



# **CERRO GORDO COUNTY**

## **IOWA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2010**

# **CERRO GORDO COUNTY, IOWA**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2010**

**Prepared by: Cerro Gordo County Auditor's Office**

# CERRO GORDO COUNTY, IOWA

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# CERRO GORDO COUNTY, IOWA

OFFICIALS  
June 30, 2010

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## Board of Supervisors

<u>Name</u>	<u>Term Expires</u>	<u>Address</u>
Robert Amosson .....	January 2011 .....	Rockwell, Iowa
Phillip Dougherty .....	January 2013 .....	Dougherty, Iowa
Jay Urdahl.....	January 2013 .....	Mason City, Iowa

## Officers

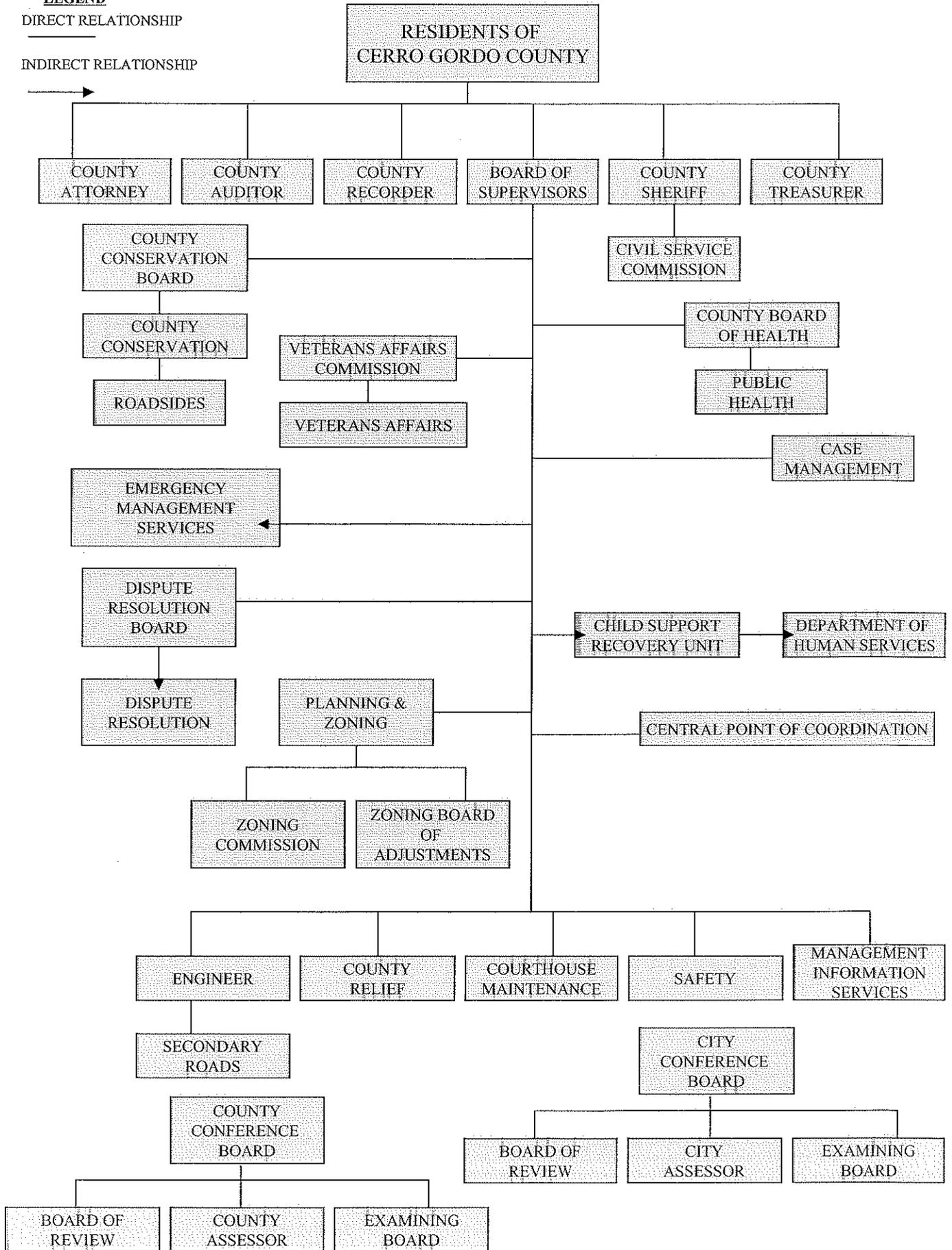
<u>Name</u>	<u>Term Expires</u>	<u>Title</u>
Kenneth Kline.....	January 2013 .....	Auditor
Michael J. Grandon.....	January 2011 .....	Treasurer
Colleen Pearce.....	January 2011 .....	Recorder
Kevin Pals.....	January 2013 .....	Sheriff
John Boedeker .....	Appointed.....	County Assessor
Robert Zinnel.....	Appointed.....	City Assessor
Paul Martin.....	January 2011 .....	County Attorney

# CERRO GORDO COUNTY ORGANIZATIONAL CHART

**LEGEND**

DIRECT RELATIONSHIP

INDIRECT RELATIONSHIP



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cerro Gordo County  
Iowa

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director





## County Auditor Cerro Gordo County Courthouse

220 N Washington Ave  
Kenneth W. Kline, Auditor  
www.co.cerro-gordo.ia.us

Mason City, IA 50401-3254

(641) 421-3028  
FAX (641) 421-3139

December 22, 2010

County Board of Supervisors and Citizens  
Cerro Gordo County, Iowa

The Comprehensive Annual Financial Report (CAFR) for the County of Cerro Gordo, Iowa (the "County") for the fiscal year ended June 30, 2010, is hereby submitted in accordance with the provisions of Section 331.403 of the Code of Iowa.

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

The County's financial statements have been audited by Gardiner Thomsen PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2010 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor issued an unqualified opinion on the County's financial statements for the fiscal year ended June 30, 2010, indicating that they are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Single Audit Report.

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

### **Profile of Cerro Gordo County**

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

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

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

### **Local Economy**

Cerro Gordo County, with the Cities of Mason City, Clear Lake, and eight smaller cities, has the thirteenth largest population of ninety-nine counties in the state, and serves as a regional center for north central Iowa in the areas of commerce, industry, retail shopping, higher education, and health care services. The surrounding area has an economic base that is historically agricultural in nature, but Cerro Gordo County also has several strong industries and commercial enterprises. With a usually low rate of unemployment and the lack of a single, dominant employer, the economy of the area is generally dynamic, robust, and broad-based. The City of Mason City is the largest city in Cerro Gordo County, with about two-thirds of the County's 46,000 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. The County ranks eleventh in the state for tourism expenditures.

Although educational systems in the entire north central Iowa area are well known for their quality of education, Cerro Gordo County has become a regional center for higher learning. Drake University of Des Moines offers several programs at the Masters level in coordination with the North Iowa Area Community

College (NIACC). This adds to the wide range of baccalaureate programs offered at NIACC by Buena Vista College of Storm Lake, and Kaplan University, which offers AAS and BA degrees.

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

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

With high grain prices the agricultural economy of the area has been strong and stable; however, the national recession affected local industries and businesses during the fiscal year. After operating continuously since 1908, Holcim Cement closed its doors on August 31, 2009, putting 165 employees out of work. The company described the decision as “mothballing” the plant, in hopes of reopening within two years. One bright spot was the announcement in August 2009 that Titan Pro SCI would build a new 76,600 square foot building in the Clear Lake Industrial Park. Titan Pro is a seed, chemical, and crop insurance company, and will be investing \$3.5 million in the new facility, which is expected to create 21 full-time and 12 part-time new jobs.

In general economic news for the fiscal year, the number of persons employed in the county went from 24,540 to 24,250, a decrease of 1.2% from December 2008 to December 2009, according to figures from Iowa Workforce Development.

The City of Mason City’s cost of living for the second quarter of 2009 was 87.5% of the national average, according to the ACCRA Cost of Living Index, ranking it the lowest cost of living for all Iowa communities that participate in the ACCRA index.

### **Major Initiatives**

In July 2009 the County issued for general release to other counties a new computer software program, “The Precinct Atlas”. The program was developed by the MIS programming staff and used for the first time at a special election for the Mason City Community School District in February, 2009. The County reached a verbal agreement with the Iowa Secretary of State to offer the program at no cost to all counties in the state. By the June 2010 Primary Election, forty-six counties, in addition to Cerro Gordo, had used the program in one or more precincts.

In April of 2010 the County received an offer to buy the former jail annex property. The County purchased the property in 1997 and converted it to a minimum security jail in 1999. It has been vacant since the law enforcement center opened in February 2008. The County held a public hearing and agreed to sell the south two-and-a-half lots for \$175,000, and to keep the north one-and-a-half lots for parking.

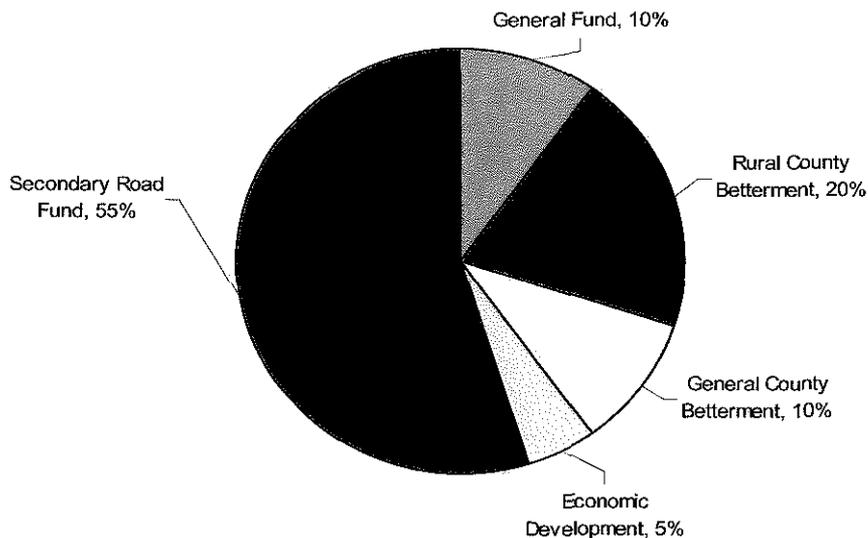
During the fiscal year the County investigated a sanitary sewer project for the unincorporated town of Portland, with possible use of some federal and state grant funds, in addition to individual property assessments. The County contracted with Yaggy Colby Associates for preliminary engineering design work on the project, but officially abandoned the project after the preliminary cost estimates exceeded the cost of individual systems for the majority of property owners.

## 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 FY2010, Cerro Gordo County received a total of \$1,424,656 in local option sales and service taxes.

## Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Cerro Gordo County, Iowa for its comprehensive annual financial report for the fiscal year ended June 30, 2009. This was the fourteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

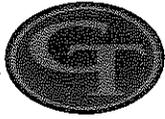
The preparation of the Comprehensive Annual Financial Report on a timely basis could not have been completed without the cooperation and services of the staffs of the County Auditor's and Treasurer's offices. Gratitude is also expressed to the independent auditors, Gardiner Thomsen, who provided endless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

Respectfully submitted,

A handwritten signature in cursive script that reads "Heather R Mathre".

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

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**Gardiner Thomsen**  
Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT**

To the Officials of Cerro Gordo County  
Mason City, Iowa

We have audited the accompanying financial statements of the governmental activities, 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, 2010, which collectively comprise the County's basic financial statements listed in the table of contents. These financial statements are the responsibility of Cerro Gordo County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Cerro Gordo County at June 30, 2010, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2010 on our consideration of Cerro Gordo County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis, Budgetary Comparison Information and Schedule of Funding Progress for the Retiree Health Plan on pages 10 through 19 and 49 through 52 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cerro Gordo County's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the ten years ended June 30, 2009 (which are not presented herein) and expressed unqualified opinions on those financial statements. The combining and nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been compiled from County records by County personnel, has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on them.

December 22, 2010

*Gardiner Thomsen, P.C.*

## 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, 2010. We encourage readers to consider the information presented here in conjunction with additional information presented in the transmittal letter beginning on page 4, and the County's financial statements, which follow.

### FINANCIAL HIGHLIGHTS

- ◆ Cerro Gordo County governmental fund revenues increased 0.5% or \$150,289 from \$31,473,714 in fiscal year 2009 (FY09) to \$31,624,003 in fiscal year 2010 (FY10). Property taxes and other county taxes increased \$378,340, intergovernmental revenue decreased \$733,525, charges for services increased \$75,723, use of money and property revenues decreased \$127,693, and miscellaneous revenue increased \$539,380 from FY09.
- ◆ Cerro Gordo County governmental fund expenditures for FY10 were \$32,493,409, an increase of \$1,908,708 from \$30,584,701 in FY09. This was primarily attributable to a \$1,797,523 increase in capital projects due to the community development block grant funds that pass-through the county for projects relating to the flood of June 2008
- ◆ The assets of the county exceeded liabilities at fiscal year ended June 30, 2010 by \$43,781,661 (net assets). Of this amount, \$5,265,374 is unrestricted and may be used to meet the County's ongoing obligations. For fiscal year ended June 30, 2009, assets exceeded liabilities by \$43,334,675, of which \$5,220,057 was unrestricted
- ◆ Cerro Gordo County's net assets increased 1.0% or approximately \$446,986 at June 30, 2010. Government activities increased \$513,691 and business-type activities decreased by \$66,705. For fiscal year ended June 30, 2009, total net assets increased \$3,365,183. Governmental activities increased \$3,431,737 and business-type activities decreased \$66,554.
- ◆ Cerro Gordo County's governmental funds reported combined ending fund balances of \$13,573,820, a decrease of \$279,060 in comparison with the FY09 fund balances of \$13,852,880. Approximately 89.4% of the total amount, \$12,130,331, is available for spending at the County's discretion (unreserved fund balance).
- ◆ Cerro Gordo County's general long-term debt, excluding compensated absences and claims payable, increased \$678,268 during the fiscal year, from \$12,667,623 in FY09 to \$11,989,355 in FY10. This change was due to scheduled payments of \$867,697 during FY10 and the issuance of \$168,750 in revenue bonds and \$20,679 lease obligations.

### 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 Statements of Net Assets and the Statement of Activities (on pages 20-22). These provide information about the activities of the County as a whole and present a longer-term view of the County's finances.



The Fund Financial Statements (starting on page 23) 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.

The Financial Statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the County's budget for the year.

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

Supplemental Information provides detailed information about the nonmajor special revenue and the individual fiduciary funds.

## **Reporting the County as a Whole**

### Statement of Net Assets and the Statement of Activities

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 Assets and the Statement of Activities report information about activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting and the economic resources measurement focus. This is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets presents all of the County's assets and liabilities, with the difference between the two reported as "net assets". Over time, increases or decreases in the County's net assets 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 assets changed during the fiscal year. All changes in net assets 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 Assets and the Statement of Activities. Governmental activities include public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, government services to residents, administration or general government, 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 23 and provide detailed information about individual, significant funds; not the County as a whole. Some funds are required to be established by Iowa law or by bond covenants. However, the County establishes many other funds to help it control and manage money for particular purposes.

Cerro Gordo County has three kinds of funds:

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

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

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

The proprietary funds required financial statements include a statement of net assets, a statement of revenues, expenses, and changes in fund net assets, and a statement of cash flows.

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

The fiduciary funds required financial statements include a statement of fiduciary assets and liabilities.

#### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the financial statements can be found beginning on page 33.

#### Supplemental Information

The supplemental information begins on page 53 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 assets may serve over time as a useful indicator of a government's financial position. Cerro Gordo County's net assets increased \$446,986 from \$43,334,675 to \$43,781,661. The analysis below focuses on the net assets and changes in net assets of our government and business-type activities.

### **Cerro Gordo County's Net Assets June 30, 2010**

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$31,335,092	\$31,037,652	\$94,090	\$83,936	\$31,429,182	\$31,121,588
Capital assets	41,575,920	40,589,345	1,982,538	2,067,826	43,558,458	42,657,171
Total assets	<u>72,911,012</u>	<u>71,626,997</u>	<u>2,076,628</u>	<u>2,151,762</u>	<u>74,987,640</u>	<u>73,778,759</u>
Long-term debt outstanding	11,981,085	12,093,235	557,967	567,947	12,539,052	12,661,182
Other liabilities	18,655,159	17,772,685	11,768	10,217	18,666,927	17,782,902
Total liabilities	<u>30,636,244</u>	<u>29,865,920</u>	<u>569,735</u>	<u>578,164</u>	<u>31,205,979</u>	<u>30,444,084</u>
Net assets:						
Invested in capital assets, net of related debt	29,988,315	28,174,721	1,414,592	1,490,330	31,402,907	29,665,051
Restricted	7,113,380	8,449,567	0	0	7,113,380	8,449,567
Unrestricted	<u>5,173,073</u>	<u>5,136,789</u>	<u>92,301</u>	<u>83,268</u>	<u>5,265,374</u>	<u>5,220,057</u>
Total net assets	<u>\$42,274,768</u>	<u>\$41,761,077</u>	<u>\$1,506,893</u>	<u>\$1,573,598</u>	<u>\$43,781,661</u>	<u>\$43,334,675</u>

The largest portion of the County's net assets, 71.7%, is the Invested in Capital Assets (e.g., land, infrastructure, buildings, and equipment), less the related debt. The County uses these capital assets to provide services to citizens, therefore, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to cover the liabilities.

A restricted portion of the County's net assets, 16.3% or \$7,113,380, 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 assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – is \$5,265,374 or 12.0%.

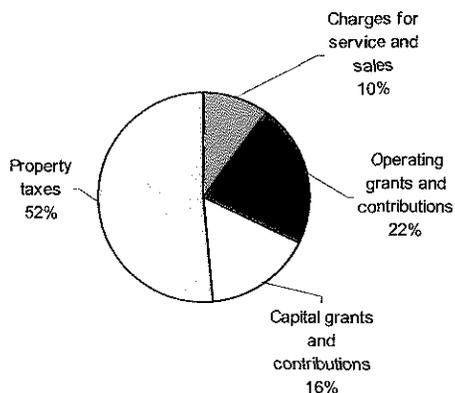
The County's net assets increased by \$446,986 during the current fiscal year. The governmental-type activities increased by \$513,691 and the business-type activities decreased \$66,705.

The following table highlights the County's revenues and expenses for the fiscal year ended June 30, 2010 and 2009. These two main components are subtracted to yield the change in net assets. 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 services and sales and services, operating grants and contributions and capital grants and contributions. General Revenue includes taxes, investment income and other unrestricted revenue sources.

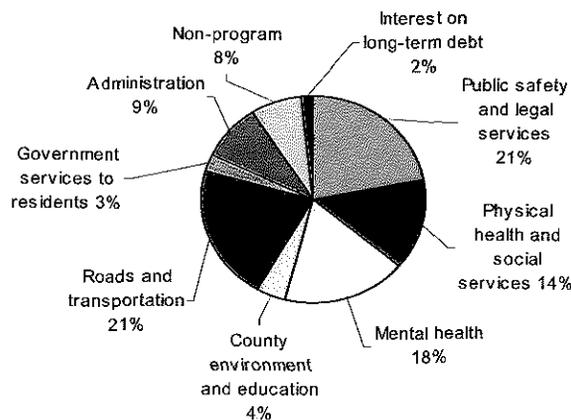
## Cerro Gordo County's Changes in Net Assets June 30, 2010

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Revenues:</b>						
Program revenues:						
Charges for service and sales	\$3,374,858	\$3,213,535	\$67,217	\$73,802	\$3,442,075	\$3,287,337
Operating grants and contributions	7,396,827	9,992,973	0	0	7,396,827	9,992,973
Capital grants and contributions	5,371,687	3,974,119	0	0	5,371,687	3,974,119
General Revenues						
Property taxes	14,324,521	13,833,663	0	0	14,324,521	13,833,663
Penalty & interest on property tax	174,381	166,230	0	0	174,381	166,230
State tax credits	443,450	457,716	0	0	443,450	457,716
Local option sales & service tax	1,424,656	1,539,950	0	0	1,424,656	1,539,950
Grants and contributions not restricted to specific purposes	0	0	0	0	0	0
Unrestricted investment earnings	134,595	282,175	48	0	134,643	282,175
Miscellaneous	881,215	946,968	0	0	881,215	946,968
<b>Total revenues</b>	<b>33,526,190</b>	<b>34,407,329</b>	<b>67,265</b>	<b>73,802</b>	<b>33,593,455</b>	<b>34,481,131</b>
<b>Expenses:</b>						
Public safety and legal services	7,269,875	7,202,831	0	0	7,269,875	7,202,831
Physical health and social services	4,726,961	5,111,164	0	0	4,726,961	5,111,164
Mental health	5,943,074	5,813,641	0	0	5,943,074	5,813,641
County environment and education	1,329,604	1,676,138	0	0	1,329,604	1,676,138
Roads and transportation	7,061,925	6,534,326	0	0	7,061,925	6,534,326
Government services to residents	969,501	1,019,291	0	0	969,501	1,019,291
Administration or general government	2,920,542	2,166,888	0	0	2,920,542	2,166,888
Non-program	2,399,569	916,010	133,970	140,356	2,533,539	1,056,366
Interest on long-term debt	513,578	535,303	0	0	513,578	535,303
<b>Total expenses</b>	<b>33,134,629</b>	<b>30,975,592</b>	<b>133,970</b>	<b>140,356</b>	<b>33,268,599</b>	<b>31,115,948</b>
<b>Increase (decrease) in net assets</b>	<b>391,561</b>	<b>3,431,737</b>	<b>(66,705)</b>	<b>(66,554)</b>	<b>324,856</b>	<b>3,365,183</b>
Net assets July 1, as restated	41,883,207	38,329,340	1,573,598	1,640,152	43,456,805	39,969,492
<b>Net assets June 30,</b>	<b>42,274,768</b>	<b>41,761,077</b>	<b>1,506,893</b>	<b>1,573,598</b>	<b>43,781,661</b>	<b>43,334,675</b>

**Revenues by Type**



**Expenses by Program**



## **Governmental Activities**

Revenues for governmental activities decreased 2.6% or \$881,139 over the prior year. The County's operating grants and contributions decreased \$2,596,146 due to a reduction of the mental health grants received from the State in FY10. Capital grants and contributions had the largest increase of \$1,397,568 over the prior year's amount of \$3,974,119. This was due to the community development block grant funds that pass-through the county for projects relating to the flood of June 2008. Property tax revenues increased \$490,858 due to an increase in the taxable value in the county. Unrestricted investment earnings decreased \$147,580 due to lower investment rate of return.

The cost of all governmental activities this year was \$33,134,629, an increase of \$2,159,037 over the prior years' \$30,975,592. However, as shown in the Statement of Activities on page 21-22, the amount the taxpayers ultimately financed for these activities through County taxes was only \$16,991,257 because some of the cost was paid by those that directly benefited from the programs, or by other governments and organizations that subsidized certain programs with grants and contributions.

Physical health and social service expenses decreased \$384,203 due to the reduction of the empowerment program expenses. County environment and education saw a decrease of \$346,534 from the previous year. This was due to the large expenses for the CLEAR project that occurred in FY09. Roads and Transportation increased \$527,599 due to several large purchases of granular. Administration expenses were \$753,654 higher than the prior year due to CLEAR project expenses and financial support given to the health insurance fund. Nonprogram services increased \$1,483,559 in the current year from the pass-through community development block grant funds for projects relating to the flood of June 2008.

Cerro Gordo County decreased the rural rate of 3.51050 for FY09 to 3.50739 for FY10. The countywide tax rate of 6.32224 for FY09 decreased to 6.29147 for FY10. The combined tax rates resulted in increased property tax dollars of approximately \$444,500 for general purposes and \$54,600 for rural purposes, and a decrease of \$1,300 for debt service and \$7,000 for mental health services.

## **Business-Type Activities**

Business-type activities decreased the County's net assets by \$66,705.

## **The County's Individual Major Funds**

As Cerro Gordo County completed the year, its governmental funds reported a combined fund balance of \$13,573,820, which is a decrease of \$279,060 or 2.0% over the combined fund balance for FY09. Of this amount, \$12,130,331 represents the unreserved fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed. 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 FY10 with a 52% ending fund balance totaling \$6,062,480. This is a \$316,287 increase from the prior year's \$5,749,193 fund balance. The key factor for the increase was an additional \$435,426 in property and other county taxes. Overall, expenditures saw little growth. Expenditures increased \$217,882 over the ten service areas, which is only an increase of 1.9% from the previous year.
- ◆ Cerro Gordo County has continued to look for ways to effectively manage the cost of mental health services. The Mental Health Fund balance decreased from \$919,664 to (\$20,262) in FY10, a decrease of

\$939,926. For the year, expenditures totaled \$5,941,119, an increase of 2.4% over last year's expenditures of \$5,802,641. Revenues decreased \$1,969,048 due to the reduction of State funding.

- ◆ The Rural Services Fund had a fund balance that increased \$91,780 to \$940,588 from the prior year ending balance of \$848,808, a result of the additional property and other county taxes received. Revenues increased \$49,393, from \$2,083,391 in FY09 to \$2,132,784 in FY10. Expenditures totaled \$441,004, an increase of \$129,105, or 41.4% over last year's expenditures of \$311,899. The County supports the county libraries with an annual allocation. In FY10, this allocation of \$178,680 came entirely from the rural services fund, rather than split between the rural services fund (\$39,441 from FY09) and the rural county betterment fund.
- ◆ The Secondary Roads Fund expenditures increased by \$198,189 or 3.4%, from \$5,777,005 in FY09 to \$5,975,194 in FY10. This was due to an increase in granular purchases in FY10 as the County continues to maintain the condition of the County roadway system. The Secondary Road Fund balance increased \$410,323, from \$3,950,312 in FY09 to \$4,360,635 in FY10.
- ◆ The Public Health Fund ended FY10 with an \$893,266 fund balance, a \$171,541 increase over the prior year's balance of \$721,725. Expenditures decreased \$79,337, or 2.6% over the prior year. Revenues increased 11.2%, or \$189,795 from additional intergovernmental revenues and from additional fees received for charges for services.
- ◆ The Debt Service Fund had a fund balance of \$26,643, all of which is reserved for the payment of debt.
- ◆ The Capital Projects fund balance was \$933 at June 30, 2010. This is a decrease of \$338,715 from the prior year fund balance of \$339,648 due to the depletion of funds of two capital projects, the law enforcement complex project and the on-site sewage bonding project.

## **Budgetary Highlights**

The county budget is based on ten functions/service areas as required by the State, not by fund or fund type. Over the course of the year, Cerro Gordo County amended its budget one time. The budgetary comparison schedule on pages 49-50 provide more information. The amendment, made May 2010, resulted in the following:

Revenues and Other Financing Sources increased \$3,081,060, which included:

- ◆ Decrease of \$49,360 in local option sales and service tax and utility excise tax.
- ◆ A \$2,839,792 increase in intergovernmental revenues by various departments, including an increase of \$1,500,000 for Flood CDBG, \$941,400 for secondary roads and transportation, and \$231,431 for the public health department.
- ◆ Additional \$18,500 in licenses and permits for planning and zoning permits and public health fees.
- ◆ Charges for services increased \$28,931, due to an increase in public health of \$10,281, \$5,500 for planning and zoning services, and \$13,150 for fees provided by the sheriff department.
- ◆ Decrease of \$160,000 in use of money & property due to less interest revenue earned than budgeted.
- ◆ Miscellaneous revenue increased \$174,411 due to several departments receiving additional miscellaneous revenue, with the public health, \$68,311, and the sheriff department, \$72,000, receiving the largest shares.

- ◆ Other Financing Sources of \$228,786 includes \$190,000 from the sale of county assets and a \$38,786 transfer to public health.

Expenditures and Other Financing Uses increased \$3,371,409, which included:

- ◆ Decrease of \$258,400 in public safety and legal services, including a decrease of \$255,000 for the Sheriff department.
- ◆ Increase of \$148,929 in physical health and education. This includes a decrease of \$35,000 for the Court Services department, and an increase of \$191,429 for the public health department.
- ◆ Additional \$162,500 in county environment & education. \$171,500 of the total was for additional county grants.
- ◆ An increase of \$600,000 in the roads & transportation service area, all for the Secondary Roads department.
- ◆ An increase of \$28,000 for government services to residents.
- ◆ An increase of \$327,200 in administration. \$350,000 of this increase was due to a supplement from the general basic fund to the county health insurance fund.
- ◆ An increase of \$15,000 for the nonprogram current service area for drainage ditches.
- ◆ Increase in capital projects of \$2,309,394. \$1,500,000 for the flood CDBG, \$500,000 for secondary road construction projects, and \$325,364 for the reallocation of the remaining funds left from the law enforcement complex project.

During the year, however, revenues were \$2,695,438 less than budgetary revenues and expenditures were \$4,653,652 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 since the County's budget is based on the current financial resources measurement focus and the modified accrual basis of accounting, the Board takes a conservative approach when enacting yearend budget amendments. This means the comparison of actual to budgeted amounts will usually show expenditures to be well below budgeted amounts. This is especially true for the Capital Projects and Roads and Transportation service areas when projects may roll over to a subsequent fiscal year.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

Cerro Gordo County's investment in capital assets for its governmental and business-type activities as of June 30, 2010 was \$71,387,101, an increase of \$2,972,501 or 4.3% compared to FY09. This investment in capital assets includes land, buildings, improvements other than buildings, machinery & equipment, vehicles, intangibles, and infrastructure.

Major capital asset additions during the current fiscal year included infrastructure, vehicles for Sheriff and Secondary Roads and the new in-house developed software, Precinct Atlas, designed for elections.

**Cerro Gordo County's Capital Assets  
FYE 2010**

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 1,646,392	\$ 1,646,392	\$ 62,300	\$ 62,300	\$ 1,708,692	\$ 1,708,692
Construction-in-Process	537,575	1,196,463	0	0	537,575	1,196,463
Buildings	17,128,410	18,013,056	0	0	17,128,410	18,013,056
Improvements other than Buildings	603,760	603,760	0	0	603,760	603,760
Machinery & Equipment	6,963,668	6,883,973	0	0	6,963,668	6,883,973
Vehicles	3,502,410	3,515,582	0	0	3,502,410	3,515,582
Intangibles	263,734	0	0	0	263,734	0
Infrastructure	37,972,209	33,786,431	2,706,643	2,706,643	40,678,852	36,493,074
<b>Total</b>	<u>68,618,158</u>	<u>65,645,657</u>	<u>2,768,943</u>	<u>2,768,943</u>	<u>71,387,101</u>	<u>68,414,600</u>
Less: Accumulated Depreciation	<u>27,042,238</u>	<u>24,934,181</u>	<u>786,405</u>	<u>701,119</u>	<u>27,828,643</u>	<u>25,635,298</u>
<b>Total</b>	<u>41,575,920</u>	<u>40,711,476</u>	<u>1,982,538</u>	<u>2,067,824</u>	<u>43,558,458</u>	<u>42,657,171</u>

For governmental activities, Cerro Gordo County had depreciation expense of \$2,547,031 and total accumulated depreciation of \$27,042,238 for the year ended June 30, 2010. For business-type activities, depreciation expense was \$85,286 and total accumulated depreciation was \$786,405 for the year end. Additional information on Cerro Gordo County's capital assets can be found in Note 5 of this report.

**Debt**

As of June 30, 2010, Cerro Gordo County had total long-term debt outstanding for governmental activities of \$12,805,227, a decrease of \$648,362 compared to FY09. Some of the major changes in debt resulted from the capital loan note retirement of \$495,000 along with the issuance of \$168,750 of revenue bonds, as well as \$372,698 of installment and capital lease purchase agreements payments, and an additional lease obligation of \$20,679. In the current year, the County paid \$867,698 in principal and \$517,888 in interest on outstanding debt, compared to \$582,000 in principal and \$528,250 in interest for FY09.

Sewer revenue capital loan notes (Business-Type Activities) outstanding totaled \$567,946. This is a decrease of \$9,551 due to debt retirement. Business-Type Activities paid \$9,551 in principal and \$25,988 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 \$184 million.



**Cerro Gordo County's Outstanding Debt  
June 30, 2010**

	2010	2009
<b>Governmental Activities:</b>		
Revenue Bonds & Capital Loan Notes	\$ 11,871,750	\$ 12,198,000
Capital Lease Purchase Agreements	117,605	148,202
Installment Purchase Agreements	0	321,422
Drainage Warrants	34,700	29,971
Termination Benefits	15,025	19,550
Compensated Absences	766,147	736,444
<b>Total</b>	<b>\$ 12,805,227</b>	<b>\$ 13,453,589</b>
<b>Business-Type Activities:</b>		
Sewer Revenue Bonds	\$ 567,946	\$ 577,497

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

**ECONOMIC FACTORS AND NEXT YEARS'S BUDGETS AND RATES**

Cerro Gordo County's elected and appointed officials and citizens considered many factors when setting the 2011 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 7.32% versus 5.43% a year ago. This compares with the State unemployment rate of 6.7% and the national rate of 9.5%.

- ◆ For the budget year ending June 30, 2011, Cerro Gordo County decreased the countywide tax rate from \$6.30195 per thousand of taxable valuation to \$6.27042 and maintained the rural county tax rate at \$3.50739 per thousand of taxable valuation. This decrease in the countywide tax rate is due to a decrease in funds needed in the debt service fund and additional State funds allocated to mental health services. These additional funds directly reduce the property taxes.
- ◆ The tax base for Cerro Gordo County increased 1.3% over the prior year.
- ◆ The total expenditures for the FY11 budget are \$35,981,015, an increase of \$2,433,217 from the FY10 budget. The main factor contributing to the increase is an additional \$2,500,000 budgeted in capital projects for the pass through of grants attributable to the flood of 2008. All four of the County bargaining unit contracts were under five year agreements that expired June 30, 2010.

All these factors were considered in preparing the Cerro Gordo County budget for the June 30, 2011 fiscal year.

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

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

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# CERRO GORDO COUNTY, IOWA

## STATEMENT OF NET ASSETS

June 30, 2010

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Pooled Investments	\$14,109,234	\$85,872	\$14,195,106
Receivables:			
Property Tax:			
Delinquent	22,636	0	22,636
Succeeding year	14,307,145	0	14,307,145
Interest and Penalty on Property Tax	360	0	360
Accounts	587,153	0	587,153
Accrued Interest	8,450	0	8,450
Special Assessments	68,592	0	68,592
Drainage Assessments	11,428	0	11,428
Due From Other Governments	1,076,288	8,218	1,084,506
Inventories	1,143,806	0	1,143,806
Capital Assets:			
Land	1,646,392	62,300	1,708,692
Construction in Progress	537,575	0	537,575
Intangibles	263,734	0	263,734
Other Capital Assets	66,170,457	2,706,643	68,877,100
Less Accumulated Depreciation/Amortization	(27,042,238)	(786,405)	(27,828,643)
<b>Total Assets</b>	<b>\$72,911,012</b>	<b>\$2,076,628</b>	<b>\$74,987,640</b>
<b>Liabilities</b>			
Accounts Payable	\$1,949,481	\$1,789	\$1,951,270
Accrued Interest Payable	46,343	0	46,343
Salaries and Benefits Payable	328,412	0	328,412
Due to Other Governments	685,619	0	685,619
Unearned Revenue:			
Succeeding Year Property Tax	14,307,145	0	14,307,145
Long-Term Liabilities:			
Portion Due or Payable Within One Year:			
Capital Lease Purchase Agreements	53,312	0	53,312
General Obligation Bonds/Revenue Notes	510,000	9,979	519,979
Compensated Absences	766,147	0	766,147
Termination Benefits	8,700	0	8,700
Portion Due or Payable After One Year:			
Capital Lease Purchase Agreements	64,293	0	64,293
General Obligation Bonds/Revenue Notes	11,361,750	557,967	11,919,717
Drainage District Warrants Payable	34,700	0	34,700
Termination Benefits	6,325	0	6,325
Net OPEB Liability	514,017	0	514,017
<b>Total Liabilities</b>	<b>30,636,244</b>	<b>569,735</b>	<b>31,205,979</b>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	29,988,315	1,414,592	31,402,907
Temporarily Restricted For:			
Non-Expendable:			
Strand Endowment	60,000	0	60,000
Expendable:			
Mental Health Purposes	(47,902)	0	(47,902)
Secondary Roads Purposes	4,177,307	0	4,177,307
Debt Service	13,282	0	13,282
Capital Projects	6,806	0	6,806
Other Purposes	2,903,887	0	2,903,887
Unrestricted	5,173,073	92,301	5,265,374
<b>Total Net Assets</b>	<b>\$42,274,768</b>	<b>\$1,506,893</b>	<b>\$43,781,661</b>

See Notes to Financial Statements.

# CERRO GORDO COUNTY, IOWA

## STATEMENT OF ACTIVITIES Year Ended June 30, 2010

	Expenses	Program Revenues		
		Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
<b>FUNCTIONS/PROGRAMS:</b>				
Governmental Activities:				
Public Safety and Legal Services	\$7,269,875	\$921,982	\$639,633	\$0
Physical Health and Social Services	4,726,961	649,560	2,326,314	0
Mental Health	5,943,074	557,386	1,475,049	0
County Environment and Education	1,329,604	78,204	50,270	0
Roads and Transportation	7,061,925	58,176	2,905,116	3,224,774
Governmental Services to Residents	969,501	694,326	445	0
Administrative Services	2,920,542	187,016	0	0
Non-Program	2,399,569	228,208	0	2,146,913
Interest on Long Term Debt	513,578	0	0	0
	<u>33,134,629</u>	<u>3,374,858</u>	<u>7,396,827</u>	<u>5,371,687</u>
Business-type Activities:				
Wastewater Collection and Treatment	133,970	67,217	0	0
Total	<u>\$33,268,599</u>	<u>\$3,442,075</u>	<u>\$7,396,827</u>	<u>\$5,371,687</u>

### GENERAL REVENUES:

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

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year, as restated

Net Assets End of Year

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$5,708,260)	\$0	(\$5,708,260)
(1,751,087)	0	(1,751,087)
(3,910,639)	0	(3,910,639)
(1,201,130)	0	(1,201,130)
(873,859)	0	(873,859)
(274,730)	0	(274,730)
(2,733,526)	0	(2,733,526)
(24,448)	0	(24,448)
(513,578)	0	(513,578)
(16,991,257)	0	(16,991,257)
0	(66,753)	(66,753)
(\$16,991,257)	(\$66,753)	(\$17,058,010)
\$13,373,304	\$0	\$13,373,304
951,217	0	951,217
174,381	0	174,381
443,450	0	443,450
1,424,656	0	1,424,656
134,595	48	134,643
881,215	0	881,215
17,382,818	48	17,382,866
391,561	(66,705)	324,856
41,883,207	1,573,598	43,456,805
\$42,274,768	\$1,506,893	\$43,781,661

# CERRO GORDO COUNTY, IOWA

## BALANCE SHEET – GOVERNMENTAL FUNDS

June 30, 2010

	Special Revenue				
	General	Mental Health	Rural Services	Secondary Roads	Public Health
<b>Assets</b>					
Cash and Pooled Investments	\$6,077,196	\$909,308	\$954,666	\$3,833,559	\$760,066
Receivables:					
Property Tax:					
Delinquent	13,786	3,280	3,973	0	0
Succeeding Year	9,190,868	2,185,403	1,985,570	0	0
Interest and Penalty on Property Tax	360	0	0	0	0
Accounts	296,375	14,208	0	8,929	92,419
Accrued Interest	8,068	0	0	0	0
Special Assessments	34,458	0	0	2,709	0
Drainage Assessments	0	0	0	0	0
Due From Other Funds	2,672	0	0	0	16,135
Due From Other Governments	196,328	99,172	0	323,441	138,405
Inventories	0	0	0	1,143,806	0
<b>Total Assets</b>	<b>\$15,820,111</b>	<b>\$3,211,371</b>	<b>\$2,944,209</b>	<b>\$5,312,444</b>	<b>\$1,007,025</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts Payable	\$295,704	\$367,637	\$9,500	\$887,107	\$44,628
Salaries and Benefits Payable	183,993	16,409	4,590	59,011	60,203
Due To Other Funds	16,135	399	0	129	2,023
Due To Other Governments	22,278	658,603	0	2,853	1,885
Unearned Revenue:					
Succeeding Year Property Tax	9,190,868	2,185,403	1,985,570	0	0
Other	48,653	3,182	3,961	2,709	5,020
<b>Total Liabilities</b>	<b>9,757,631</b>	<b>3,231,633</b>	<b>2,003,621</b>	<b>951,809</b>	<b>113,759</b>
<b>Fund Balances</b>					
<b>Reserved For:</b>					
Inventories	0	0	0	1,143,806	0
Endowment	0	0	0	0	0
Drainage Warrants	0	0	0	0	0
Trust	0	0	0	0	0
Debt Service	0	0	0	0	0
<b>Unreserved, Reported In:</b>					
General Fund	6,062,480	0	0	0	0
Special Revenue Funds	0	(20,262)	940,588	3,216,829	893,266
Capital Projects Fund	0	0	0	0	0
<b>Total Fund Balances</b>	<b>6,062,480</b>	<b>(20,262)</b>	<b>940,588</b>	<b>4,360,635</b>	<b>893,266</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$15,820,111</b>	<b>\$3,211,371</b>	<b>\$2,944,209</b>	<b>\$5,312,444</b>	<b>\$1,007,025</b>

See Notes To Financial Statements

Debt Service	Capital Projects	Nonmajor	Total
\$26,603	\$933	\$1,298,338	\$13,860,669
1,597	0	0	22,636
945,304	0	0	14,307,145
0	0	0	360
0	0	40,738	452,669
0	0	382	8,450
31,425	0	0	68,592
0	0	11,428	11,428
0	0	0	18,807
0	244,921	74,015	1,076,282
0	0	0	1,143,806
<u>\$1,004,929</u>	<u>\$245,854</u>	<u>\$1,424,901</u>	<u>\$30,970,844</u>
\$0	\$239,048	\$99,614	\$1,943,238
0	0	4,206	328,412
0	0	121	18,807
0	0	0	685,619
945,304	0	0	14,307,145
32,982	5,873	11,423	113,803
<u>978,286</u>	<u>244,921</u>	<u>115,364</u>	<u>17,397,024</u>
0	0	0	1,143,806
0	0	121,711	121,711
0	0	91,329	91,329
0	0	60,000	60,000
26,643	0	0	26,643
0	0	0	6,062,480
0	0	1,036,497	6,066,918
0	933	0	933
<u>26,643</u>	<u>933</u>	<u>1,309,537</u>	<u>13,573,820</u>
<u>\$1,004,929</u>	<u>\$245,854</u>	<u>\$1,424,901</u>	<u>\$30,970,844</u>

# CERRO GORDO COUNTY, IOWA

## RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS June 30, 2010

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Total Governmental Fund Balances (page 23) \$13,573,820

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of assets is \$68,618,158 and the accumulated depreciation/amortization is \$27,042,238. 41,575,920

Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the governmental funds.

Property Taxes – General Purposes	20,519	
Property Taxes – Debt Service	1,557	
sTEP Grant	819	
Public Health Bioterrorism Grant	5,020	
Community Development Block Grant	5,873	
Drainage Assessments/Special Assessments	80,015	113,803

The Internal Service Fund is used by management to charge the costs of the partial self funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Assets. 376,812

Long-term liabilities, including capital lease purchase agreements payable, bonds and notes payable, accrued interest payable, other post employment benefits payable, termination benefits payable and compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds. (13,365,587)

**Net assets of governmental activities (page 20)** \$42,274,768

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, 2010

	General	Mental Health	Rural Services	Secondary Roads	Public Health
<b>REVENUES:</b>					
Property and Other County Tax	\$9,112,577	\$2,201,133	\$2,056,950	\$0	\$0
Local Option Sales Tax	142,466	0	0	783,560	0
Interest and Penalty on Property Tax	174,381	0	0	0	0
Intergovernmental	1,888,363	2,096,875	75,675	3,790,590	1,336,466
Licenses and Permits	15,945	0	0	7,660	24,803
Charges For Service	880,447	4,481	0	0	253,677
Use of Money and Property	240,499	0	0	200	3
Fines, Forfeitures and Defaults	0	0	0	0	0
Miscellaneous	308,163	724,250	159	46,356	266,116
<b>Total Revenues</b>	<b>12,762,841</b>	<b>5,026,739</b>	<b>2,132,784</b>	<b>4,628,366</b>	<b>1,881,065</b>
<b>EXPENDITURES:</b>					
Operating:					
Public Safety and Legal Services	6,589,006	0	33,426	0	0
Physical Health and Social Services	497,101	0	0	0	2,889,872
Mental Health	0	5,941,119	0	0	0
County Environment and Education	695,463	0	178,680	0	0
Roads and Transportation	0	0	228,552	5,111,606	0
Governmental Services to Residents	956,076	0	346	0	0
Administration	2,844,497	0	0	0	0
Non-Program	42,718	0	0	0	0
Debt Service	0	0	0	321,422	54,554
Capital Projects	245	0	0	542,166	0
<b>Total Expenditures</b>	<b>11,625,106</b>	<b>5,941,119</b>	<b>441,004</b>	<b>5,975,194</b>	<b>2,944,426</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,137,735	(914,380)	1,691,780	(1,346,828)	(1,063,361)
Other Financing Sources (Uses):					
Sale of Capital Assets	198,129	350	0	15,725	0
Drainage Warrants Issued	0	0	0	0	0
Operating Transfers In	25,896	0	0	1,600,000	1,234,902
Operating Transfers Out	(1,234,902)	(25,896)	(1,600,000)	0	0
Issuance of Revenue Bond	168,750	0	0	0	0
Issuance of Capital Lease Purchase Agreement	20,679	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(821,448)</b>	<b>(25,546)</b>	<b>(1,600,000)</b>	<b>1,615,725</b>	<b>1,234,902</b>
Net Change in Fund Balances	316,287	(939,926)	91,780	268,897	171,541
Fund Balances Beginning of Year	5,746,193	919,664	848,808	3,950,312	721,725
Increase in Reserve For:					
Inventories	0	0	0	141,426	0
Fund Balances End of Year	\$6,062,480	(\$20,262)	\$940,588	\$4,360,635	\$893,266

See Notes To Financial Statements

Debt Service	Capital Projects	Nonmajor	Total
\$950,939	\$0	\$0	\$14,321,599
0	0	498,630	1,424,656
0	0	0	174,381
28,567	2,141,040	895,660	12,253,236
0	0	365,386	413,794
0	0	110,152	1,248,757
0	301	70,402	311,405
0	0	42,893	42,893
0	0	88,238	1,433,282
979,506	2,141,341	2,071,361	31,624,003
0	0	204,273	6,826,705
0	0	1,269,524	4,656,497
0	0	0	5,941,119
0	0	428,173	1,302,316
0	0	0	5,340,158
0	0	13,965	970,387
0	0	42,211	2,886,708
0	0	125,214	167,932
978,695	0	24,449	1,379,120
0	2,480,056	0	3,022,467
978,695	2,480,056	2,107,809	32,493,409
811	(338,715)	(36,448)	(869,406)
0	0	0	214,204
0	0	45,287	45,287
0	0	0	2,860,798
0	0	0	(2,860,798)
0	0	0	168,750
0	0	0	20,679
0	0	45,287	448,920
811	(338,715)	8,839	(420,486)
25,832	339,648	1,300,698	13,852,880
0	0	0	141,426
\$26,643	\$933	\$1,309,537	\$13,573,820

# 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, 2010

Net change in fund balances - Total governmental funds (page 26) (\$420,486)

*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	\$1,097,153	
Capital assets contributed by the Iowa Department of Transportation	1,724,961	
Capital assets contributed by the Federal Government	1,386,484	
Depreciation/amortization expense	<u>(2,547,031)</u>	1,661,567

In the Statement of Activities, the loss on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources. (797,122)

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

Property tax	2,922	
Other	<u>(769,515)</u>	(766,593)

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 Assets. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Current year debt repayments exceeded issuances as follows:

Bonds and leases issued	(189,429)	
Principal payments	495,000	
Lease payments	51,276	
Installment payments	321,422	
Drainage warrants	<u>(4,729)</u>	673,540

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	(29,703)	
Other postemployment benefits/termination benefits	(264,091)	
Interest on long-term debt	<u>3,779</u>	(290,015)

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. 141,426

The Internal Service Funds are used by management to charge the costs of employee health benefits, telephone service, and property insurance to individual funds. The change in Net Assets of the Internal Service Funds are reported with governmental activities. 189,244

**Change in net assets of governmental activities (page 21) \$391,561**

See Notes to Financial Statements.

# CERRO GORDO COUNTY, IOWA

## STATEMENT OF NET ASSETS – PROPRIETARY FUNDS

June 30, 2010

	Enterprise		Totals	Internal Service
	Meservey Wastewater Collection & Treatment Facility	Swaledale Wastewater Collection & Treatment Facility		
<b>ASSETS</b>				
Current Assets:				
Cash	\$19,152	\$66,720	\$85,872	\$248,565
Receivables:				
Accounts	0	0	0	134,484
Due From Other Governments	3,245	4,973	8,218	6
Total Current Assets	22,397	71,693	94,090	383,055
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	(341,638)	(444,767)	(786,405)	0
Total Non-Current Assets	1,237,888	744,650	1,982,538	0
<b>Total Assets</b>	<b>\$1,260,285</b>	<b>\$816,343</b>	<b>\$2,076,628</b>	<b>\$383,055</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	\$448	\$1,341	\$1,789	\$6,243
Note Payable:				
Portion Due Within One Year:				
Note Payable	5,034	4,945	9,979	0
Total Current Liabilities	5,482	6,286	11,768	6,243
Non-Current Liabilities:				
Portion Due After One Year:				
Note Payable	328,005	229,962	557,967	0
<b>Total Liabilities</b>	<b>333,487</b>	<b>236,248</b>	<b>569,735</b>	<b>6,243</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	904,849	509,743	1,414,592	0
Unrestricted	21,949	70,352	92,301	376,812
	<b>\$926,798</b>	<b>\$580,095</b>	<b>\$1,506,893</b>	<b>\$376,812</b>

See Notes To Financial Statements

# CERRO GORDO COUNTY, IOWA

## STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET ASSETS – PROPRIETARY FUNDS Year Ended June 30, 2010

	Enterprise		Totals	Internal Service
	Meservey Wastewater Collection & Treatment Facility	Swaledale Wastewater Collection & Treatment Facility		
<b>OPERATING REVENUES:</b>				
Interfund Services Provided	\$0	\$0	\$0	\$2,661,706
Employee Payments	0	0	0	122,695
Miscellaneous	36,662	30,555	67,217	129,478
<b>Total Operating Revenues</b>	<b>36,662</b>	<b>30,555</b>	<b>67,217</b>	<b>2,913,879</b>
<b>OPERATING EXPENSES:</b>				
Waste Water Treatment Facility:				
Depreciation	48,805	36,481	85,286	0
Miscellaneous	7,086	15,610	22,696	0
Health Insurance:				
Medical Claims	0	0	0	247,000
Insurance Premiums	0	0	0	2,129,339
Administrative Fees	0	0	0	50,800
Miscellaneous	0	0	0	10,785
Central Services:				
Telephone	0	0	0	39,097
Insurance	0	0	0	247,631
<b>Total Operating Expenses</b>	<b>55,891</b>	<b>52,091</b>	<b>107,982</b>	<b>2,724,652</b>
Operating Income (Loss)	(19,229)	(21,536)	(40,765)	189,227
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest Income	12	36	48	17
Interest Expense	(15,204)	(10,784)	(25,988)	0
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(15,192)</b>	<b>(10,748)</b>	<b>(25,940)</b>	<b>17</b>
Net Income (Loss)	(34,421)	(32,284)	(66,705)	189,244
Net Assets Beginning of Year	961,219	612,379	1,573,598	187,568
Net Assets End of Year	\$926,798	\$580,095	\$1,506,893	\$376,812

See Notes To Financial Statements

# CERRO GORDO COUNTY, IOWA

## STATEMENT OF CASH FLOWS -- PROPRIETARY FUNDS Year Ended June 30, 2010

	Enterprise		Totals	Internal Service
	Meservey Wastewater Collection & Treatment Facility	Swaledale Wastewater Collection & Treatment Facility		
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash Received from Customers	\$37,006	\$30,939	\$67,945	\$0
Cash Received from Operating Funds	0	0	0	2,533,970
Cash Received from Employees and Other	0	0	0	251,735
Cash Paid to Suppliers for Services	(6,912)	(14,664)	(21,576)	(2,726,598)
Net Cash Provided by Operating Activities	30,094	16,275	46,369	59,107
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest Income	12	36	48	17
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Interest Expense	(15,204)	(10,784)	(25,988)	0
Note Payments	(4,817)	(4,732)	(9,549)	0
Net Cash Used in Capital and Related Financing Activities	(20,021)	(15,516)	(35,537)	0
Net Increase in Cash	10,085	795	10,880	59,124
Cash -- Beginning of Year	9,067	65,925	74,992	189,441
Cash -- End of Year	\$19,152	\$66,720	\$85,872	\$248,565
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>				
Operating Income (Loss)	(\$19,229)	(\$21,536)	(\$40,765)	\$189,227
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	48,805	36,481	85,286	0
(Increase) Decrease in Receivables	344	383	727	(128,175)
Increase (Decrease) in Payables	174	947	1,121	(1,945)
Net Cash Provided by Operating Activities	\$30,094	\$16,275	\$46,369	\$59,107

See Notes To Financial Statements.

# CERRO GORDO COUNTY, IOWA

## STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES – AGENCY FUNDS June 30, 2010

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### ASSETS

Cash and Pooled Investments:	
County Treasurer	\$3,007,160
Other County Officials	239,354
Receivables:	
Property Tax:	
Delinquent	2,199
Succeeding Year	51,648,037
Accounts	5,060
Assessments	1,129,230
Due From Other Governments	161,186
<b>Total Assets</b>	<u>\$56,192,226</u>

### LIABILITIES

Accounts Payable	\$49,469
Salaries and Benefits Payable	16,927
Due To Other Governments	55,821,365
Trusts Payable	283,313
Compensated Absences	21,152
<b>Total Liabilities</b>	<u>\$56,192,226</u>

### NET ASSETS

\$0

See Notes To Financial Statements



# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2010

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

Jointly Governed Organizations – The County participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Cerro Gordo County and City Assessor's Conference Board, Cerro Gordo County Emergency Management Commission, Cerro Gordo County Joint E911 Service Board, and Advanced Law Enforcement Investigative and Administrative System Users. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in the Agency Funds of the County.

#### B. BASIS OF PRESENTATION

Government-wide Financial Statements - The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of the County and its component units. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities are supported by property tax, intergovernmental revenues and other nonexchange transactions.

The Statement of Net Assets presents the County's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in the following categories.

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

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2010

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### Note 1: Summary of Significant Accounting Policies (Continued)

*Restricted net assets* result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net assets* consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources that are 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 that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions, and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

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

The County reports the following major governmental funds:

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

Special Revenue:

The Mental Health Fund is used to account for property tax and other revenues designated to be used to fund mental health, mental retardation, and developmental disabilities services.

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

The Secondary Roads Fund is utilized to account for secondary road construction and maintenance.

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

The Debt Service Fund is utilized to account for the payment of interest and principal on the County's general long-term debt.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities.

Additionally, the County reports the following proprietary funds:

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

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.

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2010

---

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

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

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

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

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

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

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

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

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

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2010

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### 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 period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within sixty days after year end.

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

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

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

The proprietary funds of the County apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless pronouncements conflict or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

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, LIABILITIES AND FUND EQUITY

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

Cash, Pooled Investments and Cash Equivalents - 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.

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

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2010

### 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 that the tax asking is certified by the County Board of Supervisors. Delinquent property taxes receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2008 assessed property valuations; is for the tax accrual period July 1, 2009 through June 30, 2010 and reflects the tax asking contained in the budget certified by the County board of Supervisors in March 2009.

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

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

Due from and Due to Other Funds - During the course of its operations, the County has numerous transactions between funds. To the extent that certain transactions between funds had not been paid or received as of June 30, 2010, 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, 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 or business-type activities columns in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

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

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2010

### Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

Unearned Revenue - Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Unearned revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Unearned revenue consists of unspent grant proceeds as well as property tax receivable and other receivables not collected within sixty days after year-end.

Unearned revenue on the Statement of Net Assets consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied and unspent grant proceeds.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as unearned revenue.

Compensated Absences - County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use payable to employees. A liability is recorded when incurred in the government-wide, proprietary and fiduciary fund financial statements. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2010. The compensated absence liability attributable to the governmental activities will be paid primarily by the General, Mental Health, Rural Services and Secondary Road Funds.

Long-term Liabilities - In the government-wide financial statements and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund Statement of Net Assets. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

Fund Equity - In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net Assets - The Net Assets of the 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, 2010, disbursements exceeded the amounts budgeted in the Administration, Non-Program and Debt Service functions and disbursements in certain departments exceeded the amounts appropriated.

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2010

### Note 2: Cash and Pooled Investments

The County's deposits in banks at June 30, 2010 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

### Note 3: Due from and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2010, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Special Revenue:	
	MH/DD Services	\$399
	Empowerment	121
	Secondary Road	129
	Public Health	<u>2,023</u>
		2,672
Special Revenue:		
Public Health	General Fund	<u>16,135</u>
Total		<u>\$18,807</u>

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

### Note 4: Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2010 is as follows:

Transfer To	Transfer From	Amount
General Fund	Special Revenue Mental Health	\$25,896
Special Revenue Secondary Roads	Special Revenue: Rural Services	1,600,000
Public Health	General Basic	<u>1,234,902</u>
Total		<u>\$2,860,798</u>

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

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS June 30, 2010

### Note 5: Capital Assets

Capital assets activity for the year ended June 30, 2010 was as follows:

	Balance Beginning of Year – as restated	Increases	Decreases	Balance End of Year
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$1,646,392	\$0	\$0	\$1,646,392
Construction in progress	1,196,463	868,785	1,527,673	537,575
Total capital assets not being depreciated	<u>2,842,855</u>	<u>868,785</u>	<u>1,527,673</u>	<u>2,183,967</u>
Capital assets being depreciated/amortized:				
Buildings	18,013,056	0	884,646	17,128,410
Improvements other than buildings	603,760	0	0	603,760
Machinery and equipment	6,883,973	290,609	210,914	6,963,668
Vehicles	3,515,582	127,365	140,537	3,502,410
Intangibles	0	263,734	0	263,734
Infrastructure	33,786,431	4,185,778	0	37,972,209
Total capital assets being depreciated/amortized	<u>62,802,802</u>	<u>4,867,486</u>	<u>1,236,097</u>	<u>66,434,191</u>
Less accumulated depreciation/amortization for:				
Buildings	2,651,923	350,883	192,089	2,810,717
Improvements other than buildings	426,823	9,675	0	436,498
Machinery and equipment	4,683,302	506,643	151,221	5,038,724
Vehicles	2,423,923	275,699	95,664	2,603,958
Intangibles	0	0	0	0
Infrastructure, road network	14,748,210	1,404,131	0	16,152,341
Total accumulated depreciation/amortization	<u>24,934,181</u>	<u>2,547,031</u>	<u>438,974</u>	<u>27,042,238</u>
Total capital assets being depreciated/amortized, net	<u>37,868,621</u>	<u>2,320,455</u>	<u>797,123</u>	<u>39,391,953</u>
Governmental activities capital assets, net	<u>\$40,711,476</u>	<u>\$3,189,240</u>	<u>\$2,324,796</u>	<u>\$41,575,920</u>

Depreciation/amortization expense was charged to the following functions:

Governmental Activities:		
Public safety and legal services		\$391,984
Physical health and social services		49,722
Mental health		2,631
County environment and education		43,711
Roads and transportation		1,919,071
Governmental services to residents		39,948
Administration services		99,964
Total depreciation expense – governmental activities		<u>\$2,547,031</u>

Capital asset activity of the Enterprise Funds for the year ended June 30, 2010 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	701,119	85,286	0	786,405
Total capital assets being depreciated, net	<u>2,005,524</u>	<u>(85,286)</u>	<u>0</u>	<u>1,920,238</u>
Business-type activities capital assets, net	<u>\$2,067,824</u>	<u>\$(85,286)</u>	<u>\$0</u>	<u>\$1,982,538</u>



# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS June 30, 2010

### Note 6: Due to Other Governments

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

Fund	Description	Amount
General	Services	\$22,278
Special Revenue:		
Mental Health		658,603
Secondary Roads		2,853
Public Health		1,885
Total Governmental Funds		<u>\$685,619</u>
Agency	Collections	
County Special Appraisal		\$513,649
Schools		27,982,010
City Assessor		256,165
Corporations		21,088,515
Auto License & Use Tax		963,314
City Special Appraisal		74,986
County Assessor		555,642
E911 Operations		353,700
City Special Assessments		1,099,633
All Others		2,933,751
Total for Agency Funds		<u>\$55,821,365</u>

### Note 7: Changes in Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2010, is as follows:

<b>Governmental Activities</b>	Capital Loan	Lease	Installment	Compensated
	Notes & Revenue			
	Bonds			
Balance – Beginning of Year	\$12,198,000	\$148,202	\$321,422	\$736,444
Increases	168,750	20,679	0	766,147
Decreases	495,000	51,276	321,422	736,444
Balance – End of Year	<u>\$11,871,750</u>	<u>\$117,605</u>	<u>\$0</u>	<u>\$766,147</u>
Due within one year	<u>\$510,000</u>	<u>\$53,312</u>	<u>\$0</u>	<u>\$766,147</u>

	Termination	Drainage	Total
	Benefits	Warrants	
Balance – Beginning of Year	\$19,550	\$29,971	\$13,453,589
Increases	9,900	45,287	1,010,763
Decreases	14,425	40,558	1,659,125
Balance – End of Year	<u>\$15,025</u>	<u>\$34,700</u>	<u>\$12,805,227</u>
Due within one year	<u>\$8,700</u>	<u>\$0</u>	<u>\$1,338,159</u>

<b>Business Type Activities</b>	Sewer Revenue
	Capital Loan
	Notes
Balance – Beginning of Year	\$577,497
Increases	0
Decreases	9,551
Balance – End of Year	<u>\$567,946</u>
Due within one year	<u>\$9,979</u>

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2010

### Note 8: Capital Lease Purchase Agreements / Installment Purchase Agreements

The County entered into a capital lease purchase agreement for the Administration's postage machine totaling \$29,325. During the fiscal year ended June 30, 2010, the lease was terminated. The County entered into a capital lease agreement totaling \$20,679. The following is a schedule of the future minimum lease payments, including interest at 8.233% per annum, and the present value of net minimum lease payments under the agreement in effect at June 30, 2010 for Equipment:

Year Ending June 30,	Postage Machine
2011	\$5,087
2012	5,087
2013	5,087
2014	5,087
2015	1,272
Total Minimum Lease Payments	21,620
Less: Amount Representing Interest	3,532
Present Value of Net Minimum Lease Payments	\$18,088

Payments under capital lease purchase agreements for year ended June 30, 2010, totaled \$ 2,591.

In August of 2008, the Public Health Department entered into a capital lease purchase agreement for a Virtual Network capitalized at \$159,453. The following is a schedule of the future minimum lease payments, including interest at 6.36% per annum, and the present value of net minimum lease payments under the agreement in effect at June 30, 2010 for Equipment:

Year Ending June 30,	Virtual Network
2011	54,554
2012	54,554
Total Minimum Lease Payments	109,108
Less: Amount Representing Interest	9,591
Present Value of Net Minimum Lease Payments	\$99,517

Payments under capital lease purchase agreements for year ended June 30, 2010, totaled \$ 45,341.

In August of 2008, the Secondary Road Department entered into two separate installment purchase agreements for three motorgraders totaling \$202,995 and \$439,846 respectively. The installment agreements were paid in full during the fiscal year ended June 30, 2010. Payments under the installment purchase agreements for year ended June 30, 2010, totaled \$101,497 and \$ 219,925 respectively.

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

During the year ended June 30, 2007, the County issued \$9,000,000 and \$4,500,000 of General Obligation Capital Loan Notes for the purpose of constructing and equipping a new Law Enforcement Center. The notes are payable from a continuing annual levy of taxes on all of the taxable property in the County. Interest on each note is due annually on December 1 and principal and interest payments are due annually on June 1. Maturities of the various notes range from 2009 through 2026. Details of the outstanding bonds are as follows:

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Year Ending June 30,	2006B \$9,000,000 Issue			2007A \$4,500,000 Issue		
	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest
2011	4.30%	0	392,248	3.70%	490,000	93,310
2012	4.30%	0	392,248	3.75%	510,000	75,180
2013	4.30%	0	392,247	3.80%	530,000	56,055
2014	4.30%	0	392,247	3.80%	550,000	35,915
2015	4.30%	220,000	392,247	3.85%	390,000	15,015
2016-2020	4.30%-4.375%	3,480,000	1,627,128	-	0	0
2021-2025	4.375-4.40%	4,315,000	801,525	-	0	0
2026	4.40%	985,000	43,340	-	0	0
		<u>\$9,000,000</u>	<u>\$4,433,230</u>		<u>\$2,470,000</u>	<u>\$275,475</u>

During the year ended June 30, 2009, the County issued \$885,000 of Local Option Sales and Service Tax Revenue Bonds. The purpose of the bonds was for paying the County's share of the Clear Lake Dredging and Restoration Project, a rural County betterment project for the County of Cerro Gordo. The funds were to be advanced as needed for the project. As of June 30, 2009, \$300,000 had been advanced to the County. During the year ended June 30, 2010, an additional \$ 168,750 was advanced to the County. Interest payments are due semiannually, commencing December 1, 2008 and principal payments are due annually commencing June 1, 2009, maturing June 1, 2028. Payments made during fiscal year 2010 totaled \$ 20,000. Details of the outstanding bonds are as follows:

Year Ending June 30,	2008 \$885,000 Issue		
	Interest Rate	Principal	Interest
2011	1.25%	20,000	5,022
2012	1.25%	20,000	4,772
2013	1.25%	20,000	4,521
2014	1.25%	20,500	4,272
2015	1.25%	21,000	4,016
2016-2020	1.25%	109,500	16,059
2021-2025	1.25%	117,500	9,022
2026-2028	1.25%	73,250	1,847
		<u>\$401,750</u>	<u>\$49,531</u>

### Note 10: Retirement Benefits

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

At June 30, 2010, the County has obligations to two participants with a total liability of \$ 15,025. Retirement benefits expenses for four retirees for the year ended June 30, 2010 totaled \$ 14,425.

### Note 11: Drainage Warrants/Drainage Improvement Certificates Payable

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

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

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2010

### Note 12: Sewer Revenue Capital Loan Notes

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

Year Ending June 30,	Principal	Interest	Total
2011	4,945	10,571	15,516
2012	5,168	10,348	15,516
2013	5,400	10,116	15,516
2014	5,643	9,873	15,516
2015	5,897	9,619	15,516
2016-2020	33,714	43,866	77,580
2021-2025	42,014	35,566	77,580
2026-2030	52,357	25,223	77,580
2031-2035	65,246	12,334	77,580
2036	14,523	654	15,177
	<u>\$234,907</u>	<u>\$168,170</u>	<u>\$403,077</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 4.5% with final payment due by July 1, 2044. Details of the sewer revenue capital loan notes 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
2011	838	2,437	3,587	10,443	609	2,107	5,034	14,987
2012	875	2,400	3,749	10,281	637	2,079	5,261	14,760
2013	915	2,360	3,917	10,113	665	2,051	5,497	14,524
2014	956	2,319	4,094	9,936	695	2,021	5,745	14,276
2015	999	2,276	4,278	9,752	727	1,989	6,004	14,017
2016-2020	5,711	10,664	24,456	45,694	4,154	7,426	34,321	63,784
2021-2025	7,116	9,259	30,477	39,673	5,177	8,403	42,770	57,335
2026-2030	8,868	7,507	37,979	32,171	6,452	7,128	53,299	46,806
2031-2035	11,051	5,324	47,329	22,821	8,040	5,540	66,420	33,685
2036-2040	13,772	2,603	58,981	11,169	10,019	3,561	82,772	17,333
2041-2044	3,063	138	13,215	595	9,638	1,100	25,916	1,833
	<u>\$54,164</u>	<u>\$47,287</u>	<u>\$232,062</u>	<u>\$202,648</u>	<u>\$46,813</u>	<u>\$43,405</u>	<u>\$333,039</u>	<u>\$293,340</u>

### Note 13: Pension and Retirement Benefits

The County contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Most regular plan members are required to contribute 4.30% of their annual covered salary and the County is required to contribute 6.65% of annual covered salary. Certain employees in special risk occupations and the County contribute an actuarially determined contribution rate. Contribution requirements are established by State statute. The County contribution to IPERS for the years ended June 30, 2010, 2009 and 2008 were \$ 771,687, \$710,585 and \$627,155 respectively, equal to the required contributions for each year.

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2010

### Note 14: Other Postemployment Benefits (OPEB)

Cerro Gordo County implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions during the year ended June 30, 2009.

Plan Description. The County operates a single-employer retiree benefit plan which provides medical/prescription drug benefits for retirees and their spouses. There are 251 active and 5 retired members in the plan. Employees must be age 55 or older at retirement. The medical/prescription drug benefit, which is a partially self-funded medical plan, is administered by Group Services. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability. The plan does not issue a stand-alone report.

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

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

The table shows the components of the County's annual OPEB cost for June 30, 2010, the amount actually contributed to the plan and the changes in the County's net OPEB obligation:

Annual required contribution	\$270,845
Interest on net OPEB obligation	3,908
Adjustment to annual required contribution	0
Annual OPEB cost (expense)	<u>274,753</u>
Contributions made	<u>(6,138)</u>
Increase in net OPEB obligation	268,616
Net OPEB obligation - beginning of the year	<u>\$245,401</u>
Net OPEB obligation - end of the year	<u>\$514,017</u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the plan's actual contributions for the year ended June 30, 2010.

For the fiscal year 2010, the County contributed \$ 6,138 to the medical plan. Plan members receiving benefits contributed \$ 12,275, or 66% of the premium costs.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2010 are summarized as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2010	\$274,753	2.23%	\$514,017

Funded Status and Funding Progress. As of July 1, 2008, the most recent actuarial valuation date for the period July 1, 2008 through June 30, 2009, the actuarial accrued liability was \$2,045,206, with no actuarial value of assets, resulting in an unfunded actuarial liability (UAAL) of \$2,045,206. The covered payroll (annual payroll of active employees covered by the plan) was \$9,761,793, and the ratio of the UAAL to the covered payroll was 20.9%. As of June 30, 2010, there were no trust fund assets.

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

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2010

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### Note 14: Other Postemployment Benefits (OPEB) (Continued)

short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations.

As of the July 1, 2008 actuarial date, the Frozen Entry Age Actuarial Cost method was used. The actuarial assumptions included a 2.5% discount rate based on the County's funding policy. The projected annual medical trend rate is 6%.

Mortality rates are from the 94 Group Annuity Mortality Table, applied on a gender specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Valuation Report as of June 30, 2007 and applying the termination factors used in IPERS Actuarial Report as of June 30, 2007.

Projected claim costs of the medical plan are \$471 per month for retirees less than 65. The salary increase rate was assumed to be 4% per year. The UAAL is being amortized as a level percentage on an open basis over 30 years.

### Note 15: Risk Management

Cerro Gordo County is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 634 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine, and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual 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 due and payable in the current 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 to equal 200 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

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 and reinsurance premiums, all of which are due and payable in the current year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's annual contributions to the Pool for the year ended June 30, 2010 were \$ 204,272.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured in an amount not to exceed \$2,650,000 per claim and \$10,000,000 in the aggregate per year. For members requiring specific coverage from \$3,000,000 to \$10,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$150,000 each occurrence, each location, with excess coverage reinsured by the Travelers Insurance Company.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. 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 losses can be reasonably estimated. Accordingly, at June 30, 2010, no liability has been recorded in the County's financial statements. As of June 30, 2010, 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. Members withdrawing within the first six years of membership may receive a partial refund of their casualty capital contribution. If a member withdraws after the sixth year, the member is refunded 100 percent of its casualty capital contributions. However, the refund is reduced by an amount equal to the annual casualty operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS June 30, 2010

### Note 15: Risk Management (Continued)

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

### Note 16: Employee Health Insurance Plan

The Internal Service, Employee Group Health Insurance Fund was established to account for the partial self funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and the fully insured portion is administered through a service agreement with Wellmark Blue Cross and Blue Shield of Iowa and the self funded portion is administered through a service agreement with Group Services, Inc. The agreement is subject to automatic renewal provisions.

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 administrative fees and claims processed are paid to Group Service, Inc. from the Cerro Gordo County Health Insurance Fund. The County's contribution to the fund for the year ended June 30, 2010 was \$ 2,379,021.

Amounts payable from the Health Insurance Fund at June 30, 2010 total \$0 which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior-year and current-year claims, and to establish a reserve for catastrophic losses. That reserve was \$ 294,509 at June 30, 2010 and is reported as a designation of the Health Insurance Fund Net Assets. Information on the reconciliation of changes in the aggregate liabilities for claims for the current year and prior year is as follows:

	Balance as of July 1	Current Year Claims	Claims Payments	Balance as of June 30
2008-2009	\$0	\$141,800	\$141,800	\$0
2009-2010	\$0	\$247,000	\$247,000	\$0

### Note 17: 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, 2010, the County did not anticipate any additional assessments for closure and postclosure care costs.

### Note 18: Related Party Transactions

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

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2010

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### Note 19: 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.

### Note 20: Subsequent Events

During October of 2010, the County advance refunded the General Obligation Capital Loan Notes, Series 2007A by issuing General Obligation Crossover Refunding Capital Loan Notes, Series 2010 A. The purpose of the refunding was to obtain a lower interest rate on the outstanding debt. The County will continue to make principal and interest payments due on the prior notes in December of 2010 and in June of 2011. The County will be responsible for the General Obligation Crossover Refunding Capital Loan Notes Series 2010 A commencing with the December 1, 2011 interest payment. The refunding and proceeds will be recorded on the County records on December 1, 2011. The County was in compliance with the issuance of these notes.

### Note 21: Accounting Change/Restatement

Governmental Accounting Standards Board Statement No.51, Accounting and Financial Reporting for Intangible Assets, was implemented during fiscal year 2010. The County had internally generated software in process at June 30, 2009. The software was completed during the fiscal year ended June 30, 2010 and placed into service on June 30, 2010. Beginning net assets and capital assets (Construction in Process) for governmental activities were restated to retroactively report intangible assets acquired prior to July 1, 2009, as follows:

	Net Assets	Capital Assets
Balances June 30, 2009, as previously reported	\$41,761,077	\$40,589,346
Increase for intangible assets, less accumulated amortization	122,130	122,130
Balances July 1, 2009, as restated	<u>\$41,883,207</u>	<u>\$40,711,476</u>

### Note 22: Financial Condition

We noted the fund balance of the Mental Health Fund was in deficit at the end of the year.



**Required Supplementary Information**

# CERRO GORDO COUNTY, IOWA

## BUDGETARY COMPARISON SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN BALANCE – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS Year Ended June 30, 2010

	Actual	Less Funds Not Required To Be Budgeted	Net
<b>REVENUES:</b>			
Property and Other County Tax	\$15,746,255	\$0	\$15,746,255
Interest and Penalty on Property Tax	174,381	0	174,381
Intergovernmental	12,253,236	0	12,253,236
Licenses and Permits	413,794	0	413,794
Charges for Service	1,248,757	46,564	1,202,193
Use of Money and Property	311,405	99	311,306
Miscellaneous	1,476,175	19,828	1,456,347
<b>Total Revenues</b>	<b>31,624,003</b>	<b>66,491</b>	<b>31,557,512</b>
<b>EXPENDITURES:</b>			
Public Safety and Legal Services	6,826,705	0	6,826,705
Physical Health and Social Services	4,656,497	0	4,656,497
Mental Health	5,941,119	0	5,941,119
County Environment and Education	1,302,316	0	1,302,316
Roads and Transportation	5,198,732	0	5,198,732
Governmental Services to Residents	970,387	0	970,387
Administrative Services	2,886,708	0	2,886,708
Non-Program	167,932	125,214	42,718
Debt Service	1,379,120	0	1,379,120
Capital Projects	3,022,467	0	3,022,467
<b>Total Expenditures</b>	<b>32,351,983</b>	<b>125,214</b>	<b>32,226,769</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(727,980)	(58,723)	(669,257)
Other Financing Sources, Net	448,920	45,287	403,633
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(279,060)	(13,436)	(265,624)
Balance Beginning of Year	13,852,880	104,765	13,748,115
Balance End of Year	\$13,573,820	\$91,329	\$13,482,491

See Accompanying Independent Auditors' Report.

Budgeted Amounts		Final to Net Variance - Positive (Negative)
Original	Final	
\$15,862,996	\$15,813,636	(\$67,381)
145,000	145,000	29,381
12,486,124	15,325,916	(3,072,680)
390,100	408,600	5,194
1,194,839	1,223,770	(21,577)
457,123	297,123	14,183
864,494	1,038,905	417,442
31,400,676	34,252,950	(2,695,438)
7,446,909	7,188,509	361,804
5,256,545	5,405,474	748,977
6,457,283	6,457,283	516,164
1,268,747	1,431,247	128,931
5,395,611	5,995,611	796,879
1,016,147	1,044,147	73,760
2,537,360	2,864,560	(22,148)
40,500	55,500	12,782
978,696	978,696	(400,424)
3,150,000	5,459,394	2,436,927
33,547,798	36,880,421	4,653,652
(2,147,122)	(2,627,471)	1,958,214
10,000	200,000	203,633
(2,137,122)	(2,427,471)	2,161,847
13,852,880	13,852,880	(104,765)
\$11,715,758	\$11,425,409	\$2,057,082

# CERRO GORDO COUNTY, IOWA

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -- BUDGETARY REPORTING June 30, 2010

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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, and agency funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon ten major classes of expenditures known as functions, not by fund. These ten functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administrative services, 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. During the year, a budget amendment increased budgeted revenues and expenditures by \$2,852,274 and \$3,332,623 respectively. This budget amendment is reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2010, disbursements exceeded the amounts budgeted in the Administration, Non-Program and Debt Service functions.

# CERRO GORDO COUNTY, IOWA

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

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Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
2009	July 1, 2008	\$0	\$2,045	\$2,045	0%	\$9,426	21.7%
2010	July 1, 2008	\$0	\$2,045	\$2,045	0%	\$9,761	20.9%

See Note 14 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB costs and Net OPEB Obligation, and the funded status and funding progress.

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**Other Supplementary Information**

# CERRO GORDO COUNTY, IOWA

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GENERAL FUND Year ended June 30, 2010

### REVENUES:

Property and Other County Tax:		
Property Tax	\$8,652,332	
Local Option Sales Tax	142,466	
Utility Tax Replacement Excise Tax	452,336	
Other County Tax	7,909	\$9,255,043
Interest and Penalty on Property Tax		174,381
Intergovernmental:		
State Shared Revenues		17,328
State Tax Credits		282,625
State and Federal Pass-Thru Revenues:		
Child Support Recovery Incentives	427,451	
Human Services Administration Reimbursement	130,936	
Other	211,651	770,038
Contributions From Other Intergovernmental Units		772,723
State Grants and Entitlements		45,649
Licenses and Permits		15,945
Charges for Service:		
Office Fees and Collections:		
County Auditor	2,902	
County Recorder	321,898	
County Sheriff	106,958	
Auto License, Use Tax and Postage	349,054	
Miscellaneous	99,635	880,447
Use of Money and Property:		
Interest on Investments	129,025	
Miscellaneous	111,474	240,499
Miscellaneous:		
Reimbursements	207,927	
Assessments	25,050	
Miscellaneous	75,186	308,163
<b>Total Revenues</b>		<u>12,762,841</u>

(Continued)



# CERRO GORDO COUNTY, IOWA

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GENERAL FUND Year Ended June 30, 2010

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### EXPENDITURES:

#### Operating:

Public Safety and Legal Services		\$6,589,006
Physical Health and Social Services		497,101
County Environment and Education		695,463
Governmental Services to Residents		956,076
Administration		2,844,497
Non-Program		42,718
Capital Projects		245
<b>Total Expenditures</b>		<u>11,625,106</u>

Excess of Revenues Over Expenditures 1,137,735

#### Other Financing Sources (Uses):

Sale of Capital Assets	198,129	
Transfers In:		
Mental Health	25,896	
Transfers Out:		
Public Health	(1,234,902)	
Issuance of Revenue Bond/Capital Lease Purchase Agreement	<u>189,429</u>	(821,448)

Excess of Revenues and Other Financing Sources Over  
Expenditures and Other Financing Uses 316,287

Fund Balance Beginning of Year 5,746,193

Fund Balance End of Year \$6,062,480

See Accompanying Independent Auditors' Report.

# CERRO GORDO COUNTY, IOWA

## SCHEDULE OF EXPENDITURES – GENERAL FUND Year Ended June 30, 2010

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### Public Safety and Legal Services:

#### Law Enforcement:

Uniformed Patrol Services	\$1,280,871
Law Enforcement Communications	835,338
Adult Correctional Services	2,244,494
Administration	681,298
	<u>5,042,001</u>

#### Legal Services:

Criminal Prosecution	768,355
Medical Examinations	90,589
Child Support Recovery	422,363
	<u>1,281,307</u>

#### Emergency Services:

Emergency Management	<u>42,354</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	12,881
Detention Services	23,294
Court Costs	1,371
Service of Civil Papers	147,242
	<u>184,788</u>

#### Juvenile Justice Administration:

Juvenile Victim Restitution	30,002
Juvenile Representation Services	245
Court-Appointed Attorneys and Court Costs for Juveniles	6,187
	<u>36,434</u>

### **Total Public Safety and Legal Services**

\$6,589,006

(Continued)

# CERRO GORDO COUNTY, IOWA

## SCHEDULE OF EXPENDITURES – GENERAL FUND Year Ended June 30, 2010

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### Physical Health and Social Services:

#### Services to the Poor:

Administration	\$262,185
General Welfare Services	17,446
	<u>279,631</u>

#### Services to Military Veterans:

Administration	110,272
General Services to Veterans	17,426
	<u>127,698</u>

#### Children's and Family Services:

Youth Guidance	<u>56,263</u>
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#### Chemical Dependency:

Treatment Services	26,320
Preventive Services	7,189
	<u>33,509</u>

### Total Physical Health and Social Services

\$497,101

### County Environment and Education:

#### Conservation and Recreation Services:

Administration	\$388,357
Maintenance and Operations	116,599
	<u>504,956</u>

#### Animal Control :

Animal Shelter	21,664
Animal Bounties and State Apiarist Expense	200
	<u>21,864</u>

#### County Development:

Land Use and Building Controls	71,710
Economic Development	96,933
	<u>168,643</u>

### Total County Environment and Education

\$695,463

(Continued)

# CERRO GORDO COUNTY, IOWA

## SCHEDULE OF EXPENDITURES – GENERAL FUND

Year Ended June 30, 2010

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### Governmental Services to Residents:

#### Representation Services:

Elections Administration

\$273,566

Local Elections

51,331

Township Officials

1,762

326,659

#### State Administrative Services:

Motor Vehicle Registrations and Licensing

313,983

Recording of Public Documents

315,434

629,417

### Total Governmental Services to Residents

\$956,076

### Administration:

#### Policy and Administration:

General County Management

\$883,634

Administrative Management Services

422,944

Treasury Management Services

175,800

Other Policy and Administration

64,509

1,546,887

#### Central Services:

General Services

506,573

Data Processing

665,280

1,171,853

#### Risk Management Services:

Safety of Workplace

116,746

Fidelity of Public Officers

3,137

Unemployment Compensation

5,874

125,757

### Total Administration

\$2,844,497

### Non-Program:

Other Non-Program Current

\$42,718

### Capital Projects:

Other Capital Projects

\$245

### Total Expenditures

\$11,625,106

(Concluded)

See Accompanying Independent Auditors' Report.

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# CERRO GORDO COUNTY, IOWA

## COMBINING BALANCE SHEET -- NONMAJOR GOVERNMENTAL FUNDS

June 30, 2010

	Resource Enhancement and Protection	Recorder's Records Management	General County Betterment	Nature Center	Supplemental Environmental Project
<b>ASSETS</b>					
Cash and Pooled Investments	\$89,655	\$45,806	(\$8,253)	\$379,593	\$15,003
Receivables:					
Accounts	0	2,468	0	2,835	0
Accrued Interest	0	17	0	365	0
Drainage Assessments	0	0	0	0	0
Due From Other Governments	0	0	10,574	0	0
<b>Total Assets</b>	<b>\$89,655</b>	<b>\$48,291</b>	<b>\$2,321</b>	<b>\$382,793</b>	<b>\$15,003</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$2,560	\$0	\$0	\$693	\$0
Salaries and Benefits Payable	0	0	0	667	0
Due to Other Funds	0	0	0	0	0
Unearned Revenue	0	0	0	0	0
<b>Total Liabilities</b>	<b>2,560</b>	<b>0</b>	<b>0</b>	<b>1,360</b>	<b>0</b>
Fund Balances:					
Reserved for Endowment	0	0	0	121,711	0
Reserved for Drainage Warrants	0	0	0	0	0
Reserved for Trust	0	0	0	0	0
Unreserved	87,095	48,291	2,321	259,722	15,003
<b>Total Fund Balances</b>	<b>87,095</b>	<b>48,291</b>	<b>2,321</b>	<b>381,433</b>	<b>15,003</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$89,655</b>	<b>\$48,291</b>	<b>\$2,321</b>	<b>\$382,793</b>	<b>\$15,003</b>

See Accompanying Independent Auditors' Report.

Conservation Parks	Rural County Betterment	Economic Development	Drainage	Public Health Inspections	Empowerment
\$134,229	\$11,907	\$95,080	\$97,737	(\$2,096)	\$186,187
4,039	0	0	0	19,270	0
0	0	0	0	0	0
0	0	0	11,428	0	0
0	42,294	21,147	0	0	0
\$138,268	\$54,201	\$116,227	\$109,165	\$17,174	\$186,187
\$1,898	\$12,739	\$0	\$6,413	\$612	\$71,230
1,916	0	0	0	0	1,623
0	0	0	0	0	121
0	0	0	11,423	0	0
3,814	12,739	0	17,836	612	72,974
0	0	0	0	0	0
0	0	0	91,329	0	0
0	0	0	0	0	0
134,454	41,462	116,227	0	16,562	113,213
134,454	41,462	116,227	91,329	16,562	113,213
\$138,268	\$54,201	\$116,227	\$109,165	\$17,174	\$186,187

(Continued)

# CERRO GORDO COUNTY, IOWA

## COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

June 30, 2010

	Jail Commissary Profits	Sheriff Forfeiture	Sheriff Tobacco	Sheriff Abandoned Vehicle
<b>ASSETS</b>				
Cash and Pooled Investments	\$5,692	\$66,849	\$1,535	\$616
Receivables:				
Accounts	9,033	1,624	0	0
Accrued Interest	0	0	0	0
Drainage Assessments	0	0	0	0
Due From Other Governments	0	0	0	0
<b>Total Assets</b>	<b>\$14,725</b>	<b>\$68,473</b>	<b>\$1,535</b>	<b>\$616</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$2,722	\$0	\$0	\$0
Salaries and Benefits Payable	0	0	0	0
Due to Other Funds	0	0	0	0
Unearned Revenue	0	0	0	0
<b>Total Liabilities</b>	<b>2,722</b>	<b>0</b>	<b>0</b>	<b>0</b>
Fund Balances:				
Reserved for Endowment	0	0	0	0
Reserved for Drainage Warrants	0	0	0	0
Reserved for Trust	0	0	0	0
Unreserved	12,003	68,473	1,535	616
<b>Total Fund Balances</b>	<b>12,003</b>	<b>68,473</b>	<b>1,535</b>	<b>616</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$14,725</b>	<b>\$68,473</b>	<b>\$1,535</b>	<b>\$616</b>

See Accompanying Independent Auditors' Report.



Sheriff DARE	Jail Phone Profits	Attorney Forfeiture	Strand Estate Trust	Conservation Land Acquisition Trust	Total
\$3,154	\$38,636	\$18,752	\$75,922	\$42,334	\$1,298,338
0	1,469	0	0	0	40,738
0	0	0	0	0	382
0	0	0	0	0	11,428
0	0	0	0	0	74,015
\$3,154	\$40,105	\$18,752	\$75,922	\$42,334	\$1,424,901
\$20	\$207	\$0	\$520	\$0	\$99,614
0	0	0	0	0	4,206
0	0	0	0	0	121
0	0	0	0	0	11,423
20	207	0	520	0	115,364
0	0	0	0	0	121,711
0	0	0	0	0	91,329
0	0	0	60,000	0	60,000
3,134	39,898	18,752	15,402	42,334	1,036,497
3,134	39,898	18,752	75,402	42,334	1,309,537
\$3,154	\$40,105	\$18,752	\$75,922	\$42,334	\$1,424,901

(Concluded)

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS Year Ended June 30, 2010

	Resource Enhancement and Protection	Recorder's Records Management	General County Betterment	Nature Center	Supplemental Environmental Project
<b>REVENUES:</b>					
Local Option Sales Tax	\$0	\$0	\$71,233	\$0	\$0
Intergovernmental	33,383	0	0	0	15,000
Licenses and Permits	0	0	0	0	0
Charges For Service	0	9,294	0	0	0
Use of Money and Property	82	275	0	4,655	3
Fines, Forfeitures and Defaults	0	0	0	0	0
Miscellaneous	0	0	0	61,765	0
<b>Total Revenues</b>	<b>33,465</b>	<b>9,569</b>	<b>71,233</b>	<b>66,420</b>	<b>15,003</b>
<b>EXPENDITURES:</b>					
Operating:					
Public Safety and Legal Services	0	0	6,000	0	0
Physical Health and Social Services	0	0	51,938	0	0
County Environment and Education	20,578	0	2,500	47,159	0
Governmental Services to Residents	0	13,965	0	0	0
Administration	0	0	20,668	0	0
Non-Program	0	0	0	0	0
Debt Service	0	0	0	0	0
<b>Total Expenditures</b>	<b>20,578</b>	<b>13,965</b>	<b>81,106</b>	<b>47,159</b>	<b>0</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,887	(4,396)	(9,873)	19,261	15,003
Other Financing Sources (Uses):					
Issuance of Drainage Warrants	0	0	0	0	0
<b>Total Other Financing Sources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	12,887	(4,396)	(9,873)	19,261	15,003
Fund Balances Beginning of Year	74,208	52,687	12,194	362,172	0
Fund Balances End of Year	<b>\$87,095</b>	<b>\$48,291</b>	<b>\$2,321</b>	<b>\$381,433</b>	<b>\$15,003</b>

See Accompanying Independent Auditors' Report.

Conservation Parks	Rural County Betterment	Economic Development	Drainage	Public Health Inspections	Empowerment
\$0	\$284,931	\$142,466	\$0	\$0	\$0
0	0	0	0	53,695	792,532
0	0	0	0	365,386	0
48,629	0	0	46,564	5,665	0
3	0	0	99	0	255
0	0	0	0	0	0
0	0	0	19,828	6,645	0
48,632	284,931	142,466	66,491	431,391	792,787
0	128,410	0	0	0	0
0	4,000	0	0	432,183	781,403
29,435	155,821	170,600	0	0	0
0	0	0	0	0	0
0	21,543	0	0	0	0
0	0	0	125,214	0	0
0	24,449	0	0	0	0
29,435	334,223	170,600	125,214	432,183	781,403
19,197	(49,292)	(28,134)	(58,723)	(792)	11,384
0	0	0	45,287	0	0
0	0	0	45,287	0	0
19,197	(49,292)	(28,134)	(13,436)	(792)	11,384
115,257	90,754	144,361	104,765	17,354	101,829
\$134,454	\$41,462	\$116,227	\$91,329	\$16,562	\$113,213

(Continued)

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS Year Ended June 30, 2010

	Jail Commissary Profits	Sheriff Forfeiture	Sheriff Tobacco	Sheriff Abandoned Vehicle
<b>REVENUES:</b>				
Local Option Sales Tax	\$0	\$0	\$0	\$0
Intergovernmental	0	0	0	1,050
Licenses and Permits	0	0	0	0
Charges For Service	0	0	0	0
Use of Money and Property	44,769	0	0	0
Fines, Forfeitures and Defaults	0	39,018	0	0
Miscellaneous	0	0	0	0
<b>Total Revenues</b>	<b>44,769</b>	<b>39,018</b>	<b>0</b>	<b>1,050</b>
<b>EXPENDITURES:</b>				
Operating:				
Public Safety and Legal Services	46,225	8,706	0	1,304
Physical Health and Social Services	0	0	0	0
County Environment and Education	0	0	0	0
Governmental Services to Residents	0	0	0	0
Administration	0	0	0	0
Non-Program	0	0	0	0
Debt Service	0	0	0	0
<b>Total Expenditures</b>	<b>46,225</b>	<b>8,706</b>	<b>0</b>	<b>1,304</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,456)	30,312	0	(254)
Other Financing Sources (Uses):				
Proceeds From Drainage Warrants	0	0	0	0
<b>Total Other Financing Sources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,456)	30,312	0	(254)
Fund Balances Beginning of Year	13,459	38,161	1,535	870
Fund Balances End of Year	\$12,003	\$68,473	\$1,535	\$616

See Accompanying Independent Auditors' Report.

Sheriff DARE	Jail Phone Profits	Attorney Forfeiture	Strand Estate Grant	Conservation Land Acquisition Trust	Total
\$0	\$0	\$0	\$0	\$0	\$498,630
0	0	0	0	0	895,660
0	0	0	0	0	365,386
0	0	0	0	0	110,152
0	19,093	0	588	580	70,402
0	0	3,875	0	0	42,893
0	0	0	0	0	88,238
0	19,093	3,875	588	580	2,071,361
20	8,174	5,434	0	0	204,273
0	0	0	0	0	1,269,524
0	0	0	2,080	0	428,173
0	0	0	0	0	13,965
0	0	0	0	0	42,211
0	0	0	0	0	125,214
0	0	0	0	0	24,449
20	8,174	5,434	2,080	0	2,107,809
(20)	10,919	(1,559)	(1,492)	580	(36,448)
0	0	0	0	0	45,287
0	0	0	0	0	45,287
(20)	10,919	(1,559)	(1,492)	580	8,839
3,154	28,979	20,311	76,894	41,754	1,300,698
\$3,134	\$39,898	\$18,752	\$75,402	\$42,334	\$1,309,537

(Concluded)

# CERRO GORDO COUNTY, IOWA

## COMBINING BALANCE SHEET – INTERNAL SERVICE FUNDS June 30, 2010

	Central Services	Health Insurance	Total
<b>ASSETS</b>			
Cash and Pooled Investments	\$87,731	\$160,834	\$248,565
Receivables:			
Accounts	809	133,675	134,484
Due From other Governments	6	0	6
<b>Total Assets</b>	<b>\$88,546</b>	<b>\$294,509</b>	<b>\$383,055</b>
<b>LIABILITIES</b>			
Liabilities			
Accounts Payable	\$6,243	\$0	\$6,243
Net Assets			
Unrestricted	\$82,303	\$294,509	\$376,812

See Accompanying Independent Auditors' Report.

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS – INTERNAL SERVICE FUNDS Year Ended June 30, 2010

	Central Services	Health Insurance	Total
<b>OPERATING REVENUES:</b>			
Interfund Services Provided	\$282,685	\$2,379,021	\$2,661,706
Payments from Employees	0	122,695	122,695
Miscellaneous	3,355	126,123	129,478
<b>Total Operating Revenues</b>	<b>286,040</b>	<b>2,627,839</b>	<b>2,913,879</b>
<b>OPERATING EXPENSES:</b>			
Health Insurance:			
Medical Claims Paid	0	247,000	247,000
Insurance Premiums	0	2,129,339	2,129,339
Administrative Fees	0	50,800	50,800
Miscellaneous	0	10,785	10,785
Central Services:			
Telephone	39,097	0	39,097
Insurance	247,631	0	247,631
<b>Total Operating Expenses</b>	<b>286,728</b>	<b>2,437,924</b>	<b>2,724,652</b>
Operating Income (Loss)	(688)	189,915	189,227
<b>NON-OPERATING REVENUES:</b>			
Interest	0	17	17
Net Income (Loss)	(688)	189,932	189,244
Net Assets Beginning of Year	82,991	104,577	187,568
Net Assets End of Year	\$82,303	\$294,509	\$376,812

See Accompanying Independent Auditors' Report.

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF CASH FLOWS – INTERNAL SERVICE FUNDS Year Ended June 30, 2010

	Central Services	Health Insurance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash Received from Other Funds	\$288,093	\$2,245,877	\$2,533,970
Cash Received from Employees & Others	3,365	248,370	251,735
Cash Payments to Suppliers for Services	(288,673)	(2,437,925)	(2,726,598)
Net Cash Provided By Operating Activities	2,785	56,322	59,107
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest Income	0	17	17
Net Increase in Cash	2,785	56,339	59,124
Cash Beginning of Year	84,946	104,495	189,441
Cash End of Year	\$87,731	\$160,834	\$248,565
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>			
Operating Income (Loss)	(\$688)	\$189,915	\$189,227
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By Operating Activities:			
(Increase) Decrease in Receivables	5,418	(133,593)	(128,175)
Increase (Decrease) in Payables	(1,945)	0	(1,945)
Net Cash Provided By Operating Activities	\$2,785	\$56,322	\$59,107

See Accompanying Independent Auditors' Report.



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# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES – ALL AGENCY FUNDS

June 30, 2010

	Elected Officials	Other	Total
<b>ASSETS</b>			
Cash and Pooled Investments:			
County Treasurer	\$0	\$3,007,160	\$3,007,160
Other County Officials	239,354	0	239,354
Receivables:			
Property Tax:			
Delinquent	0	2,199	2,199
Succeeding Year	0	51,648,037	51,648,037
Accounts	250	4,810	5,060
Assessments	0	1,129,230	1,129,230
Due From Other Governments	0	161,186	161,186
<b>Total Assets</b>	<b>\$239,604</b>	<b>\$55,952,622</b>	<b>\$56,192,226</b>
<b>LIABILITIES</b>			
Accounts Payable	\$0	\$49,469	\$49,469
Salaries and Benefits Payable	0	16,927	16,927
Due to Other Governments	87	55,821,278	55,821,365
Trusts Payable	239,517	43,796	283,313
Compensated Absences	0	21,152	21,152
<b>Total Liabilities</b>	<b>\$239,604</b>	<b>\$55,952,622</b>	<b>\$56,192,226</b>

See Accompanying Independent Auditors' Report.

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES – ELECTED OFFICIALS June 30, 2010

	Relief Representative Payee	Veterans Affairs	Recorder	Sheriff	Total
<b>ASSETS</b>					
Cash and Pooled Investments:					
Other County Officials	\$74,017	\$998	(\$163)	\$164,502	\$239,354
Receivables:					
Accounts	0	0	250	0	250
<b>Total Assets</b>	<b>\$74,017</b>	<b>\$998</b>	<b>\$87</b>	<b>\$164,502</b>	<b>\$239,604</b>
<b>LIABILITIES</b>					
Due to Other Governments	\$0	\$0	\$87	\$0	\$87
Trusts Payable	74,017	998	0	164,502	239,517
<b>Total Liabilities</b>	<b>\$74,017</b>	<b>\$998</b>	<b>\$87</b>	<b>\$164,502</b>	<b>\$239,604</b>

See Accompanying Independent Auditors' Report.

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES – OTHER AGENCY FUNDS June 30, 2010

	Agricultural Extension Education	County Assessor	County Special Appraisal	City Assessor
<b>ASSETS</b>				
Cash and Pooled Investments:				
County Treasurer	\$2,987	\$278,551	\$291,697	\$68,964
Receivables:				
Property Tax:				
Delinquent	9	20	15	5
Succeeding Year	209,616	299,621	225,360	197,484
Accounts	0	1,242	0	0
Assessments	0	0	0	0
Due From Other Governments	0	0	0	0
<b>Total Assets</b>	<b>\$212,612</b>	<b>\$579,434</b>	<b>\$517,072</b>	<b>\$266,453</b>
<b>LIABILITIES</b>				
Accounts Payable	\$0	\$3,715	\$1,115	\$1,936
Salaries and Benefits Payable	0	6,669	2,308	4,626
Due to Other Governments	212,612	555,642	513,649	256,165
Trusts Payable	0	0	0	0
Compensated Absences	0	13,408	0	3,726
<b>Total Liabilities</b>	<b>\$212,612</b>	<b>\$579,434</b>	<b>\$517,072</b>	<b>\$266,453</b>

See Accompanying Independent Auditors' Report.

City Special Appraisal	Schools	Community Colleges	Corporations	Townships	City Special Assessments
\$52,772	\$363,978	\$17,232	\$282,522	\$2,885	\$25,352
0	1,179	57	913	1	0
22,214	27,616,853	1,285,056	20,804,905	220,588	0
0	0	0	0	0	0
0	0	0	175	0	1,074,281
0	0	0	0	0	0
<b>\$74,986</b>	<b>\$27,982,010</b>	<b>\$1,302,345</b>	<b>\$21,088,515</b>	<b>\$223,474</b>	<b>\$1,099,633</b>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
74,986	27,982,010	1,302,345	21,088,515	223,474	1,099,633
0	0	0	0	0	0
0	0	0	0	0	0
<b>\$74,986</b>	<b>\$27,982,010</b>	<b>\$1,302,345</b>	<b>\$21,088,515</b>	<b>\$223,474</b>	<b>\$1,099,633</b>

(Continued)

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES – OTHER AGENCY FUNDS (Continued) June 30, 2010

	Auto License and Use Tax	Brucellosis and Tuberculosis Eradication	Joint Disaster Services	Clear Lake Sanitary	County EMS Association
<b>ASSETS</b>					
Cash and Pooled Investments:					
County Treasurer	\$963,314	\$3,271	\$167,894	\$21,591	\$4,903
Receivables:					
Property Tax:					
Delinquent	0	0	0	0	0
Succeeding Year	0	6,648	0	759,692	0
Accounts	0	0	0	0	0
Assessments	0	0	0	54,774	0
Due From Other Governments	0	0	161,186	0	0
<b>Total Assets</b>	<b>\$963,314</b>	<b>\$9,919</b>	<b>\$329,080</b>	<b>\$836,057</b>	<b>\$4,903</b>
<b>LIABILITIES</b>					
Accounts Payable	\$0	\$0	\$39,792	\$0	\$2,606
Salaries and Benefits Payable	0	0	1,849	0	0
Due to Other Governments	963,314	9,919	287,439	836,057	2,297
Trusts Payable	0	0	0	0	0
Compensated Absences	0	0	0	0	0
<b>Total Liabilities</b>	<b>\$963,314</b>	<b>\$9,919</b>	<b>\$329,080</b>	<b>\$836,057</b>	<b>\$4,903</b>

Advance Tax	Cash Long/Short	Dispute Resolution	E911 Operations	Advanced Law Enforcement Investigative and Administrative System	Recorder's Transfer Fee	Employee Benefits	Total
\$64,822	\$786	\$29,391	\$353,700	\$29,159	\$2,441	(\$21,052)	\$3,007,160
0	0	0	0	0	0	0	2,199
0	0	0	0	0	0	0	51,648,037
0	0	810	0	0	2,732	26	4,810
0	0	0	0	0	0	0	1,129,230
0	0	0	0	0	0	0	161,186
\$64,822	\$786	\$30,201	\$353,700	\$29,159	\$5,173	(\$21,026)	\$55,952,622
\$0	\$0	\$298	\$0	\$7	\$0	\$0	\$49,469
0	0	1,475	0	0	0	0	16,927
0	786	24,410	353,700	29,152	5,173	0	55,821,278
64,822	0	0	0	0	0	(21,026)	43,796
0	0	4,018	0	0	0	0	21,152
\$64,822	\$786	\$30,201	\$353,700	\$29,159	\$5,173	(\$21,026)	\$55,952,622

(Concluded)

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES – ALL AGENCY FUNDS Year Ended June 30, 2010

	Elected Officials			Balance June 30, 2010
	Balance July 1, 2009	Additions	Deductions	
<b>ASSETS</b>				
Cash and Pooled Investments:				
Other County Officials	\$264,246	\$2,523,951	\$2,548,843	\$239,354
Receivables:				
Accounts	183	250	183	250
<b>Total Assets</b>	<b>\$264,429</b>	<b>\$2,524,201</b>	<b>\$2,549,026</b>	<b>\$239,604</b>
<b>LIABILITIES</b>				
Due to Other Governments	\$47	\$2,284,684	\$2,284,644	\$87
Trusts Payable	264,382	239,517	264,382	239,517
<b>Total Liabilities</b>	<b>\$264,429</b>	<b>\$2,524,201</b>	<b>\$2,549,026</b>	<b>\$239,604</b>
<b>Other Agency Funds</b>				
	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<b>ASSETS</b>				
Cash and Pooled Investments:				
County Treasurer	\$2,687,905	\$12,440,456	\$12,121,201	\$3,007,160
Receivables:				
Property Tax:				
Delinquent	1,387	2,199	1,387	2,199
Succeeding Year	47,651,526	51,648,037	47,651,526	51,648,037
Accounts	5,699	4,810	5,699	4,810
Due From Other Governments	1,088,693	1,129,230	1,088,693	1,129,230
Assessments	239,338	161,186	239,338	161,186
<b>Total Assets</b>	<b>\$51,674,548</b>	<b>\$65,385,918</b>	<b>\$61,107,844</b>	<b>\$55,952,622</b>
<b>LIABILITIES</b>				
Accounts Payable	\$378,959	\$49,469	\$378,959	\$49,469
Salaries and Benefits Payable	14,515	16,927	14,515	16,927
Due to Other Governments	51,211,749	65,254,574	60,645,045	55,821,278
Trusts Payable	47,562	43,796	47,562	43,796
Compensated Absences	21,763	21,152	21,763	21,152
<b>Total Liabilities</b>	<b>\$51,674,548</b>	<b>\$65,385,918</b>	<b>\$61,107,844</b>	<b>\$55,952,622</b>

See Accompanying Independent Auditors' Report.



# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES – ELECTED OFFICIALS Year Ended June 30, 2010

	Relief Representative Payee	Veterans Affairs	Auditor	Recorder	Sheriff	Total
<b>ASSETS AND LIABILITIES</b>						
Balance Beginning of Year	\$74,486	\$998	\$0	\$47	\$188,898	\$264,429
Additions:						
Office Fees and Collections	0	0	2,902	793,696	1,067,631	1,864,229
Trusts	375,896	0	0	0	284,076	659,972
<b>Total Additions</b>	<b>375,896</b>	<b>0</b>	<b>2,902</b>	<b>793,696</b>	<b>1,351,707</b>	<b>2,524,201</b>
Deductions:						
Agency Remittances:						
To County Funds	0	0	2,902	321,898	106,958	431,758
To Other Governments	0	0	0	471,233	732	471,965
Trusts Paid Out	376,365	0	0	525	1,268,413	1,645,303
<b>Total Deductions</b>	<b>376,365</b>	<b>0</b>	<b>2,902</b>	<b>793,656</b>	<b>1,376,103</b>	<b>2,549,026</b>
Balance End of Year	\$74,017	\$998	\$0	\$87	\$164,502	\$239,604

See Accompanying Independent Auditors' Report.

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES – OTHER AGENCY FUNDS Year Ended June 30, 2010

	Agricultural Extension Education	County Assessor	County Special Appraisal	City Assessor
<b>ASSETS AND LIABILITIES</b>				
Balance Beginning of Year	\$209,530	\$539,439	\$569,989	\$259,624
Additions:				
Property and Other County Tax	211,329	310,125	234,211	193,401
E911 Surcharge	0	0	0	0
State Tax Credits	6,477	8,869	7,478	6,396
Auto Licenses, Use Tax and Postage	0	0	0	0
Assessments	0	0	0	0
Trusts	0	0	0	0
Miscellaneous	0	5,773	0	2,237
<b>Total Additions</b>	<b>217,806</b>	<b>324,767</b>	<b>241,689</b>	<b>202,034</b>
Deductions:				
Agency Remittances:				
To Other Governments	214,724	284,772	294,606	195,205
Trusts Paid Out	0	0	0	0
<b>Total Deductions</b>	<b>214,724</b>	<b>284,772</b>	<b>294,606</b>	<b>195,205</b>
Balance End of Year	\$212,612	\$579,434	\$517,072	\$266,453

See Accompanying Independent Auditors' Report.

City Special Appraisal	Schools	Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax
\$70,844	\$25,476,827	\$1,210,187	\$19,599,180	\$212,924	\$1,054,248	\$878,604
21,808	27,808,472	1,294,944	20,409,912	229,578	0	0
0	0	0	0	0	0	0
636	801,168	37,363	530,982	8,051	0	0
0	0	0	0	0	0	10,114,496
0	0	0	17,542	0	317,860	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
22,444	28,609,640	1,332,307	20,958,436	237,629	317,860	10,114,496
18,302	26,104,457	1,240,149	19,469,101	227,079	272,475	10,029,786
0	0	0	0	0	0	0
18,302	26,104,457	1,240,149	19,469,101	227,079	272,475	10,029,786
\$74,986	\$27,982,010	\$1,302,345	\$21,088,515	\$223,474	\$1,099,633	\$963,314

(Continued)

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES – OTHER AGENCY FUNDS (Continued) Year Ended June 30, 2010

	Brucellosis and Tuberculosis Eradication	Joint Disaster Services	Clear Lake Sanitary	County EMS Association	Advance Tax
<b>ASSETS AND LIABILITIES</b>					
Balance Beginning of Year	\$5,859	\$284,550	\$829,049	\$12,083	\$51,059
Additions:					
Property and Other County Tax	16,733	0	746,421	0	0
E911 Surcharge	0	0	0	0	0
State Tax Credits	181	0	14,438	0	0
Auto Licenses, Use Tax and Postage	0	0	0	0	0
Assessments	0	0	56,363	0	0
Trusts	0	0	0	0	13,763
Miscellaneous	0	840,613	0	3,276	0
<b>Total Additions</b>	<b>16,914</b>	<b>840,613</b>	<b>817,222</b>	<b>3,276</b>	<b>13,763</b>
Deductions:					
Agency Remittances:					
To Other Governments	12,854	796,083	810,214	10,456	0
Trusts Paid Out	0	0	0	0	0
<b>Total Deductions</b>	<b>12,854</b>	<b>796,083</b>	<b>810,214</b>	<b>10,456</b>	<b>0</b>
Balance End of Year	\$9,919	\$329,080	\$836,057	\$4,903	\$64,822

Cash Long/Short	Tax Sale Redemption	Dispute Resolution	E911 Operations	Advanced Law Enforcement Investigative and Administrative System	Recorder's Transfer Fee	Employee Benefits	Total
\$862	\$0	\$46,691	\$341,976	\$22,636	\$1,884	(\$3,497)	\$51,674,548
0	0	0	0	0	0	0	51,476,934
0	0	0	176,143	0	0	0	176,143
0	0	0	0	0	0	0	1,422,039
0	0	0	0	0	0	0	10,114,496
0	0	0	0	0	0	0	391,765
0	573,288	0	0	0	0	238,625	825,676
0	0	45,350	713	53,251	27,652	0	978,865
0	573,288	45,350	176,856	53,251	27,652	238,625	65,385,918
76	0	61,840	165,132	46,728	24,363	0	60,278,402
0	573,288	0	0	0	0	256,154	829,442
76	573,288	61,840	165,132	46,728	24,363	256,154	61,107,844
\$786	\$0	\$30,201	\$353,700	\$29,159	\$5,173	(\$21,026)	\$55,952,622

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# CERRO GORDO COUNTY, IOWA

## SCHEDULE OF CAPITAL ASSETS BY FUNDING SOURCE Year Ended June 30, 2010

	Balance June 30, 2009	Additions	Disposals	Balance June 30, 2010
<b>ASSETS</b>				
Land	\$ 1,646,392	\$ -	\$ -	\$ 1,646,392
Construction in Process	1,196,463	868,785	1,527,673	537,575
Buildings and Structures	18,013,056	-	884,646	17,128,410
Improvements other than Buildings	603,760	-	-	603,760
Machinery and Equipment	6,883,973	290,609	210,914	6,963,668
Licensed Vehicles	3,515,582	127,365	140,537	3,502,410
Intangibles	-	263,734	-	263,734
Infrastructure	33,786,431	4,185,778	-	37,972,209
	<u>\$ 65,645,657</u>	<u>\$ 5,736,271</u>	<u>\$ 2,763,770</u>	<u>\$ 68,618,158</u>
<b>FUNDING SOURCE</b>				
General Fund	\$ 6,423,588	\$ 512,226	\$ 731,791	\$ 6,204,023
Special Revenue Funds	44,511,528	4,990,552	1,507,814	47,994,266
Capital Project Fund	14,710,541	233,493	524,165	14,419,869
	<u>\$ 65,645,657</u>	<u>\$ 5,736,271</u>	<u>\$ 2,763,770</u>	<u>\$ 68,618,158</u>

# CERRO GORDO COUNTY, IOWA

## SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY AS OF JUNE 30, 2010

	Land	Construction in Process	Buildings and Structures
Public Safety and Legal Services			
Law Enforcement	\$ -	-	13,273,609
Legal Services	-	-	-
<b>Total Public Safety and Legal Services</b>	<b>-</b>	<b>-</b>	<b>13,273,609</b>
Physical Health and Social Services:			
Physical Health Services	-	-	-
Services to Poor	-	-	-
Services to Military Veterans	-	-	-
<b>Total Physical Health and Social Services</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mental Health:			
Persons with Chronic Mental Illness	-	-	-
<b>Total Mental Health</b>	<b>-</b>	<b>-</b>	<b>-</b>
County Environment and Education:			
Environmental Quality Program	-	-	-
Conservation and Recreation Services	150,798	-	490,292
County Development	-	-	-
<b>Total County Environment and Education</b>	<b>150,798</b>	<b>-</b>	<b>490,292</b>
Roads and Transportation:			
Secondary Roads Administration and Engineering	-	-	325,259
Roadway Maintenance	-	537,575	-
General Roadway Expenditures	-	-	229,970
<b>Total Roads and Transportation</b>	<b>-</b>	<b>537,575</b>	<b>555,229</b>
State and Local Government Services:			
Representation Services	-	-	-
State Administration Services	-	-	-
<b>Total State and Local Government Services</b>	<b>-</b>	<b>-</b>	<b>-</b>
Interprogram Services:			
Policy and Administration	-	-	165,615
Central Services	1,495,594	-	2,643,665
<b>Total Interprogram Services</b>	<b>1,495,594</b>	<b>-</b>	<b>2,809,280</b>
<b>Total Capital Assets</b>	<b>\$ 1,646,392</b>	<b>537,575</b>	<b>\$ 17,128,410</b>



Improvements other than Buildings	Machinery and Equipment	Licensed Vehicles	Intangibles	Infrastructure	Total
35,379	411,653	548,360	-	-	\$ 14,269,001
-	34,237	-	-	-	34,237
35,379	445,890	548,360	-	-	14,303,238
-	286,033	46,098	-	-	332,131
-	6,371	-	-	-	6,371
-	-	-	-	-	-
-	292,404	46,098	-	-	338,502
-	6,261	13,037	-	-	19,298
-	6,261	13,037	-	-	19,298
-	-	-	-	-	-
132,939	249,883	217,024	-	-	1,240,936
-	5,157	10,641	-	-	15,798
132,939	255,040	227,665	-	-	1,256,734
31,151	83,011	51,827	-	-	491,248
-	76,024	135,288	-	37,972,209	38,721,096
-	4,741,604	2,480,135	-	-	7,451,709
31,151	4,900,639	2,667,250	-	37,972,209	46,664,053
-	379,762	-	97,786	-	477,548
-	55,707	-	-	-	55,707
-	435,469	-	97,786	-	533,255
-	60,406	-	-	-	226,021
404,291	567,559	-	165,948	-	5,277,057
404,291	627,965	-	165,948	-	5,503,078
603,760	\$ 6,963,668	\$ 3,502,410	\$ 263,734	37,972,209	68,618,158

# CERRO GORDO COUNTY, IOWA

## SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY Year Ended June 30, 2010

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
<b>Public Safety and Legal Services</b>				
Law Enforcement	\$ 14,908,960	\$ 114,782	\$ 754,741	\$ 14,269,001
Legal Services	34,237	-	-	34,237
<b>Total Public Safety and Legal Services</b>	<b>14,943,197</b>	<b>114,782</b>	<b>754,741</b>	<b>14,303,238</b>
<b>Physical Health and Social Services:</b>				
Physical Health Services	326,746	5,385	-	332,131
Services to Poor	6,371	-	-	6,371
Services to Military Veterans	-	-	-	-
<b>Total Physical Health and Social Services</b>	<b>333,117</b>	<b>5,385</b>	<b>-</b>	<b>338,502</b>
<b>Mental Health:</b>				
Persons with Chronic Mental Illness	36,074	-	16,776	19,298
<b>Total Mental Health</b>	<b>36,074</b>	<b>-</b>	<b>16,776</b>	<b>19,298</b>
<b>County Environment and Education:</b>				
Environmental Quality Program	-	-	-	-
Conservation and Recreation Services	1,246,604	18,282	23,950	1,240,936
County Development	15,798	-	-	15,798
<b>Total County Environment and Education</b>	<b>1,262,402</b>	<b>18,282</b>	<b>23,950</b>	<b>1,256,734</b>
<b>Roads and Transportation:</b>				
Secondary Roads Administration and Engineering	491,248	-	-	491,248
Roadway Maintenance	35,072,076	4,912,959	1,263,939	38,721,096
General Roadway Expenditures	7,438,554	72,208	59,053	7,451,709
<b>Total Roads and Transportation</b>	<b>43,001,878</b>	<b>4,985,167</b>	<b>1,322,992</b>	<b>46,664,053</b>
<b>Government Services to Residents:</b>				
Representation Services	436,117	150,053	108,622	477,548
State Administration Services	55,707	-	-	55,707
<b>Total Government Services to Residents</b>	<b>491,824</b>	<b>150,053</b>	<b>108,622</b>	<b>533,255</b>
<b>Administration:</b>				
Policy and Administration	499,736	-	273,715	226,021
Central Services	5,077,427	462,601	262,971	5,277,057
<b>Total Administration</b>	<b>5,577,163</b>	<b>462,601</b>	<b>536,686</b>	<b>5,503,078</b>
<b>Total Capital Assets</b>	<b>\$ 65,645,655</b>	<b>\$ 5,736,270</b>	<b>\$ 2,763,767</b>	<b>68,618,158</b>

# CERRO GORDO COUNTY, IOWA

STATISTICAL SECTION  
June 30, 2010

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

<u>Contents</u>	<u>Pages</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	85-94
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	95-104
<b>Debt Capacity</b> 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.	105-109
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	110-111
<b>Operating Information</b> 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.	112-117

# CERRO GORDO COUNTY, IOWA

## NET ASSETS BY COMPONENT

Last Eight Fiscal Years\*

(Accrual basis of accounting)

(Unaudited)

	Fiscal Year		
	2003	2004	2005
Government activities:			
Invested in capital assets, net of related debt	\$ 8,363,575	\$ 9,761,714	\$ 13,727,858
Restricted	4,630,537	3,241,336	3,083,406
Unrestricted	4,357,591	4,610,114	3,600,840
Total Government activities net assets	<u>\$ 17,351,703</u>	<u>\$ 17,613,164</u>	<u>\$ 20,412,104</u>
Business-type activities:			
Invested in capital assets, net of related debt	\$ 460,966	\$ 1,924,793	\$ 1,748,701
Restricted	-	-	-
Unrestricted	1,483,044	44,199	132,894
Total Business-type activities net assets	<u>\$ 1,944,010</u>	<u>\$ 1,968,992</u>	<u>\$ 1,881,595</u>
Primary Government:			
Invested in capital assets, net of related debt	\$ 8,824,541	\$ 11,686,507	\$ 15,476,559
Restricted	4,630,537	3,241,336	3,083,406
Unrestricted	5,840,635	4,654,313	3,733,734
Total Business-type activities net assets	<u>\$ 19,295,713</u>	<u>\$ 19,582,156</u>	<u>\$ 22,293,699</u>

\*Cerro Gordo County, Iowa implemented GASB 34 in FY2003.

Source: County Records

Fiscal Year				
2006	2007	2008	2009	2010
\$ 19,084,939	\$ 25,918,908	\$ 26,166,841	\$ 28,174,721	\$ 29,988,315
5,369,094	7,059,287	6,552,918	8,449,567	7,113,380
2,972,174	4,705,865	5,609,581	5,136,789	5,173,073
<u>\$ 27,426,207</u>	<u>\$ 37,684,060</u>	<u>\$ 38,329,340</u>	<u>\$ 41,761,077</u>	<u>\$ 42,274,768</u>
\$ 1,765,188	\$ 1,971,672	\$ 1,910,172	\$ 1,490,330	\$ 1,414,592
-	-	-	-	-
49,236	(240,350)	(270,020)	83,268	92,301
<u>\$ 1,814,424</u>	<u>\$ 1,731,322</u>	<u>\$ 1,640,152</u>	<u>\$ 1,573,598</u>	<u>\$ 1,506,893</u>
\$ 20,850,127	\$ 27,890,580	\$ 28,077,013	\$ 29,665,051	\$ 31,402,907
5,369,094	7,059,287	6,552,918	8,449,567	7,113,380
3,021,410	4,465,515	5,339,561	5,220,057	5,265,374
<u>\$ 29,240,631</u>	<u>\$ 39,415,382</u>	<u>\$ 39,969,492</u>	<u>\$ 43,334,675</u>	<u>\$ 43,781,661</u>

# CERRO GORDO COUNTY, IOWA

## CHANGES IN NET ASSETS

Last Eight Fiscal Years\*

(Accrual basis of accounting)

(Unaudited)

	Fiscal Year		
	2003	2004	2005
Expenses:			
Government activities:			
Public safety and legal services	\$ 4,308,699	\$ 4,431,064	\$ 4,590,463
Physical health and social services	3,683,099	4,107,546	4,104,085
Mental health	5,003,380	5,221,710	5,225,350
County environment and education	888,743	1,296,647	923,060
Roads and transportation	3,633,925	4,704,427	5,591,263
Government services to residents	751,404	674,627	804,185
Administration or general government	1,970,255	2,671,926	2,050,532
Non-program	341,615	146,647	1,063,732
Interest on long-term debt	29,262	22,388	37,859
Capital projects	398,312	-	-
Total governmental activities expenses	21,008,694	23,276,982	24,390,529
Business-type activities:			
Wastewater collection and treatment	71,877	126,426	248,320
Total government expenses	\$ 21,080,571	\$ 23,403,408	\$ 24,638,849
Program Revenues:			
Government activities:			
Charges for services:			
Public safety and legal services	\$ 432,584	\$ 399,983	\$ 544,358
Physical health and social services	691,980	726,481	698,391
Mental health	410,470	37,978	56,119
County environment and education	75,748	169,280	161,248
Roads and Transportation	90,634	450,070	661,816
Government services to residents	753,603	782,932	687,499
Administration or general government	94,347	170,474	107,919
Non-program	559,631	81,831	331,394
Capital Projects	480,535	49,799	-
Operating grants and contributions	6,266,218	8,903,694	9,275,378
Capital grants and contributions	792,603	-	2,445,455
Total governmental activities	10,648,353	11,772,522	14,969,577
Business-type activities:			
Charges for services:			
Wastewater collection and treatment	368,340	151,408	160,923
Total business-type activities	368,340	151,408	160,923
Total government program	\$ 11,016,693	\$ 11,923,930	\$ 15,130,500

# CERRO GORDO COUNTY, IOWA

## CHANGES IN NET ASSETS (Continued)

Last Seven Fiscal Years\*

(Accrual basis of accounting)

(Unaudited)

	Fiscal Year		
	2003	2004	2005
Net (Expense)/Revenue:			
Governmental activities	\$ (10,360,341)	\$ (11,504,460)	\$ (9,420,952)
Business-type activities	296,463	24,982	(87,397)
Total government net expense	\$ (10,063,878)	\$ (11,479,478)	\$ (9,508,349)
General Revenues and Other Changes in Net Assets:			
Governmental activities			
Property and other county tax levied for:			
General purposes	\$ 8,551,715	\$ 8,788,746	\$ 9,443,597
Debt service	170,744	-	374,667
Penalty and interest on property tax	117,361	106,704	126,247
State tax credits, unrestricted	965,074	399,747	422,743
Local option sales and service tax	1,454,813	1,769,845	1,228,557
Unrestricted grants and contributions	23,202	198,621	45,959
Unrestricted investment earnings	278,751	142,318	275,773
Loss on Disposal of Capital Assets	-	-	-
Miscellaneous	283,284	298,337	302,349
Total governmental activities	11,844,944	11,704,318	12,219,892
Business-type activities:			
Wastewater collection and treatment	12,353	-	-
Total business-type activities	\$ 12,353	\$ -	\$ -
Total government	\$ 11,857,297	\$ 11,704,318	\$ 12,219,892
Changes in Net Assets:			
Governmental activities	\$ 1,484,603	\$ 199,858	\$ 2,798,940
Business-type activities	308,816	24,982	(87,397)
Total government program	\$ 1,793,419	\$ 224,840	\$ 2,711,543

\*Cerro Gordo County, Iowa implemented GASB 34 in FY2003.

Source: County Records

Fiscal Year				
2006	2007	2008	2009	2010
\$ 4,827,135	\$ 5,598,566	\$ 6,549,905	7,202,831	\$ 7,269,875
4,274,119	4,730,060	4,884,946	5,111,164	4,726,961
5,617,449	5,851,088	6,373,624	5,813,641	5,943,074
1,291,161	1,128,411	1,536,823	1,676,138	1,329,604
4,996,566	6,085,524	5,944,155	6,534,326	7,061,925
892,862	895,995	998,437	1,019,291	969,501
2,441,271	2,227,192	2,448,491	2,166,888	2,920,542
319,240	266,798	172,344	916,010	2,399,569
37,976	604,169	557,654	535,303	513,578
-	-	-	-	-
24,697,779	27,387,803	29,466,379	30,975,592	33,134,629
137,422	144,092	165,782	140,356	133,970
\$ 24,835,201	\$ 27,531,895	\$ 29,632,161	31,115,948	\$ 33,268,599
\$ 556,195	\$ 457,988	\$ 900,473	893,693	\$ 921,982
510,549	500,140	579,215	574,979	649,560
514,799	52,699	586,315	548,039	557,386
82,626	78,750	63,167	90,782	78,204
547,931	100,061	23,057	57,906	58,176
676,740	677,734	721,702	641,497	694,326
269,375	257,804	232,344	253,284	187,016
468,310	87,828	89,556	153,355	228,208
-	-	-	-	-
9,019,060	10,668,131	8,755,036	9,992,973	7,396,827
5,216,480	850,690	611,123	3,974,119	5,371,687
17,862,065	13,731,825	12,561,988	17,180,627	16,143,372
70,251	60,990	74,612	73,802	67,217
70,251	60,990	74,612	73,802	67,217
\$ 17,932,316	\$ 13,792,815	\$ 12,636,600	17,254,429	\$ 16,210,589

(Continued)



Fiscal Year				
2006	2007	2008	2009	2010
\$ (6,835,714)	\$ (13,655,978)	\$ (16,904,391)	(13,794,965)	\$ (16,991,257)
(67,171)	(83,102)	(91,170)	(66,554)	(66,753)
\$ (6,902,885)	\$ (13,739,080)	\$ (16,995,561)	(13,861,519)	\$ (17,058,010)

\$ 11,129,894	\$ 11,789,658	\$ 12,116,096	12,881,530	\$ 13,373,304
571,714	1,465,976	1,396,144	952,133	951,217
139,522	130,746	146,433	166,230	174,381
483,123	498,856	483,910	457,716	443,450
1,411,660	1,520,121	1,787,415	1,539,950	1,424,656
68,051	-	-	-	-
533,762	1,141,111	718,515	282,175	134,595
-	(18,897)	(24,774)	(19,063)	(582,918)
848,945	358,647	925,932	966,031	1,464,133
15,186,671	16,886,218	17,549,671	17,226,702	17,382,818

-	-	-	-	48
\$ -	\$ -	\$ -	-	\$ 48
\$ 15,186,671	\$ 16,886,218	\$ 17,549,671	17,226,702	\$ 17,382,866

\$ 8,350,957	\$ 3,230,240	\$ 645,280	3,431,737	\$ 391,561
(67,171)	(83,102)	(91,170)	(66,554)	(66,705)
\$ 8,283,786	\$ 3,147,138	\$ 554,110	3,365,183	\$ 324,856

(Concluded)

# CERRO GORDO COUNTY, IOWA

## FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified accrual accounting)

(Unaudited)

	Fiscal Year			
	2001	2002	2003	2004
General Fund				
Reserved	\$ 362,931	\$ -	\$ -	\$ -
Unreserved	4,177,714	4,752,314	4,035,231	3,298,960
Total General Fund	<u>\$ 4,540,645</u>	<u>\$ 4,752,314</u>	<u>\$ 4,035,231</u>	<u>\$ 3,298,960</u>
All Other Governmental Funds				
Reserved for:				
Debt Service	\$ 58,733	\$ 93,479	\$ 78,070	\$ 75,186
Inventories, endowment & other	1,074,354	1,225,885	1,228,790	1,217,766
Unreserved, reported in:				
Special revenue funds	2,513,650	2,876,136	3,786,949	3,908,195
Capital Project funds	74,047	32,138	35,713	884,846
Total all other governmental funds	<u>\$ 3,720,784</u>	<u>\$ 4,227,638</u>	<u>\$ 5,129,522</u>	<u>\$ 6,085,993</u>

Source: County Records

Fiscal Year					
2005	2006	2007	2008	2009	2010
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,060,094	4,088,421	5,142,234	5,557,664	5,746,193	6,062,480
\$ 3,060,094	\$ 4,088,421	\$ 5,142,234	\$ 5,557,664	\$ 5,746,193	\$ 6,062,480
\$ 56,281	\$ 91,890	\$ 65,005	\$ 35,312	\$ 25,832	\$ 26,643
890,990	1,543,517	1,335,305	1,711,875	1,288,453	1,416,846
3,624,846	4,340,613	5,583,371	4,384,929	6,452,754	6,066,918
507,822	(588,497)	6,089,979	470,880	339,648	933
\$ 5,079,939	\$ 5,387,523	\$ 13,073,660	\$ 6,602,996	\$ 8,106,687	\$ 7,511,340

# CERRO GORDO COUNTY, IOWA

## CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified accrual accounting)

(Unaudited)

	Fiscal Year			
	2001	2002	2003	2004
<b>Revenues:</b>				
Property and Other County Tax	\$ 9,963,952	\$ 9,928,084	\$ 10,152,625	\$ 10,570,374
Interest and Penalty on Property Tax	113,886	128,449	110,045	118,295
Intergovernmental	7,642,241	8,150,270	9,214,984	9,722,154
Licenses and Permits	25,682	17,870	255,666	270,476
Charges for Services	1,232,560	1,607,381	1,537,166	1,292,565
Use of Money and Property	713,248	411,350	274,923	228,181
Miscellaneous	786,479	681,393	863,485	1,215,451
Total Revenues	20,478,048	20,924,797	22,408,894	23,417,496
<b>Expenditures:</b>				
Public safety and legal services	3,644,249	3,838,927	4,222,779	4,251,143
Physical health and social services	3,038,370	3,494,239	3,615,357	3,913,976
Mental health	5,263,698	4,790,348	5,003,304	5,198,915
County environment and education	580,585	592,431	855,482	921,991
Roads and transportation	4,328,377	4,577,949	4,496,519	4,551,633
Government services to residents	612,996	754,305	729,694	742,415
Administration	1,652,354	1,626,570	1,719,801	1,902,524
Non-program	34,299	31,871	296,741	207,694
Debt service				
Interest	72,871	44,763	30,192	18,738
Principal	590,000	295,000	235,000	60,000
Capital projects	1,230,675	611,437	1,605,101	2,281,067
Total Expenditures	21,048,474	20,657,840	22,809,970	24,050,096
Excess of revenues over (under) expenditures	(570,426)	266,957	(401,076)	(632,600)
<b>Other Financing Sources (Uses)</b>				
Proceeds from the sale of capital assets	106,699	126,375	150	8,000
Transfers in	2,345,026	2,334,764	1,953,484	2,158,917
Transfers out	(2,345,026)	(2,227,594)	(2,140,837)	(2,241,321)
Proceeds from drainage warrants	25,007	33,964	1,659	16,543
Issuance of capital lease purchase agreement	-	21,483	600,986	-
Issuance of LOSST revenue bonds	-	-	-	-
Issuance of installment purchase contracts	-	-	-	-
General obligation notes issued	-	-	-	1,109,907
Discount on general obligation notes	-	-	-	-
Total other financing sources (uses)	131,706	288,992	415,442	1,052,046
Net change in fund balances	\$ (438,720)	\$ 555,949	\$ 14,366	\$ 419,446
Debt service as % of noncapital expenditures	3.34%	1.69%	1.25%	0.36%

Source: County Records

		Fiscal Year									
		2005	2006	2007	2008	2009	2010				
\$	11,061,423	\$	13,118,367	\$	14,782,265	\$	15,308,353	\$	15,367,915	\$	15,746,255
	126,247		139,522		130,746		146,433		166,230		174,381
	12,701,807		11,191,640		11,356,056		10,584,094		12,986,761		12,253,236
	297,721		324,776		327,967		414,152		397,960		413,794
	1,228,309		1,205,710		1,132,140		1,155,633		1,173,034		1,248,757
	374,870		637,056		1,246,172		902,907		439,098		311,405
	950,043		1,203,546		867,131		921,893		942,716		1,476,175
	26,740,420		27,820,617		29,842,477		29,433,465		31,473,714		31,624,003
	4,541,026		4,808,056		5,565,965		6,229,452		6,769,038		6,826,705
	4,006,819		4,251,999		4,725,534		4,866,227		5,150,211		4,656,497
	5,209,344		5,611,348		5,861,602		6,366,901		5,802,641		5,941,119
	880,494		1,235,315		1,112,434		1,631,652		1,661,836		1,302,316
	4,885,745		5,111,457		4,513,467		4,972,994		5,079,324		5,340,158
	803,724		827,433		830,775		928,523		939,846		970,387
	1,841,707		1,872,576		2,157,767		2,466,608		2,187,056		2,886,708
	354,230		169,026		72,906		50,342		276,787		167,932
	37,012		640,000		1,160,000		560,657		528,766		861,763
	425,000		33,630		435,718		955,000		964,252		517,357
	5,027,808		3,267,852		7,893,520		6,858,012		1,224,944		3,022,467
	28,012,909		27,828,692		34,329,688		35,886,368		30,584,701		32,493,409
	(1,272,489)		(8,075)		(4,487,211)		(6,452,903)		889,013		(869,406)
	11,400		204,378		21,910		10,910		60,525		214,204
	2,095,971		2,372,050		2,461,511		2,600,826		2,738,466		2,860,798
	(2,001,214)		(2,372,050)		(2,461,511)		(2,600,826)		(2,738,466)		(2,860,798)
	10,340		24,554		7,199		5,781		18,985		45,287
	-		24,394		-		-		199,413		20,679
	-		-		-		-		300,000		168,750
	-		-		-		-		642,841		-
	200,000		500,000		13,500,000		-		-		-
	(1,320)		(5,473)		(123,514)		-		-		-
	315,177		747,853		13,405,595		16,691		1,221,764		448,920
\$	(957,312)	\$	739,778	\$	8,918,384	\$	(6,436,212)	\$	2,110,777	\$	(420,486)
	2.01%		2.74%		6.04%		5.22%		5.09%		4.39%

# CERRO GORDO COUNTY, IOWA

## PROGRAM REVENUES BY FUNCTION/PROGRAM

Last Eight Fiscal Years\*

(Accrual basis of accounting)

(Unaudited)

	Fiscal Year		
	2003	2004	2005
Government activities:			
Public safety and legal services	\$ 859,858	\$ 871,914	\$ 993,783
Physical health and social services	2,296,479	2,541,021	2,713,092
Mental health	2,689,083	3,073,718	3,303,908
County environment and education	167,089	246,775	212,211
Roads and Transportation	2,561,946	3,815,417	6,342,834
Government services to residents	778,594	782,932	916,099
Administration or general government	135,347	171,105	107,919
Non-program	679,422	91,847	379,731
Capital Projects	480,535	177,793	-
Total Governmental activities program revenues	10,648,353	11,772,522	14,969,577
Business-type activities:			
Wastewater collection and treatment	368,340	151,408	160,923
Total business-type activities program revenues	368,340	151,408	160,923
Total government program	\$ 11,016,693	\$ 11,923,930	\$ 15,130,500

\*Cerro Gordo County, Iowa implemented GASB 34 in FY2003.

Source: County Records

		Fiscal Year							
		2006	2007	2008	2009	2010			
\$	1,005,372	\$	1,537,752	\$	1,480,436	\$	1,536,881	\$	1,561,615
	2,972,838		3,210,734		3,025,728		2,917,504		2,975,874
	2,962,403		3,758,706		3,248,590		4,571,818		2,032,435
	132,769		149,244		114,371		586,783		128,474
	9,247,719		4,027,815		3,646,140		6,323,786		6,188,066
	754,886		697,549		724,823		642,216		694,771
	317,768		258,451		232,344		448,284		187,016
	468,310		91,574		89,556		153,355		2,375,121
	-		-		-		-		-
	17,862,065		13,731,825		12,561,988		17,180,627		16,143,372
	70,251		60,990		74,612		73,802		67,217
	70,251		60,990		74,612		73,802		67,217
\$	17,932,316	\$	13,792,815	\$	12,636,600	\$	17,254,429	\$	16,210,589

# CERRO GORDO COUNTY, IOWA

## ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY (1)

Last Ten Fiscal Years

(Unaudited)

Assessed Value and Actual Value of Taxable Property				
Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Agricultural Property
2001	\$ 1,285,141,613	\$ 273,058,047	\$ 92,477,845	\$ 279,884,960
2002	1,378,362,141	278,148,059	94,723,846	276,298,362
2003	1,446,224,242	330,952,120	103,694,495	277,587,342
2004	1,497,415,171	352,973,493	104,854,672	281,099,208
2005	1,611,741,386	377,229,604	107,330,489	244,175,206
2006	1,669,700,033	387,968,624	108,897,495	243,226,460
2007	1,847,067,126	406,188,967	115,663,644	243,061,267
2008	1,931,601,558	415,706,118	118,533,891	245,007,595
2009	2,082,080,113	454,631,950	124,087,009	291,362,364
2010	2,158,325,908	472,474,791	125,039,073	292,634,499

Taxable Value of Property				
Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Agricultural Property
2001	\$ 703,980,195	\$ 269,078,877	\$ 92,477,845	\$ 269,635,865
2002	774,485,219	278,148,059	94,723,846	276,298,362
2003	746,690,164	322,364,729	103,694,495	277,587,342
2004	768,799,470	352,973,493	104,854,672	281,099,208
2005	778,583,429	373,980,577	107,330,489	244,175,206
2006	796,987,659	387,968,624	108,897,495	243,226,460
2007	841,230,630	402,277,964	115,663,644	243,061,267
2008	871,747,220	415,706,118	118,533,891	245,007,595
2009	903,062,500	453,264,680	124,087,009	262,503,636
2010	965,567,898	472,474,791	125,039,073	274,580,757

Source: Cerro Gordo County Auditor's Office

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

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

(3) Per \$1,000 of value



**Assessed Value and Actual Value of Taxable Property**

TIF Increment	(2) Other Property	Total Assessed Taxable Property	Less: Military Tax-Exempt Property	Net Assessed Taxable Property
\$ 63,173,024	\$ 171,880,167	\$ 2,165,615,656	\$ 7,359,848	\$ 2,158,255,808
66,247,060	166,587,656	2,260,367,124	7,231,164	2,253,135,960
63,909,159	159,002,012	2,381,369,370	7,108,709	2,374,260,661
63,650,574	155,758,848	2,455,751,966	6,968,150	2,448,783,816
71,183,983	152,267,639	2,563,928,307	6,860,915	2,557,067,392
75,170,736	355,470,345	2,840,433,693	6,721,097	2,833,712,596
84,837,300	557,830,644	3,254,648,948	6,725,715	3,247,923,233
83,605,174	557,706,923	3,352,161,259	6,674,947	3,345,486,312
94,990,249	524,896,066	3,572,047,751	6,546,853	3,565,500,898
100,955,290	552,664,832	3,702,094,393	6,400,851	3,695,693,542

**Taxable Value of Property**

TIF Increment	(2) Other Property	Total Taxable Property	Less: Military Tax-Exempt Property	Net Taxable Property	(3) Total Direct Tax Rate Urban
\$ 63,173,024	\$ 171,708,214	\$ 1,570,054,020	\$ 7,359,848	\$ 1,562,694,172	5.14
66,247,060	166,587,656	1,656,490,202	7,231,164	1,649,259,038	4.70
63,909,159	158,644,547	1,672,890,436	7,108,709	1,665,781,727	4.70
63,650,574	155,758,848	1,727,136,265	6,968,150	1,720,168,115	4.59
71,183,983	137,128,009	1,712,381,693	6,860,915	1,705,520,778	5.28
75,170,736	149,339,489	1,761,590,463	6,721,097	1,754,869,366	6.20
84,837,300	185,780,708	1,872,851,513	6,725,715	1,866,125,798	6.59
83,605,174	167,798,894	1,902,398,892	6,674,947	1,895,723,945	6.59
94,990,249	184,296,587	2,022,204,661	6,546,853	2,015,657,808	6.32
100,955,290	168,369,930	2,106,987,739	6,400,851	2,100,586,888	6.29

# 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			
	2001	2002	2003	2004
<b>County Direct Rates:</b>				
General Basic	3.30	3.15	3.17	3.21
General Supplemental	-	-	-	-
MH/DD Service	1.52	1.44	1.43	1.38
Debt Service	0.32	0.11	0.11	-
Total Urban County Rate	5.14	4.70	4.70	4.59
Rural Basic	3.32	3.13	3.13	3.13
Total Rural County Rate	8.46	7.83	7.83	7.73
<b>City and Town Rates:</b>				
Mason City	10.12	10.10	10.25	10.47
Clear Lake	8.11	7.83	8.23	8.41
Dougherty	13.64	14.78	14.86	14.53
Meservey	8.10	8.10	9.75	9.79
Plymouth	2.43	2.97	3.15	3.40
Rock Falls	6.55	6.55	6.74	6.74
Rockwell	8.10	8.10	8.10	8.10
Swaledale	20.31	20.92	19.52	17.95
Thornton	10.36	10.39	10.47	10.46
Ventura	7.40	6.22	6.52	7.34
Nora Springs	13.19	11.92	11.14	13.26
<b>Township Rates:</b>				
Bath	0.47	0.47	0.47	0.47
Clear Lake	0.31	0.28	0.28	0.26
Dougherty	0.29	0.31	0.31	0.31
Falls	0.54	0.54	0.54	0.53
Geneseo	0.44	0.42	0.42	0.41
Grant - Clear Lake	0.43	0.42	0.42	0.41
Grant - Forest City	0.43	0.42	0.42	0.41
Grant - Ventura	0.43	0.42	0.42	0.41
Gimes	0.71	0.81	0.79	0.73
Lake	0.23	0.23	0.22	0.20
Lime Creek	0.41	0.41	0.40	0.41
Lincoln	0.31	0.31	0.31	0.30
Mason	0.41	0.41	0.41	0.41
Mount Vernon	0.24	0.24	0.23	0.42
Owen	0.52	0.50	0.50	0.50
Pleasant Valley	0.43	0.40	0.40	0.47
Portland	0.33	0.32	0.32	0.31
Union	0.31	0.31	0.28	0.24

Source: Cerro Gordo County Auditors Office

Fiscal Year Taxes are Payable

2005	2006	2007	2008	2009	2010
3.50	3.50	3.50	3.50	3.50	3.50
0.15	1.00	1.00	1.08	1.14	1.19
1.40	1.36	1.28	1.26	1.19	1.13
0.23	0.34	0.81	0.76	0.49	0.47
5.28	6.20	6.59	6.59	6.32	6.29
3.42	3.51	3.51	3.51	3.51	3.51
8.69	9.71	10.11	10.11	9.83	9.80
10.55	11.64	12.26	12.67	12.80	12.73
8.98	9.36	10.05	10.05	10.05	10.05
16.65	17.24	17.77	18.20	17.67	21.70
9.86	9.83	9.81	9.80	9.77	9.70
1.22	5.34	5.55	8.92	11.49	12.09
6.84	6.84	6.50	6.50	6.50	6.50
8.10	8.10	8.10	8.10	8.10	8.10
16.64	16.64	16.15	16.61	17.08	16.52
12.83	12.71	12.09	12.77	12.64	11.98
7.41	7.26	3.00	7.73	6.78	9.98
12.16	12.12	11.22	13.23	14.05	14.71
0.54	0.54	0.54	0.54	0.54	0.54
0.33	0.29	0.28	0.27	0.25	0.23
0.35	0.35	0.35	0.35	0.35	0.35
0.59	0.62	0.62	0.62	0.62	0.62
0.47	0.47	0.47	0.46	0.40	0.37
0.50	0.50	0.50	0.51	0.42	0.41
0.50	0.50	0.50	0.51	0.44	0.41
0.50	0.50	0.50	0.51	0.38	0.39
0.82	0.82	0.76	0.78	0.76	0.73
0.27	0.18	0.10	0.12	0.10	0.12
0.42	0.42	0.41	0.41	0.41	0.41
0.38	0.39	0.39	0.39	0.37	0.35
0.41	0.41	0.41	0.41	0.41	0.41
0.49	0.47	0.47	0.48	0.49	0.49
0.63	0.63	0.63	0.63	0.63	0.63
0.51	0.51	0.51	0.51	0.52	0.49
0.34	0.38	0.38	0.41	0.46	0.44
0.28	0.28	0.24	0.25	0.25	0.25

(Continued)

# CERRO GORDO COUNTY, IOWA

## DIRECT AND OVERLAPPING PROPERTY TAX RATES (Continued)

Last Ten Fiscal Years

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

(Unaudited)

	Fiscal Year Taxes are Payable			
	2001	2002	2003	2004
School District Rates:				
Clear Lake	13.34	12.86	12.94	12.83
Forest City	15.92	15.87	15.73	14.77
Mason City	14.50	14.39	15.11	13.65
Meservey-Thornton	10.77	10.19	9.83	9.02
Nora Springs-Rock Falls	14.68	14.73	16.16	16.27
North Central	13.44	13.03	14.34	13.97
Rockwell-Swaledale	10.81	10.76	11.68	11.90
Rudd-Rockford-Marble Rock	13.03	12.90	13.17	13.17
Sheffield-Chapin	13.10	12.79	12.94	12.90
Ventura	11.62	11.56	11.58	11.72
Other Taxing Authority Rates:				
County Assessor	0.48	0.47	0.40	0.40
City Assessor	0.31	0.29	0.24	0.23
North Iowa Area Community College	0.53	0.52	0.60	0.61
Ag. Extension	0.11	0.11	0.11	0.11
State	0.01	0.05	0.00	0.00
Clear Lake Sanitary Sewer	1.81	1.81	1.76	1.70
Falls - Rock Falls Cemetery	0.07	0.07	0.07	0.07
Benefited Lighting District	0.23	-	-	-

Source: Cerro Gordo County Auditors Office

Fiscal Year Taxes are Payable

2005	2006	2007	2008	2009	2010
13.45	12.64	11.89	11.90	11.88	11.88
14.97	15.36	14.56	14.64	15.01	15.43
14.12	14.72	14.10	14.08	13.67	13.62
10.85	11.63	10.05	10.27	10.77	11.32
16.86	16.74	16.62	16.75	16.46	16.85
14.82	14.37	13.31	14.20	13.47	14.31
13.80	13.55	13.74	14.37	14.26	13.78
15.19	15.96	15.79	15.79	16.24	14.01
14.50	14.23	14.25	12.59	12.85	13.29
10.97	10.99	10.40	10.10	9.61	10.39
0.41	0.40	0.41	0.49	0.56	0.55
0.21	0.22	0.20	0.23	0.26	0.23
0.63	0.62	0.62	0.66	0.66	0.62
0.12	0.12	0.11	0.11	0.10	0.11
0.00	0.00	0.00	0.00	0.00	0.00
1.67	1.67	1.67	1.66	1.59	1.49
0.07	0.07	0.07	0.07	0.07	0.07
-	-	-	-	-	-

(Concluded)

# CERRO GORDO COUNTY, IOWA

## PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

(Unaudited)

	Fiscal Year 2010			Fiscal Year 2001		
	Net Taxable Value	Rank	Percent of Total Taxable Value	Net Taxable Value	Rank	Percent of Total Taxable Value
Interstate Power & Light Co	\$ 85,636,879	1	4.06%	\$ 63,915,358	1	4.26%
Golden Grain Energy LLC	45,508,778	2	2.16%			
Five Star Cooperative	20,486,638	3	0.97%			
Ag Processing Inc	19,143,614	4	0.91%			
Lehigh Portland Cement Co	18,679,086	5	0.89%	25,741,868	2	1.72%
Union Pacific	15,364,956	6	0.73%	11,246,575	8	0.75%
AADG Inc (Curries Company)	14,878,017	7	0.71%	12,881,278	5	0.86%
Holcim (US) Inc	13,418,720	8	0.64%	22,090,732	3	1.47%
Hawkeye Power Partners LLC	12,793,651	9	0.61%			
Quest Corp	11,558,204	10	0.55%			
General Foods Corporation				16,218,261	4	1.08%
Mall Associates LLC				12,832,779	6	0.86%
US West/Northwestern Bell				12,781,167	7	0.85%
Mason City Shopping Center				9,652,639	9	0.64%
CAG Subsidiary (Con Agra)				9,147,606	10	0.61%
	<u>\$ 257,468,543</u>		<u>12.22%</u>	<u>\$ 196,508,263</u>		<u>13.10%</u>

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

Source: Cerro Gordo County Auditor's Office

# CERRO GORDO COUNTY, IOWA

## PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

(Unaudited)

Fiscal Year Ended June 30	Property Taxes Levied for the Fiscal Year	Property Taxes Collected Within the Fiscal Year of the Levy		Property Tax Collections in Subsequent Years	Property Taxes Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	\$ 39,666,372	\$ 39,603,479	99.84%	\$ 8,684	\$ 39,612,163	99.86%
2002	42,976,436	42,543,086	98.99%	18,382	42,561,468	99.03%
2003	44,383,926	44,169,153	99.52%	8,059	44,177,212	99.53%
2004	44,544,314	42,566,151	95.56%	144,700	42,710,851	95.88%
2005	47,203,216	45,252,976	95.87%	24,111	45,277,087	95.92%
2006	51,164,802	49,185,934	96.13%	-3,149	49,182,785	96.13%
2007	54,025,405	52,028,179	96.30%	16,638	52,044,817	96.33%
2008	55,911,709	53,942,250	96.48%	36,357	53,978,607	96.54%
2009	58,154,094	56,220,505	96.68%	4,747	56,225,252	96.68%
2010	61,066,901	59,136,632	96.84%	13,163	59,149,795	96.86%

Total tax collections solely for Cerro Gordo County were:

<u>Fiscal Year</u>	<u>Amount</u>
2001	\$8,311,186
2002	\$9,016,960
2003	\$9,175,330
2004	\$9,194,534
2005	\$10,259,896
2006	\$11,607,154
2007	\$12,752,868
2008	\$13,075,127
2009	\$13,234,094
2010	\$13,906,364

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)
	General Obligation Bonds	Capital Loan Notes	Capital Lease Purchases	Revenue Bonds	Sewer Revenue Capital Loan Notes				
2001	\$ 860,000	\$ 70,000	\$ 17,087	\$ -	\$ 270,855	\$ 1,217,942	0.10%	\$ 26.22	
2002	635,000	-	25,596	-	312,300	972,896	0.08%	21.32	
2003	400,000	400,000	477,468	-	576,348	1,853,816	0.15%	40.89	
2004	340,000	1,120,000	325,408	-	569,463	2,354,871	0.18%	52.19	
2005	280,000	955,000	165,886	-	611,268	2,012,154	0.14%	44.69	
2006	215,000	880,000	20,698	-	603,750	1,719,448	0.12%	38.35	
2007	145,000	13,290,000	15,393	-	595,379	14,045,772	0.95%	316.46	
2008	75,000	12,405,000	9,621	-	586,635	13,076,256	0.86%	297.08	
2009	-	11,945,000	469,623	253,000	577,497	13,245,120	0.82%	302.50	
2010	-	11,470,000	117,605	401,750	567,946	12,557,301	*	286.79	

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

\* Information not yet available.

Source: Cerro Gordo County Auditor's Office



# CERRO GORDO COUNTY, IOWA

## RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	General Bonded Debt Outstanding		Percentage Net Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Total		
2001	\$ 860,000	\$ 860,000	0.06%	\$ 18.52
2002	635,000	635,000	0.04%	13.91
2003	400,000	400,000	0.02%	8.82
2004	340,000	340,000	0.02%	7.54
2005	280,000	280,000	0.02%	6.22
2006	215,000	215,000	0.01%	4.80
2007	145,000	145,000	0.01%	3.27
2008	75,000	75,000	0.00%	1.70
2009	0	0	0.00%	-
2010	0	0	0.00%	-

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, 2010

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
County direct debt	\$ 11,871,750	100.00%	\$ 11,871,750
City debt:			
Clear Lake	5,742,500	100.00%	5,742,500
Mason City	30,524,732	100.00%	30,524,732
Nora Springs	1,464,000	5.74%	84,038
Thornton	215,000	100.00%	215,000
Ventura	461,605	100.00%	461,605
Total City debt			\$ 37,027,875
School Districts:			
Clear Lake	\$ 7,150,000	100.00%	\$ 7,150,000
Forest City	2,060,000	3.17%	65,330
Mason City	11,642,789	100.00%	11,642,789
Nora Springs-Rock Falls	225,000	48.86%	109,925
North Central	2,310,000	25.93%	598,973
Rockwell-Swaledale	1,040,000	100.00%	1,040,000
Sheffield-Chapin	1,240,000	20.85%	258,506
Total School District debt			\$ 20,865,522
Other Districts:			
Clear Lake Sanitary District	\$ 3,445,000	100.00%	\$ 3,445,000
North Iowa Area Community College	1,545,000	37.02%	572,030
Total Other District debt			\$ 4,017,030
Subtotal, overlapping debt			\$ 61,910,428
<b>Total direct and overlapping debt</b>			<b>\$ 73,782,178</b>

Source: Cities and school districts within Cerro Gordo County

# CERRO GORDO COUNTY, IOWA

## LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

(Unaudited)

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	2001	2002	2003	2004
Debt Limit, 5% of Assessed Value	107,912,790	112,656,798	118,713,033	122,439,191
Total net debt applicable to limit	930,000	635,000	400,000	1,460,000
Legal Debt Margin	\$ 106,982,790	\$ 112,021,798	\$ 118,313,033	\$ 120,979,191
Total net debt applicable to the limit as a percentage of debt limit	0.86%	0.56%	0.34%	1.19%

Source: County records

Legal Debt Margin Calculation for Fiscal Year 2010

Net Assessed Value	\$ 3,695,693,542
Debt Limit (5% of assessed value)	184,784,677
Debt applicable to limit:	
General obligation capital loan notes	11,470,000
LOS&ST Revenue Bonds	401,750
Capital leases	<u>117,605</u>
Total net debt applicable to limit	<u>11,989,355</u>
Legal debt margin	<u>\$ 172,795,322</u>

2005	2006	2007	2008	2009	2010
127,853,370	141,685,630	162,396,162	167,274,316	178,275,045	184,784,677
1,235,000	1,115,698	13,450,393	12,489,621	12,667,623	11,989,355
<u>\$ 126,618,370</u>	<u>\$ 140,569,932</u>	<u>\$ 148,945,769</u>	<u>\$ 154,784,695</u>	<u>\$ 165,607,422</u>	<u>\$ 172,795,322</u>
0.97%	0.79%	8.28%	7.47%	7.11%	6.49%

# CERRO GORDO COUNTY, IOWA

## DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Calendar Years

(Unaudited)

Year	Population (1)	Personal Income (000's) (2)	Per Capita Personal Income (2)	Farm Proprietors (2)	School Enrollment (3)	Unemployment Rate (4)
2000	46,447	\$ 1,216,807	\$ 26,261	804	7,769	3.10%
2001	45,638	1,226,329	26,816	775	7,764	3.40%
2002	45,339	1,265,315	27,910	776	7,475	4.10%
2003	45,118	1,298,375	28,749	752	7,444	4.20%
2004	45,029	1,393,010	31,514	746	7,183	4.60%
2005	44,836	1,431,405	31,879	748	6,962	4.70%
2006	44,384	1,484,822	32,628	742	6,974	3.90%
2007	44,016	1,524,128	33,623	738	6,661	4.50%
2008	43,786	1,620,279	34,636	627	6,564	5.43%
2009	43,609	*	37,043	*	6,526	7.32%

(1) U.S. Census Bureau.

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

(3) School districts in Cerro Gordo County.

(4) Iowa Workforce Development

\* Information not yet available.

# CERRO GORDO COUNTY, IOWA

## PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago  
(Unaudited)

	2010			2001		
	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
Mercy Medical Center North Iowa	2,650	1	10.52%	500-999	1	2.94%
Curries Graham	905	2	3.59%	500-999	2	2.94%
Opportunity Village	643	3	2.55%	250-499	5	2.94%
Hy-Vee Food Stores	570	4	2.26%	500-999	4	2.94%
Mason City Community School District	501	5	1.99%	-	-	-
Principal Financial Group	474	6	1.88%	500-999	3	2.94%
Wal-Mart Stores	373	7	1.48%	-	-	-
Good Shepherd Geriatrics Center	300	8	1.19%	250-499	10	2.94%
City of Mason City	292	9	1.16%	-	-	-
Kraft Foods	280	10	1.11%	-	-	-
Woodharbor Doors and Cabinetry, Inc.	-	-	-	250-499	6	2.94%
Cole Sewell Corporation	-	-	-	250-499	7	2.94%
IMI Cornelius	-	-	-	250-499	8	2.94%
Armour Food Co.	-	-	-	250-499	9	2.94%
	<u>\$ 6,988</u>		<u>27.74%</u>	<u>\$ 3,250 - 6,490</u>		<u>29.42%</u>

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

Note: Only actual number of employees for the current year is available. For prior years, only range of employees is available.

# CERRO GORDO COUNTY, IOWA

## FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

(Unaudited)

Function/Program	Fiscal Year			
	2001	2002	2003	2004
Public Safety and Legal Services:				
Sheriff	50.00	50.00	54.00	53.00
Attorney	11.00	11.00	11.00	11.00
Child Support Recovery	6.00	7.00	7.00	7.00
Physical Health and Social Services:				
Health Department	44.00	46.00	51.00	49.00
General Relief	1.25	1.25	1.25	1.25
Veteran Affairs	1.75	1.75	1.75	1.75
Mental Health:				
CPC	1.00	1.00	1.00	1.50
Case Management	5.00	6.00	7.00	7.00
County Environment and Education:				
Conservation	6.50	6.50	6.50	6.50
Planning and Zoning:	0.50	0.50	0.50	1.00
Roads and Transportation:				
Engineer	39.00	41.00	42.00	43.00
Roadsides	3.00	3.00	3.00	3.00
Governmental Services to Residents:				
Treasurer, motor vehicles	5.20	6.60	6.60	6.60
Recorder	5.00	5.00	5.00	5.00
Auditor, elections	2.50	3.00	2.50	3.00
Administration:				
Board of Supervisors	3.00	3.00	3.00	3.50
Auditor	5.50	5.50	5.50	5.50
Treasurer, tax	3.80	2.40	2.40	2.40
MIS	7.00	7.00	7.00	6.00
Courthouse Maintenance	2.50	2.50	2.50	2.50
Safety	0.50	0.50	0.50	0.50
Personnel	0.50	0.50	0.50	0.50
Total	205	211	222	221

Source: County Records



Fiscal Year					
2005	2006	2007	2008	2009	2010
53.00	51.00	61.00	71.00	72.00	72.00
11.00	10.00	11.00	11.00	11.00	11.00
7.00	7.00	7.00	7.00	7.00	7.00
49.00	49.00	51.00	49.00	50.00	51.00
1.35	1.35	1.35	1.35	1.35	1.35
1.65	1.65	1.65	1.65	1.65	1.65
1.50	1.50	1.50	1.50	2.20	2.20
9.00	10.00	9.00	9.00	9.00	9.00
6.50	6.00	6.00	6.00	6.00	6.50
1.00	1.00	1.00	1.00	1.00	1.00
43.00	43.00	40.00	40.00	39.00	38.00
3.00	3.00	3.00	3.00	3.00	3.00
6.60	6.60	6.60	6.60	6.45	5.75
5.00	5.00	5.00	5.00	5.00	5.00
3.00	3.00	3.00	3.00	3.00	3.00
3.50	3.50	3.50	3.50	3.50	3.50
5.50	5.50	6.50	6.50	6.50	6.50
2.40	2.40	2.40	2.40	1.55	2.25
7.00	7.00	7.00	7.00	7.00	6.00
2.50	2.50	2.50	2.50	2.50	2.50
0.50	0.50	0.50	0.50	0.50	0.50
0.50	0.50	0.50	0.50	0.50	0.50
224	221	231	239	240	239

# CERRO GORDO COUNTY, IOWA

## OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

(Unaudited)

Function/Program	Fiscal Year			
	2001	2002	2003	2004
Public Safety and Legal Services:				
Sheriff:				
Weapon permits issued	275	328	291	285
Number of Jail bookings	2,504	2,767	3,015	3,111
Civil Papers Served	5,483	5,457	5,541	5,593
Service Calls	5,786	6,543	6,667	7,098
Number of Arrests	389	551	521	530
Citations and Warnings issued	2,211	2,558	3,549	4,272
Attorney:				
Number cases filed:				
Felony	374	450	432	455
Indictable Misdemeanor	1,249	1,258	1,339	1,252
Juvenile	180	212	219	233
Physical Health and Social Services:				
Health Department:				
Number of immunizations	6,738	5,685	5,393	6,578
Number nursing clients	541	411	435	370
Number nursing visits	5,677	5,714	5,503	5,864
Number Home care aide clients	261	247	341	259
Number Home care aide service hours	13,984	14,133	16,431	13,858
Number of food inspections	3,147	3,105	2,815	2,469
Mental Health:				
CPC: Persons served	884	934	1,003	1,019
County Environment and Education:				
Conservation:				
Number of camper nights	2,973	3,306	4,753	4,285
Conservation programs presented	272	257	213	271
People attending programs	11,336	9,023	10,819	11,225
Planning and Zoning:				
Zoning Permits issued	105	130	135	145
Board of Adjustment cases	42	54	51	32
Roads and Transportation:				
Engineer: Miles maintained	948	946	945	965
Governmental Services to Residents:				
Treasurer: Titles issued	16,270	17,726	17,071	17,012
Recorder: Documents recorded	10,294	12,739	14,054	16,437
Auditor:				
Registered voters	31,574	30,783	31,350	31,290
Absentee ballots requested	6,506	6,113	7,032	3,064

Source: County Records

Fiscal Year					
2005	2006	2007	2008	2009	2010
304	320	338	343	394	495
2,864	3,361	3,652	3,497	3,542	3,431
4,972	4,304	4,289	4,068	4,911	4,743
5,419	5,568	5,519	5,151	7,953	8,634
412	434	1,005	344	1,604	2,423
4,742	4,008	4,507	4,354	2,677	2,764
432	412	404	347	277	218
1,347	1,294	1,225	1,229	1,049	984
229	265	177	215	203	174
3,834	5,036	5,685	6,255	7,006	5,516
352	372	354	314	341	324
5,844	5,854	5,968	5,516	5,649	6,443
238	222	247	223	148	144
14,573	13,879	13,206	12,176	13,066	13,527
2,572	2,305	3,067	2,998	3,209	2,664
1,055	1,300	1,380	1,322	1,243	1,269
4,715	3,800	4,097	4,583	4,017	4,359
218	252	297	273	238	251
9,102	9,156	9,985	9,295	10,727	10,451
126	122	105	153	105	92
39	37	37	36	34	26
970	970	970	970	970	970
17,186	17,142	19,917	13,704	12,874	14,989
12,807	11,664	11,026	10,806	10,094	9,961
33,239	32,171	31,470	32,089	32,200	32,114
9,505	1,992	5,370	3,067	10,145	1,731

# CERRO GORDO COUNTY, IOWA

## CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

(Unaudited)

Function/Program	Fiscal Year			
	2001	2002	2003	2004
Public Safety and Legal Services:				
Sheriff:				
Number of vehicles	18	20	21	22
Physical Health and Social Services:				
Health Department:				
Number of vehicles	6	6	7	7
County Environment and Education:				
Conservation:				
Number of park areas	29	29	30	30
Total acres managed	2,962	2,962	3,024	3,024
Number of vehicles	15	15	15	15
Roads and Transportation:				
Engineer:				
Number of vehicles	21	20	21	21
Number of buildings	6	6	6	6
Governmental Services to Residents:				
Auditor, elections:				
Number of voting machines	2	2	2	32

Source: Various County Departments.

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

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

Fiscal Year					
2005	2006	2007	2008	2009	2010
21	22	24	26	26	26
8	9	8	8	9	9
30	30	30	30	31	31
3,024	3,024	3,024	3,024	3,284	3,284
15	15	15	15	15	15
22	23	23	23	44*	44*
6	6	6	6	6	6
29	59	59	59	59	59

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# CERRO GORDO COUNTY, IOWA

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

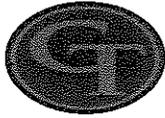
	Modified Accrual Basis			
	2010	2009	2008	2007
<b>Revenues:</b>				
Property and other County Tax	\$ 15,746,255	15,367,915	15,308,353	14,782,265
Interest and Penalty on property tax	174,381	166,230	146,433	130,746
Intergovernmental	12,253,236	12,986,761	10,584,094	11,356,056
Licenses and permits	413,794	397,960	414,152	327,967
Charges for services	1,248,757	1,173,034	1,155,633	1,132,140
Use of money and property	311,405	439,098	902,907	1,246,172
Fines, forfeitures, and defaults	42,893	48,814	25,305	31,316
Miscellaneous	1,433,282	893,902	896,588	835,815
<b>Total</b>	<b>\$ 31,624,003</b>	<b>31,473,714</b>	<b>29,433,465</b>	<b>29,842,477</b>
<b>Expenditures:</b>				
Operating:				
Public safety and legal services	\$ 6,826,705	6,769,038	6,229,452	5,565,965
Physical health and social services	4,656,497	5,150,211	4,866,227	4,725,534
Mental Health	5,941,119	5,802,641	6,366,901	5,861,602
County environment and education	1,302,316	1,661,836	1,631,652	1,112,434
Roads and transportation	5,340,158	5,079,324	4,972,994	4,513,467
Governmental services to residents	970,387	939,846	928,523	830,775
Administrative services	2,697,279	2,187,056	2,466,608	2,157,767
Non-program	167,932	276,787	50,342	72,906
Debt service	1,379,120	1,493,018	1,515,657	1,595,718
Capital projects	3,022,467	1,224,944	6,858,012	7,893,520
<b>Total</b>	<b>\$ 32,303,980</b>	<b>30,584,701</b>	<b>35,886,368</b>	<b>34,329,688</b>

See Accompanying Independent Auditors' Report.



Modified Accrual Basis					
2006	2005	2004	2003	2002	2001
13,118,367	11,061,423	10,570,374	10,152,625	9,928,084	9,963,952
139,522	126,247	118,275	110,045	128,449	113,886
11,191,640	12,701,807	9,722,154	9,214,984	8,150,270	7,642,241
324,776	297,721	270,476	255,666	17,870	25,682
1,205,710	1,228,309	1,292,565	1,537,166	1,607,381	1,232,500
637,056	374,870	228,181	274,923	405,278	705,077
61,612	-	-	-	2,369	1,928
1,141,934	950,043	1,215,451	863,485	679,024	784,551
27,820,617	26,740,420	23,417,476	22,408,894	20,918,725	20,469,817
4,808,056	4,541,026	4,251,143	4,222,779	3,838,927	3,644,249
4,251,999	4,006,819	3,913,976	3,615,357	3,494,239	3,038,370
5,611,348	5,209,344	5,198,915	5,003,304	4,790,348	5,263,698
1,203,407	880,494	921,991	855,482	591,227	578,945
5,111,457	4,885,745	4,551,633	4,496,519	4,577,949	4,328,377
827,433	803,724	742,415	729,694	754,305	612,996
1,872,576	1,841,707	1,902,524	1,719,801	1,626,570	1,652,354
169,026	354,230	207,694	296,741	31,871	34,299
673,630	462,012	78,738	265,192	339,763	662,871
3,299,760	5,027,808	2,281,067	1,605,101	611,437	1,230,675
27,828,692	28,012,909	24,050,096	22,809,970	20,656,636	21,046,834

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**Gardiner Thomsen**  
Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON THE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

To the Officials of Cerro Gordo County  
Mason City, Iowa

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Cerro Gordo County, Iowa as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements listed in the table of contents and have issued our report thereon dated December 22, 2010. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cerro Gordo County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, required by the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, which is the responsibility of the County's management, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in that schedule has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Cerro Gordo County and other parties to whom Cerro Gordo County may report including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

December 22, 2010

*Gardiner Thomsen, P.C.*

**CERRO GORDO COUNTY, IOWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2010**

Grantor/Program	CFDA Number	Agency or Pass-Through Number	Program Expenditures
<b>Direct:</b>			
U.S. Environmental Protection Agency Office of Pollution Prevention and Toxic Substances Research, Development, Monitoring, Public Education, Training, Demonstration and Studies – Childhood Lead Reduction	66.716	X8-98784001	<u>\$13,746</u>
<b>Indirect:</b>			
U.S. Department of Agriculture Iowa Department of Human Services Human Services Administrative Reimbursements State Administrative Matching Grants for Food Stamp Program	10.561		<u>31,761</u>
U.S. Department of Housing and Urban Development Iowa Department of Economic Development Jumpstart Disaster Recovery Housing Program	14.228	08-DRH-002	1,156,258
Jumpstart Disaster Recovery Housing Program	14.228	08-DRH-202	851,525
Disaster Business Rental Assistance Program	14.228	08-DRB-208	<u>139,130</u>
			<u>2,146,913</u>
U.S. Department of Justice Iowa Department of Justice Violence Against Women	16.588	VW-10-44	35,024
Violence Against Women	16.588	VW-10-66	1,402
ARRA - Violence Against Women	16.588	VWS-10-66	<u>3,000</u>
			<u>39,426</u>
Iowa Office of Drug Control Policy ARRA - Byrne-Justice Assistance Grant	16.803	09JAG/ARRA-249	<u>170,419</u>
National Highway Traffic Safety Administration Iowa Department of Transportation Highway Planning and Construction	20.205		<u>33,838</u>
Iowa Department of Transportation Traffic Safety Bureau Alcohol Incentive Grant Intoxicated Persons Program	20.605	PAP-09-410,Task 14 PAP 10-410,Task 11	<u>10,372</u>
U.S. Department of Education Department of Transportation ARRA-State Fiscal Stabilization Funds (SFSF)-Government Services, Recovery Act	84.397	S397A090016A	<u>114,225</u>
U.S. Department of Health and Human Services Iowa Department of Elder Affairs Retired Area Agency on Aging Special Programs for the Aging –Title III Part B – Medication Management	93.044		<u>3,750</u>
Part D – Grants for Supportive Services & Senior Centers	93.043		<u>16,691</u>
Part E – Homemaker	93.052		<u>2,261</u>

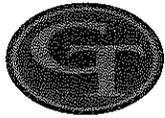
**CERRO GORDO COUNTY, IOWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2010**

Grantor/Program	CFDA Number	Agency or Pass-Through Number	Program Expenditures
Iowa Department of Public Health			
Public Health Emergency Preparedness & Response	93.069	5880BT17	168,270
Healthy Homes Assessment and Outreach	93.240	5880HH01	3,704
Immunization Action Plan	93.268	5889I410/5880I414	33,784
Breast & Cervical Cancer Prevention Immunization Action Plan	93.283	5889NB07/5880NB07	22,671
	93.712	5880I414	6,904
HIV Counseling, Testing & Referral	93.940	5889AP04/5880AP04	3,472
HIV Counseling, Testing & Referral	93.911	5889AP04/5880AP04	1,923
Iowa Department of Human Services			
Human Services Administrative Reimbursement			
Temporary Assistance to Needy Families	93.558		16,082
Child Care Mandatory & Matching Funds of the Child Care & Development Fund	93.596		8,348
Foster Care Title IV-E	93.658		17,210
Adoption Assistance	93.659		4,245
Refugee	93.566		90
Medical Assistance Program	93.778		36,168
Children's Health Insurance Program	93.767		198
Social Services Block Grant	93.667		16,834
Child Care and Development Block Grant	93.575		114,641
ARRA-Child Care and Development Block Grant	93.713		48,515
U.S. Department of Health and Human Services			
Iowa Secretary of State			
Voting Access to Individuals with Disabilities – Grants to States	93.716		3,000
U.S. Department of Homeland Security			
Iowa Homeland Security & Emergency Management Division			
Emergency Management Performance Grant	97.042		41,578
Homeland Security Grant Program	97.067	2006-GE-T6-0065-002	32,419
Homeland Security Grant Program	97.067	2006-GE-T6-0065-007	130,329
Homeland Security Grant Program	97.067	2007-GE-T7-0032-002	275,826
Homeland Security Grant Program	97.067	2008-GE-T8-2008	194,033
			632,607
Total Indirect			\$3,749,900
Total			\$3,763,646

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

See accompanying independent auditors' report.

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**Gardiner Thomsen**  
Certified Public Accountants

**INDEPENDENT AUDITORS' 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 the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Cerro Gordo County, Iowa, as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements listed in the table of contents and have issued our report thereon dated December 22, 2010. We conducted our audit in accordance with U.S generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Cerro Gordo County's internal control over financial reporting as a basis for designing our auditing procedures 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's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Cerro Gordo County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance all deficiencies, significant deficiencies or material weakness have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting we consider to be material weaknesses and other deficiencies we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of the 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 a material misstatement of the County's financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiencies in internal control described in Part II of the accompanying Schedule of Finding and Questioned Costs as item II-A-10 to be a material weakness.

A significant deficiency is a deficiency or combination of deficiencies in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in Part II of the accompanying Schedule of Findings and Questioned Costs as item II-B-10 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cerro Gordo County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance 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, 2010 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's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the County's responses, we did not audit Cerro Gordo County's responses and, accordingly, we express no opinion on them.

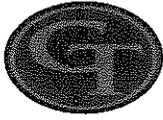
This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Cerro Gordo County and other parties to whom Cerro Gordo County may report including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Cerro Gordo County during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

December 22, 2010

*Gardiner Thomsen, P.C.*





**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Officials of Cerro Gordo County  
Mason City, Iowa

Compliance

We have audited the compliance of Cerro Gordo County, Iowa, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal programs for the year ended June 30, 2010. Cerro Gordo County's major federal programs are identified in Part 1 of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its major federal programs is the responsibility of Cerro Gordo County's management. Our responsibility is to express an opinion on Cerro Gordo County's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cerro Gordo County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Cerro Gordo County's compliance with those requirements.

In our opinion Cerro Gordo County complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of Cerro Gordo County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered Cerro Gordo County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

A deficiency in internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies as defined above.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Cerro Gordo County and other parties to whom Cerro Gordo County may report, including federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

December 22, 2010

*Gardiner Thompson, P.C.*

# CERRO GORDO COUNTY, IOWA

## Schedule of Findings and Questioned Costs Year Ended June 30, 2010

### Part I: Summary of the Independent Auditors' Results:

- a. Unqualified opinions were issued on the financial statements.
- b. Significant deficiencies and material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- c. The audit did not disclose any non-compliance which is material to the financial statements.
- d. An unqualified opinion was issued on compliance with requirements applicable to the major programs.
- e. The audit disclosed no audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- f. The major programs were as follows:
  - CFDA Number 14.228 – Jumpstart Disaster Recovery Housing Program and Disaster Business Rental Assistance Program and 16.803 – Iowa/Byrne-Justice Assistance Grant (JAG) Program/ARRA
- g. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- h. Cerro Gordo County did not qualify as a low-risk auditee.

# CERRO GORDO COUNTY, IOWA

## Schedule of Findings and Questioned Costs Year Ended June 30, 2010

### Part II: Findings Related to the Financial Statements:

#### INTERNAL CONTROL DEFICIENCIES:

II-A-10 **Segregation of Duties**—During our review of internal control, the existing procedures are evaluated in order to determine that incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and, therefore, maximizes the accuracy of the County's financial statements.

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

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

**Conclusion**—Response accepted.

II-B-10 **Financial Reporting**—During the year ended June 30, 2010, the County was advanced \$168,750 on the Local Option Sales and Services Taxes Revenue Bond which was issued in 2009. No proceeds were recorded on the County records since the proceeds were delivered directly to the Clear Lake Dredging and Restoration Project. Adjustments were subsequently made by the County to properly include this amount in the financial statements.

**Recommendation**—The County should implement procedures to ensure all debt issuances are identified and included in the County's financial statements.

**Response**—We will revise our current procedures to ensure the proper amounts are recorded in the financial statements in the future.

**Conclusion**—Response accepted.

#### INSTANCES OF NON-COMPLIANCE:

No matters were reported.

### Part III: Findings and Questioned Costs for Federal Awards:

#### INSTANCES OF NON-COMPLIANCE:

No matters were reported.

#### INTERNAL CONTROL DEFICIENCIES:

No matters were reported.

# CERRO GORDO COUNTY, IOWA

## Schedule of Findings and Questioned Costs Year Ended June 30, 2010

### Part IV: Other Findings Related to Required Statutory Reporting:

IV-A-10 **Certified Budget** – Disbursements during the year ended June 30, 2010 exceeded the amounts budgeted in the Administration, Non-Program and Debt Service functions.

**Recommendation** – The budget should have been amended in accordance with Chapter 331.435 of the Code of Iowa before disbursements were allowed to exceed the budget.

**Response** – We will amend the budget when required and the expenditures will be watched more closely by the departments.

**Conclusion** – Response accepted.

IV-B-10 **Questionable Disbursements** – Certain expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 since the public benefits to be derived have not been clearly documented were noted. These expenditures are detailed as follows:

Paid To	Purpose	Amount
HyVee Food		
Four invoices for Public Health	Refreshments for various meetings	\$230
Three invoices for Conservation	Food for various programs	2,752
One invoice for Administration	Food for Township Trustees meeting	37
HyVee Foods Stores West		
Two invoices for Conservation	Food for Various Day Events	407
Decker Sporting Goods		
Conservation	Shirts for Event	84
Trophies Unlimited		
One invoice for Sheriff’s Office	Plaque for Community Motors	31
Pizza Hut		
One invoice for Public Health	Food for H1N1 Clinic	93
Rib Crib		
One invoice for Public Health	Food for Meeting	51
Top Line Catering		
Six invoices for Public Health	Lunch for Board of Health Meeting	408
Godfather’s Pizza		
One invoice for Sheriff’s Office	Food for Citizens Police Academy meeting	84
Fareway Stores		
One invoice for Conservation	Food for Various Day Events	10
One invoice for Sheriff’s Office	Food for Various Day Events	60

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

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

**Response** – Sheriff – As recommended, a policy will be implemented as soon as possible.  
 Conservation – The expenses were part of the the Lime Creek Nature Center, which is funded by donations and registration fees that are used to fund activities and programs. As recommended, a policy will be implemented as soon as possible.  
 Public Health – The expenses were proper and were either part of a long standing practice of providing meals to the Board of Health, funded by a grant, or part of a program that is funded through registration fees. As recommended, a policy will be implemented as soon as possible.  
 Administration – As recommended, a policy will be implemented as soon as possible.

**Conclusion** – Response accepted.

# CERRO GORDO COUNTY, IOWA

## Schedule of Findings and Questioned Costs Year Ended June 30, 2010

IV-C-10 **Travel Expense** – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

IV-D-10 **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 and trailer rental	\$ 1,413
Brock Specialties, Adam Brock, Tracie's Brother in law	Auditor's Office Remodeling	2,712
Linda Weatherwax, Tracie's Mother	Election Worker	152
Kenneth Kline, County Auditor		
Shielah Handt, Mother in Law	Election Worker	26
Willis Handt, Father in Law	Election Worker	41
Jason Kline, Son	Computer Services	910
Deb Perzynski, MIS		
Felicia Perzynski, Daughter	Computer Services	450
Shelly Tuttle, Secondary Road		
Mark's Air & Water Technologies, Mark Tuttle, Spouse	4 air purifiers	3,051
Jodi Draper, CPC Department		
Ken Draper, Spouse	Client Moving Expenses	750
Barb Sowder, Auditor's Office		
Terri Gretillat, Sister	Election Worker	157
Jaclyn Smith, Treasurer's Office		
V&K Lawn, Chad Valvoda, Brother	Lawn Services	45

In accordance with Chapter 331.342 of the Code of Iowa, the transactions with Steve Siemers, Shielah and Willis Handt, Jason Kline, Felicia Perzynski, Ken Draper, Terri Gretillat, Chad Valvoda and Linda Weatherwax do not appear to represent conflicts of interest since total transactions were less than \$1,500 during the fiscal year.

In accordance with Chapter 331.342 of the Code of Iowa, the transaction over \$1,500 during the year with Mark's Air & Water Technologies, owned by Mark Tuttle, does not appear to represent a conflict of interest because Shelly Tuttle does not participate in acquiring these services.

In accordance with Chapter 331.342 of the Code of Iowa, the transaction over \$1,500 during the fiscal year with Brock Specialties, owned by Adam Brock, may appear to represent a conflict of interest because it was not competitively bid and Tracie Seimers appears to have been involved in acquiring the services.

**Recommendation** – The County should refrain from conducting business with related parties. The County should consult legal counsel to determine the disposition of this matter.

**Response** – We will refrain from conducting business with related parties when possible.

**Conclusion** – Response acknowledged.

IV-E-10 **Bond Coverage** – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of all bonds should be periodically reviewed to ensure that the coverage is adequate for current operations.

IV-F-10 **Board Minutes** – No transactions were found that we believe should have been approved in the Board minutes but were not.

IV-G-10 **Deposits and Investments** – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the County's Investment Policy were noted.

# CERRO GORDO COUNTY, IOWA

## Schedule of Findings and Questioned Costs Year Ended June 30, 2010

IV-H-10 **Resource Enhancement and Protection Certification** – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

IV-I-10 **Economic Development** – During the year ended June 30, 2010, the County paid \$ 275,350 for Economic Development, which appears to be an appropriate expenditure of public funds since the public benefits to be derived have been clearly documented.

IV-J-10 **Grant Activity** – The County complied with grant regulations; no violations were noted.

IV-K-10 **County Extension Office** – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an extension council separate and distinct from County operations. Disbursements for the County Extension Office during the year ended June 30, 2010, did not exceed the amount budgeted.

IV-L-10 **Financial Position** – We noted that the Special Revenue Fund Mental Health had a deficit fund balance of \$20,262 at June 30, 2010.

**Recommendation** – The County should investigate alternatives to eliminate this deficit.

**Response** – We will monitor the fund balance more closely in the future.

**Conclusion** – Response accepted.

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