



Cerro Gordo County, Iowa

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2023

CERRO GORDO COUNTY, IOWA

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023**

Prepared by: Cerro Gordo County Auditor's Office

INTRODUCTORY SECTION

CERRO GORDO COUNTY, IOWA

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CERRO GORDO COUNTY, IOWA

OFFICIALS
June 30, 2023

(Before January 2023)

Board of Supervisors

<u>Name</u>	<u>Term Expires</u>	<u>Address</u>
Casey Callanan	January 2025.....	Clear Lake, Iowa
Tim Latham	January 2023.....	Mason City, Iowa
Chris Watts	January 2023.....	Mason City, Iowa

Officers

<u>Name</u>	<u>Term Expires</u>	<u>Title</u>
Adam Wedmore.....	January 2025.....	Auditor
Patricia Wright.....	January 2023.....	Treasurer
AnnMarie Legler.....	January 2023.....	Recorder
Kevin Pals.....	January 2025.....	Sheriff
Danielle Shipley	Appointed.....	County Assessor
Tara Brueggeman.....	Appointed.....	City Assessor
Carlyle Dalen	January 2023.....	County Attorney

(After January 2023)

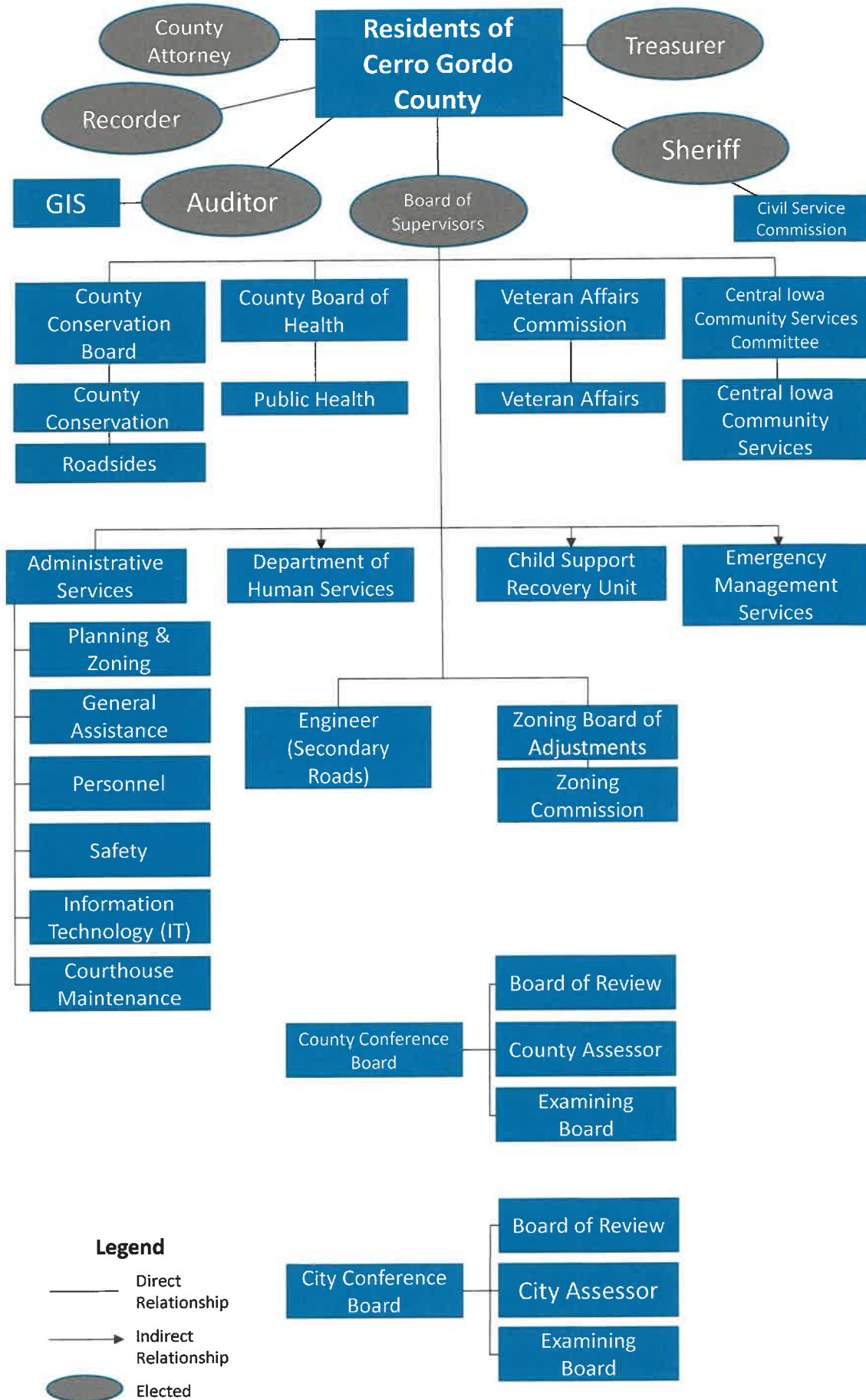
Board of Supervisors

<u>Name</u>	<u>Term Expires</u>	<u>Address</u>
Chris Watts	January 2027.....	Mason City, Iowa
Casey Callanan	January 2025.....	Clear Lake, Iowa
Lori Meacham Ginapp	January 2025.....	Plymouth, Iowa

Officers

<u>Name</u>	<u>Term Expires</u>	<u>Title</u>
Adam Wedmore.....	January 2025.....	Auditor
Nikki Fessler.....	January 2027.....	Treasurer
AnnMarie Legler.....	January 2027.....	Recorder
Kevin Pals.....	January 2025.....	Sheriff
Danielle Shipley	Appointed.....	County Assessor
Tara Brueggeman.....	Appointed.....	City Assessor
Carlyle Dalen	January 2027.....	County Attorney

Cerro Gordo County Organizational Chart





Government Finance Officers Association

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

Presented to

**Cerro Gordo County
Iowa**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

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 21, 2023

County Board of Supervisors and Citizens
Cerro Gordo County, Iowa

The annual comprehensive financial report (ACFR) for the County of Cerro Gordo, Iowa (the "County") for the fiscal year ended June 30, 2023, 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 for all 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, 2023 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 ("clean") opinion on the County's financial statements for the fiscal year ended June 30, 2023, 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.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

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. Other elected officials (Attorney, Auditor, Recorder, Sheriff, and Treasurer) and appointed department heads have the responsibility of administering these programs in accordance with the policies and the annual budget adopted by the Board of Supervisors.

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 April 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 function 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 area.

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 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 the 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 also a regional center for health care services, with the second highest number of primary care physicians per capita in the State, trailing only to Johnson County. MercyOne North Iowa Medical Center is a 342 bed regional referral teaching hospital with a service area that spans 15 counties across northern Iowa and southern Minnesota, serving a population over 260,000 people.

In general economic news for the fiscal year, the number of persons employed in the county went from 21,530 to 23,100, an increase of 7.3% from June 2022 to June 2023, 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 2023 was 88.5% 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 Iowa Economic Development Authority created Destination Iowa to assist with funding new quality of life and expanded tourism opportunities throughout Iowa. The funding provides 40% of the total project cost and is available from the American Rescue Plan funds. To be approved for the grant, applicants need to demonstrate how their projects will be a draw to people from outside the community and/or outside of the state. Cerro Gordo County teamed up with the City of Mason City to apply for a \$4.7 million grant for the \$11.8 million Bike North Iowa project. The project would tie area bike trails together, along with updating a county campground and creating trailside amenities such as shelters, bouldering equipment, seating, and art and education installations. The City and County were awarded \$4.5 million in October 2022. The County's portion of the project totals \$1.5 million and the remaining \$10.3 million is the City's project.

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 17 miles of the railroad bed to a crushed limestone biking and hiking trail at a cost of \$2,331,531. Funding for the construction to convert the railbed and bridges have come from several sources: Transportation Alternatives Program grants, Wellmark Foundation grants, Cerro Gordo County Department of Public Health, Cerro Gordo County Conservation, and Resource Enhancement and Protection (REAP). Phase 5 & 6 of the trail, a three-mile section connecting to Phase 4 was completed during FY23. The trail is now open from Thornton to Mason City, with another mile going south scheduled for completion in FY24. The remaining miles of the trail will be developed as additional funding sources become available.

Electrical upgrades from 30 to 50 Amp service are underway at both Ingebretson and Linn Grove campgrounds. The Ingebretson project of \$115,000 is funded with a Destination Iowa grant as well as Coronavirus State and Local Fiscal Recovery Funds from the American Rescue Plan Act. The Linn Grove project is estimated at \$315,000, with \$115,000 coming out of the Linn Grove park fund. Both projects will be complete in FY24.

Project planning is underway for the construction of a new maintenance shop to serve as the operation hub for the County Conservation field staff. The new 7,200 sq ft building will feature five bays, office space, and a restroom. Atura Architecture was selected to design the new facility and bids were accepted in November 2023. The low bid of \$1,150,700 submitted by Kingland Construction was approved by the County Board of Supervisors and construction is scheduled to begin in March 2024.

Transition was the theme of fiscal year 2023 for public health in Iowa. The State of Iowa merged two distinct departments into the Department of Health and Human Services during the year. State offices moved physically and virtually, staff turnover led to contract, payment and technical assistance delays, and there were data access difficulties. Halfway through the year, the State began assessing the local health department system for realignment. This has resulted in a year of uncertainty for the future of local public health funding models and regions.

In May, the public health emergency ended and CG Public Health began planning for the transition of COVID-19 vaccines from a well-oiled government distribution system to commercialization. We kept one eye on reinventing how we operate for the future while battling age-old diseases and issues. The pandemic reduced access to health care, negatively affected substance use/addictive behaviors and mental health status and placed a spotlight on systems issues like health care and childcare workforce shortages. Individuals reduced healthy routines like being physically active, socializing, eating healthily, or even getting their well water tested regularly.

Some new initiatives we undertook over the year included:

- Statewide response to Monkeypox outbreak and vaccine provision for high-risk persons.
- Partnering with the City of Mason City for housing inspection services for their Downtown West Reinvestment District; this connects our housing rehabilitation program with theirs and NIACOG's as well.

- After the Community Health Assessment was approved, we began work developing the Community Health Improvement Plan and the teams that drive each priority.
- There was a change in funding usage in the Grants-to-Counties program which traditionally pays for private well testing, rehabilitation and well pluggings. This year we were allowed to use the funding to help pay for shock chlorination, the first step we recommend when a well is positive for coliform bacteria.
- We worked with the state to provide funding to unsewered communities for properties in need of new septic systems.
- The Child Care Works IMPACT initiative formed a wage supplement program to elevate the wages of critical childcare workers, expand the childcare workforce and increase the reliability and availability of affordable childcare in our region; the coalition formed, plan developed and work on raising funding to pay for this initiative began in the fiscal year.
- The Board of Supervisors asked CG Public Health to determine how to best spend Opioid Settlement funding to benefit our County; CG Public Health through a grassroots coalition developed a plan to include establishing a local surveillance program, Naloxone education and access, awareness and education, and youth prevention programming.

The county constructed a new Secondary Road building to house the county engineer's administrative offices, engineering department, signs department, mechanic shop, maintenance equipment, and the Clear Lake maintenance employees. Construction began in April 2020 and was completed in September 2021 at a total project cost of \$3,477,579. This building was the first step in a plan to refresh the Secondary Road buildings and maintenance sheds. Since it was discovered that the cost of repairing and updating the existing sheds was going to cost millions, the plan to build new facilities was put into place. This will allow us to modernize our internal infrastructure and become more efficient year-round.

A new maintenance shed in the city of Ventura and replacement of the existing Thornton maintenance shed was the next step in the plan. In February 2022, Kingland Construction was awarded the project of both sheds with a total bid of \$1,647,000. The new Ventura and Thornton maintenance sheds will increase the efficiency of the department by lowering response time to snowstorms or other natural disasters. Both sheds are located at the confluence of the routes thus reducing dead head time for disaster response and normal daily duties for road maintenance. The buildings were completed in June 2023 at a total project cost of \$1,878,951.

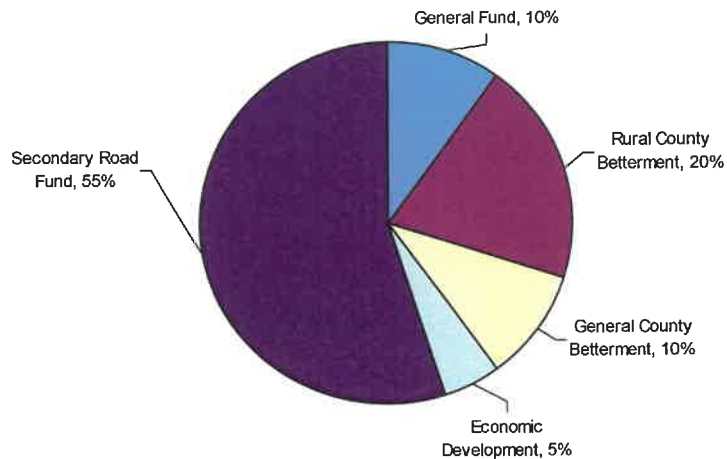
The Soils Groundwork project, a project to ensure the site of the new Mason City maintenance shed was ready for construction, was bid out in March 2022. Yohnco was awarded the project for a cost of \$267,328. The Soils project was completed in September 2022 along with plans for the actual shed. The Mason City maintenance shed project was bid by five contractors in November 2022. Kingland Construction was awarded the project with a bid of \$2,870,000 and estimated completion date of June 2024.

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 FY2023, Cerro Gordo County received a total of \$2,194,414 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 annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the twenty-seventh 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 annual comprehensive 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 annual comprehensive 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 Report on a timely basis could not have been completed without the cooperation and services of the staffs of the Auditor's Office and the Treasurer's Office. 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
Finance Director
Cerro Gordo County, Iowa

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Officials of Cerro Gordo County
Mason City, Iowa

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2023, 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.

In our opinion, the accompanying financial statements 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 23 to the financial statements, Cerro Gordo County, Iowa adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Agreements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Cerro Gordo County, Iowa's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Cerro Gordo County, Iowa's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset), the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 12-21 and 63-73 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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, 2022 (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, statistical section and the Schedule of Expenditures of Federal Awards, as required by Title 2, U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with 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.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023, 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.

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

Charles City, Iowa

December 21, 2023

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, 2023. 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 decreased 8.9% or \$3,712,809 from \$41,556,936 in fiscal year 2022 (FY22) to \$37,844,127 in fiscal year 2023 (FY23). Property taxes and other county taxes decreased \$353,906, local option sales tax dollars decreased \$217,201, intergovernmental revenues decreased \$5,013,887, charges for services decreased \$73,113, use of money and property increased \$1,335,211, and miscellaneous revenues increased \$644,205 from FY22.
- ◆ Cerro Gordo County governmental fund expenditures for FY23 were \$38,608,247, an increase of \$972,628 from \$37,635,619 in FY22.
- ◆ The assets and deferred outflows of resources of the County exceeded the liabilities and deferred inflows of resources at fiscal year ended June 30, 2023 by \$88,585,809 (net position) compared to \$82,832,858 on June 30, 2022.
- ◆ Cerro Gordo County's net position increased 6.9% or \$5,752,951 for the fiscal year ended June 30, 2023. Government activities increased \$5,813,470 and business-type activities decreased by \$60,519. For fiscal year ended June 30, 2022, total net position increased \$11,069,134. Governmental activities increased \$11,134,303 and business-type activities decreased \$65,169.
- ◆ Cerro Gordo County's governmental funds reported combined ending fund balances of \$36,365,425, an increase of \$168,301 in comparison with the prior year, including the inventory reserve change. Approximately 39% of the total amount, \$14,184,388, is the County's unassigned fund balance.
- ◆ Cerro Gordo County's general long-term debt, excluding compensated absences, retirement benefits, net pension liability, total OPEB liability, and claims payable, decreased \$741,127 during the fiscal year. This change was due to scheduled debt and lease payments and the issuance and payment 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 22-25). These provide information about the activities of the County as a whole and present an overall view of the County's finances.

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

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

Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year, the County's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of 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, county environment and education, roads and transportation, government services to residents, administrative services, interest on long-term debt, and other non-program activities. Property taxes and state and federal grants finance most of these activities.

Fund Financial Statements

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

Cerro Gordo County has three kinds of funds:

- ***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 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 required financial statements for governmental funds 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 required financial statements for proprietary funds 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 services, county assessor, and city assessor to name a few.

The required financial statements for fiduciary funds 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 39.

Supplementary Information

The supplementary information begins on page 74 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 \$5,752,951 from \$82,832,858 to \$88,585,809. The analysis below focuses on the net position and changes in net position of our governmental and business-type activities.

Cerro Gordo County's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$61,225,742	\$62,430,715	\$93,448	\$83,423	\$61,319,190	\$62,514,138
Capital Assets	59,424,752	56,931,530	873,829	959,114	60,298,581	57,890,644
Total Assets	120,650,494	119,362,245	967,277	1,042,537	121,617,771	120,404,782
Deferred Outflows of Resources	1,865,782	1,843,091	0	0	1,865,782	1,843,091
Long-Term Debt Outstanding	10,645,924	7,519,220	396,700	413,623	11,042,624	7,932,843
Other Liabilities	2,530,214	2,979,047	6,096	3,914	2,536,310	2,982,961
Total Liabilities	13,176,138	10,498,267	402,796	417,537	13,578,934	10,915,804
Deferred Inflows of Resources	21,318,810	28,499,211	0	0	21,318,810	28,499,211
Net Position:						
Net Investment in Capital Assets	56,290,031	52,730,108	477,129	545,491	56,767,160	53,275,599
Restricted	20,399,999	21,672,908	0	0	20,399,999	21,672,908
Unrestricted	11,331,298	7,804,842	87,352	79,509	11,418,650	7,884,351
Total Net Position	\$88,021,328	\$82,207,858	\$564,481	\$625,000	\$88,585,809	\$82,832,858

The largest portion of the County's net position, 64.1%, 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, 23.0% or \$20,399,999, 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 \$11,418,650 or 12.9%.

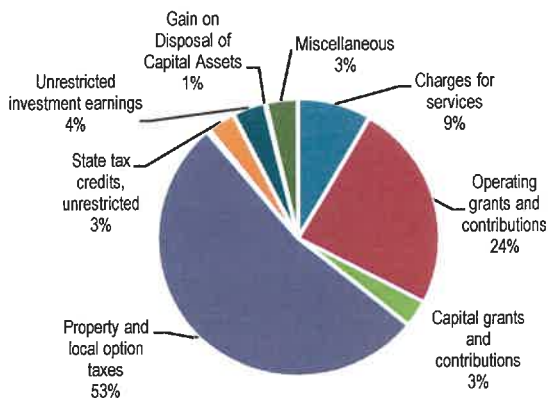
The County's net position increased \$5,752,951 during the current fiscal year. The governmental-type activities increased by \$5,813,470 and the business-type activities decreased \$60,519.

The following table highlights the County's revenues and expenses for the fiscal year ended June 30, 2023 and 2022. 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.

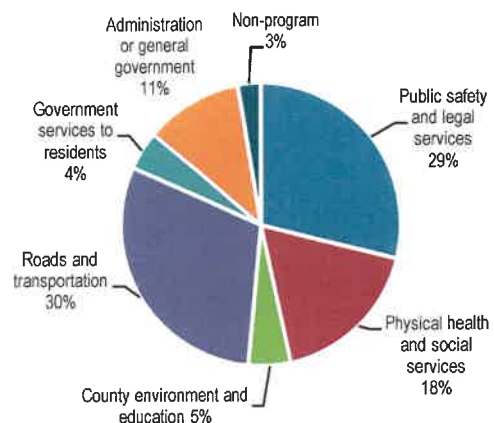
Cerro Gordo County's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for Service	\$3,345,888	\$4,057,742	\$72,913	\$64,033	\$3,418,801	\$4,121,775
Operating Grants, Contributions & Restricted Interest	9,715,660	8,439,457	0	0	9,715,660	8,439,457
Capital Grants, Contributions & Restricted Interest	1,297,510	2,457,765	0	0	1,297,510	2,457,765
General Revenues:						
Property Taxes	18,986,971	19,332,586	0	0	18,986,971	19,332,586
Penalty & Interest on Property Tax	168,570	188,056	0	0	168,570	188,056
State Tax Credits & Replacements	1,276,180	1,365,442	0	0	1,276,180	1,365,442
Local Option Sales & Service Tax	2,194,414	2,411,615	0	0	2,194,414	2,411,615
American Rescue Plan Act	0	4,122,708	0	0	0	4,122,708
Unrestricted Investment Earnings	1,476,758	155,405	46	45	1,476,804	155,450
Miscellaneous	1,437,770	1,225,054	0	0	1,437,770	1,225,054
Gain/(Loss) on Disposal of Capital Assets	73,255	95,924	0	0	73,255	95,924
Total Revenues	39,972,976	43,851,754	72,959	64,078	40,045,935	43,915,832
Expenses:						
Public Safety and Legal Services	9,868,953	9,176,005	0	0	9,868,953	9,176,005
Physical Health and Social Services	6,035,338	5,797,483	0	0	6,035,338	5,797,483
Mental Health	0	2,103,141	0	0	0	2,103,141
County Environment and Education	1,691,692	1,618,517	0	0	1,691,692	1,618,517
Roads and Transportation	10,294,337	9,268,333	0	0	10,294,337	9,268,333
Government Services to Residents	1,518,103	1,108,402	0	0	1,518,103	1,108,402
Administration	3,849,885	3,104,698	0	0	3,849,885	3,104,698
Non-Program	885,261	520,263	133,478	129,247	1,018,739	649,510
Interest on Long Term Debt	15,937	20,609	0	0	15,937	20,609
Total Expenses	34,159,506	32,717,451	133,478	129,247	34,292,984	32,846,698
Increase (Decrease) in Net Position	5,813,470	11,134,303	(60,519)	(65,169)	5,752,951	11,069,134
Net Position July 1,	82,207,858	71,073,555	625,000	690,169	82,832,858	71,763,724
Net Position June 30	\$88,021,328	\$82,207,858	\$564,481	\$625,000	\$88,585,809	\$82,832,858

Revenues by Type



Expenses by Function



Governmental Activities

Cerro Gordo County's governmental activities net position increased \$5,813,470 during the year. Revenues for governmental activities decreased 8.8% or \$3,878,778 over the prior year. Charges for service decreased \$711,854 from FY22. This is attributable to a FY22 final payment of \$881,051 from our former mental health region. The County's operating grants, contributions and restricted interest revenues were \$9,715,660, an increase of \$1,276,203 over FY22 due to additional operating grants for public health. Capital grants, contributions and restricted interest decreased \$1,160,255 over the previous year as a result of fewer capital grants and contributions for the roads and transportation function. With a reduction in property tax levy rates, property tax revenues decreased \$345,615. Local option sales & service tax decreased \$217,201.

The cost of all governmental activities this year was \$34,159,506, an increase of \$1,442,055 over the prior years' \$32,717,451. However, as shown in the Statement of Activities on page 24-25, the amount the taxpayers ultimately financed for these activities through County taxes was only \$19,800,448 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.

Mental health had the largest decrease in expense of \$2,103,141 due to Senate File 619 resulting in the elimination of the mental health tax levy and the county mental health fund as of July 1, 2022. Additional secondary road projects caused an increase of \$1,026,044 in roads and transportation. Public safety and legal services increased \$692,948 along with \$745,187 in the administration function and \$409,701 in government services to residents.

For FY23, Cerro Gordo County decreased the rural levy rate from 3.43608 to 3.39820 per thousand of taxable valuation and decreased the countywide levy rate from 5.78378 to 5.47238. The combined tax rates and increase in property valuations resulted in increased property tax dollars of \$330,000 for general purposes and \$85,000 for rural purposes, but a decrease of \$1,700 for debt services and \$768,000 for mental health services.

Business-Type Activities

Business-type activities decreased the County's net position by \$60,519.

THE COUNTY'S INDIVIDUAL MAJOR FUNDS

As Cerro Gordo County completed the year, its governmental funds reported a combined fund balance of \$36,365,425, which is an increase of \$168,301 or .4% over the combined fund balance for FY22. Of this amount, \$14,184,388 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 FY23 with an ending fund balance totaling \$20,731,728. This is a \$775,107 decrease from the prior year's \$21,506,835 fund balance. Revenues decreased 10.4% from the prior year, or \$2,551,839. Expenditures experienced an increase of \$3,032,233, or 17.4% from FY22 as a result of additional expenditures in both capital projects and administration.
- ◆ The Rural Services Fund balance increased \$328,895 to \$899,518 from the prior year ending balance of \$570,623. Revenues increased \$128,999, from \$3,290,808 in FY22 to \$3,419,807 in FY23. Expenditures totaled \$410,912, a decrease of \$93,759, or 18.6% over last year's expenditures of \$504,671.

- ◆ The Secondary Roads Fund expenditures decreased \$256,613 from \$9,777,495 in FY22 to \$9,520,882 in FY23. Revenues increased from \$5,995,731 in FY22 to \$6,235,718 in FY23, a change of 4.0%. The Secondary Roads fund balance decreased \$601,797 from \$7,584,070 in FY22 to \$7,240,729 in FY23.
- ◆ The Public Health Fund ended FY23 with a fund balance of \$1,993,344, an increase of \$552,997 over the prior year's balance of \$1,440,347. Expenditures totaled \$5,498,538, a decrease of \$15,448 over the prior year. Revenues of \$3,819,320 were a decrease of \$51,473 over FY22 revenues of \$3,870,793.
- ◆ The Debt Service Fund had a fund balance of \$41,587, all of which is restricted for the payment of debt.
- ◆ The Capital Projects fund balance increased \$63,573 from \$2,475,705 in FY22 to \$2,539,278 in FY23 due to the sale of a capital asset.

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 once. The budgetary comparison schedule on pages 63-64 provides more information. The amendment, approved in May 2023, resulted in the following:

Revenues and Other Sources changed \$0, which included:

- ◆ An increase of \$81,185 in hotel/motel tax and local option sales and service tax.
- ◆ An increase of \$382,971 in intergovernmental revenues. Additional revenue was noted for Public Health and Destination Iowa funds.
- ◆ A decrease of \$14,000 in licenses and permits for Public Health.
- ◆ Charges for services increased \$74,500. This included an increase in fees for services of \$9,000 provided by the County Treasurer, \$5,000 from Planning and Zoning, \$12,000 by the County Auditor, and \$48,500 from Public Health.
- ◆ Use of money & property increased \$1,280,531 due to additional interest on investments.
- ◆ Miscellaneous revenue increased \$138,941. Departments receiving additional miscellaneous revenue were Public Health \$110,252, Conservation \$25,596, and miscellaneous departments \$3,093.
- ◆ Other Financing Sources included a decrease in operating transfers of \$1,958,828 and an increase of \$14,700 from proceeds from the sale of capital assets.

Expenditures and Other Uses decreased \$16,246 which included:

- ◆ Increase of \$211,827 in Public Safety and Legal Services. This is due to additional expenditures for the County Sheriff of \$157,895 and \$53,932 of Coronavirus State and Local Fiscal Recovery Funds (SLFRF).
- ◆ Increase of \$443,398 in Physical Health and Social Services due to additional expenditures for the Public Health department, Veteran Affairs department, and General Assistance department.

- ◆ A decrease of \$108,523 in County Environment & Education. This decrease stems from a reduction in grants of \$158,523 an increase in expenditures of \$50,000 for the shoreline stabilization project around Clear.
- ◆ An increase of \$686,000 in Roads and Transportation for Secondary Roads department.
- ◆ An increase of \$318,380 in Government Services to Residents for the County Recorder's digitizing project and the County Auditor's new election equipment.
- ◆ A decrease of \$473,500 in Administration. This was due to expending \$610,000 less of SLFR funds for the fiscal year and an increase in expenditures for the Information Technology department.
- ◆ An increase in capital projects of \$865,000 for Secondary Road projects and SLFRF projects

During the year, however, revenues were \$853,374 more than budgetary revenues and expenditures were \$7,078,197 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 Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$2,235,864	\$2,235,864	\$62,300	\$62,300	\$2,298,164	\$2,298,164
Construction in Progress	5,073,052	5,143,472	0	0	5,073,052	5,143,472
Buildings	23,011,513	21,289,609	0	0	23,011,513	21,289,609
Improvements other than Buildings	1,393,092	1,393,092	0	0	1,393,092	1,393,092
Machinery & Equipment	8,892,884	8,165,649	0	0	8,892,884	8,165,649
Vehicles	5,760,589	5,721,563	0	0	5,760,589	5,721,563
Right-to-use leased building	687,950	687,950	0	0	687,950	687,950
Intangible Assets	0	0	0	0	0	0
Infrastructure, road network	74,561,716	70,584,455	2,706,643	2,706,643	77,268,359	73,291,098
Total	121,616,660	115,221,654	2,768,943	2,768,943	124,385,603	117,990,597
Less: Accumulated Depreciation	62,191,908	58,290,124	1,895,114	1,809,829	64,087,022	60,099,953
Total	\$59,424,752	\$56,931,530	\$873,829	\$959,114	\$60,298,581	\$57,890,644

For governmental activities, Cerro Gordo County had depreciation expense of \$4,428,160 and total accumulated depreciation of \$62,191,908 for the year ended June 30, 2023. For business-type activities, depreciation expense was \$85,285 and total accumulated depreciation was \$1,895,114 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, 2023, Cerro Gordo County had total long-term debt outstanding for governmental activities of \$4,263,021, a decrease of \$741,127 compared to FY22. The County issued \$563,398 in drainage warrants during the year. Reductions in debt resulted from capital loan note and revenue bond retirement of \$932,500, lease payments of \$157,701, and \$214,324 of drainage warrants that were called. In the current year, the County paid \$932,500 in principal and \$16,120 in interest on capital loan notes and revenue bonds, compared to \$931,000 in principal and \$21,288 in interest for FY22. Sewer revenue capital loan notes (Business-Type Activities) outstanding totaled \$396,700. This is a decrease of \$16,923 due to debt retirement. Business-Type Activities paid \$16,923 in principal and \$18,614 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 \$314 million.

Cerro Gordo County’s Outstanding Debt

	2023	2022
Governmental Activities:		
Capital Loan Notes & Revenue Bonds	\$ 2,877,250	\$ 3,809,750
Lease Agreements	378,721	536,422
Drainage Warrants	1,007,050	657,976
Total	<u>\$4,263,021</u>	<u>\$ 5,004,148</u>
Business-Type Activities:		
Sewer Revenue Bonds	<u>\$ 396,700</u>	<u>\$ 413,623</u>

Additional information about the County’s long-term debt can be found in Note 8 to the financial statements.

ECONOMIC FACTORS AND NEXT YEARS’S BUDGETS AND RATES

Cerro Gordo County’s elected and appointed officials considered many factors when setting the 2024 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 2.6% versus 5.0% a year ago. This compares with the State unemployment rate of 3.2% and the national rate of 3.9%.

- ◆ For the budget year ending June 30, 2023, Cerro Gordo County maintained the rural county levy rate of \$3.39820 per thousand of taxable valuation. The countywide levy rate decreased from \$5.47238 to \$5.46279 per thousand of taxable valuation due to a reduction in the debt service levy.
- ◆ The tax base for Cerro Gordo County increased 4.5% over the prior year.
- ◆ Estimated revenues for FY24 are \$36,610,373, an increase of \$1,860,088 over FY23. This increase is due to additional property taxes and interest income.

- ◆ The total expenditures for the FY24 budget are \$45,572,800, an increase of \$2,940,104, or 6.9%, from the FY23 budget. The major areas of increase are capital projects and roads and transportation. The County had four bargaining units of which two renegotiated their contracts and two decertified. The new contracts run from July 1, 2022 to June 30, 2025.

All these factors were considered in preparing the Cerro Gordo County budget for the fiscal year ending June 30, 2024.

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 a high degree of 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, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash, Cash Equivalents & Pooled Investments	\$36,977,479	\$81,110	\$37,058,589
Receivables:			
Property Tax:			
Delinquent	20,069	0	20,069
Succeeding Year	19,801,372	0	19,801,372
Interest and Penalty on Property Tax	155	0	155
Accounts	392,628	0	392,628
Accrued Interest	264,840	0	264,840
Special Assessments	26,558	0	26,558
Drainage Assessments	66,295	0	66,295
Opioid Settlement	991,465	0	991,465
Due From Other Governments	1,051,328	12,338	1,063,666
Inventories	1,633,553	0	1,633,553
Capital Assets:			
Land	2,235,864	62,300	2,298,164
Construction in Progress	5,073,052	0	5,073,052
Other Capital Assets	114,307,744	2,706,643	117,014,387
Less Accumulated Depreciation/Amortization	62,191,908	1,895,114	64,087,022
Total Assets	\$120,650,494	\$967,277	\$121,617,771

DEFERRED OUTFLOWS OF RESOURCES

Pension Related Deferred Outflows	\$1,865,782	\$0	\$1,865,782
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LIABILITIES

Accounts Payable	\$1,830,466	\$1,840	\$1,832,306
Accrued Interest Payable	1,160	0	1,160
Salaries and Benefits Payable	616,900	0	616,900
Due To Other Governments	81,688	4,256	85,944
Long Term Liabilities:			
Portion Due or Payable Within One Year:			
Lease Agreements	164,127	0	164,127
General Obligation Notes/Revenue Bonds and Notes	936,000	17,685	953,685
Compensated Absences	1,104,757	0	1,104,757
Retirement Benefits	83,912	0	83,912
Portion Due or Payable After One Year:			
Lease Agreements	214,594	0	214,594
General Obligation Notes/Revenue Bonds and Notes	1,941,250	379,015	2,320,265
Drainage District Warrants Payable	1,007,050	0	1,007,050
Retirement Benefits	156,774	0	156,774
Net Pension Liability	3,948,370	0	3,948,370
Total Other Post Employment Benefits	1,089,090	0	1,089,090
Total Liabilities	\$13,176,138	\$402,796	\$13,578,934

DEFERRED INFLOWS OF RESOURCES

Unavailable Property Tax Revenue	\$19,801,372	\$0	\$19,801,372
Pension Related Deferred Inflows	1,448,904	0	1,448,904
OPEB Related Deferred Inflows	68,534	0	68,534
Total Deferred Inflows of Resources	\$21,318,810	\$0	\$21,318,810

(Continued)

CERRO GORDO COUNTY, IOWA

STATEMENT OF NET POSITION

June 30, 2023

	Governmental Activities	Business-Type Activities	Total
NET POSITION			
Net Investment in Capital Assets	\$56,290,031	\$477,129	\$56,767,160
Restricted For:			
Non-Expendable:			
Strand Endowment	60,000	0	60,000
Expendable:			
Supplemental Levy Purposes	1,502,912	0	1,502,912
Rural Services Purposes	900,796	0	900,796
Secondary Roads Purposes	6,980,821	0	6,980,821
Opioid Abatement	1,241,601	0	1,241,601
Debt Service	41,394	0	41,394
Capital Projects	2,539,278	0	2,539,278
Other Purposes	7,133,197	0	7,133,197
Unrestricted	11,331,298	87,352	11,418,650
Total Net Position	\$88,021,328	\$564,481	\$88,585,809

(Concluded)

See Notes to Financial Statements.

CERRO GORDO COUNTY, IOWA

STATEMENT OF ACTIVITIES

Year Ended June 30, 2023

		Charges for	Program Revenues Operating Grants, Contributions and Restricted Interest
	Expenses	Service	
FUNCTIONS/PROGRAMS:			
Governmental Activities:			
Public Safety and Legal Services	\$9,868,953	\$1,097,427	\$477,784
Physical Health and Social Services	6,035,338	389,933	4,332,717
County Environment and Education	1,691,692	163,761	112,894
Roads and Transportation	10,294,337	163,926	4,789,876
Governmental Services to Residents	1,518,103	860,248	2,389
Administration	3,849,885	218,255	0
Non-Program	885,261	452,338	0
Interest on Long Term Debt	15,937	0	0
	<u>34,159,506</u>	<u>3,345,888</u>	<u>9,715,660</u>
Business Type Activities:			
Wastewater Collection and Treatment	133,478	72,913	0
	<u>133,478</u>	<u>72,913</u>	<u>0</u>
Total	<u>\$34,292,984</u>	<u>\$3,418,801</u>	<u>\$9,715,660</u>

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	Net (Expense) Revenue and Changes in Net Position
\$0	(\$8,293,742)	\$0	(\$8,293,742)
0	(1,312,688)	0	(1,312,688)
368,265	(1,046,772)	0	(1,046,772)
929,245	(4,411,290)	0	(4,411,290)
0	(655,466)	0	(655,466)
0	(3,631,630)	0	(3,631,630)
0	(432,923)	0	(432,923)
0	(15,937)	0	(15,937)
1,297,510	(19,800,448)	0	(19,800,448)
0	0	(60,565)	(60,565)
\$1,297,510	(\$19,800,448)	(\$60,565)	(\$19,861,013)

\$18,129,813	\$0	\$18,129,813
857,158	0	857,158
168,570	0	168,570
1,276,180	0	1,276,180
2,194,414	0	2,194,414
1,476,758	46	1,476,804
1,437,770	0	1,437,770
73,255	0	73,255
25,613,918	46	25,613,964
5,813,470	(60,519)	5,752,951
82,207,858	625,000	82,832,858
\$88,021,328	\$564,481	\$88,585,809

CERRO GORDO COUNTY, IOWA

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2023

	General	Rural Services	Secondary Roads
ASSETS			
Cash, Cash Equivalents & Pooled Investments	\$21,022,209	\$910,476	\$5,676,988
Receivables:			
Property Tax:			
Delinquent	17,682	1,405	0
Succeeding Year	15,703,403	3,224,580	0
Interest and Penalty on Property Tax	155	0	0
Accounts	179,570	0	3,316
Accrued Interest	259,519	0	0
Special Assessments	20,389	0	0
Drainage Assessments	0	0	0
Opioid Settlement	0	0	0
Due From Other Funds	3,881	0	0
Due From Other Governments	157,407	0	492,106
Inventories	0	0	1,633,553
Total Assets	\$37,364,215	\$4,136,461	\$7,805,963
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$449,903	\$3,726	\$460,177
Salaries and Benefits Payable	392,291	7,337	103,611
Due to Other Funds	0	0	85
Due to Other Governments	1,209	22	1,361
Compensated Absences	10,829	0	0
Total Liabilities	854,232	11,085	565,234
Deferred Inflows of Resources:			
Unavailable Revenues			
Succeeding Year Property Tax	15,703,403	3,224,580	0
Other	74,852	1,278	0
Total Deferred Inflows of Resources	15,778,255	3,225,858	0

Public Health	Debt Service	Capital Projects	Nonmajor	Total
\$1,847,806	\$41,572	\$2,476,998	\$2,986,980	\$34,963,029
0	982	0	0	20,069
0	873,389	0	0	19,801,372
0	0	0	0	155
117,219	0	62,500	28,448	391,053
0	0	0	5,321	264,840
0	0	0	6,169	26,558
0	0	0	66,295	66,295
0	0	0	991,465	991,465
24,274	0	0	0	28,155
334,087	0	0	67,728	1,051,328
0	0	0	0	1,633,553
\$2,323,386	\$915,943	\$2,539,498	\$4,152,406	\$59,237,872

\$133,243	\$0	\$220	\$140,605	\$1,187,874
113,100	0	0	561	616,900
0	0	0	28,070	28,155
79,096	0	0	0	81,688
4,603	0	0	0	15,432
330,042	0	220	169,236	1,930,049

0	873,389	0	0	19,801,372
0	967	0	1,063,929	1,141,026
0	874,356	0	1,063,929	20,942,398

(Continued)

CERRO GORDO COUNTY, IOWA

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2023

	General	Rural Services	Secondary Roads
Fund Balances:			
Nonspendable:			
Inventories	\$0	\$0	\$1,633,553
Trust	0	0	0
Restricted For:			
Supplemental Levy Purposes	1,497,252	0	0
Rural Services Purposes	0	899,518	0
Secondary Roads Purposes	0	0	5,607,176
Drainage Warrants	0	0	0
Conservation Land Acquisition	85,488	0	0
Nature Center Endowment	0	0	0
American Rescue Plan Act	4,502,786	0	0
Opioid Abatement	0	0	0
Debt Service	0	0	0
Capital Projects	0	0	0
Other Purposes	10,001	0	0
Assigned - Public Health	0	0	0
Assigned - Heath Screenings	12,327	0	0
Assigned - Conservation Parks	266,122	0	0
Assigned - Sheriff's Department	173,364	0	0
Unassigned	14,184,388	0	0
Total Fund Balances	20,731,728	899,518	7,240,729
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$37,364,215	\$4,136,461	\$7,805,963

See Notes to Financial Statements.

Public Health	Debt Service	Capital Projects	Nonmajor	Total
\$0	\$0	\$0	\$0	\$1,633,553
0	0	0	60,000	60,000
0	0	0	0	1,497,252
0	0	0	0	899,518
0	0	0	0	5,607,176
0	0	0	80,352	80,352
0	0	0	0	85,488
0	0	0	135,861	135,861
0	0	0	0	4,502,786
0	0	0	250,136	250,136
0	41,587	0	0	41,587
0	0	2,539,278	0	2,539,278
0	0	0	2,392,892	2,402,893
1,993,344	0	0	0	1,993,344
0	0	0	0	12,327
0	0	0	0	266,122
0	0	0	0	173,364
0	0	0	0	14,184,388
1,993,344	41,587	2,539,278	2,919,241	36,365,425
\$2,323,386	\$915,943	\$2,539,498	\$4,152,406	\$59,237,872

(Concluded)

CERRO GORDO COUNTY, IOWA

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION June 30, 2023

Total Governmental Fund Balances (page 29) \$36,365,425

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 capital assets is \$121,616,660 and the accumulated depreciation/amortization is \$62,191,908. 59,424,752

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 as follows:

Property Taxes - General Purposes	\$18,667	
Property Taxes - Debt Service	967	
Opioid Settlement	991,465	
DHS Administrative Reimbursements	37,074	
Drainage Assessments/Special Assessments	<u>92,853</u>	
		1,141,026

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. 1,373,433

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	1,865,782	
Deferred Inflows of Resources	<u>(1,517,438)</u>	348,344

Long term liabilities, including lease agreements payable, 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. (10,631,652)

Net Position of Governmental Activities (page 23) \$88,021,328

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, 2023

	General	Rural Services	Secondary Roads
REVENUES:			
Property and Other County Tax	\$14,926,150	\$3,231,908	\$0
Local Option Sales Tax	219,440	0	1,206,929
Interest and Penalty on Property Tax	168,570	0	0
Intergovernmental	3,056,023	186,657	4,883,229
Licenses and Permits	39,150	0	22,214
Charges for Service	1,110,460	0	0
Use of Money and Property	1,639,727	0	0
Fines, Forfeitures and Defaults	0	0	0
Miscellaneous	709,412	1,242	123,346
Total Revenues	21,868,932	3,419,807	6,235,718
EXPENDITURES:			
Operating:			
Public Safety and Legal Services	9,971,245	5,561	0
Physical Health and Social Services	624,462	0	0
County Environment and Education	1,325,149	73,302	0
Roads and Transportation	0	329,124	7,945,265
Governmental Services to Residents	1,607,572	2,925	0
Administration	3,899,362	0	0
Non-Program	0	0	0
Debt Service	0	0	0
Capital Projects	3,028,734	0	1,575,617
Total Expenditures	20,456,524	410,912	9,520,882
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,412,408	3,008,895	(3,285,164)
Other Financing Sources (Uses):			
Sale of Capital Assets	44,700	0	3,367
Drainage Warrants Issued	0	0	0
Transfers In	0	0	2,680,000
Transfers Out	(2,232,215)	(2,680,000)	0
Total Other Financing Sources (Uses)	(2,187,515)	(2,680,000)	2,683,367
Change in Fund Balances	(775,107)	328,895	(601,797)
Fund Balances Beginning of Year	21,506,835	570,623	7,584,070
Increase in Reserve for Inventories	0	0	258,456
Fund Balances End of Year	\$20,731,728	\$899,518	\$7,240,729

See Notes to Financial Statements.

Public Health	Debt Service	Capital Projects	Nonmajor	Total
\$0	\$856,988	\$0	\$24,561	\$19,039,607
0	0	0	768,045	2,194,414
0	0	0	0	168,570
2,940,138	59,854	0	16,764	11,142,665
131,569	0	0	0	192,933
258,365	0	0	237,053	1,605,878
0	224	0	29,103	1,669,054
0	0	0	17,618	17,618
489,248	0	2,563	487,577	1,813,388
3,819,320	917,066	2,563	1,580,721	37,844,127
0	0	0	238,584	10,215,390
5,498,538	0	0	119,894	6,242,894
0	0	0	483,327	1,881,778
0	0	0	0	8,274,389
0	0	0	0	1,610,497
0	0	0	76,766	3,976,128
0	0	0	852,710	852,710
0	923,311	0	25,309	948,620
0	0	1,490	0	4,605,841
5,498,538	923,311	1,490	1,796,590	38,608,247
(1,679,218)	(6,245)	1,073	(215,869)	(764,120)
0	0	62,500	0	110,567
0	0	0	563,398	563,398
2,232,215	39	0	0	4,912,254
0	0	0	(39)	(4,912,254)
2,232,215	39	62,500	563,359	673,965
552,997	(6,206)	63,573	347,490	(90,155)
1,440,347	47,793	2,475,705	2,571,751	36,197,124
0	0	0	0	258,456
\$1,993,344	\$41,587	\$2,539,278	\$2,919,241	\$36,365,425

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, 2023

Change in Fund Balances - Total Governmental Funds (page 32) (\$90,155)

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	\$6,029,449	
Capital Assets Contributed by the Iowa Department of Transportation	929,245	
Depreciation/Amortization Expense	<u>(4,428,160)</u>	2,530,534

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. (37,312)

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	4,371	
Other	<u>901,612</u>	905,983

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:

Lease Payments	157,701	
Principal Payments	932,500	
Drainage Warrants Issued	(563,398)	
Drainage Warrants Payments	<u>214,324</u>	741,127

The current year County 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. 1,359,565

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	(61,381)	
Retirement Benefits	20,950	
Pension	187,273	
OPEB	408,137	
Interest on Long-Term Debt	<u>183</u>	555,162

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. 258,456

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. (409,890)

Change in Net Position of Governmental Activities (page 25) \$5,813,470

See Notes to Financial Statements.

CERRO GORDO COUNTY, IOWA

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

June 30, 2023

	Enterprise Funds			
	Meservey Wastewater Collection & Treatment Facility	Swaledale Wastewater Collection & Treatment Facility	Total	Internal Service
ASSETS				
Current Assets:				
Cash, Cash Equivalents and Pooled Investments	\$16,271	\$64,839	\$81,110	\$2,014,450
Receivables:				
Accounts	0	0	0	1,575
Due From Other Governments	6,311	6,027	12,338	0
Total Current Assets	22,582	70,866	93,448	2,016,025
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	(976,100)	(919,014)	(1,895,114)	0
Total Non-Current Assets	603,426	270,403	873,829	0
Total Assets	\$626,008	\$341,269	\$967,277	\$2,016,025
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$244	\$1,596	\$1,840	\$642,592
Due to Other Governments	1,512	2,744	4,256	0
Note Payable:				
Portion Due Within One Year:				
Note Payable	8,921	8,764	17,685	0
Total Current Liabilities	10,677	13,104	23,781	642,592
Non-Current Liabilities:				
Portion Due After One Year:				
Note Payable	237,731	141,284	379,015	0
Total Liabilities	\$248,408	\$154,388	\$402,796	\$642,592
NET POSITION				
Net Investment in Capital Assets	\$356,774	\$120,355	\$477,129	\$0
Unrestricted	20,826	66,526	87,352	1,373,433
	\$377,600	\$186,881	\$564,481	\$1,373,433

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, 2023

	Enterprise Funds			
	Meservey Wastewater Collection & Treatment Facility	Swaledale Wastewater Collection & Treatment Facility	Total	Internal Service
OPERATING REVENUES:				
Interfund Services Provided	\$0	\$0	\$0	\$3,033,320
Employee Payments	0	0	0	199,940
Miscellaneous	37,779	35,134	72,913	159,380
Total Operating Revenues	37,779	35,134	72,913	3,392,640
OPERATING EXPENSES:				
Waste Water Treatment Facility:				
Depreciation	48,805	36,480	85,285	0
Miscellaneous	17,359	12,220	29,579	0
Health Insurance:				
Medical Claims	0	0	0	2,632,655
Insurance Premiums	0	0	0	779,785
Administrative Fees	0	0	0	205,247
Miscellaneous	0	0	0	8,574
Central Services:				
Insurance	0	0	0	177,310
Total Operating Expenses	66,164	48,700	114,864	3,803,571
Operating Loss	(28,385)	(13,566)	(41,951)	(410,931)
NON-OPERATING REVENUES (EXPENSES):				
Interest Income	14	32	46	1,041
Interest Expense	(11,484)	(7,130)	(18,614)	0
Total Non-Operating Revenues (Expenses)	(11,470)	(7,098)	(18,568)	1,041
Net Loss	(39,855)	(20,664)	(60,519)	(409,890)
Net Position Beginning of Year	417,455	207,545	625,000	1,783,323
Net Position End of Year	\$377,600	\$186,881	\$564,481	\$1,373,433

See Notes to Financial Statements.

CERRO GORDO COUNTY, IOWA

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

Year Ended June 30, 2023

	Enterprise Funds			
	Meservey Wastewater Collection & Treatment Facility	Swaledale Wastewater Collection & Treatment Facility	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received From Customers	\$37,057	\$34,415	\$71,472	\$0
Cash Received From Operating Funds	0	0	0	3,033,320
Cash Received From Employees and Others	0	0	0	634,407
Cash Payments to Suppliers For Services	(17,080)	(10,318)	(27,398)	(4,042,818)
Net Cash Provided By (Used In) Operating Activities	19,977	24,097	44,074	(375,091)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Income	14	32	46	1,041
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Interest Expense	(11,484)	(7,130)	(18,614)	0
Note Payments	(8,537)	(8,386)	(16,923)	0
Net Cash Used in Capital and Related Financing Activities	(20,021)	(15,516)	(35,537)	0
Net Increase (Decrease) in Cash	(30)	8,613	8,583	(374,050)
Cash, Cash Equivalents and Pooled Investments - Beginning of Year	16,301	56,226	72,527	2,388,500
Cash, Cash Equivalents and Pooled Investments - End of Year	\$16,271	\$64,839	\$81,110	\$2,014,450
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating Loss	(\$28,385)	(\$13,566)	(\$41,951)	(\$410,931)
Adjustments to Reconcile Operating Loss to Net Cash Provided By (Used In) Operating Activities:				
Depreciation	48,805	36,480	85,285	0
Increase in Accounts Receivable	(722)	(719)	(1,441)	(1,575)
Increase in Accounts Payable	279	1,902	2,181	37,415
Net Cash Provided By (Used In) Operating Activities	\$19,977	\$24,097	\$44,074	(\$375,091)

See Notes to Financial Statements.

CERRO GORDO COUNTY, IOWA

STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUNDS

June 30, 2023

ASSETS

Cash, Cash Equivalents and Pooled Investments:	
County Treasurer	\$5,583,525
Other County Officials	114,287
Receivables:	
Property Tax:	
Delinquent	101,707
Succeeding Year	75,864,063
Accounts	20,671
Assessments	545,231
Due From Other Governments	257,449
Total Assets	\$82,486,933

LIABILITIES

Accounts Payable	\$338,012
Salaries and Benefits Payable	30,043
Due to Other Governments	2,303,014
Due to Individuals and Private Entities	281,767
Compensated Absences	36,509
Total Liabilities	2,989,345

DEFERRED INFLOWS OF RESOURCES

Unavailable Revenues	76,510,008
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NET POSITION

Restricted for Individuals, Organizations and Other Governments	\$2,987,580
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See Notes to Financial Statements.

CERRO GORDO COUNTY, IOWA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS

Year Ended June 30, 2023

Additions:	
Property and Other County Tax	\$73,731,522
911 Surcharge	295,580
State Tax Credits	4,856,912
Office Fees and Collections	1,975,257
Auto Licenses, Use Tax and Postage	16,046,670
Assessments	181,524
Miscellaneous	2,238,844
Total Additions	99,326,309
Deductions:	
Agency Remittances:	
To County Funds	493,541
To Other Governments	96,175,712
To Individuals and Private Entities	2,599,356
Total Deductions	99,268,609
Changes in Net Position	57,700
Net Position Beginning of Year	2,929,880
Net Position End of Year	\$2,987,580

See Notes to Financial Statements.

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS June 30, 2023

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 Boards, Cerro Gordo County Emergency Management Commission and Cerro Gordo County Joint 911 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 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, 2023

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

The Secondary Roads Fund is used to account for the road use tax allocation from the State of Iowa, transfers from the General Fund 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 purchased by one department or agency and provided 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, 2023

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.

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
- Emergency Management 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
- Other Funds

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS June 30, 2023

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 judgments and compensated absences are recorded as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under 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, 2023

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, 2021 assessed property valuations; is for the tax accrual period July 1, 2022 through June 30, 2023 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2022.

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.

Opioid Settlement Receivable – The County will receive payments from certain prescription drug companies and pharmaceutical distributors engaged in misleading and fraudulent conduct in the marketing and sale of opioids and failure to monitor for, detect and prevent diversion of the drugs. The County is required to use these funds for activities to remediate the opioid crisis and treat or mitigate opioid use disorder and related disorders through prevention, harm reduction and recovery services.

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, 2023, 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 (except for intangible right-to-use lease assets, the measurement of which is discussed under “Leases” below) if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized. Intangible assets follow the same capitalization policies as tangible capital assets and are reported within tangible assets in the appropriate capital asset class. 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	\$ 100,000
Land, buildings and improvements	50,000
Intangibles	75,000
Right-to-use lease assets	50,000
Right-to-use subscription assets	100,000
Equipment and vehicles	10,000

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, the right-to-use leased equipment and infrastructure are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings	40-50
Building improvements	20-50
Infrastructure	30-50
Intangibles	2-20
Right-to-use leased assets	2-20
Right-to-use subscription assets	5-20
Equipment	2-20
Vehicles	3-10

Leases – County as a Lessee: Cerro Gordo County is the lessee for a noncancelable lease of a building. The County has recognized a lease liability and an intangible right-to-use asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$50,000 or more.

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

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

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

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

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

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

County as a Lessor: Cerro Gordo County is a lessor for a noncancelable lease of farmland. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

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

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

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

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

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

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

Subscription-Based Information Technology Arrangements (SBITA) – Cerro Gordo County has not entered into a contract that conveys control of the right to use information technology software for the fiscal year ended June 30, 2023.

At the commencement of the IT subscription term, the County initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the IT subscription liability is reduced by the principal portion of payments made. The right-to-use IT subscription asset is initially measured as the sum of the initial IT subscription liability, adjusted for payments made at or before the commencement date, plus capitalization implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subsequently, the right-to-use IT subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to IT subscription arrangements include how Cerro Gordo County determines the discount rate it uses to discount the expected payments to present value, terms and payments.

Cerro Gordo County uses the interest rate charged by the IT subscription vendor as the discount rate. When the interest rate charged by the vendor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate.

The IT subscription term includes the noncancelable period of the subscription. Payments included in the measurement of the liability are composed of fixed payments.

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

Right-to-use IT subscription assets are reported with other capital assets and IT subscription liabilities are reported with long-term debt on the statement of net position.

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

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

Due to Individuals and Private Entities – Due to individuals and private entities 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, 2023. 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, 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.

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

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, Rural Services and Secondary Roads Funds.

Total OPEB Liability – For purposes of measuring the total OPEB liability, deferred inflows 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, Rural Services and Secondary Roads Funds.

Deferred Inflows of Resources – Deferred inflows of resources represents an acquisition of net assets 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 and deferred amounts related to leases.

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

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

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, 2023, disbursements did not exceed the amounts budgeted.

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 2: Cash, Cash Equivalents and Pooled Investments

The County's deposits in banks at June 30, 2023 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, 2023, the County had the following investments:

Investment	Fair Value	Maturity
Federal Farm Credit Banks (FFCB)	\$480,689	March 2024
Federal Farm Credit Banks (FFCB)	493,553	October 2023
Federal Farm Credit Banks (FFCB)	253,424	December 2023
Federal Home Loan Mortgage Company (FHLMC)	448,672	March 2026
	<u>\$1,676,338</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 \$1,227,666 and the FHLMC securities of \$448,672 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 \$8,734. 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, 2023 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 13.68% and 5.00%, respectively, of the County's total investments.

Note 3: Due from and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2023, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Special Revenue:	
	Secondary Roads	\$85
	Attorney Collection	3,796
Special Revenue:	Special Revenue:	
Public Health	Opioid Settlement	24,274
Total		<u>\$28,155</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.

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS June 30, 2023

Note 4: Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2023 is as follows:

Transfer To	Transfer From	Amount
Special Revenue:	Special Revenue:	
Secondary Roads	Rural Services	\$2,680,000
Public Health	General Fund	2,232,215
Debt Service	Special Revenue:	
	Tax Increment Financing	39
Total		<u>\$4,912,254</u>

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources. Transfers were also used to move unrestricted general fund revenues to finance programs the County must account for in other funds in accordance with budgetary authorization.

In the year ended June 30, 2023, the County made the following transfers:

Rural Services Fund made transfers to the Secondary Roads Fund in accordance with State statutes	\$2,680,000
General Fund made transfers to the Public Health Fund to provide funding for operations	2,232,215
Tax Increment Financing Fund made a transfer to the Debt Service Fund to close the fund	39

Note 5: Capital Assets

Capital assets activity for the year ended June 30, 2023 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental Activities:				
Capital assets not being depreciated/amortized:				
Land	\$2,235,864	\$0	\$0	\$2,235,864
Construction in progress	5,143,472	5,700,033	5,770,453	5,073,052
Total capital assets not being depreciated/amortized	7,379,336	5,700,033	5,770,453	7,308,916
Capital assets being depreciated/amortized:				
Buildings	21,289,609	1,793,193	71,289	23,011,513
Improvements other than buildings	1,393,092	0	0	1,393,092
Machinery and equipment	8,165,649	969,298	242,063	8,892,884
Vehicles	5,721,563	289,362	250,336	5,760,589
Right-to-use building	687,950	0	0	687,950
Infrastructure, road network	70,584,455	3,977,261	0	74,561,716
Total capital assets being depreciated/amortized	107,842,318	7,029,114	563,688	114,307,744
Less accumulated depreciation/amortization for:				
Buildings	6,608,223	411,927	47,764	6,972,386
Improvements other than buildings	664,226	113,826	0	778,052
Machinery and equipment	5,211,573	532,437	236,872	5,507,138
Vehicles	4,433,953	488,405	241,740	4,680,618
Right-to-use building	157,020	157,020	0	314,040
Infrastructure, road network	41,215,129	2,724,545	0	43,939,674
Total accumulated depreciation/amortization	58,290,124	4,428,160	526,376	62,191,908
Total capital assets being depreciated/amortized, net	49,552,194	2,600,954	37,312	52,115,836
Governmental activities capital assets, net	\$56,931,530	\$8,300,987	\$5,807,765	\$59,424,752

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS June 30, 2023

Note 5: Capital Assets (Continued)

Depreciation/amortization expense was charged to the following functions:

Governmental Activities:

Public Safety and Legal Services	\$460,616
Physical Health and Social Services	271,084
County Environment and Education	97,310
Roads and Transportation	3,472,926
Governmental Services to Residents	8,304
Administration	117,920
Total depreciation/amortization expense – governmental activities	<u>\$4,428,160</u>

Capital asset activity of the Enterprise Funds for the year ended June 30, 2023 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	1,809,829	85,285	0	1,895,114
Total capital assets being depreciated, net	896,814	(85,285)	0	811,529
Business-type activities capital assets, net	\$959,114	(\$85,285)	\$0	\$873,829

Note 6: County Farm Lease Receivable

The County owns the Cerro Gordo County Farm (Farm). Effective March 1, 2022, the County entered into a two-year lease with Mountain Ride, LLC whereby Mountain Ridge operates the Farm. The County is to receive \$95,040 in land and building rent annually with an implicit rate of 4.00%. This obligation was fulfilled during the year ended June 30, 2023.

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS June 30, 2023

Note 7: Due to Other Governments

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments at June 30, 2023 is as follows:

Fund	Description	Amount
General Fund	Services	\$1,209
Special Revenue:		
Rural Services		22
Secondary Roads		1,361
Public Health		79,096
Total for Governmental Funds		<u>\$81,688</u>
	Collections	
Custodial:		
Agricultural Extension Education		\$2,816
Schools		388,378
Community Colleges		29,365
Corporations		344,877
City Special Assessments		25,642
Auto License and Use Tax		1,495,568
Clear Lake Sanitary District		9,009
All Others		7,359
Total for Custodial Funds		<u><u>\$2,303,014</u></u>

Note 8: Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2023 is as follows:

	Lease Agreements	Capital Loan Notes & Revenue Bonds	Compensated Absences	Retirement Benefits
Governmental Activities				
Balance – Beginning of Year	\$536,422	\$3,809,750	\$1,051,578	\$261,636
Increases	0	0	1,104,757	81,752
Decreases	157,701	932,500	1,051,578	102,702
Balance – End of Year	<u>\$378,721</u>	<u>\$2,877,250</u>	<u>\$1,104,757</u>	<u>\$240,686</u>
Due within one year	<u>\$164,127</u>	<u>\$936,000</u>	<u>\$1,104,757</u>	<u>\$83,912</u>
	Drainage Warrants	Net Pension Liability (Asset)	Total OPEB Liability	Total
Balance – Beginning of Year	\$657,976	(\$2,637,799)	\$1,201,858	\$4,881,421
Increases	563,398	6,586,169	99,510	8,435,586
Decreases	214,324	0	212,278	2,671,083
Balance – End of Year	<u>\$1,007,050</u>	<u>\$3,948,370</u>	<u>\$1,089,090</u>	<u>\$10,645,924</u>
Due within one year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,288,796</u>
	Sewer Revenue Capital Loan Notes			
Business-Type Activities				
Balance – Beginning of Year	\$413,623			
Increases	0			
Decreases	16,923			
Balance – End of Year	<u>\$396,700</u>			
Due within one year	<u>\$17,685</u>			

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS June 30, 2023

Note 9: Lease Agreements

On October 10, 2019, the County entered into a lease agreement for the Public Health Building. An initial lease liability was recorded in the amount of \$687,950. The agreement requires monthly payments of \$14,691 over 5 years with an initial payment made October 10, 2019, with an implicit interest rate of 4.00% and a final payment due September 1, 2025. Future principal and interest lease payments as of June 30, 2023 are as follows:

Year Ending June 30,	Public Health Building		
	Principal	Interest	Total
2024	\$164,127	\$12,162	\$176,289
2025	170,814	5,475	176,289
2026	43,780	292	44,072
	<u>\$378,721</u>	<u>\$17,929</u>	<u>\$396,650</u>

Note 10: General Obligation Capital Loan Notes / Local Option Sales and Service Tax Revenue Bonds

During the year ended June 30, 2021, the County issued \$4,573,000 General Obligation Refunding Capital Loan Notes, Series 2021A, with interest rates ranging from 0.21-0.45% per annum. The proceeds were used to refund \$4,520,000, of General Obligation Capital Loan Notes, Series 2012A, representing 2022-2026 maturities. These maturities were called for redemption on June 1, 2021. The notes are payable from a continuing annual levy of taxes on all of the taxable property in the County. Interest payments are due semiannually, commencing December 1, 2021 and principal payments are due annually commencing June 1, 2022, maturing June 1, 2026. During the year ended June 30, 2023, the County made principal payments of \$909,000 and interest payments of \$14,311. A summary of the County's June 30, 2023 general obligation indebtedness is as follows:

Year Ending June 30,	Interest Rate	2021A \$4,573,000 Issue		
		Principal	Interest	Total
2024	0.45%	\$912,000	\$12,402	\$924,402
2025	0.45%	919,000	8,298	927,298
2026	0.45%	925,000	4,162	929,162
		<u>\$2,756,000</u>	<u>\$24,862</u>	<u>\$2,780,862</u>

During the year ended June 30, 2009, the County issued \$885,000 of Local Option Sales and Service Tax Revenue Bonds, with an interest rate of 1.25% per annum. 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 2023 totaled \$23,500. Details of the outstanding bonds at June 30, 2023 are as follows:

Year Ending June 30,	Interest Rate	2008 \$885,000 Issue		
		Principal	Interest	Total
2024	1.25%	\$24,000	\$1,516	\$25,516
2025	1.25%	24,000	1,216	25,216
2026	1.25%	24,000	916	24,916
2027	1.25%	24,000	616	24,616
2028	1.25%	25,250	316	25,566
		<u>\$121,250</u>	<u>\$4,580</u>	<u>\$125,830</u>

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 11: Retirement Benefits

The County offered retirement benefits to its qualifying employees who retired by June 30, 2022. 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, 2023, the County has obligations to ten participants with a total liability of \$240,686. Retirement benefits expenses for fourteen retirees for the year ended June 30, 2023 totaled \$102,702 and were paid from the General Fund, Public Health Fund and the Secondary Roads Fund.

Note 12: 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.

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. During the year ended June 30, 2023, the County made principal payments of \$8,386 and interest payments of \$7,130. Details of the sewer revenue capital loan notes at June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$8,764	\$6,752	\$15,516
2025	9,158	6,358	15,516
2026	9,570	5,946	15,516
2027	10,001	5,515	15,516
2028	10,451	5,065	15,516
2029-2033	59,747	17,833	77,580
2034-2036	42,357	3,852	46,209
	<u>\$150,048</u>	<u>\$51,321</u>	<u>\$201,369</u>

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. During the year ended June 30, 2023, the County made principal payments of \$8,537 and interest payments of \$11,484. Details of the sewer revenue capital loan notes at June 30, 2023 are as follows:

Year Ending June 30,	\$59,100 Note		\$253,200 Note		\$49,000 Note		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
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	1,621	1,654	6,942	7,088	1,179	1,537	9,742	10,279
2027	1,694	1,581	7,255	6,775	1,232	1,484	10,181	9,840
2028	1,770	1,505	7,581	6,449	1,288	1,428	10,639	9,382
2029-2033	10,120	6,255	43,340	26,810	7,363	6,217	60,823	39,282
2034-2038	12,611	3,764	54,010	16,140	9,175	4,405	75,796	24,309
2039-2043	8,940	813	38,376	3,495	11,433	2,147	58,749	6,455
2044	0	0	0	0	2,478	112	2,478	112
	<u>\$39,791</u>	<u>\$19,087</u>	<u>\$170,504</u>	<u>\$81,817</u>	<u>\$36,357</u>	<u>\$20,553</u>	<u>\$246,652</u>	<u>\$121,457</u>

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

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.

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 2023, 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 8.76% of covered payroll, for a total rate of 17.52%. Protection occupation members contributed 6.21% of covered payroll and the County contributed 9.31% of covered payroll, for a total rate of 15.52%.

The County's contributions to IPERS for the year ended June 30, 2023 were \$1,359,565.

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 14: Pension Plan (Continued)

Net Pension Liability, Pension Income, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the County reported a net pension liability of \$3,948,370 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2022 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 IPERS relative to the contributions of all IPERS participating employers. At June 30, 2022, the County's proportion was 0.104505% which was a decrease of 0.659571% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County recognized pension income of \$187,273. At June 30, 2023, 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	\$483,444	\$71,976
Changes of Assumptions	4,277	203,776
Net Difference Between Projected and Actual Earnings on IPERS' Investments	0	687,272
Changes in Proportion and Differences Between County Contributions and the County's Proportionate Share of Contributions	18,496	485,880
County Contributions Subsequent to the Measurement Date	1,359,565	0
Total	<u>\$1,865,782</u>	<u>\$1,448,904</u>

\$1,395,565 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, 2024. 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
2024	(\$791,907)
2025	(609,675)
2026	(989,834)
2027	1,460,522
2028	(11,793)
Total	<u>(\$942,687)</u>

There were no non-employer contributing entities to IPERS.

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS June 30, 2023

Note 14: Pension Plan (Continued)

Actuarial Assumptions – The total pension liability in the June 30, 2022 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, 2022 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2027 through June 30, 2021.

Mortality rates used in the 2022 valuation were based on the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.

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%	3.57%
International Equity	17.50	4.79
Global Smart Beta Equity	6.00	4.16
Core Plus Fixed Income	20.00	1.66
Public Credit	4.00	3.77
Cash	1.00	0.77
Private Equity	13.00	7.57
Private Real Assets	8.50	3.55
Private Credit	8.00	3.63
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	\$9,753,951	\$3,948,370	(\$1,160,304)

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS June 30, 2023

Note 14: Pension Plan (Continued)

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, 2023.

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, 2023, the following employees were covered by benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	11
Active Employees	224
Total	235

Total OPEB Liability – The County's total OPEB liability of \$1,089,090 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2021.

Actuarial Assumptions – The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of Inflation (effective July 1, 2021)	2.75% per annum.
Rate of Salary Increase (effective July 1, 2021)	0.00% per annum, including inflation.
Discount Rate (effective July 1, 2021)	2.37% compounded annually, including inflation.
Healthcare Cost Trend Rate (effective July 1, 2021)	6.00% initial rate.

Discount Rate – The discount rate used to measure the total OPEB liability was 2.37% 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.

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS June 30, 2023

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB Liability Beginning of Year	\$1,201,858
Changes for the Year:	
Service Cost	70,924
Interest	28,586
Differences Between Expected and Actual Experiences	(74,447)
Changes in Assumptions	0
Benefit Payments	(137,831)
Net Changes	(112,768)
Total OPEB Liability End of Year	\$1,089,090

Sensitivity of the County's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.37%) or 1% higher (3.37%) than the current discount rate.

	1% Decrease (1.37%)	Discount Rate (2.37%)	1% Increase (3.37%)
Total OPEB Liability	\$1,174,168	\$1,089,090	\$1,013,006

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	\$975,978	\$1,089,090	\$1,226,633

OPEB Expense and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2023, the County recognized OPEB income of \$408,137. At June 30, 2023, the County reported deferred inflows of resources related to OPEB from the following resources:

	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	(\$68,534)

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

Year Ending June 30,	Amount
2024	(\$5,913)
2025	(5,913)
2026	(5,913)
2027	(5,913)
2028	(5,913)
Thereafter	(38,969)
Total	(\$68,534)

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS June 30, 2023

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 800 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, employment practices liability, public officials liability, cyber liability and law enforcement liability. 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, 2023 were \$480,162.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, employment practices, law enforcement, cyber 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, 2023, no liability has been recorded in the County's financial statements. As of June 30, 2023, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

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

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

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

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, 2023 was \$2,856,010.

Amounts payable from the Cerro Gordo County Health Insurance Fund at June 30, 2023 total \$642,592, of which \$571,950 is for incurred but not reported (IBNR) and reported but not paid claims, \$69,904 is for reported claims and the remaining \$738 is for miscellaneous fees. 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 \$1,371,564 at June 30, 2023 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
2022-2023	\$538,871	\$2,735,638	\$2,632,655	\$641,854

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 offered an urban revitalization tax abatement program pursuant to Chapter 404 of the Code of Iowa. With prior approval by the governing body, this program provides for an exemption of taxes based on a percentage of the actual value added by improvements. No other commitments were made by the County as part of these agreements.

For the year ended June 30, 2023, \$109,352 of property tax was diverted from the County under the County's urban revitalization tax abatement program.

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS June 30, 2023

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. Additionally, the City of Mason City and the City of Ventura offered urban revitalization tax abatement programs pursuant to Chapter 404 of the Code of Iowa. With prior approval by the governing body, this program provides for an exemption of taxes based on a percentage of the actual value added by improvements.

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2023 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	\$93,531
	Chapter 404 tax abatement program	149,748
City of Clear Lake	Urban renewal and economic development projects	121,840
City of Ventura	Chapter 404 tax abatement program	821

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, 2023, 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 two contracts with Heartland Asphalt for grade and pave projects totaling \$1,639,666. As of June 30, 2023, costs of \$15,986 have been incurred on the projects. Through the Iowa Department of Transportation Farm to Market Account, the County has entered into a contract with Heartland Asphalt for a resurfacing project totaling \$1,483,773 and a contract with Gus Construction totaling \$215,843 for a bridge project. As of June 30, 2023, costs of \$540,658 and \$239,298 have been incurred, respectively.

The County has also continued construction of the Prairie Land Trail. As of June 30, 2023, costs of \$2,331,933 have been incurred on the project. The Secondary Roads department is in the process of constructing new maintenance sheds. As of June 30, 2023, costs of \$1,243,838 have been incurred. The balances on the projects will be paid as work on the projects progress.

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS June 30, 2023

Note 21: Commitments and Contingencies (Continued)

The County has entered into a contract with Heartland Asphalt for the construction of a multi-use path. As of June 30, 2023, costs of \$551,360 have been incurred. The County has also entered into a contract with Country Landscapes for a shoreline stabilization project. As of June 30, 2023, costs of \$149,979 have been incurred.

Note 22: Early Childhood Iowa Area Board

Cerro Gordo County is the fiscal agent for the Cerro Gordo, Hancock, Worth Early Childhood Iowa Area Board (North Iowa Children's Alliance), 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, 2023 is as follows:

	Early Childhood	School Ready	Total
Revenues:			
State Grants:			
Early Childhood	\$93,107	\$0	\$93,107
Quality Improvement	0	54,264	54,264
Allocation for Administration	4,900	21,611	26,511
School Ready General Use	0	359,473	359,473
Total State Grants	98,007	435,348	533,355
Interest on Investments	15	73	88
Total Revenues	98,022	435,421	533,443
Expenditures:			
Program Services:			
Early Childhood	91,477	0	91,477
Quality Improvement	0	54,042	54,042
School Ready General Use	0	344,413	344,413
Total Program Services	91,477	398,455	489,932
Administration	5,354	16,927	22,281
Total Expenditures	96,831	415,382	512,213
Change in Fund Balance	1,191	20,039	21,230
Net Position Beginning of Year	6,095	13,144	19,239
Net Position End of Year	\$7,286	\$33,183	\$40,469

CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 23: Newman Catholic School System Obligations

For the purpose of securing and developing industry and trade within or near the County in order to create jobs and employment opportunities and to improve the welfare of the residents of the County and the State, the County has issued revenue notes that provide capital financing to the Newman Catholic School System for the refunding of Private School Facility Revenue Notes previously issued and for current capital improvement projects at the middle school and high school facilities. The properties financed are pledged as collateral and the revenue notes are payable solely from payments received from Newman Catholic School System. In addition, no commitments beyond the collateral, the payments from Newman Catholic School System and maintenance of the tax-exempt status of the conduit debt obligation were extended by Cerro Gordo County for any of these revenue notes. At June 30, 2023, the revenues notes have an aggregate outstanding principal amount payable of \$10,000,000.

Note 24: Accounting Change

Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA), was implemented during the fiscal year ended June 30, 2023. The new requirements require the reporting of certain right-to-use subscription-based IT arrangements and liabilities which were not previously reported. The results of these changes would have no effect on the beginning net position. No arrangements met the reporting requirements resulting in no restatement to be presented in the financial statements.

Note 25: Subsequent Events

Management has evaluated subsequent events through December 21, 2023, the date which the financial statements were available to be issued.

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Required Supplementary Information

CERRO GORDO COUNTY, IOWA

BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN BALANCE - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS REQUIRED SUPPLEMENTARY INFORMATION Year Ended June 30, 2023

	Actual	Less Funds Not Required To Be Budgeted	Net
REVENUES:			
Property and Other County Tax	\$21,234,021	\$0	\$21,234,021
Interest and Penalty on Property Tax	168,570	0	168,570
Intergovernmental	11,142,665	0	11,142,665
Licenses and Permits	192,933	0	192,933
Charges For Service	1,605,878	228,821	1,377,057
Use of Money and Property	1,669,054	225	1,668,829
Miscellaneous	1,831,006	67,294	1,763,712
Total Revenues	37,844,127	296,340	37,547,787
EXPENDITURES			
Public Safety and Legal Services	10,215,390	0	10,215,390
Physical Health and Social Services	6,242,894	0	6,242,894
County Environment and Education	1,881,778	0	1,881,778
Roads and Transportation	8,015,933	0	8,015,933
Governmental Services to Residents	1,610,497	0	1,610,497
Administration	3,976,128	0	3,976,128
Non-Program	852,710	852,710	0
Debt Service	948,620	0	948,620
Capital Projects	4,605,841	0	4,605,841
Total Expenditures	38,349,791	852,710	37,497,081
Excess (Deficiency) of Revenues Over (Under) Expenditures	(505,664)	(556,370)	50,706
Other Financing Sources, Net	673,965	563,398	110,567
Change in Balance	168,301	7,028	161,273
Balance Beginning of Year	36,197,124	73,324	36,123,800
Balance End of Year	\$36,365,425	\$80,352	\$36,285,073

See Accompanying Independent Auditor's Report.

Budgeted Amounts		Final to
Original	Final	Net Variance - Positive (Negative)
\$20,854,706	\$20,935,891	\$298,130
244,000	244,000	(75,430)
11,037,220	11,420,191	(277,526)
20,050	6,050	186,883
1,273,400	1,347,900	29,157
282,380	1,562,911	105,918
1,038,529	1,177,470	586,242
34,750,285	36,694,413	853,374
10,807,575	11,019,402	804,012
6,231,041	6,674,439	431,545
2,413,293	2,304,770	422,992
9,085,657	9,771,657	1,755,724
1,403,543	1,721,923	111,426
5,079,466	4,605,966	629,838
0	0	0
949,121	949,121	501
6,663,000	7,528,000	2,922,159
42,632,696	44,575,278	7,078,197
(7,882,411)	(7,880,865)	7,931,571
35,000	49,700	60,867
(7,847,411)	(7,831,165)	7,992,438
27,074,144	36,041,590	82,210
\$19,226,733	\$28,210,425	\$8,074,648

CERRO GORDO COUNTY, IOWA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING June 30, 2023

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 nine major classes of expenditures known as functions, not by fund. These nine functions are: public safety and legal services, physical health and social services, 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, one budget amendment increased budgeted revenues and expenditures by \$1,944,128 and \$1,942,582 respectively. The budget amendment is reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County 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, 2023, 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 (ASSET) IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM - FOR THE LAST NINE YEARS* REQUIRED SUPPLEMENTARY INFORMATION

	2015	2016	2017
County's Proportion of the Net Pension Liability (Asset)	0.126753%	0.133881%	0.140754%
County's Proportionate Share of the Net Pension Liability (Asset)	\$ 5,026,904	\$ 6,614,382	\$ 8,858,084
County's Covered Payroll	\$ 11,356,394	\$ 11,763,018	\$ 12,150,989
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	44.26%	56.23%	72.90%
IPERS' Net Position as a Percentage of the Total Pension Liability (Asset)	87.61%	85.19%	81.82%

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

**Overall plan net pension asset.

See Accompanying Independent Auditor's Report.

2018		2019		2020		2021		2022		2023	
0.152230%		0.139453%		0.136776%		0.138369%		0.764077% **		0.104505%	
\$	10,140,444	\$	8,824,894	\$	7,920,256	\$	9,720,032	\$	(2,637,799)	\$	3,948,370
\$	13,596,109	\$	13,238,498	\$	13,541,052	\$	13,502,781	\$	13,510,964	\$	13,815,223
74.58%		66.66%		58.49%		71.99%		-19.52%		28.58%	
82.21%		83.62%		85.45%		82.90%		100.81%		91.40%	

CERRO GORDO COUNTY, IOWA

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

	Fiscal Year			
	2014	2015	2016	2017
Statutorily Required Contribution	\$ 1,105,050	\$ 1,139,628	\$ 1,110,617	\$ 1,237,678
Contributions in Relation to the Statutorily Required Contribution	(1,105,050)	(1,139,628)	(1,110,617)	(1,237,678)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
County's Covered Payroll	\$ 11,356,394	\$ 11,763,018	\$ 12,150,989	\$ 13,596,109
Contributions as a Percentage of Covered Payroll	9.73%	9.69%	9.14%	9.10%

See Accompanying Independent Auditor's Report.

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 1,201,858	\$ 1,291,251	\$ 1,282,216	\$ 1,279,676	\$ 1,295,962	\$ 1,359,565
(1,201,858)	(1,291,251)	(1,282,216)	(1,279,676)	(1,295,962)	(1,359,565)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 13,238,498	\$ 13,541,052	\$ 13,502,781	\$ 13,510,964	\$ 13,815,223	\$ 14,525,346
9.08%	9.54%	9.50%	9.47%	9.38%	9.36%

CERRO GORDO COUNTY, IOWA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY YEAR ENDED JUNE 30, 2023

Changes of Benefit Terms:

There are no significant changes in benefits terms.

Changes of Assumptions:

The 2022 valuation incorporated the following refinements after a quadrennial experience study:

- Changed mortality assumptions to the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.
- Adjusted retirement rates for Regular members.
- Lowered disability rates for Regular members.
- Adjusted termination rates for all membership groups.

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.

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CERRO GORDO COUNTY, IOWA

SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY, RELATED RATIOS AND NOTES FOR THE LAST SIX YEARS

REQUIRED SUPPLEMENTARY INFORMATION

	2018	2019
Service Cost	\$ 108,359	\$ 108,310
Interest Cost	82,403	86,265
Differences Between Expected and Actual Experiences	40,735	9,805
Changes in Assumptions	0	0
Benefit Payments	(147,238)	(110,885)
Net Change in Total OPEB Liability	84,259	93,495
Total OPEB Liability Beginning of Year	2,179,313	2,263,572
Total OPEB Liability End of Year	\$ 2,263,572	\$ 2,357,067
Covered-Employee Payroll	\$ 12,006,058	\$ 12,590,592
Total OPEB Liability as a Percentage of Covered-Employee Payroll	18.85%	18.72%

See Accompanying Independent Auditor's Report.

2020	2021	2022	2023
\$ 82,138	\$ 82,132	\$ 71,068	\$ 70,924
52,051	52,317	31,510	28,586
(765,675)	(1,291)	(324,049)	(74,447)
54,770	0	(69,730)	0
<u>(149,682)</u>	<u>(108,157)</u>	<u>(162,611)</u>	<u>(137,831)</u>
<u>(726,398)</u>	<u>25,001</u>	<u>(453,812)</u>	<u>(112,768)</u>
<u>2,357,067</u>	<u>1,630,669</u>	<u>1,655,670</u>	<u>1,201,858</u>
\$ <u><u>1,630,669</u></u>	\$ <u><u>1,655,670</u></u>	\$ <u><u>1,201,858</u></u>	\$ <u><u>1,089,090</u></u>
\$ 12,603,981	\$ 12,549,545	\$ 12,840,177	\$ 13,693,357
12.94%	13.19%	9.36%	7.95%

CERRO GORDO COUNTY, IOWA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB LIABILITY YEAR ENDED JUNE 30, 2023

Changes of Benefit Terms:

There are no significant changes in benefits terms.

Changes of Assumptions:

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

- Year ended June 30, 2023 2.37%
- Year ended June 30, 2022 2.37%
- Year ended June 30, 2021 3.15%
- Year ended June 30, 2020 3.15%
- Year ended June 30, 2019 3.72%
- Year ended June 30, 2018 3.72%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OPEB schedules in the Required Supplementary Information are intended to show information for ten years. The additional year's information will be displayed as it becomes available.

Supplementary Information

CERRO GORDO COUNTY, IOWA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND Year Ended June 30, 2023

REVENUES:

Property and Other County Tax:		
Property Tax	\$14,196,693	
Local Option Sales Tax	219,440	
Utility Tax Replacement Excise Tax	696,373	
Other County Tax	33,084	\$15,145,590
Interest and Penalty on Property Tax		168,570
Intergovernmental:		
State Shared Revenues		3,718
State Tax Credits		1,029,670
State and Federal Pass-Thru Revenues:		
Child Support Recovery Incentives	393,078	
Human Services Administration Reimbursement	143,456	
Other	109,355	645,889
Contributions From Other Intergovernmental Units		897,630
State Grants and Entitlements		469,116
Federal Grants and Entitlements		10,000
Licenses and Permits		39,150
Charges for Services:		
Office Fees and Collections:		
County Auditor	1,233	
County Recorder	313,822	
County Sheriff	178,486	
Auto License, Use Tax and Postage	488,881	
Miscellaneous	128,038	1,110,460
Use of Money and Property:		
Interest on Investments	1,460,731	
Miscellaneous	178,996	1,639,727
Miscellaneous:		
Reimbursements	140,785	
Miscellaneous	568,627	709,412
Total Revenues		21,868,932

(Continued)

CERRO GORDO COUNTY, IOWA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND Year Ended June 30, 2023

EXPENDITURES:

Operating:

Public Safety and Legal Services	\$9,971,245
Physical Health and Social Services	624,462
County Environment and Education	1,325,149
Governmental Services to Residents	1,607,572
Administration	3,899,362
Capital Projects	3,028,734
Total Expenditures	<u>20,456,524</u>

Excess of Revenues Over Expenditures	1,412,408
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Other Financing Sources (Uses):

Sale of Capital Assets	\$44,700	
Transfers Out:		
Public Health	<u>(2,232,215)</u>	(2,187,515)

Change in Fund Balance	(775,107)
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Fund Balance Beginning of Year	<u>21,506,835</u>
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Fund Balance End of Year	<u><u>\$20,731,728</u></u>
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(Concluded)

See Accompanying Independent Auditor's Report.

CERRO GORDO COUNTY, IOWA

SCHEDULE OF EXPENDITURES - GENERAL FUND Year Ended June 30, 2023

Public Safety and Legal Services:

Law Enforcement:

Uniformed Patrol Services	\$1,997,509
Law Enforcement Communications	1,264,950
Adult Correctional Services	3,340,311
Administration	659,300
	<u>7,262,070</u>

Legal Services:

Criminal Prosecution	1,702,949
Medical Examinations	152,948
Child Support Recovery	341,631
	<u>2,197,528</u>

Emergency Services:

Emergency Management	<u>126,135</u>
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Assistance to District Court System:

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

Court Proceeding Program:

Juries and Witnesses	25,787
Detention Services	16,656
Court Costs	5,157
Service of Civil Papers	285,364
	<u>332,964</u>

Juvenile Justice Administration:

Juvenile Victim Restitution	41,018
Juvenile Representations Services	2,475
Court-Appointed Attorneys and Court Costs for Juveniles	6,933
	<u>50,426</u>

Total Public Safety and Legal Services

\$9,971,245

(Continued)

CERRO GORDO COUNTY, IOWA

SCHEDULE OF EXPENDITURES - GENERAL FUND Year Ended June 30, 2023

Physical Health and Social Services:

Services to the Poor:

Administration	\$252,525
General Welfare Services	22,562
	<u>275,087</u>

Services to Military Veterans:

Administration	198,201
General Services to Veterans	18,825
	<u>217,026</u>

Children's and Family Services:

Youth Guidance	<u>107,198</u>
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Chemical Dependency:

Treatment Services	120
Prevention Services	25,031
	<u>25,151</u>

Total Physical Health and Social Services

\$624,462

County Environment and Education:

Environmental Quality Program:

Natural Resources Conservation	<u>\$147,179</u>
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Conservation and Recreation Services Program:

Administration	684,030
Maintenance and Operations	357,249
	<u>1,041,279</u>

Animal Control Program:

Animal Shelter	7,455
Animal Bounties and State Apiarist Expense	96
	<u>7,551</u>

County Development:

Land Use and Building Controls	129,140
Community Economic Development	0
	<u>129,140</u>

Total County Environment and Education

\$1,325,149

(Continued)

CERRO GORDO COUNTY, IOWA

SCHEDULE OF EXPENDITURES - GENERAL FUND Year Ended June 30, 2023

Governmental Services to Residents:

Representation Services:

Elections Administration	\$665,342
Local Elections	20,444
Township Officials	49
	<u>685,835</u>

State Administrative Services:

Motor Vehicle Registration and Licensing	436,535
Recording of Public Documents	485,202
	<u>921,737</u>

Total Governmental Services to Residents \$1,607,572

Administration:

Policy and Administration:

General County Management	\$450,193
Administrative Management Services	598,975
Treasury Management Services	275,583
Other Policy and Administration	70,107
Reimbursable MHDS Direct Expenses	34,272
	<u>1,429,130</u>

Central Services:

General Services	571,285
Information Technology Services	1,408,328
GIS Systems	165,179
	<u>2,144,792</u>

Risk Management Services:

Safety of Workplace	310,787
Fidelity of Public Officers	5,145
Unemployment Compensation	9,508
	<u>325,440</u>

Total Administration \$3,899,362

Capital Projects:

Conservation Land Acquisition and Development	\$306,669
Other Capital Projects	<u>2,722,065</u>

\$3,028,734

Total Expenditures \$20,456,524

(Concluded)

See Accompanying Independent Auditor's Report.

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CERRO GORDO COUNTY, IOWA

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

June 30, 2023

	Resource Enhancement and Protection	Recorder's Records Management	General County Betterment
ASSETS			
Cash, Cash Equivalents and Pooled Investments	\$117,363	\$73,663	\$40,478
Receivables:			
Accounts	0	1,819	0
Accrued Interest	0	240	0
Special Assessments	0	0	0
Drainage Assessments	0	0	0
Opioid Settlement	0	0	0
Due From Other Governments	0	0	8,698
Total Assets	\$117,363	\$75,722	\$49,176
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$0	\$0	\$0
Salaries and Benefits Payable	0	0	0
Due to Other Funds	0	0	0
Total Liabilities	0	0	0
Deferred Inflows of Resources:			
Unavailable Revenues:			
Other	0	0	0
Total Deferred Inflows of Resources	0	0	0
Fund Balances:			
Nonspendable	0	0	0
Restricted for:			
Drainage Warrants	0	0	0
Nature Center Endowment	0	0	0
Opioid Abatement	0	0	0
Other Purposes	117,363	75,722	49,176
Total Fund Balances	117,363	75,722	49,176
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$117,363	\$75,722	\$49,176

Nature Center	Supplemental Environmental Project	Rural County Betterment	Economic Development	On Site Sewage Program	Sanberg Estate
\$498,742	\$226	\$351,407	\$558,737	\$40,391	\$354,603
22,909	0	0	0	0	0
1,132	0	0	0	0	2,940
0	0	0	0	6,169	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	34,791	24,140	0	0
\$522,783	\$226	\$386,198	\$582,877	\$46,560	\$357,543
\$1,382	\$0	\$0	\$32,633	\$0	\$0
561	0	0	0	0	0
0	0	0	0	0	0
1,943	0	0	32,633	0	0
0	0	0	0	6,169	0
0	0	0	0	6,169	0
0	0	0	0	0	0
0	0	0	0	0	0
135,861	0	0	0	0	0
0	0	0	0	0	0
384,979	226	386,198	550,244	40,391	357,543
520,840	226	386,198	550,244	40,391	357,543
\$522,783	\$226	\$386,198	\$582,877	\$46,560	\$357,543

(Continued)

CERRO GORDO COUNTY, IOWA

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

June 30, 2023

	Drainage	Opioid Settlement	Strand Estate Grant
ASSETS			
Cash, Cash Equivalents and Pooled Investments	\$186,429	\$274,410	\$76,340
Receivables:			
Accounts	0	0	0
Accrued Interest	215	0	794
Special Assessments	0	0	0
Drainage Assessments	66,295	0	0
Opioid Settlement	0	991,465	0
Due From Other Governments	0	0	0
Total Assets	\$252,939	\$1,265,875	\$77,134
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$106,292	\$0	\$0
Salaries and Benefits Payable	0	0	0
Due to Other Funds	0	24,274	0
Total Liabilities	106,292	24,274	0
Deferred Inflows of Resources:			
Unavailable Revenues:			
Other	66,295	991,465	0
Total Deferred Inflows of Resources	66,295	991,465	0
Fund Balances:			
Nonspendable	0	0	60,000
Restricted for:			
Drainage Warrants	80,352	0	0
Nature Center Endowment	0	0	0
Opioid Abatement	0	250,136	0
Other Purposes	0	0	17,134
Total Fund Balances	80,352	250,136	77,134
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$252,939	\$1,265,875	\$77,134

See Accompanying Independent Auditor's Report.

Preuss Trust	Sheriff Forfeiture	Attorney Forfeiture	Attorney Collection	Total
\$31,572	\$146,637	\$81,062	\$154,920	\$2,986,980
0	0	0	3,720	28,448
0	0	0	0	5,321
0	0	0	0	6,169
0	0	0	0	66,295
0	0	0	0	991,465
0	0	0	99	67,728
\$31,572	\$146,637	\$81,062	\$158,739	\$4,152,406

\$0	\$0	\$298	\$0	\$140,605
0	0	0	0	561
0	0	0	3,796	28,070
0	0	298	3,796	169,236

0	0	0	0	1,063,929
0	0	0	0	1,063,929

0	0	0	0	60,000
0	0	0	0	80,352
0	0	0	0	135,861
0	0	0	0	250,136
31,572	146,637	80,764	154,943	2,392,892
31,572	146,637	80,764	154,943	2,919,241

\$31,572	\$146,637	\$81,062	\$158,739	\$4,152,406
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(Concluded)

CERRO GORDO COUNTY, IOWA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS Year Ended June 30, 2023

	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	109,720
Intergovernmental	16,764	0	0
Charges for Service	0	6,971	0
Use of Money and Property	55	2,389	0
Fines, Forfeitures and Defaults	0	0	0
Miscellaneous	0	0	0
Total Revenues	16,819	9,360	109,720
EXPENDITURES:			
Operating:			
Public Safety and Legal Services	0	0	0
Physical Health and Social Services	0	0	83,120
County Environment and Education	0	0	5,800
Administration	0	0	48,661
Non-Program	0	0	0
Debt Service	0	0	0
Total Expenditures	0	0	137,581
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,819	9,360	(27,861)
Other Financing Sources			
Drainage Warrants Issued	0	0	0
Transfers Out	0	0	0
Total Other Financing Sources	0	0	0
Change in Fund Balances	16,819	9,360	(27,861)
Fund Balances Beginning of Year	100,544	66,362	77,037
Fund Balances End of Year	\$117,363	\$75,722	\$49,176

Nature Center	Supplemental Environmental Project	Rural County Betterment	Economic Development	On Site Sewage Program	Sanberg Estate	Tax Increment Financing
\$0	\$0	\$0	\$24,561	\$0	\$0	\$0
0	0	438,883	219,442	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
12,493	0	0	0	0	11,888	0
0	0	0	0	0	0	0
77,324	0	0	2,000	2,984	10	0
89,817	0	438,883	246,003	2,984	11,898	0
0	0	223,193	0	0	0	0
0	0	12,500	0	0	0	0
52,955	0	183,959	224,664	0	15,369	0
0	0	28,105	0	0	0	0
0	0	0	0	0	0	0
0	0	25,309	0	0	0	0
52,955	0	473,066	224,664	0	15,369	0
36,862	0	(34,183)	21,339	2,984	(3,471)	0
0	0	0	0	0	0	0
0	0	0	0	0	0	(39)
0	0	0	0	0	0	(39)
36,862	0	(34,183)	21,339	2,984	(3,471)	(39)
483,978	226	420,381	528,905	37,407	361,014	39
\$520,840	\$226	\$386,198	\$550,244	\$40,391	\$357,543	\$0

(Continued)

CERRO GORDO COUNTY, IOWA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS Year Ended June 30, 2023

	Drainage	Opioid Settlement	Strand Estate Grant
REVENUES:			
Property and Other County Tax	\$0	\$0	\$0
Local Option Sales Tax	0	0	0
Intergovernmental	0	0	0
Charges for Service	228,821	0	1,261
Use of Money and Property	225	0	2,043
Fines, Forfeitures and Defaults	0	0	0
Miscellaneous	67,294	274,410	0
Total Revenues	296,340	274,410	3,304
EXPENDITURES:			
Operating:			
Public Safety and Legal Services	0	0	0
Physical Health and Social Services	0	24,274	0
County Environment and Education	0	0	0
Administration	0	0	0
Non-Program	852,710	0	0
Debt Service	0	0	0
Total Expenditures	852,710	24,274	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(556,370)	250,136	3,304
Other Financing Sources			
Drainage Warrants Issued	563,398	0	0
Transfers Out	0	0	0
Total Other Financing Sources	563,398	0	0
Change in Fund Balances	7,028	250,136	3,304
Fund Balances Beginning of Year	73,324	0	73,830
Fund Balances End of Year	\$80,352	\$250,136	\$77,134

See Accompanying Independent Auditor's Report.

Preuss Trust	Sheriff Forfeiture	Attorney Forfeiture	Attorney Collection	Total
\$0	\$0	\$0	\$0	\$24,561
0	0	0	0	768,045
0	0	0	0	16,764
0	0	0	0	237,053
10	0	0	0	29,103
0	14,980	2,638	0	17,618
30,093	0	0	33,462	487,577
30,103	14,980	2,638	33,462	1,580,721

0	5,964	407	9,020	238,584
0	0	0	0	119,894
580	0	0	0	483,327
0	0	0	0	76,766
0	0	0	0	852,710
0	0	0	0	25,309
580	5,964	407	9,020	1,796,590

29,523	9,016	2,231	24,442	(215,869)
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0	0	0	0	563,398
0	0	0	0	(39)
0	0	0	0	563,359

29,523	9,016	2,231	24,442	347,490
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2,049	137,621	78,533	130,501	2,571,751
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\$31,572	\$146,637	\$80,764	\$154,943	\$2,919,241
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(Concluded)

CERRO GORDO COUNTY, IOWA

COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS

June 30, 2023

	Central Services	Health Insurance	Total
ASSETS			
Cash, Cash Equivalents and Pooled Investments	\$1,869	\$2,012,581	\$2,014,450
Receivables:			
Accounts	0	1,575	1,575
Total Assets	\$1,869	\$2,014,156	\$2,016,025
LIABILITIES			
Accounts Payable	\$0	\$642,592	\$642,592
NET POSITION			
Unrestricted	\$1,869	\$1,371,564	\$1,373,433

See Accompanying Independent Auditor's Report.

CERRO GORDO COUNTY, IOWA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - INTERNAL SERVICE FUNDS Year Ended June 30, 2023

	Central Services	Health Insurance	Total
OPERATING REVENUES:			
Interfund Services Provided	\$177,310	\$2,856,010	\$3,033,320
Employee Payments	0	199,940	199,940
Miscellaneous	0	159,380	159,380
Total Operating Revenues	177,310	3,215,330	3,392,640
OPERATING EXPENSES:			
Health Insurance:			
Medical Claims	0	2,632,655	2,632,655
Insurance Premiums	0	779,785	779,785
Administrative Fees	0	205,247	205,247
Miscellaneous	0	8,574	8,574
Central Services:			
Insurance	177,310	0	177,310
Total Operating Expenses	177,310	3,626,261	3,803,571
Operating Loss	0	(410,931)	(410,931)
NON-OPERATING REVENUES:			
Interest Income	0	1,041	1,041
Net Loss	0	(409,890)	(409,890)
Net Position Beginning of Year	1,869	1,781,454	1,783,323
Net Position End of Year	\$1,869	\$1,371,564	\$1,373,433

See Accompanying Independent Auditor's Report.

CERRO GORDO COUNTY, IOWA

COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS

Year Ended June 30, 2023

	Central Services	Health Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received From Operating Funds	\$177,310	\$2,856,010	\$3,033,320
Cash Received From Employees and Others	0	634,407	634,407
Cash Payments to Suppliers For Services	(177,310)	(3,865,508)	(4,042,818)
Net Cash Used In Operating Activities	0	(375,091)	(375,091)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Income	0	1,041	1,041
Net Decrease in Cash	0	(374,050)	(374,050)
Cash, Cash Equivalents and Pooled Investments - Beginning of Year	1,869	2,386,631	2,388,500
Cash, Cash Equivalents and Pooled Investments - End of Year	\$1,869	\$2,012,581	\$2,014,450
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:			
Operating Loss	\$0	(\$410,931)	(\$410,931)
Adjustments to Reconcile Operating Loss to Net Cash Used In Operating Activities:			
Increase in Accounts Receivable	0	(1,575)	(1,575)
Increase in Accounts Payable	0	37,415	37,415
Net Cash Used In Operating Activities	\$0	(\$375,091)	(\$375,091)

See Accompanying Independent Auditor's Report.

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CERRO GORDO COUNTY, IOWA

COMBINING STATEMENT OF FIDUCIARY NET POSITION ALL CUSTODIAL FUNDS

June 30, 2023

	Elected Officials	Other Custodial Funds	Total
ASSETS			
Cash, Cash Equivalents and Pooled Investments:			
County Treasurer	\$0	\$5,583,525	\$5,583,525
Other County Officials	114,287	0	114,287
Receivables:			
Property Tax:			
Delinquent	0	101,707	101,707
Succeeding Year	0	75,864,063	75,864,063
Accounts	0	20,671	20,671
Assessments	0	545,231	545,231
Due From Other Governments	0	257,449	257,449
Total Assets	\$114,287	\$82,372,646	\$82,486,933
LIABILITIES			
Accounts Payable	\$0	\$338,012	\$338,012
Salaries and Benefits Payable	0	30,043	30,043
Due to Other Governments	1,401	2,301,613	2,303,014
Due to Individuals and Private Entities	112,886	168,881	281,767
Compensated Absences	0	36,509	36,509
Total Liabilities	114,287	2,875,058	2,989,345
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues	0	76,510,008	76,510,008
NET POSITION			
Restricted for Individuals, Organizations and Other Governments	\$0	\$2,987,580	\$2,987,580

See Accompanying Independent Auditor's Report.

CERRO GORDO COUNTY, IOWA

COMBINING STATEMENT OF FIDUCIARY NET POSITION ELECTED OFFICIALS June 30, 2023

	Veterans Affairs	Recorder	Sheriff	Total
ASSETS				
Cash, Cash Equivalents and Pooled Investments:				
Other County Officials	\$1,006	\$1,401	\$111,880	\$114,287
LIABILITIES				
Due to Other Governments	\$0	\$1,401	\$0	\$1,401
Due to Individuals and Private Entities	1,006	0	111,880	112,886
Total Liabilities	\$1,006	\$1,401	\$111,880	\$114,287
NET POSITION				
Restricted for Individuals, Organizations and Other Governments	\$0	\$0	\$0	\$0

See Accompanying Independent Auditor's Report.

CERRO GORDO COUNTY, IOWA

COMBINING STATEMENT OF FIDUCIARY NET POSITION OTHER CUSTODIAL FUNDS

June 30, 2023

	Agricultural Extension Education	County Assessor	City Assessor	Schools
ASSETS				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$2,816	\$836,148	\$842,265	\$388,378
Receivables:				
Property Tax:				
Delinquent	362	369	1,229	52,454
Succeeding Year	318,825	725,219	606,845	38,694,670
Accounts	0	292	0	0
Assessments	0	0	0	0
Due From Other Governments	0	0	0	0
Total Assets	\$322,003	\$1,562,028	\$1,450,339	\$39,135,502
LIABILITIES				
Accounts Payable	\$0	\$2,636	\$36,926	\$0
Salaries and Benefits Payable	0	14,940	11,871	0
Due to Other Governments	2,816	0	0	388,378
Due to Individuals and Private Entities	0	0	0	0
Compensated Absences	0	18,089	10,962	0
Total Liabilities	2,816	35,665	59,759	388,378
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	319,181	725,570	608,068	38,746,495
NET POSITION				
Restricted for Individuals, Organizations and Other Governments	\$6	\$800,793	\$782,512	\$629

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	Brucellosis and Tuberculosis Eradication	Emergency Management Services
\$29,365	\$344,877	\$4,102	\$25,642	\$1,495,568	\$64	\$105,896
3,703	42,631	118	0	0	8	0
3,694,490	29,953,756	399,139	0	0	5,446	0
0	0	0	0	0	0	0
0	0	0	511,478	0	0	0
0	0	0	0	0	0	0
\$3,727,558	\$30,341,264	\$403,359	\$537,120	\$1,495,568	\$5,518	\$105,896
\$0	\$0	\$0	\$0	\$0	\$0	\$63,103
0	0	0	0	0	0	3,232
29,365	344,877	4,102	25,642	1,495,568	64	0
0	0	0	0	0	0	0
0	0	0	0	0	0	7,458
29,365	344,877	4,102	25,642	1,495,568	64	73,793
3,698,125	29,996,152	399,237	511,478	0	5,454	0
\$68	\$235	\$20	\$0	\$0	\$0	\$32,103

(Continued)

CERRO GORDO COUNTY, IOWA

COMBINING STATEMENT OF FIDUCIARY NET POSITION OTHER CUSTODIAL FUNDS

June 30, 2023

	Clear Lake Sanitary District	County EMS Association	Advance Tax	Cash Long/Short
ASSETS				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$9,009	\$3,311	\$142,099	\$312
Receivables:				
Property Tax:				
Delinquent	833	0	0	0
Succeeding Year	1,465,673	0	0	0
Accounts	0	0	0	0
Assessments	33,753	0	0	0
Due From Other Governments	0	0	0	0
Total Assets	\$1,509,268	\$3,311	\$142,099	\$312
LIABILITIES				
Accounts Payable	\$0	\$0	\$0	\$0
Salaries and Benefits Payable	0	0	0	0
Due to Other Governments	9,009	0	0	312
Due to Individuals and Private Entities	0	0	142,099	0
Compensated Absences	0	0	0	0
Total Liabilities	9,009	0	142,099	312
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	1,500,248	0	0	0
NET POSITION				
Restricted for Individuals, Organizations and Other Governments	\$11	\$3,311	\$0	\$0

See Accompanying Independent Auditor's Report.

E911 Operations	Recorder's Transfer Fee	Pass Through Projects	Empowerment	Other Funds	Total
\$1,233,048	\$726	\$1,572	\$91,545	\$26,782	\$5,583,525
0	0	0	0	0	101,707
0	0	0	0	0	75,864,063
19,625	754	0	0	0	20,671
0	0	0	0	0	545,231
86,739	0	170,710	0	0	257,449
\$1,339,412	\$1,480	\$172,282	\$91,545	\$26,782	\$82,372,646
\$11,989	\$0	\$172,282	\$51,076	\$0	\$338,012
0	0	0	0	0	30,043
0	1,480	0	0	0	2,301,613
0	0	0	0	26,782	168,881
0	0	0	0	0	36,509
11,989	1,480	172,282	51,076	26,782	2,875,058
0	0	0	0	0	76,510,008
\$1,327,423	\$0	\$0	\$40,469	\$0	\$2,987,580

(Concluded)

CERRO GORDO COUNTY, IOWA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION ALL CUSTODIAL FUNDS Year Ended June 30, 2023

	Elected Officials	Other Custodial Funds	Total
Additions:			
Property and Other County Tax	\$0	\$73,731,522	\$73,731,522
911 Surcharge	0	295,580	295,580
State Tax Credits	0	4,856,912	4,856,912
Office Fees and Collections	1,975,257	0	1,975,257
Auto Licenses, Use Tax and Postage	0	16,046,670	16,046,670
Assessments	0	181,524	181,524
Miscellaneous	341,740	1,897,104	2,238,844
Total Additions	2,316,997	97,009,312	99,326,309
Deductions:			
Agency Remittances:			
To County Funds	493,541	0	493,541
To Other Governments	761,939	95,413,773	96,175,712
To Individuals and Private Entities	1,061,517	1,537,839	2,599,356
Total Deductions	2,316,997	96,951,612	99,268,609
Changes in Net Position	0	57,700	57,700
Net Position Beginning of Year	0	2,929,880	2,929,880
Net Position End of Year	\$0	\$2,987,580	\$2,987,580

See Accompanying Independent Auditor's Report.

CERRO GORDO COUNTY, IOWA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION ELECTED OFFICIALS Year Ended June 30, 2023

	Veterans Affairs	Auditor	Recorder	Sheriff	Total
Additions:					
Office Fees and Collections	\$0	\$1,233	\$1,071,803	\$902,221	\$1,975,257
Miscellaneous	0	0	0	341,740	341,740
Total Additions	<u>0</u>	<u>1,233</u>	<u>1,071,803</u>	<u>1,243,961</u>	<u>2,316,997</u>
Deductions:					
Agency Remittances:					
To County Funds	0	1,233	313,822	178,486	493,541
To Other Governments	0	0	757,891	4,048	761,939
To Individuals and Private Entities	0	0	90	1,061,427	1,061,517
Total Deductions	<u>0</u>	<u>1,233</u>	<u>1,071,803</u>	<u>1,243,961</u>	<u>2,316,997</u>
Changes in Net Position	0	0	0	0	0
Net Position Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Position End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

See Accompanying Independent Auditor's Report.

CERRO GORDO COUNTY, IOWA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION OTHER CUSTODIAL FUNDS Year Ended June 30, 2023

	Agricultural Extension Education	County Assessor	City Assessor	Schools
Additions:				
Property and Other County Tax	\$304,514	\$690,612	\$580,468	\$39,127,421
911 Surcharge	0	0	0	0
State Tax Credits	21,633	35,268	53,972	2,049,927
Auto Licenses, Use Tax and Postage	0	0	0	0
Assessments	0	0	0	0
Miscellaneous	0	292	0	0
Total Additions	326,147	726,172	634,440	41,177,348
Deductions:				
Agency Remittances:				
To Other Governments	326,156	691,884	543,598	41,178,700
To Individuals and Private Entities	0	0	0	0
Total Deductions	326,156	691,884	543,598	41,178,700
Changes in Net Position	(9)	34,288	90,842	(1,352)
Net Position Beginning of Year	15	766,505	691,670	1,981
Net Position End of Year	\$6	\$800,793	\$782,512	\$629

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	Brucellosis and Tuberculosis Eradication	Emergency Management Services
\$3,140,724	\$28,120,330	\$386,469	\$0	\$0	\$6,889	\$0
0	0	0	0	0	0	0
302,057	2,322,236	18,371	0	0	499	0
0	0	0	0	16,046,670	0	0
0	9,665	0	138,818	0	0	0
0	0	0	0	0	0	205,463
3,442,781	30,452,231	404,840	138,818	16,046,670	7,388	205,463
3,442,872	30,453,282	404,832	138,818	16,046,670	7,388	274,575
0	0	0	0	0	0	0
3,442,872	30,453,282	404,832	138,818	16,046,670	7,388	274,575
(91)	(1,051)	8	0	0	0	(69,112)
159	1,286	12	0	0	0	101,215
\$68	\$235	\$20	\$0	\$0	\$0	\$32,103

(Continued)

CERRO GORDO COUNTY, IOWA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION OTHER CUSTODIAL FUNDS Year Ended June 30, 2023

	Clear Lake Sanitary District	County EMS Association	Advance Tax	Cash Long/Short
Additions:				
Property and Other County Tax	\$1,374,095	\$0	\$0	\$0
911 Surcharge	0	0	0	0
State Tax Credits	52,949	0	0	0
Auto Licenses, Use Tax and Postage	0	0	0	0
Assessments	33,041	0	0	0
Miscellaneous	0	0	5,930	435
Total Additions	1,460,085	0	5,930	435
Deductions:				
Agency Remittances:				
To Other Governments	1,460,093	0	0	435
To Individuals and Private Entities	0	0	5,930	0
Total Deductions	1,460,093	0	5,930	435
Changes in Net Position	(8)	0	0	0
Net Position Beginning of Year	19	3,311	0	0
Net Position End of Year	\$11	\$3,311	\$0	\$0

See Accompanying Independent Auditor's Report.

Tax Sale Redemption	E911 Operations	Recorder's Transfer Fee	Pass Through Projects	Empowerment	Other Funds	Total
\$0	\$0	\$0	\$0	\$0	\$0	\$73,731,522
0	295,580	0	0	0	0	295,580
0	0	0	0	0	0	4,856,912
0	0	0	0	0	0	16,046,670
0	0	0	0	0	0	181,524
685,614	124,874	6,971	56,743	533,443	277,339	1,897,104
685,614	420,454	6,971	56,743	533,443	277,339	97,009,312
0	437,499	6,971	0	0	0	95,413,773
685,614	0	0	56,743	512,213	277,339	1,537,839
685,614	437,499	6,971	56,743	512,213	277,339	96,951,612
0	(17,045)	0	0	21,230	0	57,700
0	1,344,468	0	0	19,239	0	2,929,880
\$0	\$1,327,423	\$0	\$0	\$40,469	\$0	\$2,987,580

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CERRO GORDO COUNTY, IOWA

SCHEDULE OF CAPITAL ASSETS BY FUNDING SOURCE

Year Ended June 30, 2023

	Balance June 30, 2022	Additions	Disposals	Balance June 30, 2023
ASSETS				
Land	\$2,235,864	\$0	\$0	\$2,235,864
Construction in Progress	5,143,472	5,700,033	5,770,453	5,073,052
Buildings	21,289,609	1,793,193	71,289	23,011,513
Improvements other than Buildings	1,393,092	0	0	1,393,092
Machinery and Equipment	8,165,649	969,298	242,063	8,892,884
Vehicles	5,721,563	289,362	250,336	5,760,589
Right-to-use leased buildings	687,950	0	0	687,950
Intangible Assets	0	0	0	0
Infrastructure, road network	70,584,455	3,977,261	0	74,561,716
	\$115,221,654	\$12,729,147	\$6,334,141	\$121,616,660
FUNDING SOURCE				
General Fund	\$9,223,337	\$1,137,130	\$42,353	\$10,318,114
Special Revenue Funds	88,210,842	7,643,820	4,453,409	91,401,253
Capital Project Fund	17,787,475	3,948,197	1,838,379	19,897,293
	\$115,221,654	\$12,729,147	\$6,334,141	\$121,616,660

CERRO GORDO COUNTY, IOWA

SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY AS OF JUNE 30, 2023

	Land	Construction in Progress	Buildings	Improvements other than Buildings
Public Safety and Legal Services				
Law Enforcement	\$0	\$0	\$13,273,609	\$35,379
Legal Services	0	0	90,020	0
Total Public Safety and Legal Services	0	0	13,363,629	35,379
Physical Health and Social Services:				
Physical Health Services	0	0	0	462,277
Services to Poor	0	0	0	0
Total Physical Health and Social Services	0	0	0	462,277
Mental Health, MR & DD:				
Chronic Mental Illness	0	0	0	0
Total Mental Health, MR & DD	0	0	0	0
County Environment and Education:				
Conservation and Recreation Services	661,011	3,033,272	880,955	278,578
County Development	0	0	0	0
Total County Environment and Education	661,011	3,033,272	880,955	278,578
Roads & Transportation:				
Secondary Roads Administration and Engineering	0	1,243,838	5,474,743	0
Roadway Maintenance	0	795,942	0	0
General Roadway Expenditures	0	0	426,329	0
Total Roads & Transportation	0	2,039,780	5,901,072	0
Government Services to Residents:				
Representation Services	0	0	0	0
State Administration Services	0	0	0	0
Total Government Services to Residents	0	0	0	0
Administration:				
Policy and Administration		0	417,192	
Central Services	1,574,853	0	2,448,665	616,858
Total Administration	1,574,853	0	2,865,857	616,858
Total Capital Assets	\$2,235,864	\$5,073,052	\$23,011,513	\$1,393,092

Machinery and Equipment	Vehicles	Right-to-use Leased Building	Intangible Assets	Infrastructure, road network	Total
\$559,977	\$1,136,045	\$0	\$0	\$0	\$15,005,010
10,925	0	0	0	0	100,945
570,902	1,136,045	0	0	0	15,105,955
152,831	0	687,950	0	0	1,303,058
7,996	0	0	0	0	7,996
160,827	0	687,950	0	0	1,311,054
0	0	0	0	0	0
0	0	0	0	0	0
494,431	323,627	0	0	0	5,671,874
0	10,641	0	0	0	10,641
494,431	334,268	0	0	0	5,682,515
30,922	0	0	0	0	6,749,503
161,917	178,236	0	0	74,561,716	75,697,811
6,791,989	4,107,040	0	0	0	11,325,358
6,984,828	4,285,276	0	0	74,561,716	93,772,672
45,300	0	0	0	0	45,300
31,009	0	0	0	0	31,009
76,309	0	0	0	0	76,309
39,120	0	0	0	0	456,312
566,467	5,000	0	0	0	5,211,843
605,587	5,000	0	0	0	5,668,155
\$8,892,884	\$5,760,589	\$687,950	\$0	\$74,561,716	\$121,616,660

CERRO GORDO COUNTY, IOWA

SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY Year Ended June 30, 2023

	Restated, Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Public Safety and Legal Services				
Law Enforcement	\$14,935,474	\$209,193	\$139,657	\$15,005,010
Legal Services	100,945	0	0	100,945
Total Public Safety and Legal Services	15,036,419	209,193	139,657	15,105,955
Physical Health and Social Services:				
Physical Health Services	1,287,308	15,750	0	1,303,058
Services to Poor	7,996	0	0	7,996
Total Physical Health and Social Services	1,295,304	15,750	0	1,311,054
Mental Health, MR & DD:				
Persons with Chronic Mental Illness	0	0	0	0
Total Mental Health, MR & DD	0	0	0	0
County Environment and Education:				
Conservation and Recreation Services	4,612,281	1,137,130	77,537	5,671,874
County Development	10,641	0	0	10,641
Total County Environment and Education	4,622,922	1,137,130	77,537	5,682,515
Roads & Transportation:				
Secondary Roads Administration & Engineering	4,594,498	3,948,197	1,793,192	6,749,503
Roadway Maintenance	73,196,001	6,479,070	3,977,260	75,697,811
General Roadway Expenditures	10,522,333	939,807	136,782	11,325,358
Total Roads & Transportation	88,312,832	11,367,074	5,907,234	93,772,672
Government Services to Residents:				
Representation Services	255,013	0	209,713	45,300
State Administration Services	31,009	0	0	31,009
Total Government Services to Residents	286,022	0	209,713	76,309
Administration:				
Policy and Administration	456,312	0	0	456,312
Central Services	5,211,843	0	0	5,211,843
Total Administration	5,668,155	0	0	5,668,155
Total Capital Assets	\$115,221,654	\$12,729,147	\$6,334,141	\$121,616,660

STATISTICAL SECTION

CERRO GORDO COUNTY, IOWA

STATISTICAL SECTION
June 30, 2023

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

Contents

	<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.	106-115
Revenue Capacity	
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	116-125
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.	126-130
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.	131-132
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.	133-138

CERRO GORDO COUNTY, IOWA

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(Accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2014	2015	2016	2017
Government activities:				
Net investment in capital assets	\$34,748,299	\$34,084,193	\$33,383,175	\$39,672,513
Restricted	6,340,085	6,172,763	8,472,965	6,883,575
Unrestricted	3,918,057	(1,915,362)	(680,073)	(377,892)
Total government activities net position	\$45,006,441	\$38,341,594	\$41,176,067	\$46,178,196
Business-type activities:				
Net investment in capital assets	\$1,116,146	\$1,042,761	\$969,910	\$897,621
Restricted	0	0	0	0
Unrestricted	116,805	122,953	116,749	118,128
Total business-type activities net position	\$1,232,951	\$1,165,714	\$1,086,659	\$1,015,749
Primary Government:				
Net investment in capital assets	\$35,864,445	\$35,126,954	\$34,353,085	\$40,570,134
Restricted	6,340,085	6,172,763	8,472,965	6,883,575
Unrestricted	4,034,862	(1,792,409)	(563,324)	(259,764)
Total primary government net position	\$46,239,392	\$39,507,308	\$42,262,726	\$47,193,945

Source: County Records

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$38,584,802	\$39,970,386	\$43,421,461	\$48,390,765	\$52,730,108	\$56,290,031
9,028,748	8,770,585	11,347,948	17,911,949	21,672,908	20,399,999
1,044,606	2,620,241	2,637,561	4,770,841	7,804,842	11,331,298
\$48,658,156	\$51,361,212	\$57,406,970	\$71,073,555	\$82,207,858	\$88,021,328
\$825,916	\$754,823	\$684,368	\$614,581	\$545,491	\$477,129
0	0	0	0	0	0
123,765	140,814	97,873	75,588	79,509	87,352
\$949,681	\$895,637	\$782,241	\$690,169	\$625,000	\$564,481
\$39,410,718	\$40,725,209	\$44,105,829	\$49,005,346	\$53,275,599	\$56,767,160
9,028,748	8,770,585	11,347,948	17,911,949	21,672,908	20,399,999
1,168,371	2,761,055	2,735,434	4,846,429	7,884,351	11,418,650
\$49,607,837	\$52,256,849	\$58,189,211	\$71,763,724	\$82,832,858	\$88,585,809

CERRO GORDO COUNTY, IOWA

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2014	2015	2016	2017
Expenses:				
Government activities:				
Public safety and legal services	\$8,402,604	\$7,916,626	\$8,291,562	\$8,702,477
Physical health and social services	5,066,738	4,915,152	5,052,470	4,825,144
Mental health	2,030,635	2,548,983	1,842,523	2,702,145
County environment and education	1,917,261	1,164,838	1,245,636	1,388,699
Roads and transportation	7,167,177	7,098,406	7,836,177	7,943,799
Government services to residents	1,117,636	1,239,392	1,206,907	1,197,544
Administration or general government	2,771,301	3,295,671	3,053,373	3,423,941
Non-program	283,087	342,098	280,242	501,760
Interest on long-term debt	415,531	390,401	216,513	196,721
Total governmental activities expenses	29,171,970	28,911,567	29,025,403	30,882,230
Business-type activities:				
Wastewater collection and treatment	134,236	130,172	163,218	134,762
Total government expenses	\$29,306,206	\$29,041,739	\$29,188,621	\$31,016,992
Program Revenues:				
Government activities:				
Charges for services:				
Public safety and legal services	\$1,011,057	\$1,105,818	\$1,054,368	\$1,043,633
Physical health and social services	430,535	413,983	479,945	508,409
Mental health	0	102,868	228,722	892,871
County environment and education	195,454	156,790	100,589	91,241
Roads and Transportation	30,591	36,305	68,131	52,193
Government services to residents	827,250	727,195	834,257	829,853
Administration or general government	375,668	78,154	152,164	157,447
Non-program	233,391	229,409	754,916	461,111
Operating grants and contributions	6,290,644	6,299,549	6,310,156	6,657,110
Capital grants and contributions revenues	2,152,813	198,500	572,773	3,799,988
Total government program revenues	11,547,403	9,348,571	10,556,021	14,493,856
Business-type activities:				
Charges for services:				
Wastewater collection and treatment revenues	64,219	62,871	84,097	63,790
Total government program revenues	64,219	62,871	84,097	63,790
Total government program revenues	\$11,611,622	\$9,411,442	\$10,640,118	\$14,557,646

Source: County Records

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$9,857,325	\$9,402,303	\$9,557,895	\$9,550,463	\$9,176,005	\$9,868,953
5,815,911	6,167,226	5,732,768	5,911,404	5,797,483	6,035,338
2,358,002	2,093,141	1,772,057	1,312,396	2,103,141	0
1,311,611	1,595,470	1,285,548	1,546,591	1,618,517	1,691,692
8,620,455	9,322,331	9,370,525	8,645,838	9,268,333	10,294,337
1,269,761	1,208,267	1,224,201	1,220,550	1,108,402	1,518,103
3,527,669	3,185,789	3,306,628	3,348,710	3,104,698	3,849,885
475,269	868,777	770,611	601,957	520,263	885,261
176,485	160,186	143,588	155,499	20,609	15,937
33,412,488	34,003,490	33,163,821	32,293,408	32,717,451	34,159,506
127,986	115,791	172,684	155,305	129,247	133,478
\$33,540,474	\$34,119,281	\$33,336,505	\$32,448,713	\$32,846,698	\$34,292,984
\$1,214,194	\$1,056,636	\$1,026,663	\$972,241	\$989,515	\$1,097,427
505,791	521,501	361,865	452,042	398,909	389,933
601,682	572,004	281,874	31,374	881,051	0
96,795	114,392	159,628	144,636	130,871	163,761
80,695	345,133	84,365	154,328	54,868	163,926
836,829	749,279	870,155	902,707	911,301	860,248
161,024	126,821	100,510	106,180	197,624	218,255
802,862	616,478	671,418	702,088	493,603	452,338
7,058,689	7,521,265	7,926,145	13,289,508	8,439,457	9,715,660
817,787	1,370,729	2,926,407	3,710,741	2,457,765	1,297,510
12,176,348	12,994,238	14,409,030	20,465,845	14,954,964	14,359,058
61,803	61,290	59,169	63,185	64,033	72,913
61,803	61,290	59,169	63,185	64,033	72,913
\$12,238,151	\$13,055,528	\$14,468,199	\$20,529,030	\$15,018,997	\$14,431,971

(Continued)

CERRO GORDO COUNTY, IOWA

CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years

(Accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2014	2015	2016	2017
Net (Expense)/Revenue:				
Governmental activities	(\$17,624,567)	(\$19,562,996)	(\$18,469,382)	(\$16,388,374)
Business-type activities	(70,017)	(67,301)	(79,121)	(70,972)
Total government net expense	(\$17,694,584)	(\$19,630,297)	(\$18,548,503)	(\$16,459,346)
General Revenues and Other Changes in Net Position:				
Governmental activities:				
Property and other county tax levied for:				
General purposes	\$15,474,761	\$15,286,100	\$15,156,934	\$15,581,470
Debt service	932,567	951,463	1,319,663	1,297,542
Penalty and interest on property tax	152,169	158,706	148,127	145,759
State tax credits & replacements, unrestricted	565,129	887,296	1,264,653	1,322,146
Local option sales and service tax	1,505,343	1,748,080	1,803,331	1,732,131
American Rescue Plan Act	0	0	0	0
Tax Increment Financing	8,912	2,960	58,781	70,511
Grants & contribution not restricted to specific purpose	0	0	0	0
Unrestricted investment earnings	42,439	46,530	70,713	124,604
Gain/(Loss) on Disposal of Capital Assets	(10,724)	(14,457)	(48,337)	(27,607)
Miscellaneous	1,100,792	2,296,860	1,529,990	1,143,947
Total governmental activities	19,771,388	21,363,538	21,303,855	21,390,503
Business-type activities:				
Unrestricted Investment Earnings	60	64	66	62
Total business-type activities	\$60	\$64	\$66	\$62
Total government	\$19,771,448	\$21,363,602	\$21,303,921	\$21,390,565
Change in Net Position:				
Governmental activities	\$2,146,821	\$1,800,542	\$2,834,473	\$5,002,129
Business-type activities	(69,957)	(67,237)	(79,055)	(70,910)
Total government program revenues	\$2,076,864	\$1,733,305	\$2,755,418	\$4,931,219

Source: County Records

Fiscal Year					
2018	2019	2020	2021	2022	2023
(\$21,236,140)	(\$21,009,252)	(\$18,754,791)	(\$11,827,563)	(\$17,762,487)	(\$19,800,448)
(66,183)	(54,501)	(113,515)	(92,120)	(65,214)	(60,565)
(\$21,302,323)	(\$21,063,753)	(\$18,868,306)	(\$11,919,683)	(\$17,827,701)	(\$19,861,013)

\$16,821,409	\$17,610,730	\$18,563,400	\$18,612,655	\$18,473,999	\$18,129,813
883,310	922,752	889,755	900,708	858,587	857,158
152,884	191,486	78,950	234,360	188,056	168,570
1,353,157	1,374,283	1,406,270	1,406,628	1,365,442	1,276,180
1,656,500	1,698,530	1,882,685	2,211,608	2,411,615	2,194,414
0	0	0	0	4,122,708	0
46,163	17,286	0	0	0	0
0	0	0	0	0	0
341,324	554,745	429,531	137,869	155,405	1,476,758
10,952	(11,675)	289,311	386,706	95,924	73,255
1,278,379	1,354,171	1,260,647	1,603,614	1,225,054	1,437,770
22,544,078	23,712,308	24,800,549	25,494,148	28,896,790	25,613,918

115	457	119	48	45	46
\$115	\$457	\$119	\$48	\$45	\$46
\$22,544,193	\$23,712,765	\$24,800,668	\$25,494,196	\$28,896,835	\$25,613,964

\$1,307,938	\$2,703,056	\$6,045,758	\$13,666,585	\$11,134,303	\$5,813,470
(66,068)	(54,044)	(113,396)	(92,072)	(65,169)	(60,519)
\$1,241,870	\$2,649,012	\$5,932,362	\$13,574,513	\$11,069,134	\$5,752,951

(Concluded)

CERRO GORDO COUNTY, IOWA

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified accrual accounting)

(Unaudited)

	Fiscal Year			
	2014	2015	2016	2017
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Restricted	185,143	250,958	525,160	589,757
Committed	0	0	0	0
Assigned	1,086,036	1,102,657	1,162,680	1,178,685
Unassigned	6,143,872	6,473,260	6,322,435	6,093,603
Total General Fund	\$7,415,051	\$7,826,875	\$8,010,275	\$7,862,045
All Other Governmental Funds				
Nonspendable	\$888,073	\$1,241,840	\$1,262,595	\$834,101
Restricted	4,691,776	5,500,449	7,516,391	6,370,019
Committed	0	0	0	0
Assigned	954,307	1,103,221	1,286,680	1,207,808
Unassigned	0	0	0	0
Total all other governmental funds	\$6,534,156	\$7,845,510	\$10,065,666	\$8,411,928
Total Fund Balance All Governmental Funds	\$13,949,207	\$15,672,385	\$18,075,941	\$16,273,973

Source: County Records

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$0	\$0	\$0	\$0	\$0	\$0
1,433,742	1,354,407	1,567,730	5,780,200	8,918,582	6,095,527
0	0	0	0	0	0
1,148,367	1,118,942	257,009	327,756	384,991	451,813
6,821,174	8,871,992	10,326,621	12,185,254	12,203,262	14,184,388
\$9,403,283	\$11,345,341	\$12,151,360	\$18,293,210	\$21,506,835	\$20,731,728
\$1,241,424	\$920,044	\$1,256,298	\$1,291,704	\$1,435,097	\$1,693,553
7,205,593	7,093,577	8,958,683	11,123,759	11,814,845	11,946,800
0	0	0	0	0	0
1,225,917	975,944	962,554	948,017	1,440,347	1,993,344
0	0	0	0	0	0
\$9,672,934	\$8,989,565	\$11,177,535	\$13,363,480	\$14,690,289	\$15,633,697
\$19,076,217	\$20,334,906	\$23,328,895	\$31,656,690	\$36,197,124	\$36,365,425

CERRO GORDO COUNTY, IOWA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified accrual accounting)

(Unaudited)

	Fiscal Year			
	2014	2015	2016	2017
Revenues:				
Property and Other County Tax	\$17,918,503	\$17,987,366	\$18,334,856	\$18,674,759
Interest and Penalty on Property Tax	152,169	158,706	148,127	145,759
Intergovernmental	7,961,602	8,278,038	8,703,780	9,802,673
Licenses and Permits	220,980	154,958	133,989	167,887
Charges for Services	1,422,442	1,402,231	1,710,171	1,645,611
Use of Money and Property	495,212	188,814	273,850	300,827
Miscellaneous	1,061,874	2,364,995	1,352,813	1,164,216
Total Revenues	29,232,782	30,535,108	30,657,586	31,901,732
Expenditures:				
Public Safety and Legal Services	7,962,487	8,184,564	8,389,453	8,712,033
Physical Health and Social Services	4,914,277	5,110,132	5,098,205	5,005,487
Mental Health	2,018,171	2,561,090	1,848,842	2,744,081
County Environment and Education	1,851,989	1,275,293	1,249,483	1,360,421
Roads and Transportation	5,500,566	5,618,674	5,837,654	5,665,460
Government Services to Residents	1,077,312	1,461,109	1,203,391	1,220,779
Administrative Services	2,659,540	2,995,191	3,048,671	3,379,361
Non-Program	95,989	189,518	293,382	364,685
Debt Service				
Principal	575,238	622,246	1,216,500	1,231,500
Interest	416,469	404,889	219,199	198,423
Capital Projects	978,252	1,762,502	19,424	3,632,991
Total Expenditures	28,050,290	30,185,208	28,424,204	33,515,221
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,182,492	349,900	2,233,382	(1,613,489)
Other Financing Sources (Uses):				
Sale of Capital Assets	29,016	24,321	48,994	21,800
Transfers In	3,354,612	3,467,670	3,666,959	4,513,322
Transfers Out	(3,354,612)	(3,467,670)	(3,666,959)	(4,513,322)
Issuance of Drainage Warrants	56,813	145,190	100,425	218,215
Issuance of General Obligation Refunding Capital Loan Notes	0	0	0	0
Refunding of General Obligation Capital loan Notes	0	0	0	0
Issuance of General Obligation Capital Loan Notes	0	850,000	0	0
Issuance of Crossover Refunding Capital Loan Notes	0	0	0	0
Issuance of Installment Purchase Contracts	0	0	0	0
Total Other Financing Sources (Uses)	85,829	1,019,511	149,419	240,015
Change in Fund Balances	\$1,268,321	\$1,369,411	\$2,382,801	(\$1,373,474)
Debt service as % of noncapital expenditures	3.81%	3.71%	5.17%	4.95%

Source: County Records

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$19,394,724	\$20,301,539	\$21,274,274	\$21,866,442	\$21,805,128	\$21,234,021
152,884	191,486	78,950	234,360	188,056	168,570
10,360,262	10,817,246	11,063,532	15,843,728	16,156,552	11,142,665
165,698	156,893	205,346	190,770	185,743	192,933
2,124,942	1,800,316	1,518,801	2,002,914	1,678,991	1,605,878
537,827	716,632	536,874	273,337	333,843	1,669,054
1,251,205	1,175,915	1,579,061	1,595,853	1,208,623	1,831,006
33,987,542	35,160,027	36,256,838	42,007,404	41,556,936	37,844,127
8,972,657	9,100,310	9,355,355	9,311,862	9,909,606	10,215,390
5,637,490	6,118,575	5,976,903	6,158,188	6,152,824	6,242,894
2,329,891	2,088,247	1,790,623	1,311,521	2,107,566	0
1,434,640	1,593,856	1,999,047	1,730,477	1,700,044	1,881,778
6,401,635	7,851,936	7,288,100	6,339,299	9,651,658	8,274,389
1,239,005	1,147,836	1,200,493	1,177,559	1,238,904	1,610,497
3,336,359	3,069,854	3,229,795	3,452,885	3,388,899	3,976,128
360,759	858,987	705,149	845,117	487,150	852,710
822,000	837,000	852,500	868,000	931,000	932,500
177,842	161,567	144,994	164,112	21,288	16,120
1,200,730	1,875,561	2,045,065	3,193,683	2,046,680	4,605,841
31,913,008	34,703,729	34,588,024	34,552,703	37,635,619	38,608,247
2,074,534	456,298	1,668,814	7,454,701	3,921,317	(764,120)
47,141	23,200	506,471	406,324	275,354	110,567
4,145,424	4,459,730	6,189,177	5,499,587	6,735,523	4,912,254
(4,145,424)	(4,459,730)	(6,189,177)	(5,499,587)	(6,735,523)	(4,912,254)
273,246	171,971	482,450	378,364	200,370	563,398
0	0	0	4,573,000	0	0
0	0	0	(4,520,000)	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	928,600	0	0	0	0
320,387	1,123,771	988,921	837,688	475,724	673,965
\$2,394,921	\$1,580,069	\$2,657,735	\$8,292,389	\$4,397,041	(\$90,155)
3.32%	3.20%	3.22%	3.46%	2.96%	2.91%

CERRO GORDO COUNTY, IOWA

PROGRAM REVENUES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

(Accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2014	2015	2016	2017
Government Activities:				
Public Safety and Legal Services	\$1,591,878	\$1,659,477	\$1,609,729	\$1,598,134
Physical Health and Social Services	2,938,155	2,702,555	2,164,079	2,252,275
Mental Health	0	102,868	228,722	892,871
County Environment and Education	219,358	231,295	171,028	131,497
Roads and Transportation	5,314,851	3,617,560	4,641,083	8,170,537
Government Services to Residents	827,302	727,253	834,300	829,984
Administrative Services	422,468	78,154	152,164	157,447
Non-Program	233,391	229,409	754,916	461,111
Total Governmental Activities Program Revenues	11,547,403	9,348,571	10,556,021	14,493,856
Business-Type Activities:				
Wastewater Collection and Treatment	64,219	62,871	84,097	63,790
Total Business-Type Activities Program Revenues	64,219	62,871	84,097	63,790
Total Government Program Revenues	\$11,611,622	\$9,411,442	\$10,640,118	\$14,557,646

Source: County Records

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$1,802,257	\$1,648,404	\$1,622,833	\$2,023,503	\$1,620,999	\$1,575,211
2,922,674	3,019,274	2,877,870	3,283,298	3,640,995	4,722,650
601,682	572,004	281,874	31,374	881,051	0
515,630	219,770	453,114	691,516	458,656	644,920
4,532,917	6,041,455	7,529,682	8,336,257	6,742,605	5,883,047
837,302	750,032	870,608	954,257	919,431	862,637
161,024	126,821	101,631	4,443,552	197,624	218,255
802,862	616,478	671,418	702,088	493,603	452,338
12,176,348	12,994,238	14,409,030	20,465,845	14,954,964	14,359,058
61,803	61,290	59,169	63,185	64,033	72,913
61,803	61,290	59,169	63,185	64,033	72,913
\$12,238,151	\$13,055,528	\$14,468,199	\$20,529,030	\$15,018,997	\$14,431,971

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
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
2021	2,844,174,795	592,378,954	137,219,856	442,044,675	76,352,596
2022	2,882,201,660	621,541,360	138,975,876	442,591,350	76,972,391
2023	3,108,253,286	631,158,077	126,259,476	440,974,350	84,226,531

Fiscal Year Ended June 30	Taxable Value of Property				
	Residential Property	Commercial Property	Industrial Property	Agricultural Property	(3) Multi- Residential Property
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	1,334,587,888	424,546,326	92,976,910	313,740,675	41,748,239
2018	1,372,726,521	482,111,491	119,678,443	322,908,664	43,623,575
2019	1,418,680,880	545,977,859	98,196,248	335,396,689	42,403,148
2020	1,509,930,831	541,516,929	117,443,800	346,299,423	47,174,869
2021	1,546,790,678	521,783,050	122,996,471	360,186,314	51,865,375
2022	1,602,664,255	549,633,002	124,470,104	371,902,999	50,469,125
2023	1,659,946,464	558,016,489	113,068,247	392,463,122	51,282,536

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
\$ 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
171,115,122	1,564,844,169	5,828,130,167	4,373,454	5,823,756,713
161,405,692	1,413,749,696	5,737,438,025	4,150,783	5,733,287,242
163,435,659	1,809,811,837	6,364,119,216	3,900,312	6,360,218,904

Taxable Value of Property

TIF Increment	(2) Other Property	Total Taxable Value	Less: Military Tax-Exempt Property	Net TaxableValue	(4) Total Direct Tax Rate Urban
\$ 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	2,518,203,906	5,148,426	2,513,055,480	6.23314
108,332,110	208,951,777	2,658,332,581	4,948,598	2,653,383,983	6.19934
103,937,562	202,937,388	2,747,529,774	4,742,100	2,742,787,674	6.19934
140,580,140	230,252,612	2,933,198,604	4,542,441	2,928,656,163	6.13391
171,115,122	239,418,240	3,014,155,250	4,373,454	3,009,781,796	6.04737
161,405,692	236,888,173	3,097,433,350	4,150,783	3,093,282,567	5.78378
163,435,659	235,785,780	3,173,998,297	3,900,312	3,170,097,985	5.47238

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			
	2013-2014	2014-2015	2015-2016	2016-2017
County Direct Rates:				
General Basic	\$ 3.50000	\$ 3.50000	\$ 3.50000	\$ 3.50000
General Supplemental	1.43434	1.43434	1.49075	1.55513
County MHDS Fund	0.89872	0.90717	0.69761	0.63323
Debt Service	0.40276	0.40783	0.56098	0.54478
Total Urban County Rate	6.23582	6.24934	6.24934	6.23314
Rural Services Basic	3.50739	3.50739	3.50739	3.50739
Total Rural County Rate	\$ 9.74321	\$ 9.75673	\$ 9.75673	\$ 9.74053
City and Town Rates:				
Mason City	\$ 13.02255	\$ 13.85102	\$ 13.51799	\$ 13.71268
Clear Lake	10.54051	10.54051	10.54051	10.04870
Dougherty	21.77695	22.84754	24.26206	24.58217
Meservey	9.78939	9.74056	9.69966	9.72881
Plymouth	12.12610	11.98483	12.09539	11.89468
Rock Falls	6.50145	6.50148	6.50153	6.54562
Rockwell	10.94949	10.88225	10.73172	10.79451
Swaledale	16.30666	16.56274	15.35735	15.44233
Thornton	13.57071	13.92504	13.71065	11.26277
Ventura	11.99276	11.39807	10.78005	10.66823
Nora Springs	13.02874	12.41945	12.48296	11.94478
School District Rates:				
Clear Lake	\$ 12.23909	\$ 11.48331	\$ 10.78057	\$ 9.58620
Forest City (5)	13.57052	13.25268	13.32296	13.40134
Garner-Hayfield-Ventura (4)			9.66527	10.01424
Mason City	11.04654	13.19829	13.95080	14.13036
Central Springs (4)				11.16423
Central Springs - Nora Springs-Rock Falls (1) & (3)	11.90297	10.73475	10.45408	
Central Springs - North Central (1) & (3)	13.33098	12.16563	10.45408	
Rudd-Rockford-Marble Rock	11.99531	11.62550	11.65981	11.68003
Ventura (4)	9.19665	8.88310		
West Fork	11.16849	11.82496	11.24071	10.41784
Other Taxing Authority Rates:				
County Assessor	\$ 0.52836	\$ 0.54081	\$ 0.56281	\$ 0.56281
City Assessor	0.64245	0.64240	0.63172	0.63172
North Iowa Area Community College	0.66157	0.64054	0.71508	0.71508
Ag. Extension	0.10859	0.11261	0.11950	0.11950
State	0.00330	0.00330	0.00330	0.00330
Clear Lake Sanitary Sewer	1.27051	1.24120	1.22510	1.20067
Falls - Rock Falls Cemetery	0.06750	0.06750	0.06750	0.06750

Fiscal Year Taxes are Payable					
2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
\$ 3.50000	\$ 3.50000	\$ 3.50000	\$ 3.50000	\$ 3.50000	\$ 3.50000
1.78628	1.77291	1.77291	1.78252	1.71686	1.68885
0.56082	0.57419	0.54265	0.45071	0.27510	-
0.35224	0.35224	0.31835	0.31414	0.29182	0.28353
6.19934	6.19934	6.13391	6.04737	5.78378	5.47238
3.50739	3.50739	3.50739	3.45477	3.43608	3.39820
\$ 9.70673	\$ 9.70673	\$ 9.64130	\$ 9.50214	\$ 9.21986	\$ 8.87058
\$ 13.70261	\$ 13.82774	\$ 13.72143	\$ 14.38701	\$ 14.02649	\$ 13.99746
9.80000	9.70000	9.70000	9.70000	9.70000	9.70000
22.97122	15.36624	14.68144	15.26476	14.74257	14.67854
12.97847	9.61393	12.82879	12.48655	12.38070	14.25733
13.56582	14.27330	14.86507	12.59813	14.61617	15.39939
6.50798	6.50802	6.58433	6.57938	6.70272	7.02429
10.60937	10.54977	10.28839	12.73646	13.26170	14.38862
15.32206	17.06742	16.91877	18.10655	18.38000	17.92161
11.20355	10.93464	11.29903	11.65344	11.89297	12.25672
10.52017	10.60528	10.53223	10.64848	10.49832	10.49968
11.52665	12.07226	12.22129	13.98582	13.92637	13.87003
\$ 10.39338	\$ 10.39297	\$ 10.39160	\$ 10.39507	\$ 10.39156	\$ 10.39302
13.40094	12.47410	11.52744	11.27635	11.10689	11.03151
10.19281	10.50279	12.19976	12.24122	12.18622	11.00000
14.26365	14.26190	14.41970	14.16613	16.99651	16.86647
10.92385	10.89351	10.78321	9.76995	9.95965	9.98188
11.74394	11.94012	11.94077	11.06856	11.15492	10.89156
10.19464	10.43761	11.09339	11.47333	11.53302	11.46267
\$ 0.52340	\$ 0.42415	\$ 0.39488	\$ 0.35625	\$ 0.33451	\$ 0.40932
0.61966	0.40998	0.38530	0.45811	0.45640	0.49063
0.71947	0.79303	0.77721	0.99544	1.05736	1.08346
0.11453	0.11312	0.10868	0.11272	0.10812	0.10609
0.00310	0.00290	0.00280	0.00270	0.00260	0.00240
0.54000	0.54000	0.54000	0.54000	0.54000	1.51430
0.06750	0.06750	0.06750	0.07576	0.06750	0.06750

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			
	2013-2014	2014-2015	2015-2016	2016-2017
Township Rates:				
Bath	\$ 0.53818	\$ 0.53818	\$ 0.53818	\$ 0.53008
Clear Lake (2)	0.20265	0.32721		
Clear Lake - Clear Lake Fire (2)			0.24501	0.24501
Clear Lake - Ventura Fire (2)			0.63750	0.63750
Dougherty	0.31617	0.31617	0.31617	0.32636
Falls	0.61663	0.61663	0.61663	0.61663
Geneseo	0.35250	0.35490	0.34546	0.35568
Grant - Clear Lake School-Clear Lake Fire (6)				
Grant - Forest City School-Fertile Fire (6)				
Grant - Garner-Hayfield-Ventura School-Ventura Fire (6)				
Grant - Clear Lake School-Fertile Fire (6)				
Grant - Garner-Hayfield-Ventura School-Clear Lake Fire (6)				
Grant - Garner-Hayfield-Ventura School-Fertile Fire (6)				
Grant - Clear Lake School	0.38821	0.56082	0.56627	0.56541
Grant - Forest City School	0.46532	0.66611	0.52668	0.52397
Grant - Ventura School	0.42416	0.62767		
Grant - Garner-Hayfield-Ventura School			0.52598	0.77596
Gimes	0.81888	0.81628	0.81628	0.81297
Lake	0.11136	0.11327	0.17683	0.16233
Lime Creek	0.40500	0.40500	0.40500	0.40500
Lincoln	0.29717	0.32293	0.40392	0.42136
Mason	0.40500	0.40500	0.40500	0.39701
Mount Vernon	0.42705	0.48964	0.54213	0.54380
Owen	0.67200	0.67130	0.66892	0.67182
Pleasant Valley	0.52831	0.52811	0.58311	0.50503
Portland	0.40730	0.41188	0.41034	0.41598
Union	0.27000	0.40000	0.40000	0.41999

- (1) Beginning in 2012, Nora Springs-Rock Falls School District and North Central School District consolidated. However, each school has its own property tax rate.
- (2) In 2016, Clear Lake Township divided its township according to the fire department service area.
- (3) There is only one tax rate for the Central Springs School District beginning in 2016.
- (4) On 7/1/2015, the Ventura School District and the Garner-Hayfield School District consolidated to form the Garner-Hayfield-Ventura School District.
- (5) Beginning 7/1/2019, Forest City Schools combined with Woden-Crystal Lake schools. However, the school name remains Forest City.
- (6) Beginning 7/1/2022, Grant Township divided its township according to school and fire department area.

Source: Cerro Gordo County Auditors Office

Fiscal Year Taxes are Payable					
2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
\$ 0.53008	\$ 0.53008	\$ 0.53008	\$ 0.50631	\$ 0.50631	\$ 0.50631
0.24501	0.24501	0.22720	0.22720	0.22720	0.22720
0.63750	0.63750	0.63533	0.63533	0.63533	0.63533
0.32636	0.32636	0.31449	0.31449	0.30271	0.31449
0.61663	0.61663	0.61663	0.61663	0.60837	0.60837
0.35568	0.34678	0.40500	0.40500	0.60750	0.60750
					0.43723
					0.41429
					0.74464
					0.41429
					0.43723
					0.41429
0.53061	0.51537	0.45942	0.44465	0.43723	
0.50346	0.48312	0.43260	0.42439	0.41429	
0.76981	0.76383	0.74774	0.74774	0.74464	
0.79154	0.79154	0.61441	0.59898	0.59898	0.54362
0.18846	0.22790	0.18863	0.17829	0.18394	0.18361
0.40500	0.40500	0.38591	0.40500	0.40500	0.38572
0.42136	0.42136	0.42136	0.47582	0.46611	0.44337
0.40500	0.40407	0.37256	0.35677	0.35677	0.24829
0.29256	0.36820	0.48753	0.47098	0.46295	0.74142
0.66935	0.66755	0.66755	0.66755	0.66587	0.66248
0.59267	0.71770	0.53966	0.51435	0.50599	0.55586
0.40285	0.37079	0.37079	0.35750	0.33421	0.31977
0.42002	0.42001	0.39659	0.41998	0.41175	0.42001

(Concluded)

CERRO GORDO COUNTY, IOWA

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

	Fiscal Year 2023			Fiscal Year 2014		
	Total Taxable Value	Rank	Percent of Total Taxable Value	Total Taxable Value	Rank	Percent of Total Taxable Value
Interstate Power & Light Co	\$110,895,070	1	3.58%	\$82,365,603	1	3.44%
Union Pacific	55,696,824	2	1.80%	26,800,356	2	1.12%
Windmill Realty, LLC	20,983,536	3	0.68%			
Golden Grain Energy LLC	19,779,141	4	0.64%	17,168,162	4	0.72%
Magellan Pipeline Company, LLC	17,799,125	5	0.57%			
Lehigh Portland Cement Co	16,601,754	6	0.54%	18,276,828	3	0.76%
ITC Midwest LLC	13,320,668	7	0.43%			
MFF Mortgage Borrower 20, LLC	14,234,454	8	0.46%			
Five Star Cooperative	12,645,540	9	0.41%			
SBMC, LLC	12,226,005	10	0.39%			
Hawkeye Power Partners, LLC				12,791,561	5	0.53%
Mills Properties Inc				12,306,442	6	0.51%
Wal-Mart Real Estate Business Trust				11,599,630	7	0.48%
Quest Corp.				11,224,670	8	0.47%
AADG Inc (Curries Company)				9,581,152	9	0.40%
Northern Border Pipeline Co				9,479,239	10	0.40%
	<u>\$294,182,117</u>		<u>9.50%</u>	<u>\$211,593,643</u>		<u>8.83%</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
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%
2021	86,850,303	82,154,246	94.59%	815,797	82,970,043	95.53%
2022	92,251,567	87,290,995	94.62%	11,299	87,302,294	94.64%
2023	94,331,886	89,243,932	94.61%	9,045	89,252,977	94.62%

Total tax collections solely for Cerro Gordo County were:

Fiscal Year Ended June 30	Amount
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
2021	19,724,294
2022	19,320,937
2023	18,970,177

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		Total Government	Percentage of Personal Income (1)	Per Capita (1)
	Capital Loan Notes	Installment Purchase	Lease Agreements	Drainage Warrants	Revenue Bonds	Sewer Revenue Capital Loan Notes	Revenue Bonds			
2014	\$ 9,745,000	\$ -	\$ 1,246	\$ 62,024	\$ 321,250	\$ 525,252		\$ 10,654,772	0.52%	\$244.52
2015	10,215,000	-	-	197,599	300,250	513,352		11,226,201	0.50%	259.80
2016	9,020,000	-	-	122,010	278,750	500,917		9,921,677	0.41%	230.65
2017	7,810,000	-	-	288,454	257,250	487,921		8,843,625	0.39%	205.33
2018	7,010,000	-	-	480,036	235,250	474,340		8,199,626	0.38%	190.66
2019	6,195,000	378,600	-	355,158	213,250	460,147		7,602,155	0.33%	178.26
2020	5,365,000	-	-	712,515	190,750	445,316		6,713,581	0.29%	158.15
2021	4,573,000	-	-	634,902	167,750	429,818		5,805,470	0.26%	134.61
2022	3,665,000	-	536,422	657,976	144,750	413,623		5,417,771	0.22%	126.86
2023	2,756,000	-	378,721	1,007,050	121,250	396,700		4,659,721	0.16%	109.88

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)

(Unaudited)

Fiscal Year	General Bonded Debt Outstanding	Percentage Net Taxable	Per Capita (2)
	Bonds & Capital Loan Notes	Value of Property (1)	
2014	\$ 9,745,000	0.41%	\$ 223.64
2015	10,215,000	0.42%	235.96
2016	9,020,000	0.37%	208.76
2017	7,810,000	0.31%	180.33
2018	7,010,000	0.26%	162.40
2019	6,195,000	0.03%	144.02
2020	5,365,000	0.18%	125.41
2021	4,573,000	0.15%	104.87
2022	3,665,000	0.12%	84.71
2023	2,756,000	0.09%	64.01

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, 2023

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
County direct debt	\$5,004,148	100%	<u>\$5,004,148</u>
City debt:			
Clear Lake	3,304,500	100%	3,304,500
Mason City	51,270,000	100%	51,270,000
Meservey	66,500	100%	66,500
Nora Springs	573,000	4.03%	23,092
Plymouth	236,613	100%	236,613
Rockwell	1,305,000	100%	1,305,000
Swaledale	10,082	100%	10,082
Thornton	1,157,000	100%	1,157,000
Ventura	4,522,000	100%	<u>4,522,000</u>
Subtotal, City debt			<u>61,894,787</u>
School Districts:			
West Fork	8,325,000	62.72%	5,221,440
Clear Lake	17,610,000	100%	17,610,000
Mason City	41,776,831	100%	<u>41,776,831</u>
Subtotal, School District debt			<u>64,608,271</u>
Other Districts:			
Clear Lake Sanitary District	6,015,000	100%	6,015,000
North Iowa Area Community College	45,345,000	35.16%	<u>15,943,302</u>
Subtotal, Other District debt			<u>21,958,302</u>
Total overlapping debt			<u>148,461,361</u>
Total direct and overlapping debt			<u><u>\$153,465,509</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 valuation of each taxing jurisdiction.

CERRO GORDO COUNTY, IOWA

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

(Unaudited)

	2014	2015	2016	2017
Debt Limit, 5% of Assessed Value	\$ 216,743,538	\$ 232,174,069	\$ 240,910,859	\$ 243,561,365
Total net debt applicable to limit	10,067,496	10,515,250	9,298,750	8,067,250
Legal Debt Margin	\$ 206,676,042	\$ 221,658,819	\$ 231,612,109	\$ 235,494,115
Total net debt applicable to the limit as a percentage of debt limit	4.64%	4.53%	3.86%	3.31%

Source: County records

Legal Debt Margin Calculation for Fiscal Year 2023

Net Assessed Value	\$ 6,360,218,904
Debt Limit (5% of assessed value)	318,010,945
Debt applicable to limit:	
General obligation capital loan notes	2,756,000
Lease Agreements	378,721
LOS&ST Revenue Bonds	121,250
Total net debt applicable to limit	<u>3,255,971</u>
Legal debt margin	<u>\$ 314,754,974</u>

2018	2019	2020	2021	2022	2023
\$ 247,441,533	\$ 275,739,263	\$ 287,235,660	\$ 291,187,836	\$ 286,664,362	\$ 318,010,945
7,245,250	6,786,850	5,555,750	4,740,750	4,346,172	3,255,971
<u>\$ 240,196,283</u>	<u>\$ 268,952,413</u>	<u>\$ 281,679,910</u>	<u>\$ 286,447,086</u>	<u>\$ 282,318,190</u>	<u>\$ 314,754,974</u>
2.93%	2.46%	1.93%	1.63%	1.52%	1.02%

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)
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%
2020	43,127	2,258,523	53,643	5,493	624	7.00%
2021	42,706	2,432,308	56,955	5,800	700	5.00%
2022	42,409	2,874,347	67,777	5,869	756	2.60%

(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)

	2023			2014		
	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
MercyOne - North Iowa	2,572	1	11.13%	2,650	1	10.93%
Curries ASSA ABLOY	665	2	2.88%	600	3	2.47%
Mason City Community School District	551	3	2.39%	530	5	2.19%
Cargill Kitchen Solutions	302	4	1.31%			
City of Mason City	271	5	1.17%			
Dean Snyder Construction	252	6	1.09%			
Smithfield Foods	228	7	0.99%	300	9	1.24%
Cerro Gordo County	226	8	0.98%			
North Iowa Area Community College	216	9	0.94%			
Woodharbor Doors & Cabinetry	205	10	0.89%	300	10	1.24%
Hy-Vee Food Stores				548	4	2.26%
One Vision				634	2	2.61%
Principal Financial Group				460	6	1.90%
Wal-Mart Stores				387	7	1.60%
Good Shepherd Health Center				320	8	1.32%
	<u>5,488</u>		<u>23.76%</u>	<u>6,729</u>		<u>27.76%</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			
	2014	2015	2016	2017
Public Safety and Legal Services:				
Sheriff	73.00	73.00	71.00	74.00
Attorney	12.00	12.50	13.50	15.50
Child Support Recovery	6.00	6.00	6.00	6.00
Physical Health and Social Services:				
Health Department	46.00	47.00	48.00	50.00
General Relief	1.35	1.35	1.35	2.35
Veteran Affairs	1.65	1.65	1.65	1.65
Mental Health:				
CPC	3.20	3.20	3.20	5.30
Case Management	8.00	8.00	8.00	9.00
County Environment and Education:				
Conservation	6.50	6.50	6.50	6.50
Planning and Zoning:	0.60	0.55	1.05	1.30
Roads and Transportation:				
Engineer	39.00	39.00	39.00	39.00
Roadsides	3.00	3.00	3.00	3.00
Governmental Services to Residents:				
Treasurer, motor vehicles	5.75	5.75	6.50	5.75
Recorder	5.00	5.00	5.00	5.00
Auditor, elections	3.08	3.00	3.00	3.00
Administration:				
Board of Supervisors	3.35	3.30	3.30	3.30
Auditor	6.72	6.50	7.50	6.50
Treasurer, tax	2.25	2.25	2.50	2.25
IT	6.00	8.00	7.00	5.00
GIS				1.00
Courthouse Maintenance	2.60	2.55	2.55	2.55
Safety	0.60	0.55	0.55	0.55
Personnel	0.60	0.55	1.05	0.80
Total	236.25	239.20	241.20	249.30

Source: County Records

Fiscal Year					
2018	2019	2020	2021	2022	2023
74.00	74.00	74.00	70.00	72.00	67.00
17.00	18.00	18.00	17.00	17.00	18.00
6.00	6.00	6.00	6.00	6.00	4.00
52.00	50.00	50.00	49.00	49.00	46.00
2.35	2.35	2.35	0.50	0.50	0.60
1.65	1.65	1.65	1.50	1.50	2.40
6.50	6.00	0.00	0.00	0.00	0.00
1.00	1.00	0.00	0.00	0.00	0.00
6.50	7.00	7.00	7.00	7.00	7.00
1.20	1.20	1.20	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	3.50
5.75	5.75	5.75	5.75	5.75	5.50
5.00	5.00	5.00	5.00	5.00	5.00
3.00	2.50	3.00	3.00	3.00	2.30
3.20	3.20	3.20	3.20	3.20	3.20
6.50	6.50	5.50	5.50	5.50	5.50
2.25	2.25	2.25	2.25	2.25	2.25
6.00	6.00	6.00	7.00	7.00	9.00
1.00	1.00	1.00	1.00	1.00	1.00
2.40	2.40	2.40	2.40	2.40	2.40
0.40	0.40	0.40	0.40	0.40	0.20
0.80	0.80	0.80	0.80	0.80	0.80
246.50	245.00	237.50	230.50	232.50	225.85

CERRO GORDO COUNTY, IOWA

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

(Unaudited)

Function/Program	Fiscal Year			
	2014	2015	2016	2017
Public Safety and Legal Services:				
Sheriff:				
Weapon permits issued	705	764	1,465	1,156
Number of Jail bookings	3,071	2,942	2,934	2,979
Civil Papers Served	4,236	3,872	3,822	3,877
Service Calls	8,128	7,859	8,225	8,552
Number of Arrests	1,315	1,019	1,113	1,197
Citations and Warnings issued	3,022	2,841	2,900	2,947
Attorney:				
Number Cases Filed:				
Felony	345	373	334	377
Indictable Misdemeanor	1,086	831	936	912
Juvenile	216	166	203	199
Physical Health and Social Services:				
Health Department:				
Number of Immunizations	4,995	6,398	6,672	5,610
Number of Nursing Clients	388	397	405	533
Number of Nursing Visits	6,958	6,886	7,722	6,652
Number of Home Care Aide Clients	259	141	135	345
Number of Home Care Aide service hours	10,939	11,706	11,832	11,432
Number of Food Inspections	810	837	500	1,051
County Environment and Education:				
Conservation:				
Number of camper nights	3,527	3,509	4,384	4,219
Conservation programs presented	377	358	319	294
People attending programs	11,558	12,844	12,444	12,803
Planning and Zoning:				
Zoning Permits issued	88	90	94	131
Board of Adjustment cases	28	34	36	43
Roads and Transportation:				
Engineer: Miles maintained	970	970	970	970
Governmental Services to Residents:				
Treasurer: Titles issued	16,631	17,261	17,488	18,045
Recorder: Documents recorded	8,325	7,666	8,120	7,584
Auditor:				
Registered voters	32,211	31,265	31,690	31,022
Absentee ballots requested	2,643	7,639	1,141	10,655

Source: County Records

Fiscal Year					
2018	2019	2020	2021	2022	2023
1,160	795	1,061	1,112	632	569
2,868	2,742	2,341	2,190	2,267	2,148
3,906	3,571	3,029	2,659	3,305	2,907
8,424	9,834	9,756	9,475	9,247	9,914
1,002	868	715	738	764	624
2,349	1,988	1,544	1,669	1,429	960
393	367	377	314	358	321
1,062	991	927	739	814	766
200	207	210	172	204	166
6,134	6,852	5,293	26,175	5,937	4,169
312	236	206	212	173	104
6,075	5,170	4,598	4,623	4,183	3,598
245	150	131	115	91	79
11,373	10,540	8,984	7,715	6,698	6,222
724	500	441	280	283	474
4,771	4,170	4,881	5,003	4,312	4,315
294	333	223	246	263	358
10,070	10,605	5,775	4,650	6,659	9,123
100	116	141	148	112	104
41	33	36	32	15	24
970	970	970	970	970	1,025
17,163	13,259	12,238	15,763	17,488	15,971
7,655	7,585	8,256	10,491	8,736	7,101
31,197	30,738	30,862	31,095	31,474	30,700
2,999	7,548	6,548	14,447	7,137	5,925

CERRO GORDO COUNTY, IOWA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

(Unaudited)

<u>Function/Program</u>	<u>Fiscal Year</u>			
	2014	2015	2016	2017
Public Safety and Legal Services:				
Sheriff:				
Number of vehicles	29	29	29	29
Physical Health and Social Services:				
Health Department:				
Number of vehicles	9	11	9	9
County Environment and Education:				
Conservation:				
Number of park areas	32	34	35	35
Total acres managed	3,309	3,433	3,444	3,444
Number of vehicles	15	14	14	14
Roads and Transportation:				
Engineer:				
Number of vehicles	46	46	46	46
Number of buildings	7	7	7	7
Governmental Services to Residents:				
Auditor, elections:				
Number of voting machines	62	61	64	67

Source: Various County Departments.

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

Fiscal Year					
2018	2019	2020	2021	2022	2023
29	29	29	29	29	30
10	10	9	6	6	6
35	34	33	35	36	36
3,444	3,444	3,444	3,527	3,872	3,872
15	15	15	15	15	15
46	47	47	47	47	47
7	9	9	8	13	6
68	68	68	68	68	59

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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			
	2014	2015	2016	2017
REVENUES:				
Property and Other County Tax	\$16,413,160	\$16,239,286	\$16,531,525	\$16,872,117
Tax Increment Financing	0	0	0	70,511
Local Option Sales Tax	1,505,343	1,748,080	1,803,331	1,732,131
Interest and Penalty on Property Tax	152,169	158,706	148,127	145,759
Intergovernmental	7,961,602	8,278,038	8,703,780	9,802,673
Licenses and Permits	220,980	154,958	133,989	167,887
Charges for Service	1,422,442	1,402,231	1,710,171	1,645,611
Use of Money and Property	495,212	188,814	273,850	300,827
Fines, Forfeiture and Defaults	25,191	79,834	31,043	73,916
Miscellaneous	1,036,683	2,285,161	1,321,770	1,090,300
Total	<u>\$29,232,782</u>	<u>\$30,535,108</u>	<u>\$30,657,586</u>	<u>\$31,901,732</u>
EXPENDITURES:				
Operating:				
Public Safety and Legal Services	\$7,962,487	\$8,184,564	\$8,389,453	\$8,712,033
Physical Health and Social Services	4,914,277	5,110,132	5,098,205	5,005,487
Mental Health	2,018,171	2,561,090	1,848,842	2,744,081
County Environment and Education	1,851,989	1,275,293	1,249,483	1,360,421
Roads and Transportation	5,500,566	5,618,674	5,837,654	5,665,460
Governmental Services to Residents	1,077,312	1,461,109	1,203,391	1,220,779
Administration	2,659,540	2,995,191	3,048,671	3,379,361
Non-Program	95,989	189,518	293,382	364,685
Debt Service	991,707	1,027,135	1,435,699	1,429,923
Capital Projects	978,252	1,762,502	19,424	3,632,991
Total	<u>\$28,050,290</u>	<u>\$30,185,208</u>	<u>\$28,424,204</u>	<u>\$33,515,221</u>

See Accompanying Independent Auditor's Report.

Modified Accrual Basis					
2018	2019	2020	2021	2022	2023
\$17,692,061	\$18,585,723	\$19,391,589	\$19,654,834	\$19,393,513	\$19,039,607
46,163	17,286	0	0	0	0
1,656,500	1,698,530	1,882,685	2,211,608	2,411,615	2,194,414
152,884	191,486	78,950	234,360	188,056	168,570
10,360,262	10,817,246	11,063,532	15,843,728	16,156,552	11,142,665
165,698	156,893	205,346	190,770	185,743	192,933
2,124,942	1,800,316	1,518,801	2,002,914	1,678,991	1,605,878
537,827	716,632	536,874	273,337	333,843	1,669,054
60,961	36,448	13,567	53,380	39,440	17,618
1,190,244	1,139,467	1,565,494	1,542,473	1,169,183	1,813,388
\$33,987,542	\$35,160,027	\$36,256,838	\$42,007,404	\$41,556,936	\$37,844,127

\$8,972,657	\$9,100,310	\$9,355,355	\$9,311,862	\$9,909,606	\$10,215,390
5,637,490	6,118,575	5,976,903	6,158,188	6,152,824	6,242,894
2,329,891	2,088,247	1,790,623	1,311,521	2,107,566	0
1,434,640	1,593,856	1,999,047	1,730,477	1,700,044	1,881,778
6,401,635	7,851,936	7,288,100	6,339,299	9,651,658	8,274,389
1,239,005	1,147,836	1,200,493	1,177,559	1,238,904	1,610,497
3,336,359	3,069,854	3,229,795	3,452,885	3,388,899	3,976,128
360,759	858,987	705,149	845,117	487,150	852,710
999,842	998,567	997,494	1,032,112	952,288	948,620
1,200,730	1,875,561	2,045,065	3,193,683	2,046,680	4,605,841
\$31,913,008	\$34,703,729	\$34,588,024	\$34,552,703	\$37,635,619	\$38,608,247

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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, 2023

Grantor/Program	Assistance Listing Number	Pass-Through Entity Identifying Number	Program Expenditures
U.S. Department of Agriculture: Passed through the Iowa Department of Human Services Human Services Administrative Reimbursements: SNAP Cluster: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	FY23	\$ 48,910
U.S. Department of Housing and Urban Development: Passed through the Iowa Economic Development Authority Community Development Block Grant/State's Program and Non- Entitlement Grants in Hawaii CDBG Community Facilities & Services	14.228	21-CF-004	176,803
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 Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900 14.900	IALHB0736-19 IAHHP0076-22	678,155 337,504 1,015,659
U.S. Department of the Interior Fish and Wildlife Services Partners for Fish and Wildlife	15.631	2022 UNS-22-08-DW	10,000
U.S. Department of Justice: Passed through the Iowa Department of Justice: Crime Victim Assistance Crime Victim Assistance	16.575 16.575	VP-22-120-VWC VWC-2023 Cerro Gordo CA-00067	10,867 44,120 54,987
Violence Against Women Formula Grants	16.588	VW-23-38-LE-001	3,666
U.S. Department of Transportation: Passed through the Iowa Department of Transportation: Highway Planning and Construction Cluster: Highway Planning and Construction	20.205	TAP-R-C017(108)--8T-17	368,265
Passed through the Iowa Department of Public Safety: Governor's Traffic Safety Bureau: State and Community Highway Safety	20.600	22-402M0PT, Task 12-00-00	3,262
National Priority Safety Programs - Impaired Countermeasures Grant National Priority Safety Programs - Impaired Countermeasures Grant	20.616 20.616	22-405d-M6OT, Task 00-12-00 23-405d-M6OT, Task 00-13-00	5,400 1,710 7,110
U.S. Department of Treasury: COVID-19, Coronavirus State and Local Fiscal Recovery Funds	21.027	SLT-2390	2,822,918
U.S. Department of Health and Human Services: Passed through the Iowa Department of Elder Affairs: Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	FY23	21,525
Passed through the Iowa Department of Public Health: Public Health Emergency Preparedness	93.069	5881BT02-E2	263,527
Prevention of Disease, Disability and Death by Infectious Disease	93.084	5885BT417	46,044
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	5883CH12P	31,425

CERRO GORDO COUNTY, IOWA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2023

Grantor/Program	Assistance Listing Number	Pass-Through Entity Identifying Number	Program Expenditures
U.S. Department of Health and Human Services:			
Passed through the Iowa Department of Public Health			
COVID-19, Immunization Cooperative Agreements	93.268	5885BT417	17,474
Supplemental COVID-19, Epidemiology and Laboratory Capacity for Infectious Diseases	93.268	5885BT417	23,586
Immunization Cooperative Agreements	93.268	5883I415	12,400
			<u>53,460</u>
Viral Hepatitis Prevention and Control	93.270	5882AP04	6,698
Viral Hepatitis Prevention and Control	93.270	5883AP04	6,571
			<u>13,269</u>
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	5885BT417	19,063
COVID-19, Epidemiology and Laboratory Capacity for Infectious Diseases Detection Expansion	93.323	5885BT417	58,788
			<u>77,851</u>
COVID-19, Public Health Emergency Response	93.354	5885BT417	2,950
Temporary Assistance for Needy Families	93.558	ACFS 23-012	40,000
Opioid STR	93.788	5882AP04	4,801
National Bioterrorism Hospital Preparedness Program	93.889	5881BHP12-E2	127,797
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	5883NB07	7,350
HIV Care Formula Grants	93.917	5882AP04	26,970
HIV Care Formula Grants	93.917	5883AP04	34,434
			<u>61,404</u>
HIV Prevention Activities Health Department Based	93.940	5882AP04	16,782
HIV Prevention Activities Health Department Based	93.940	5883AP04	11,887
			<u>28,669</u>
Passed through the Food and Drug Administration			
Achieving and Maintaining All Nine Standards	93.103	G-BM&A-202110-01340	58,229
Passed through the Iowa Department of Human Services:			
Guardianship Assistance Program Title IV-E	93.090	FY23	11
Prevention Program Title IV-E	93.475	FY23	1,441
Human Services Administrative Reimbursements:			
Refugee and Entrant Assistance	93.566	FY23	139
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	FY23	11,347
Foster Care Title IV-E	93.658	FY23	10,304
Adoption Assistance	93.659	FY23	5,704
Social Services Block Grant	93.667	FY23	12,856
Children's Health Insurance Program	93.767	FY23	842
Medicaid Cluster:			
Medical Assistance Program	93.778	FY23	55,703
U.S. Department of Homeland Security:			
Passed through the Iowa Department of Homeland Security and Emergency Management:			
Disaster Grants - Public Assistance (Presidentially Declared Disaster)	97.036	FEMA-4386-DR-1A	5,536
Total			<u>\$ 5,453,764</u>

CERRO GORDO COUNTY, IOWA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2023 (Continued)

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, 2023. 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 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, 2023, 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 21, 2023.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 2023-001 and 2023-002 that we consider to be material weaknesses.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of 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, 2023 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

Government Auditing Standards requires the auditor to perform limited procedures on Cerro Gordo County, Iowa's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Cerro Gordo County, Iowa's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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.

Gardner + Company, P.C.

Charles City, Iowa

December 21, 2023



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL 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

Opinion on Each Major Federal Program

We have audited Cerro Gordo County, Iowa's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on Cerro Gordo County, Iowa's major federal program for the year ended June 30, 2023. Cerro Gordo County, Iowa's major federal program is identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Cerro Gordo County, Iowa complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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 (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Cerro Gordo County, Iowa's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Cerro Gordo County, Iowa's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Cerro Gordo County, Iowa's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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, non-compliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2023-003 to be a material weakness.

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

Government Auditing Standards requires the auditor to perform limited procedures on Cerro Gordo County, Iowa's response to the internal control over compliance findings identified in our audit 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.

Gardner + Company, P.C.

Charles City, Iowa

December 21, 2023

CERRO GORDO COUNTY, IOWA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2023

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 program was disclosed by the audit of the financial statements.
- e. An unmodified opinion was issued on compliance with requirements applicable to the major program.
- f. The audit disclosed audit findings which are required to be reported in accordance with the Uniform Guidance, Section 200.516.
- g. The major program was Assistance Listing Number 21.027 – COVID-19, Coronavirus State and Local Fiscal Recovery Funds.
- 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, 2023

Part II: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

2023-001 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 utilizing current staff, including Elected Officials.

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.

2023-002 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 accounts receivable and deferred inflows of resources for the Opioid Settlement Fund and accounts payable for the Secondary Roads Fund 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 recorded in the County's financial statements.

Response and Corrective Action Planned - We will revise our current procedures to ensure the proper amounts are recorded in the financial statements in the future.

Conclusion – Response accepted.

CERRO GORDO COUNTY, IOWA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2023

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

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

Assistance Listing Number 21.027: COVID-19, Coronavirus State and Local Fiscal Recovery Funds

Federal Award Year: 2023

Prior Year Finding Number: 2022-003

U.S. Department of Treasury

2023-003 **Segregation of Duties over Federal Revenues** – Duties related to the custody, recordkeeping and reconciling of federal awards are not properly segregated by the County. See item 2023-001.

CERRO GORDO COUNTY, IOWA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2023

Part IV: Other Findings Related to Required Statutory Reporting:

2023-A **Certified Budget** – Disbursements during the year ended June 30, 2023 did not exceed the amounts budgeted.

2023-B **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. No 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.

2023-C **Travel Expense** – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

2023-D **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	\$1,397

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

2023-E **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.

2023-F **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.

2023-G **Board Minutes** – No transactions were found that we believe should have been approved in the Board minutes but were not. However, the Board went into closed session on June 5, 2023 to discuss matters relating to the County. The Clerk to the Board was asked to leave the meeting. Per Iowa Code section 331.211 and 331.504, the Clerk to the Board should be present to record the proceedings and maintain records of each meeting.

Recommendation - The Board of Supervisors should ensure all closed meetings comply with Chapter 331.211 and 331.504 of the Code of Iowa.

Response – The Board of Supervisors along with the Clerk to the Board will ensure that the Clerk is present for meetings in the future.

Conclusion – Response accepted.

2023-H **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.

CERRO GORDO COUNTY, IOWA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2023

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

2023-I **Resource Enhancement and Protection Certification** – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

2023-J **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.

2023-K **Tax Increment Financing** – There were no payments made from the Special Revenue, Tax Increment Financing Fund except for a transfer of \$39 to close the fund as the obligation is fulfilled. For the year ended June 30, 2023, the County Auditor prepared a reconciliation for each City reconciling TIF receipts with total outstanding TIF debt.

2023-L **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.

2023-M **Emergency Management Budget** – Disbursements during the year ended June 30, 2023 exceeded the amounts budgeted.

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

Response – We will amend the budget when required.

Conclusion – Response accepted.

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