3) Iowa Department of Education.

(4) Iowa Workforce Development

CERRO GORDO COUNTY, IOWA

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

(Unaudited)

	2020			2011		
	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
Mercy Medical Center - North Iowa	2,825	1	13.31%	2,650	1	10.95%
Curries ASSA ABLOY	688	2	3.24%	673	2	2.78%
Mason City Community School District	632	3	2.98%	497	5	2.05%
One Vision	526	4	2.48%	640	3	2.65%
Good Shepherd	321	5	1.51%	302	9	1.25%
Principal Financial Group	316	6	1.49%	448	6	1.85%
Cargill Kitchen Solutions	290	7	1.37%			
City of Mason City	256	8	1.21%	330	8	1.36%
Smithfield	255	9	1.20%			
Cerro Gordo County	238	10	1.12%			
Hy-Vee Food Stores				592	4	2.45%
Wal-Mart Stores				379	7	1.57%
Kraft Foods				278	10	1.15%
	<u>6,347</u>		<u>29.89%</u>	<u>6,789</u>		<u>28.06%</u>

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

CERRO GORDO COUNTY, IOWA

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

(Unaudited)

Function/Program	Fiscal Year			
	2011	2012	2013	2014
Public Safety and Legal Services:				
Sheriff	73.00	73.00	73.00	73.00
Attorney	11.00	11.00	12.00	12.00
Child Support Recovery	7.00	6.00	6.00	6.00
Physical Health and Social Services:				
Health Department	48.00	50.00	48.00	46.00
General Relief	1.35	1.35	1.35	1.35
Veteran Affairs	1.65	1.65	1.65	1.65
Mental Health:				
CPC	3.20	3.20	3.20	3.20
Case Management	9.00	9.00	9.00	8.00
County Environment and Education:				
Conservation	6.50	7.00	6.50	6.50
Planning and Zoning:	1.00	1.00	1.00	0.60
Roads and Transportation:				
Engineer	39.00	39.00	38.00	39.00
Roadsides	3.00	2.00	3.00	3.00
Governmental Services to Residents:				
Treasurer, motor vehicles	5.75	5.75	5.75	5.75
Recorder	5.00	5.00	5.00	5.00
Auditor, elections	3.00	3.00	3.00	3.08
Administration:				
Board of Supervisors	3.50	3.50	3.50	3.35
Auditor	6.50	6.50	6.50	6.72
Treasurer, tax	2.25	2.25	2.25	2.25
MIS	6.00	6.00	7.00	6.00
GIS				
Courthouse Maintenance	2.50	2.50	2.50	2.60
Safety	0.50	0.50	0.50	0.60
Personnel	0.50	0.50	0.50	0.60
Total	239.20	239.70	239.20	236.25

Source: County Records

Fiscal Year					
2015	2016	2017	2018	2019	2020
73.00	71.00	74.00	74.00	74.00	74.00
12.50	13.50	15.50	17.00	18.00	18.00
6.00	6.00	6.00	6.00	6.00	6.00
47.00	48.00	50.00	52.00	50.00	50.00
1.35	1.35	2.35	2.35	2.35	2.35
1.65	1.65	1.65	1.65	1.65	1.65
3.20	3.20	5.30	6.50	6.00	0.00
8.00	8.00	9.00	1.00	1.00	0.00
6.50	6.50	6.50	6.50	7.00	7.00
0.55	1.05	1.30	1.20	1.20	1.20
39.00	39.00	39.00	39.00	39.00	39.00
3.00	3.00	3.00	3.00	3.00	3.00
5.75	6.50	5.75	5.75	5.75	5.75
5.00	5.00	5.00	5.00	5.00	5.00
3.00	3.00	3.00	3.00	2.50	3.00
3.30	3.30	3.30	3.20	3.20	3.20
6.50	7.50	6.50	6.50	6.50	5.50
2.25	2.50	2.25	2.25	2.25	2.25
8.00	7.00	5.00	6.00	6.00	6.00
		1.00	1.00	1.00	1.00
2.55	2.55	2.55	2.40	2.40	2.40
0.55	0.55	0.55	0.40	0.40	0.40
0.55	1.05	0.80	0.80	0.80	0.80
239.20	241.20	249.30	246.50	245.00	237.50

CERRO GORDO COUNTY, IOWA

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

(Unaudited)

Function/Program	Fiscal Year			
	2011	2012	2013	2014
Public Safety and Legal Services:				
Sheriff:				
Weapon permits issued	1,149	673	679	705
Number of Jail bookings	2,998	3,130	3,024	3,071
Civil Papers Served	4,647	4,627	4,650	4,236
Service Calls	8,876	7,554	7,316	8,128
Number of Arrests	2,572	2,546	2,073	1,315
Citations and Warnings issued	4,029	2,755	2,482	3,022
Attorney:				
Number Cases Filed:				
Felony	283	234	297	345
Indictable Misdemeanor	1,036	871	919	1,086
Juvenile	151	165	185	216
Physical Health and Social Services:				
Health Department:				
Number of Immunizations	5,081	4,978	5,463	4,995
Number of Nursing Clients	358	378	411	388
Number of Nursing Visits	6,320	6,376	6,380	6,958
Number of Home Care Aide Clients	296	145	141	259
Number Home Care Aide service hours	12,175	12,365	10,987	10,939
Number of Food Inspections	840	386	971	810
County Environment and Education:				
Conservation:				
Number of camper nights	4,209	4,173	3,895	3,527
Conservation programs presented	274	271	309	377
People attending programs	11,169	10,487	10,227	11,558
Planning and Zoning:				
Zoning Permits issued	96	103	71	88
Board of Adjustment cases	28	37	28	28
Roads and Transportation:				
Engineer: Miles maintained	970	970	970	970
Governmental Services to Residents:				
Treasurer: Titles issued	13,791	14,812	15,363	16,631
Recorder: Documents recorded	9,495	9,137	9,899	8,325
Auditor:				
Registered voters	32,158	32,449	31,975	32,211
Absentee ballots requested	5,872	1,530	9,865	2,643

Source: County Records

Fiscal Year					
2015	2016	2017	2018	2019	2020
764	1,465	1,156	1,160	795	1,061
2,942	2,934	2,979	2,868	2,742	2,341
3,872	3,822	3,877	3,906	3,571	3,029
7,859	8,225	8,552	8,424	9,834	9,756
1,019	1,113	1,197	1,002	868	715
2,841	2,900	2,947	2,349	1,988	1,544
373	334	377	393	367	377
831	936	912	1,062	991	927
166	203	199	200	207	210
6,398	6,672	5,610	6,134	6,852	5,293
397	405	533	312	236	206
6,886	7,722	6,652	6,075	5,170	4,598
141	135	345	245	150	131
11,706	11,832	11,432	11,373	10,540	8,984
837	500	1,051	724	500	441
3,509	4,384	4,219	4,771	4,170	4,881
358	319	294	294	333	223
12,844	12,444	12,803	10,070	10,605	5,775
90	94	131	100	116	141
34	36	43	41	33	36
970	970	970	970	970	970
17,261	17,488	18,045	17,163	13,259	12,238
7,666	8,120	7,584	7,655	7,585	8,256
31,265	31,690	31,022	31,197	30,738	30,862
7,639	1,141	10,655	2,999	7,548	6,548

CERRO GORDO COUNTY, IOWA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

(Unaudited)

Function/Program	Fiscal Year			
	2011	2012	2013	2014
Public Safety and Legal Services:				
Sheriff:				
Number of vehicles	28	28	29	29
Physical Health and Social Services:				
Health Department:				
Number of vehicles	9	9	9	9
County Environment and Education:				
Conservation:				
Number of park areas	31	31	31	32
Total acres managed	3,284	3,284	3,284	3,309
Number of vehicles	15	15	15	15
Roads and Transportation:				
Engineer:				
Number of vehicles	44	46	46	46
Number of buildings	6	6	6	7
Governmental Services to Residents:				
Auditor, elections:				
Number of voting machines	59	59	62	62

Source: Various County Departments.

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

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

Fiscal Year					
2015	2016	2017	2018	2019	2020
29	29	29	29	29	29
11	9	9	10	10	9
34	35	35	35	34	33
3,433	3,444	3,444	3,444	3,444	3,444
14	14	14	15	15	15
46	46	46	46	47	47
7	7	7	7	9	9
61	64	67	68	68	68

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FINANCIAL INFORMATION REQUIRED
BY THE STATE AUDITOR

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CERRO GORDO COUNTY, IOWA

SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION - ALL GOVERNMENTAL FUNDS

Years Ended June 30,

	Modified Accrual Basis			
	2020	2019	2018	2017
Revenues:				
Property and Other County Tax	\$ 19,391,589	\$ 18,585,723	\$ 17,692,061	\$ 16,872,117
Tax Increment Financing	-	17,286	46,163	70,511
Local Option Sales Tax	1,882,685	1,698,530	1,656,500	1,732,131
Interest and Penalty on Property Tax	78,950	191,486	152,884	145,759
Intergovernmental	11,063,532	10,817,246	10,360,262	9,802,673
Licenses and Permits	205,346	156,893	165,698	167,887
Charges for Services	1,518,801	1,800,316	2,124,942	1,645,611
Use of Money and Property	536,874	716,632	537,827	300,827
Fines, Forfeitures, and Defaults	13,567	36,448	60,961	73,916
Miscellaneous	1,565,494	1,139,467	1,190,244	1,090,300
Total	\$ 36,256,838	\$ 35,160,027	\$ 33,987,542	\$ 31,901,732
Expenditures:				
Operating:				
Public Safety and Legal Services	\$ 9,355,355	\$ 9,100,310	\$ 8,972,657	\$ 8,712,033
Physical Health and Social Services	5,976,903	6,118,575	5,637,490	5,005,487
Mental Health	1,790,623	2,088,247	2,329,891	2,744,081
County Environment and Education	1,999,047	1,593,856	1,434,640	1,360,421
Roads and Transportation	7,288,100	7,851,936	6,401,635	5,665,460
Governmental Services to Residents	1,200,493	1,147,836	1,239,005	1,220,779
Administrative Services	3,229,795	3,069,854	3,336,359	3,379,361
Non-program	705,149	858,987	360,759	364,685
Debt Service	997,494	998,567	999,842	1,429,923
Capital Projects	2,045,065	1,875,561	1,200,730	3,632,991
Total	\$ 34,588,024	\$ 34,703,729	\$ 31,913,008	\$ 33,515,221

See Accompanying Independent Auditors' Report.

Modified Accrual Basis					
2016	2015	2014	2013	2012	2011
\$ 16,531,525	\$ 16,239,286	\$ 16,413,160	\$ 15,472,254	\$ 14,948,508	\$ 14,501,161
0	0	0	0	0	0
1,803,331	1,748,080	1,505,343	1,584,772	1,682,466	1,650,341
148,127	158,706	152,169	153,414	163,122	161,757
8,703,780	8,278,038	7,961,602	7,144,890	7,295,931	7,827,411
133,989	154,958	220,980	120,712	125,044	126,934
1,710,171	1,402,231	1,422,442	1,304,748	1,332,932	1,391,135
273,850	188,814	495,212	250,226	283,542	277,433
31,043	79,834	25,191	28,995	58,479	9,465
1,321,770	2,285,161	1,036,683	1,284,456	889,753	924,345
\$ 30,657,586	\$ 30,535,108	\$ - \$ 29,232,782	\$ 27,344,467	\$ 26,779,777	\$ 26,869,982
\$ 8,389,453	\$ 8,184,564	\$ 7,962,487	\$ 7,577,137	\$ 7,500,849	\$ 7,095,863
5,098,205	5,110,132	4,914,277	4,845,164	4,639,871	5,095,095
1,848,842	2,561,090	2,018,171	2,361,533	3,793,476	676,241
1,249,483	1,275,293	1,851,989	1,106,735	1,233,631	1,181,451
5,837,654	5,618,674	5,500,566	4,417,491	5,066,973	4,963,655
1,203,391	1,461,109	1,077,312	1,048,894	1,052,040	988,933
3,048,671	2,995,191	2,659,540	2,580,211	2,485,101	2,355,944
293,382	189,518	95,989	27,405	84,682	114,044
1,435,699	1,027,135	991,707	992,257	10,412,411	3,060,946
19,424	1,762,502	978,252	1,850,331	1,769,644	2,628,619
\$ 28,424,204	\$ 30,185,208	\$ 28,050,290	\$ 26,807,158	\$ 38,038,678	\$ 28,160,791

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SINGLE AUDIT SECTION

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CERRO GORDO COUNTY, IOWA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2020

Grantor/Program	CFDA Number	Pass-Through Entity Identifying Number	Program Expenditures
Direct:			
U.S. Department of Housing and Urban Development:			
Office of Lead Hazard Control and Healthy Homes:			
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	IALHB0628-16	\$136,211
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	IALHB0736-19	282,763
			<u>418,974</u>
U.S. Department of the Treasury:			
Coronavirus Relief Fund	21.019	FY20	<u>25,237</u>
U.S. Election Assistance Commission:			
HAVA Election Security Grants	90.404	FY20	<u>8,100</u>
U.S. Department of Health and Human Services:			
Food and Drug Administration:			
Active Managerial Control – the Backbone of Local Food Safety Initiatives	93.103	5U18FD005631-05	47,384
Food and Safety Training	93.103	G-T-1810-06579	2,612
			<u>49,996</u>
Health Resources and Services Administration:			
Rural Communities Opioid Response Program – Planning	93.912	G25RH32927	149,119
Total Direct			<u><u>\$651,426</u></u>
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	FY20	<u>\$37,208</u>
U.S. Department of Justice:			
Iowa Department of Justice:			
Crime Victim Assistance	16.575	VW-19-29-16	15,233
Crime Victim Assistance	16.575	VP-20-120-VWC	38,633
			<u>53,866</u>
U.S. Department of Transportation:			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	BROS-C017(76)—8J-17	28,365
Highway Planning and Construction	20.205	TAP-R-C017(082)—8T-17	268,850
			<u>297,215</u>
Iowa Department of Public Safety:			
Governor's Traffic Safety Bureau:			
State and Community Highway Safety Grant	20.600	19-402-M0AL, Task 03	5,171
State and Community Highway Safety Grant	20.600	20-402-M0AL, Task 02	14,123
			<u>19,294</u>
Centers for Disease Control and Prevention:			
Iowa Department of Public Health:			
Preventive Health and Health Services Block Grant	93.991	SERV5880CB05	<u>4,000</u>
U.S. Department of Health and Human Services:			
Iowa Department of Elder Affairs:			
Special Programs for the Aging, Title III Homemaker	93.044	FY20	<u>18,829</u>

CERRO GORDO COUNTY, IOWA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2020 (Continued)

Grantor/Program	CFDA Number	Pass-Through Entity Identifying Number	Program Expenditures
U.S. Department of Health and Human Services:			
Iowa Department of Public Health:			
Public Health Emergency Preparedness	93.069	5880BT02	\$321,758
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	5889CH12P	5,741
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	5880CH12P	31,059
			<u>36,800</u>
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	5885TB417	6,365
Immunization Cooperative Agreements	93.268	5880I415	10,524
Public Health Response: COVID	93.354	5885TB417	18,580
Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	93.426	5880CD27	5,300
Temporary Assistance for Needy Families	93.558	ACFS20043	31,855
National Bioterrorism Hospital Preparedness Program	93.889	5880BT02	105,715
Cancer Prevention and Control Programs for State, Territorial And Tribal Organizations	93.898	5580NB07	7,525
HIV Care Formula Grants	93.917	5889AP04	77,220
HIV Care Formula Grants	93.917	5880AP04	26,974
			<u>104,194</u>
HIV Prevention Activities	93.940	5889AP04	9,998
HIV Prevention Activities	93.940	5880AP04	12,533
			<u>22,531</u>
Iowa Department of Human Services:			
Guardianship Assistance	93.090	FY20	6
Refugee and Entrant Assistance	93.566	FY20	22
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care And Development Fund	93.596	FY20	8,816
Foster Care Title IV-E	93.658	FY20	12,546
Adoption Assistance	93.659	FY20	5,113
Social Services Block Grant	93.667	FY20	10,827
Children's Health Insurance Program	93.767	FY20	1,258
Medicaid Cluster:			
Medical Assistance Program	93.778	FY20	56,307
U.S. Department of Homeland Security:			
Iowa Department of Homeland Security and Emergency Management:			
Disaster Grants – Public Assistance (Presidentially Declared Disaster)	97.036	FEMA-4386-DR-IA*	276,999
Disaster Grants – Public Assistance (Presidentially Declared Disaster)	97.036	FEMA-4483-DR-IA	4,250
			<u>281,249</u>
Emergency Management Performance Grant	97.042	EMPG-20-PT-17	34,025
Homeland Security Grant Program	97.067	17-11-07	4,785
Total Indirect			<u>\$1,516,513</u>
Total			<u>\$2,167,939</u>

CERRO GORDO COUNTY, IOWA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2020 (Continued)

*During the year ended June 30, 2020, the Federal Emergency Management Agency approved eligible expenditures that were incurred in the prior year. These approved eligible expenditures incurred in the prior year are included in the Schedule of Expenditures of Federal Awards of Cerro Gordo County for the year ended June 30, 2020.

Basis of Presentation – The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Cerro Gordo County under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Cerro Gordo County, it is not intended to and does not present the financial position, changes in financial position or cash flows of Cerro Gordo County.

Summary of Significant Accounting Policies – Expenditures reported in the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate - Cerro Gordo County has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

See Accompanying Independent Auditor's Report.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Officials of Cerro Gordo County
Mason City, Iowa

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Cerro Gordo County, Iowa, as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise Cerro Gordo County, Iowa's basic financial statements and have issued our report thereon dated December 17, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items II-A-20 and II-B-20, that we consider to be material weaknesses.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2020 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.

Cerro Gordo County, Iowa's Responses to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Paulina + Company, P.C." The signature is written in a cursive, flowing style.

Charles City, Iowa

December 17, 2020



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Officials of Cerro Gordo County
Mason City, Iowa

Report on Compliance for Each Major Federal Program

We have audited Cerro Gordo County, Iowa's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Cerro Gordo County, Iowa's major federal programs for the year ended June 30, 2020. Cerro Gordo County, Iowa's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Cerro Gordo County, Iowa, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs as item III-A-20 (2020-001) that we consider to be a material weakness.

Cerro Gordo County, Iowa's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Cerro Gordo County, Iowa's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

A handwritten signature in black ink that reads "Paulina + Company, P.C." in a cursive, flowing script.

Charles City, Iowa

December 17, 2020

CERRO GORDO COUNTY, IOWA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2020

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

- a. Unmodified opinions were issued on the financial statements prepared in accordance with accounting principles generally accepted in the United States of America.
- b. Material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- c. The audit did not disclose any non-compliance which is material to the financial statements.
- d. A material weakness in internal control over the major programs was disclosed by the audit of the financial statements.
- e. An unmodified opinion was issued on compliance with requirements applicable to the major programs.
- f. The audit disclosed audit findings which are required to be reported in accordance with the Uniform Guidance, Section 200.516.
- g. The major programs were CFDA Number 14.900 – Lead-Based Paint Hazard Control in Privately-Owned Housing, CFDA Number 20.205 – Highway Planning and Construction and CFDA Number 97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disaster).
- h. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- i. Cerro Gordo County did not qualify as a low-risk auditee.

CERRO GORDO COUNTY, IOWA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2020

Part II: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

II-A-20 Segregation of Duties

Criteria – Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the County's financial statements.

Condition – Various functions of the County Offices are performed by the same person.

Cause – Limited staff available to segregate duties.

Effect – Inadequate segregation of duties could adversely affect the County's ability to prevent or detect and correct misstatements, errors or misappropriation on a timely basis by employees in the normal course of performing their assigned functions.

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

Response and Corrective Action Planned - We have reviewed procedures and plan to make the necessary changes to improve internal control. We plan to implement these changes as soon as possible.

Conclusion – Response accepted.

II-B-20 Financial Reporting

Criteria – A deficiency in internal control over financial reporting 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 of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the County's financial statements.

Condition – Material amounts of receivables and payables were not properly recorded in the County's financial statements. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

Cause – County policies do not require and procedures have not been established to require independent review of year end cut-off transactions to ensure the County's financial statements are accurate and reliable.

Effect – Lack of policies and procedures resulted in County employees not detecting the errors in the normal course of performing their assigned functions. As a result, material adjustments to the County's financial statements were necessary.

Recommendation— The County should establish procedures to ensure all receivables and payables are identified and properly reported in the County's financial statements.

CERRO GORDO COUNTY, IOWA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2020

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

Response – We will review our current procedures to ensure the proper amounts are recorded in the financial statements in the future.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

INTERNAL CONTROL DEFICIENCIES:

CFDA Number 14.900: Lead-Based Paint Hazard Control in Privately-Owned Housing
Federal Award Year: 2019/2020
Prior Year Finding Number: III-A-19 (2019-001)
U.S. Department of Housing and Urban Development

CFDA Number 20.205: Highway Planning and Construction
Pass-Through Entity Identifying Numbers: BROS-C017(76)—8J-17 and TAP-R-C017(082)—8T-17
Federal Award Year: 2019/2020
Prior Year Finding Number: III-A-19 (2019-001)
U.S. Department of Transportation
Passed through the Iowa Department of Transportation

CFDA Number 97.036: Disaster Grants – Public Assistance (Presidentially Declared Disaster)
Pass-Through Entity Identifying Numbers: FEMA-4386-DR-IA and FEMA-4483-DR-IA
Federal Award Year: 2020
Prior Year Finding Number: N/A
U.S. Department of Homeland Security
Passed through the Iowa Department of Homeland Security and Emergency Management

III-A-20 (2020-001) **Segregation of Duties over Federal Revenue** – Duties related to the custody, recordkeeping and reconciling of federal awards are not properly segregated by the County. See item II-A-20.

CERRO GORDO COUNTY, IOWA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2020

Part IV: Other Findings Related to Required Statutory Reporting:

IV-A-20 **Certified Budget** – Disbursements during the year ended June 30, 2020 did not exceed the amounts budgeted.

IV-B-20 **Questionable Expenditures** – In accordance with Article III, Section 31 of the Iowa Constitution and an Attorney General's opinion dated April 25, 1979, public funds may only be spent for public benefit. Certain expenditures were noted which we believe may not meet the requirements of public purpose as defined in the Attorney General's opinion since the public benefits to be derived have not been clearly documented. These expenditures are detailed as follows:

Paid To	Purpose	Amount
Walmart	Gift Cards	\$420
Tara Brueggeman	Car Rental Reimbursement for Spouse	182
Cardmember Services	Late Fees and Interest Charges	21
First National Bank of Omaha	Personal Travel Expenses	328

According to the opinion, it is possible for certain expenditures to meet the test of serving a public purpose under certain circumstances, although such items will certainly be subject to a deserved close scrutiny. The line to be drawn between a proper and improper purpose is very thin.

Recommendation – The Board of Supervisors should determine and document the public purpose served by these types of expenditures prior to authorizing any further payments. If this practice is continued, the County should establish written policies and procedures, including requirements for proper public purpose documentation.

Response – We will document this in the future.

Conclusion – Response accepted.

IV-C-20 **Travel Expense** – Except as noted in the above finding, no expenditures of County money for travel expenses of spouses of County officials or employees were noted.

IV-D-20 **Business Transactions** – The following business transactions between the County and County officials or employees were noted:

Name, Title and Business Connection	Transaction	Amount
Tracie Siemers, Auditor's Office		
Steve Siemers, Spouse	Snow Removal	\$1,095
Linda Weatherwax, Mother	Election Worker	1,569

In accordance with Chapter 331.342 of the Code of Iowa, the transactions with Steve Siemers and Linda Weatherwax do not appear to represent conflicts of interest since total transactions were less than \$6,000 during the fiscal year.

IV-E-20 **Restricted Donor Activity** – No transactions were noted between the County, County officials, County employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

CERRO GORDO COUNTY, IOWA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2020

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

- IV-F-20 **Bond Coverage** – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of all bonds should be periodically reviewed to ensure that the coverage is adequate for current operations.
- IV-G-20 **Board Minutes** – No transactions were found that we believe should have been approved in the Board minutes but were not.
- IV-H-20 **Deposits and Investments** – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County's Investment Policy were noted.
- IV-I-20 **Resource Enhancement and Protection Certification** – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- IV-J-20 **Economic Development** – During the year ended June 30, 2020, the County paid \$291,800 for Economic Development, which appears to be an appropriate expenditure of public funds since the public benefits to be derived have been clearly documented.
- IV-K-20 **Early Childhood Iowa Area Board** – Cerro Gordo County is the fiscal agent for the Cerro Gordo, Hancock, Worth Early Childhood Iowa Area Board, an organization formed pursuant to the provisions of Chapter 256I of the Code of Iowa. Financial transactions of the Area Board are included in the County's financial statements as part of the Other Custodial Funds because of the County's fiduciary relationship with the organization.
- IV-L-20 **Tax Increment Financing** – For the year ended June 30, 2020, the County Auditor prepared a reconciliation for each City reconciling TIF receipts with total outstanding TIF debt.
- IV-M-20 **Annual Urban Renewal Report** – The Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on or before December 1.

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