

Financial Statement of McLeod County, Minnesota

Prepared by Cindy Schultz Ford, County Auditor-Treasurer

Year Ended December 31, 2016



**McLeod County Auditor-Treasurer
Cindy Schultz Ford**

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To the Honorable Board of County Commissioners:

I hereby submit to you the comprehensive Annual Financial Statement of McLeod County, Minnesota for the fiscal year ended December 31, 2016. Minnesota Law requires an annual audit of the books of account, financial records, and transactions of all administrative departments of the County by the State Auditor. This requirement has been completed for 2016.

This report complies with the format prescribed by the Office of the State Auditor, pursuant to Minnesota Statutes, Section 375.17 as the form of financial statements to be used by all Counties in Minnesota.

Detailed analysis of items contained in this report, additional schedules and analysis of the various funds, account groups and disbursements not required to be published are on file and of record in the office of the County Auditor-Treasurer and are available for public inspection.

Acknowledgements:

I wish to take this opportunity to thank Colleen Robeck, Auditor-Treasurer's Office Accountant, Deb Crooks, Highway Department Accountant and Gladys Kirsch, Social Services Accountant for their assistance in the preparation of this statement.

I would like to thank the members of the McLeod County Board of Commissioners for their dedicated interest and support in planning and conducting the financial operations of McLeod County in a responsible and progressive manner.

Respectfully Submitted,

A handwritten signature in black ink that reads "Cindy Schultz Ford".

Cindy Schultz Ford
County Auditor-Treasurer

A USER'S GUIDE TO MCLEOD COUNTY'S FINANCIAL STATEMENTS

The following definitions will help citizens understand the terminology that is used in the county's financial statement.

BASIC FINANCIAL STATEMENTS

McLeod County's basic financial statements consist of three parts: (1) governmental-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The management's discussion and analysis and certain budgetary comparison schedules are required to accompany the basic financial statements and, therefore, are included as required supplementary information.

Government-wide financial statements the government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. They consist of a Statement of Net Position and Statement of Activities.

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

The Statement of Activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing or related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). At this time McLeod County does not have any business-type activities. The governmental activities of the County include: general government, public safety, highways and streets, sanitation, human services, health, culture and recreation, conservation of natural resources, and economic development.

The government-wide financial statements include McLeod County (primary government) and its discretely presented component unit. McLeod County Housing and Redevelopment Authority is a discretely presented component unit of McLeod County.

Fund financial statements a fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. McLeod County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of McLeod County can be divided into two broad categories: governmental funds and fiduciary funds.

Financial reporting entity consists of the primary government (county), organization for which the county 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 reporting entity's financial statements to be misleading or incomplete. The nucleus of a county's financial reporting entity is the primary government, the county.

Primary government is a term used in connection with defining the financial reporting entity. The primary government is the focus of the financial reporting entity. For the county, the primary government represents the financial activities, or accounts directly under the control of the county board.

Component unit describes a legally separate organization for which the county board is financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the county are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. McLeod County has one component unit the McLeod County Housing and Redevelopment Authority (HRA).

COUNTY GOVERNMENTAL FUND TYPES

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities. This allows readers to better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

McLeod County maintains four fund types within the governmental funds: General, Special Revenue, Debt Services, and Capital Projects. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and change in fund balances for the General Fund, Road and Bridge Fund, Human Services Fund, Solid Waste Fund, and Ditch Fund, all of which are considered to be major funds. Data from the other non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

McLeod County adopts an annual budget for the following governmental funds: General, Road and Bridge, Solid Waste, Human Services, and Debt Service funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with their budgets.

General Fund is the general operating fund of the county. It is used to account for all financial resources, except those that are required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted for specified purposes. The Special Revenue Funds include Road and Bridge, Human Services, Solid Waste, Ditch and Forfeited Tax.

Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal, interest and related costs of general long-term debt of McLeod County.

Capital Projects Fund is used to track proceeds from capital improvement bonds and capital equipment notes and expenditures related to the use of those funds.

COUNTY FIDUCIARY FUND TYPE

Trust and Agency Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support McLeod County's own programs.

MAJOR CATEGORIES OF COUNTY EXPENDITURES

Current Expenditures include all expenditures other than capital outlays and debt service on county bonds.

Capital Outlay Expenditures include all expenditures for the construction of county facilities for the purchase of buildings or major equipment by the county.

Debt Service includes all expenditures for the repayment of bonds issued by the county, including the payment of principal, interest, and other fiscal charges associated with the bonds.

CLASSIFICATION OF COUNTY FUNCTIONS

Functions are a group of related activities aimed at accomplishing a major service or regulatory program for which the county is responsible. The county has the following functions classifications.

General Government activities include expenditures for general county activities such as the county commissioners' salaries and expenses, county administrator's office, county attorney's office, county auditor-treasurer's office, county assessor's office, county recorder's office, judicial court administration, planning, and zoning office, and other county general service offices.

Public Safety relates to the objective of protection of persons and property and includes expenditures for corrections activities, the operation of the sheriff's department, county jail, and emergency services.

Highways and Streets include expenditures relating to the construction and maintenance of county highways and streets.

Solid Waste involves expenditures for the removal and disposal of waste and includes county solid waste collection and disposal, and recycling programs.

Human Services represents activities designed to provide public assistance and institutional care for individuals unable to provide essential needs for themselves. These programs, including child support collections, child welfare, chemical dependency treatment programs, medical assistance, child protection services and others.

Health activities include expenditures for county public health including immunizations, home health aide services, parent and child services, health promotion, disease prevention and control, and other activities to assess community health, plan for needed services, and assure that needs are met.

Culture and Recreation involves cultural and recreation activities maintained for the benefit of county residents and visitors. These activities include expenditures for historical society, libraries and other recreation programs, including the development and maintenance of all county park facilities.

Conservation of Natural Resources activities designed to conserve and develop natural resources as water, soil, and forests departments and programs include soil and water conservation, county extension office, water planning and other.

Economic Development activities are directed toward economically developing the area encompassed by the county providing assistance to, and opportunity for, economically disadvantaged persons or businesses.

The purpose of this report is to provide a summary of financial information concerning McLeod County for interested citizens. Questions about this report should be directed to Cindy Schultz, McLeod County Auditor-Treasurer, at the North Complex, 2391 Hennepin Ave., Glencoe, MN, or by calling 320-864-1262.

A full and complete copy of the county financial statement is available upon request by calling 320-864-1262, by writing to the McLeod County Auditor-Treasurer's Office, 2391 Hennepin Ave. N., Glencoe, MN 55336, or by downloading it from the McLeod County website (www.co.mcleod.mn.us).

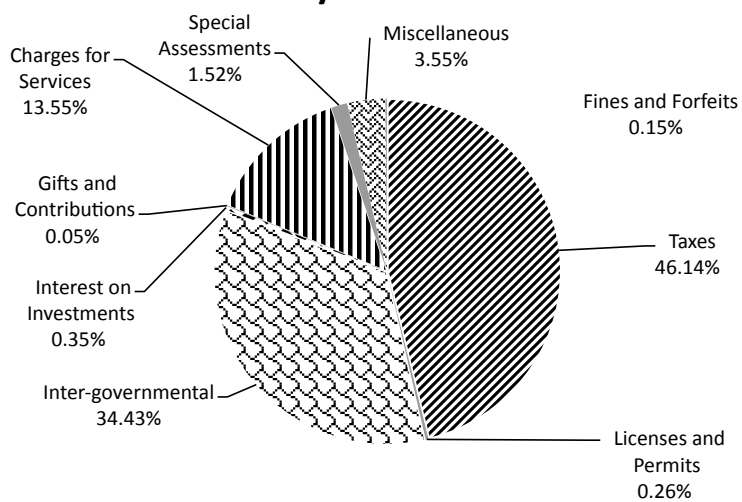
**MCLEOD COUNTY
GLENCOE, MINNESOTA**

EXHIBIT 1

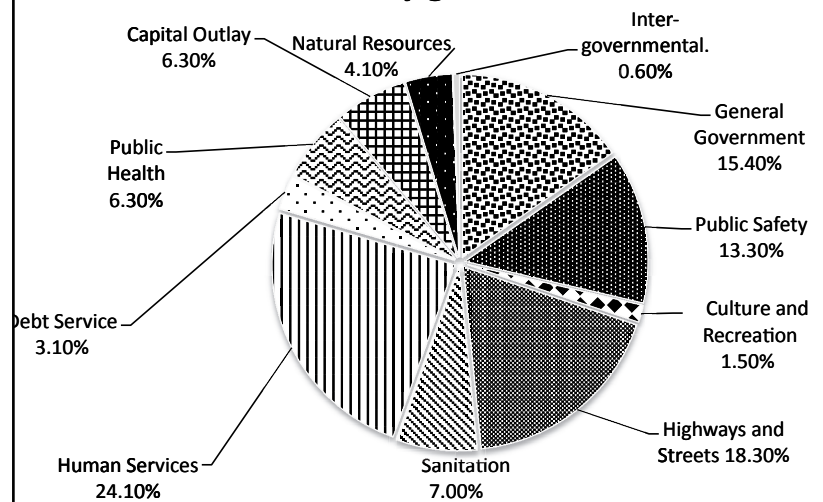
**STATEMENT OF NET POSITION
DECEMBER 31, 2016
AND JUNE 30, 2016 FOR THE COMPONENT UNIT**

	<u>Primary Government</u>	<u>Housing and Redevelopment Authority</u>
Assets		
Cash and pooled investments	\$ 44,515,216	\$ 96,237
Petty cash and change funds	22,555	-
Departmental cash	46,096	-
Cash with fiscal agent	662,765	-
Taxes receivable-Delinquent	371,363	-
Special assessments receivable		
Delinquent	25,624	-
Noncurrent	2,087,369	-
Accounts receivable - net	478,778	4,403
Accrued interest receivable	8,872	-
Due from other governments	7,846,594	-
Inventories	618,455	-
Prepaid items		2,687
Restricted assets		
Cash and pooled investments	-	55,775
Deferred charges	-	-
Capital assets		
Non-depreciable	10,516,632	197,000
Depreciable - net of accumulated depreciation	124,587,584	2,534,611
Total Assets	\$ 191,787,903	\$ 2,890,713
Deferred Outflows of Resources		
Deferred pension outflows	\$ 12,355,969	\$ -
Liabilities		
Accounts payable	\$ 1,620,249	\$ 11,062
Salaries payable	916,526	-
Accrued payroll taxes	66,148	-
Accrued interest payable	2,816	-
Other accrued expenses	520,094	37,913
Retainage payable	21,700	-
Due to other governments	457,618	-
Unearned revenue	86,216	16,481
Claims payable	314,139	-
Long-term liabilities		
Due within one year	2,116,793	174,364
Due in more than one year	11,957,590	2,798,154
Net pension obligation	23,535,451	-
Other postemployment benefits obligations	1,125,249	-
Liabilities payable from restricted assets (security deposits)	-	46,464
Total Liabilities	\$ 42,740,589	\$ 3,084,438
Deferred Inflows of Resources		
Deferred pension inflows	\$ 2,231,119	\$ -
Net Position		
Invested in capital assets - net of related debt	\$ 128,217,199	\$ (240,907)
Restricted for		
General government	731,121	-
Public safety	1,477,454	-
Sanitation	2,975,101	-
Conservation of natural resources	3,064,516	-
Economic development	-	7,845
Capital projects	2,008,269	-
Debt Service	779,852	-
Unrestricted	19,918,652	39,337
Total Net Position	\$ 159,172,164	\$ (193,725)

**MCLEOD COUNTY'S 2016 FINANCES
Where the money comes from . . .**



**MCLEOD COUNTY'S 2016 FINANCES
Where the money goes**



**MCLEOD COUNTY
GLENCOE, MINNESOTA**

EXHIBIT 2

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016
AND JUNE 30, 2016 FOR THE COMPONENT UNIT**

					Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Fees, Charges, Fines, and Other	Program Revenues		Primary Government	Discretely Presented
			Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Component Unit
Functions/Programs						
Primary Government						
Governmental activities						
General government	\$ 7,550,824	\$ 1,093,119	\$ 23,654	\$ -	\$ (6,434,051)	
Public safety	7,631,045	254,351	479,118	-	(6,897,576)	
Highways and streets	7,822,036	169,398	5,026,370	1,755,563	(870,705)	
Sanitation	3,667,878	2,508,442	-	-	(1,159,436)	
Human services	11,542,825	1,513,562	5,461,516	-	(4,567,747)	
Health	3,151,667	1,006,800	1,409,043	-	(735,824)	
Culture and recreation	728,364	100,125	-	-	(628,239)	
Conservation of natural resources	1,928,204	1,128,705	235,170	-	(564,329)	
Economic development	15,193	-	-	-	(15,193)	
Interest	198,010	-	-	-	(198,010)	
Total primary government	\$ 44,236,046	\$ 7,774,502	\$ 12,634,871	\$ 1,755,563	\$ (22,071,110)	
Component unit						
Housing and Redevelopment Authority	\$ 959,743	\$ 555,187	\$ 497,060.00	\$ -		\$ 92,504
General Revenues						
Property taxes					\$ 18,498,365	\$ -
Mortgage registry and deed tax					28,640	-
Wheelage tax					376,374	-
Payments in lieu of tax					73,833	-
Grants and contributions not restricted to specific programs					2,205,807	-
Investment income					141,416	179
Miscellaneous					285,906	9,047
Total general revenues and special item					\$ 21,610,341	\$ 9,226
Change in net assets					\$ (460,769)	\$ 101,730
Net Position - Beginning					159,632,933	(295,455)
Net Position - Ending					\$ 159,172,164	\$ (193,725)

Key Indicator	Total 2015	Total 2016	Percent Increase (Decrease)
Estimated Population	35,930	35,853	-0.2%
Total Assessed Market Value of All Taxable Property	3,807,159,900	3,897,475,300	2.4%
Percent of Property Taxes Collected	98.62%	98.61%	0.0%
Total Revenues (All Governmental Funds)	41,350,336	40,833,755	-1.2%
Total Current Expenditures (All Governmental Funds)	41,369,654	45,931,467	11.0%
Total Outstanding Net Bonded Debt of the County	11,070,777	12,587,711	13.7%
Bond Rating on Most Recent General Obligation Bond Issue	AA	AA	
Total Number of Full Time Employees	266	268	0.8%

		Term of Office
County Commissioners:		
1st District	Ron Shimanski	January 2017
2nd District	Doug Krueger	January 2019
3rd District	Paul Wright *	January 2017
4th District	Sheldon Nies	January 2017
5th District	Joe Nagel	January 2019
Elected County Officers:		
County Attorney	Michael K. Junge	January 2019
County Auditor-Treasurer	Cindy Schultz	January 2019
County Recorder	Lynn Ette Schrupp	January 2019
County Sheriff	Scott Rehmann	January 2019
District Judge	Michael Savre	January 2019
District Judge	Terrence E. Conkel	January 2019
Appointed Department Heads:		
County Administrator	Pat Melvin	Indefinite
County Assessor	Sue Schulz	January 2017
County Environmentalist	Roger Berggren	Indefinite
County Highway Engineer	John Brunkhorst	May 2018
County Information Systems Director	Vince Traver	Indefinite
County Nursing Director	Jennifer Hauser	Indefinite
County Parks Superintendent	Allan Koglin	Indefinite
County Human Services Director	Gary Sprynczynatyk	Indefinite
County Solid Waste Director	Sarah Young	Indefinite
County Veterans Service Officer	James Lauer	January 2017
County Zoning Administrator	Larry Gasow	January 2017
Court Administrator	Karen Messner	Indefinite
Appointed Positions:		
County Agricultural Inspector	Allan Koglin	January 2017
County Coroner	Dr. Quinn Strobl	December 2016
Regional Extension Director	Sarah Chur	Indefinite
County Surveyor	Jeff Rausch	January 2017

* Denotes Chair

**MCLEOD COUNTY
GLENCOE, MINNESOTA**

EXHIBIT 3

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016**

	<u>General</u>	<u>Road and Bridge</u>	<u>Human Services</u>	<u>Solid Waste</u>	<u>Ditch</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets							
Cash and pooled investments	\$ 22,952,207	\$ 7,156,240	\$ 6,776,591	\$ 3,117,021	\$ 1,699,054	\$ 2,814,103	\$ 44,515,216
Petty cash and change funds	12,130	100	-	10,325	-	-	22,555
Departmental cash	6,495	-	-	39,601	-	-	46,096
Cash with fiscal agent	662,765	-	-	-	-	-	662,765
Taxes receivable							
Delinquent	228,136	65,599	77,628	-	-	-	371,363
Special assessments receivable							
Delinquent	16,781	-	-	-	4,657	4,186	25,624
Noncurrent	645,933	-	-	-	1,441,436	-	2,087,369
Accounts receivable	79,072	2,400	280,279	115,998	1,029	-	478,778
Accrued interest receivable	8,872	-	-	-	-	-	8,872
Due from other governments	597,387	6,250,223	986,374	-	12,610	-	7,846,594
Inventories	4,915	613,540	-	-	-	-	618,455
Advances to other funds	963,800	-	-	-	-	-	963,800
Total Assets	\$ 26,178,493	\$ 14,088,102	\$ 8,120,872	\$ 3,282,945	\$ 3,158,786	\$ 2,818,289	\$ 57,647,487
Liabilities and Fund Balance							
Liabilities							
Accounts payable	\$ 643,305	\$ 278,724	\$ 409,438	\$ 247,077	\$ 31,708	\$ 9,997	\$ 1,620,249
Salaries payable	497,013	104,146	288,199	27,168	-	-	916,526
Accrued payroll taxes	34,423	7,967	21,726	2,032	-	-	66,148
Accrued interest payable	-	-	-	-	2,816	-	2,816
Accrued expenses	429,427	16,802	67,622	6,243	-	-	520,094
Advance from other funds	-	-	-	-	963,800	-	963,800
Retainage payable	-	21,700	-	-	-	-	21,700
Due to other governments	192,046	13,811	209,961	23,951	17,849	-	457,618
Unearned revenue	86,216	-	-	-	-	-	86,216
Claims payable	314,139	-	-	-	-	-	314,139
Total Liabilities	\$ 2,196,569	\$ 443,150	\$ 996,946	\$ 306,471	\$ 1,016,173	\$ 9,997	\$ 4,969,306
Deferred Inflows of Resources							
Unavailable revenue	\$ 1,087,956	\$ 5,010,153	\$ 208,248	\$ -	\$ 1,458,703	\$ 4,186	\$ 7,769,246
Fund Balance							
Nonspendable							
Inventories	\$ 4,915	\$ 613,540	\$ -	\$ -	\$ -	\$ -	\$ 618,455
Advances to other funds	963,800	-	-	-	-	-	963,800
Restricted							
Restricted for E-911	61,841	-	-	-	-	-	61,841
Restricted for law library	65,750	-	-	-	-	-	65,750
Restricted for capital projects	-	-	-	-	-	2,008,269	2,008,269
Restricted for recorders equipment	210,807	-	-	-	-	-	210,807
Restricted for new jail construction	1,403,203	-	-	-	-	-	1,403,203
Restricted for land records technology	31,704	-	-	-	-	-	31,704
Restricted for drug enforcement	12,410	-	-	-	-	-	12,410
Restricted for conservation	524,698	-	-	-	-	-	524,698
Restricted for debt service	-	-	-	-	-	779,852	779,852
Restricted for records compliance	354,547	-	-	-	-	-	354,547
Restricted for road & bridge	-	-	-	-	-	-	0
Restricted solid waste abatement	-	-	-	2,976,474	-	-	2,976,474
Restricted for aquatic invasive species	132,811	-	-	-	-	-	132,811
Restricted for forfeited tax	-	-	-	-	-	15,985	15,985
Restricted for escrow	48,142	-	-	-	-	-	48,142
Restricted for ditch maintenance	-	-	-	-	1,661,079	-	1,661,079
Assigned							
Assigned for capital projects	4,578,772	-	-	-	-	-	4,578,772
4-H after school adventures	5,321	-	-	-	-	-	5,321
Assigned for aerial photos	42,110	-	-	-	-	-	42,110
Assigned for veterans van	55,665	-	-	-	-	-	55,665
Assigned for new canine	13,107	-	-	-	-	-	13,107
Assigned for ag programming	202	-	-	-	-	-	202
Assigned for ARMER radio enhancements	30,000	-	-	-	-	-	30,000
Assigned for records preservation	44,590	-	-	-	-	-	44,590
Assigned for snowmobile enforcement	251	-	-	-	-	-	251
Assigned for law enforcement	164,757	-	-	-	-	-	164,757
Assigned for court services	110,001	-	-	-	-	-	110,001
Assigned for contracted projects	100,000	-	-	-	-	-	100,000
Assigned for highways and streets	-	8,021,259	-	-	-	-	8,021,259
Assigned for human services	-	-	6,915,678	-	-	-	6,915,678
Unassigned	13,934,564	-	-	-	(977,169)	-	12,957,395
Total Fund Balance	\$ 22,893,968	\$ 8,634,799	\$ 6,915,678	\$ 2,976,474	\$ 683,910	\$ 2,804,106	\$ 44,908,935
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 26,178,493	\$ 14,088,102	\$ 8,120,872	\$ 3,282,945	\$ 3,158,786	\$ 2,818,289	\$ 57,647,487

**MCLEOD COUNTY
GLENCOE, MINNESOTA**

EXHIBIT 5

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	General	Road and Bridge	Human Services	Solid Waste	Ditch	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 10,576,867	\$ 3,562,620	\$ 4,006,913	\$ -	\$ -	\$ 693,258.00	\$ 18,839,658
Special assessments	155,340	-	-	-	465,325	-	620,665
Licenses and permits	84,727	15,375	-	7,145	-	-	107,247
Intergovernmental	3,576,135	4,536,235	5,828,437	105,002	-	13,718	14,059,527
Charges for services	2,224,649	216,758	693,113	2,398,313	-	-	5,532,833
Fines and forfeits	33,546	-	-	-	-	26,601	60,147
Gifts and contributions	20,547	-	-	-	-	-	20,547
Investment earnings	138,202	-	-	-	3,214	-	141,416
Miscellaneous	484,279	2,155	858,843	104,359	-	2,079	1,451,715
Total Revenues	\$ 17,294,292	\$ 8,333,143	\$ 11,387,306	\$ 2,614,819	\$ 468,539	\$ 735,656	\$ 40,833,755
Expenditures							
Current							
General government	\$ 7,006,732	\$ -	\$ -	\$ -	\$ -	\$ 29,849	\$ 7,036,581
Public safety	6,122,911	-	-	-	-	-	6,122,911
Highways and streets	-	8,386,040	-	-	-	-	8,386,040
Sanitation	-	-	-	3,235,141	-	-	3,235,141
Human services	-	-	11,054,065	-	-	-	11,054,065
Health	2,912,478	-	-	-	-	-	2,912,478
Culture and recreation	691,620	-	-	-	-	-	691,620
Conservation of natural resources	804,644	-	-	-	1,092,976	-	1,897,620
Economic development	15,193	-	-	-	-	-	15,193
Capital Outlay	2,776,149	-	-	-	-	133,115	2,909,264
Intergovernmental	-	268,011	-	-	-	-	268,011
Debt service							
Principal	130,057	-	-	-	-	1,055,000	1,185,057
Interest	15,765	-	-	-	13,271	188,450	217,486
Total Expenditures	\$ 20,475,549	\$ 8,654,051	\$ 11,054,065	\$ 3,235,141	\$ 1,106,247	\$ 1,406,414	\$ 45,931,467
Excess of Revenues Over (Under) Expenditures	\$ (3,181,257)	\$ (320,908)	\$ 333,241	\$ (620,322)	\$ (637,708)	\$ (670,758)	\$ (5,097,712)
Other Financing Sources (Uses)							
Transfers in	\$ -	\$ 1,200,000.00	-	\$ -	\$ -	\$ 610,483.00	\$ 1,810,483
Transfers out	-	-	-	(610,483)	-	(1,200,000)	(1,810,483)
Loan issued	211,991	-	-	-	-	-	211,991
Proceeds from the sale of bonds	-	-	-	-	2,490,000	-	2,490,000
Proceeds from the sale of capital assets	28,524	10,528	-	-	-	-	39,052
Total Other Financing Sources (Uses)	\$ 240,515	\$ 1,210,528	\$ -	\$ (610,483.00)	\$ 2,490,000	\$ (589,517)	\$ 2,741,043
Net Change in Fund Balance	\$ (2,940,742)	\$ 889,620	\$ 333,241	\$ (1,230,805)	\$ 1,852,292	\$ (1,260,275)	\$ (2,356,669)
Fund Balance - January 1, as restated	\$ 25,836,106	\$ 7,709,183	\$ 6,582,437	\$ 4,207,279	\$ (1,168,382)	\$ 4,064,381.00	\$ 47,231,004
Increase (decrease) in inventories	(1,396)	35,996	-	-	-	-	34,600
Fund Balance - December 31	\$ 22,893,968	\$ 8,634,799	\$ 6,915,678	\$ 2,976,474	\$ 683,910	\$ 2,804,106	\$ 44,908,935

McLeod County 2016 Highlights

The 2016 financial reporting for McLeod County was completed in accordance with the Government Accounting Standards Board Statement 34 (GASB 34) reporting model. This accounting model shows county financial reports in a fashion that more closely resembles a private business.

Financial Analysis

Net Assets

Net assets may serve over time as a useful indicator of a government's financial position. In the case of McLeod County, assets exceeded liabilities by \$159,172,164 as of December 31, 2016. Investment in capital assets, net of related debt, is the largest portion of McLeod County's net assets at 80.6%. These capital assets are used to provide services to citizens and 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 used to liquidate these liabilities.

Approximately 6.9% of McLeod County's net assets are subject to external restrictions on how they may be used and therefore are considered restricted. The remaining 12.5% or \$19,918,652 is unrestricted and available to be used to meet the government's ongoing obligations to citizens and creditors.

Governmental Activities

McLeod County's governmental activities decreased net position by \$460,769 during the current fiscal year. This decrease is primarily due to the implementation of GASB Statements 68, 71, and 82.

Governmental Funds

At the end of 2016, McLeod County governmental funds reported a combined fund balance of \$44,908,935. This is a decrease of \$2,322,069 from the prior year. The General Funds' fund balance decreased \$2,942,138 due to increased expenditures. The fund balance in the Road & Bridge Fund increased by \$925,616 due to the transfer in from the Capital Projects Fund. The fund balance in the Human Services Fund increased by \$333,241 due to increased revenues. At the end of the current fiscal year, unassigned fund balance for the General Fund was \$13,934,564 or 68.1% of total 2016 General Fund expenditures.

Long-term Debt

At the end of the current fiscal year, McLeod County had bonded debt, capital notes, and loans outstanding of 12,587,711. This is an increase of \$1,516,934 from the beginning of the year. The increase is due to the issuance of ditch bonds and septic loans.

McLeod County

INTEGRATED FINANCIAL SYSTEM
SUMMARIZED PAYMENT BY VENDOR
JANUARY THRU DECEMBER, 2016
ALL VENDORS OVER \$300

Table with 5 columns: Vendor Name, Amount, Vendor Name, Amount, Vendor Name, Amount. Lists various vendors and their payment amounts for the year 2016.

