CERRO GORDO COUNTY

IOWA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2009

CERRO GORDO COUNTY, IOWA

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

Prepared by: Cerro Gordo County Auditor's Office

CERRO GORDO COUNTY, IOWA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2009
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CERRO GORDO COUNTY, IOWA

OFFICIALS
June 30, 2009

(Before January 2009)

Board of Supervisors

Name	Term Expires	Address
Robert Amosson	January 2011	Rockwell, Iowa
Phillip Dougherty	January 2009	Dougherty, Iowa
Jay Urdahl	January 2009	Mason City, Iowa

Officers

Name	Term Expires	Title
Kenneth Kline	January 2009	Auditor
Michael J. Grandon	January 2011	Treasurer
Colleen Pearce	January 2011	Recorder
Kevin Pals	January 2009	Sheriff
John Boedeker	Appointed	County Assessor
Robert Zinnel	Appointed	City Assessor
Paul Martin	January 2011	County Attorney

(After January 2009)

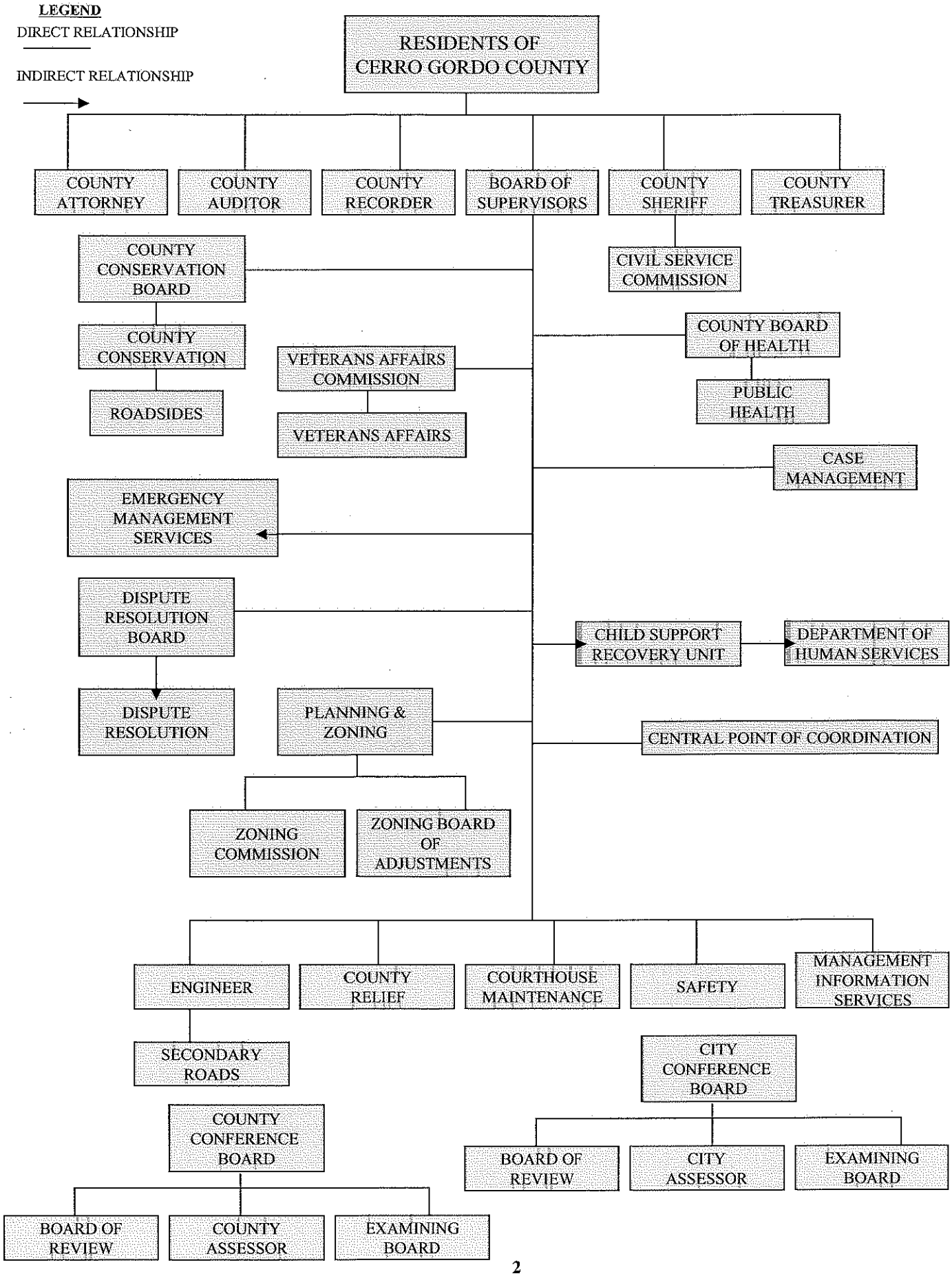
Board of Supervisors

Name	Term Expires	Address
Robert Amosson	January 2011	Rockwell, Iowa
Phillip Dougherty	January 2013	Dougherty, Iowa
Jay Urdahl	January 2013	Mason City, Iowa

Officers

Name	Term Expires	Title
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



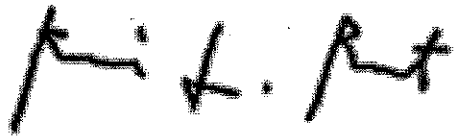
Certificate of Achievement for Excellence in Financial Reporting

Presented to

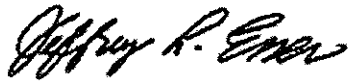
Cerro Gordo County Iowa

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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

January 21, 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, 2009, 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, 2009 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, 2009, 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 15th for the fiscal year beginning the following July 1st. This annual budget serves as the foundation for the County's financial planning and control. The State of Iowa requires the adoption of an annual budget with total County operating expenditures listed by major program service area. Activities of the general fund, special revenue funds, capital projects funds, and 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.

Factors Affecting Financial Condition

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 was named 2008 Tourism County of the Year by the Iowa Tourism Office and 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. Mercy Medical Center – North Iowa reduced its number of employees from 2,750 to 2,600 during the fiscal year, due to the national economic downturn.

The national recession had other consequences for local industries and businesses during the fiscal year. After operating continuously since 1908, Holcim Cement announced that it would close 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. Other job losses during the fiscal year include: Curries Manufacturing, 92 employees; Mercy Medical Center – North Iowa, 150 employees; Principal Financial, 22 employees; and the Mason City Globe Gazette, 9 employees. Also, Freedom Fuels LLC, a biodiesel plant in Mason City filed for bankruptcy.

In general economic news for the fiscal year, the number of persons employed in the county went from 24,430 to 24,540, an increase of 0.5% from December 2007 to December 2008, according to figures from Iowa Workforce Development. Taxable sales in Cerro Gordo County grew 1.77% from $142.65 million to $145.18 million comparing the second quarters of calendar years 2008 and 2009, according to figures from the Iowa Department of Revenue. The unemployment rate in Cerro Gordo County was 5.5%, almost one percent higher then the state's average unemployment rate of 4.6%, according to Iowa State University.

The City of Mason City's cost of living for the second quarter of 2008 was 86.3% of the national average, according to the ACCRA Cost of Living Index, ranking it seventh lowest out of 309 cities that participate in the ACCRA index.

Major Initiatives

In March 2009 the County authorized pursuit of a copyright for a new computer software program, "The Precinct Atlas". The program was developed by the MIS programming staff with descriptions of functionality and screen-designs provided by the County Auditor. It was used for the first time at a special election for the Mason City Community School District in February, 2009, and was subsequently used in special elections in Butler and Johnson Counties. 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. The Secretary of State has agreed to reimburse the County for the cost of development, and both parties expect to enter into a written agreement during the subsequent fiscal year.

In July 2008 the County issued $885,000 in Local Option Sales and Services Tax Revenue Bonds to fund the Clear Lake Dredging and Restoration Project; however, during the fiscal year the County used only $300,000 of that total. The current plan is to use up to $50,000 per year for twenty years of the local option sales and services tax revenues until the total is repaid.

In the area of Geographical Information Services, the County extended the Chapter 28-E Agreement with the City of Mason City, and partnered with the City for new countywide aerial imagery with Pictometry International Corporation. The contract includes the normal "overhead" aerial photography in addition to "oblique" images from each of four different angles.

The County entered into a new Chapter 28-E Agreement for creation of a new County Social Services Agency to administer mental health and disability services. Other participants include Floyd, Mitchell, Butler, and Black Hawk Counties, and the parties hope to see greater efficiencies and more effective use of pooled resources.

During the fiscal year the County received a report from the County Health Department with recommendations for a collective sanitary sewer project for the unincorporated town of Portland. The County subsequently contracted with Yaggy Colby Associates for preliminary engineering design work on the project.

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. As part of the County's target issues, the construction of the law enforcement complex was completed in February, 2008. The $13.5 million project was financed through the issuance of general obligation capital loan notes. Increased operating costs are offset by the elimination of inmate housing costs in out of county facilities due to the prior facility being at capacity, and further supplemented by the housing of other county and federal inmates.

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.

Cash Management

The County's investment policy is to ensure the safety of public funds by minimizing credit and market risk while maintaining a competitive yield on its portfolio. Idle funds during the year were invested in those investments authorized by law and included certificates of deposit and interest bearing bank accounts. Interest revenue on all governmental fund investments for the fiscal year was $286,180, down $441,072, a 60.6% decrease from the prior fiscal year.

Risk Management

Up until June 30, 2006, Cerro Gordo County was self-insured for employee health insurance. As of July 1, 2006, the county migrated to a partially self-insured program. The Safety Department manages other types of insurance, including worker's compensation, general liability, property, fleet, law enforcement professionals, public officials, and tort. The Safety Department has developed a risk management program which includes drug screenings, physicals and return-to-work exams; a case management program administered by the County's insurance carrier; deductibles of $500 on worker's compensation claims, $5,000 on buildings, $500 on electronic data processing equipment, $5,000 on crime, $10,000 on law enforcement, $10,000 on public officials, $1,000 on employee benefits, and $250 to $500 on motor vehicles; and, the retention of a doctor to deal with occupational medicine and to administer the required drug testing. The County has also developed programs including, but not limited to Bloodborne Pathogens, Tuberculosis, and Right to Know. Periodic training is offered in Defensive Driving and in the use of fire extinguishers. Annual hearing tests are provided for certain required employees. A drug-testing program is in place pursuant to US Department of Transportation rules for county employees who are required to possess a commercial driver's license.

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, 2008. This was the thirteenth 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,

Heather R Mathre

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

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, 2009, which collectively comprise the County's basic financial statements as 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, 2009, 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 issued our report dated January 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 nine years ended June 30, 2008 (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.

January 22, 2010

Gardiner Thomsen, P.C.

P.O. Box 216 • Charles City, IA 50616-0216 • Phone: (641) 228-7096 • Fax: (641) 228-7103 • www.gardinercpa.com

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, 2009. 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 6.9% or $2,040,249 from $29,433,465 in fiscal year 2008 (FY08) to $31,473,714 in fiscal year 2009 (FY09). Property taxes and other county taxes increased $59,562, intergovernmental revenue increased $2,402,667, and use of money and property revenues decreased $463,809 from FY08.

- Cerro Gordo County governmental fund expenditures for FY09 were $30,584,701, a decrease of $5,301,665 from $35,886,368 in FY08. This was primarily contributable to a $5,633,068 decrease in capital projects due to the completion of the new law enforcement center in FY08.

- The assets of the county exceeded liabilities at fiscal year ended June 30, 2009 by $43,334,675 (net assets). Of this amount, $5,220,057 is unrestricted and may be used to meet the County's ongoing obligations. For fiscal year ended June 30, 2008, assets exceeded liabilities by $39,969,492, of which $5,339,561 was unrestricted

- Cerro Gordo County's net assets increased 8.4% or approximately $3,365,183 at June 30, 2009. Government activities increased $3,431,737 and business-type activities decreased by $66,554. For fiscal year ended June 30, 2008, total net assets increased $554,110. Governmental activities increased $645,280 and business-type activities decreased $91,170.

- Cerro Gordo County's governmental funds reported combined ending fund balances of $13,852,880, an increase of $1,692,220 in comparison with the FY08 fund balances of $12,160,660. Approximately 90.5% of the total amount, $12,538,595 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 $178,002 during the fiscal year, from $12,489,621 in FY08 to $12,667,623 in FY09. This change was due to scheduled payments of $964,252 during FY09 and the issuance of $300,000 in revenue bonds and $842,254 in installment purchases and 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 the 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 $3,365,183 from $39,969,492 to $43,334,675. 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, 2009

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	$31,037,652	$28,702,413	$83,936	$75,150	$31,121,588	$28,777,563
Capital assets	40,589,345	38,531,268	2,067,826	2,153,111	42,657,171	40,684,379
Total assets	71,626,997	67,233,681	2,151,762	2,228,261	73,778,759	69,461,942
Long-term debt outstanding	12,093,235	13,214,260	567,947	586,635	12,661,182	13,800,895
Other liabilities	17,772,685	15,690,081	10,217	1,474	17,782,902	15,691,555
Total liabilities	29,865,920	28,904,341	578,164	588,109	30,444,084	29,492,450
Net assets:						
Invested in capital assets, net of related debt	28,174,721	26,166,841	1,490,330	1,910,172	29,665,051	28,077,013
Restricted	8,449,567	6,552,918	0	0	8,449,567	6,552,918
Unrestricted	5,136,789	5,609,581	83,268	(270,020)	5,220,057	5,339,561
Total net assets	$41,761,077	$38,329,340	$1,573,598	$1,640,152	$43,334,675	$39,969,492

The largest portion of the County's net assets, 68.5%, 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, 19.5% or $8,449,567, 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 $5,220,057 or 12.0%.

The County's net assets increased by $3,365,183 during the current fiscal year. The governmental-type activities increased by $3,431,737 and the business-type activities decreased $66,554.

The following table highlights the County's revenues and expenses for the fiscal year ended June 30, 2009 and 2008. 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, 2009

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for service and sales	$3,213,535	$3,195,829	$73,802	$74,612	$3,287,337	$3,270,441
Operating grants and contributions	9,992,973	8,755,036	0	0	9,992,973	8,755,036
Capital grants and contributions	3,974,119	611,123	0	0	3,974,119	611,123
General Revenues						
Property taxes	13,833,663	13,512,240	0	0	13,833,663	13,512,240
Penalty & interest on property tax	166,230	146,433	0	0	166,230	146,433
State tax credits	457,716	483,910	0	0	457,716	483,910
Local option sales & service tax	1,539,950	1,787,415	0	0	1,539,950	1,787,415
Grants and contributions not restricted to specific purposes	0	0	0	0	0	0
Unrestricted investment earnings	282,175	718,515	0	0	282,175	718,515
Miscellaneous	966,031	925,932	0	0	966,031	925,932
Loss on Disposal of Capital Assets	(19,063)	(24,774)	0	0	(19,063)	(24,774)
Total revenues	**34,407,329**	**30,111,659**	**73,802**	**74,612**	**34,481,131**	**30,186,271**
Expenses:						
Public safety and legal services	7,202,831	6,549,905	0	0	7,202,831	6,549,905
Physical health and social services	5,111,164	4,884,946	0	0	5,111,164	4,884,946
Mental health	5,813,641	6,373,624	0	0	5,813,641	6,373,624
County environment and education	1,676,138	1,536,823	0	0	1,676,138	1,536,823
Roads and transportation	6,534,326	5,944,155	0	0	6,534,326	5,944,155
Government services to residents	1,019,291	998,437	0	0	1,019,291	998,437
Administration or general government	2,166,888	2,448,491	0	0	2,166,888	2,448,491
Non-program	916,010	172,344	140,356	165,782	1,056,366	338,126
Interest on long-term debt	535,303	557,654	0	0	535,303	557,654
Total expenses	**30,975,592**	**29,466,379**	**140,356**	**165,782**	**31,115,948**	**29,632,161**
Increase (decrease) in net assets	**3,431,737**	**645,280**	**(66,554)**	**(91,170)**	**3,365,183**	**554,110**
Net assets July 1,	38,329,340	37,684,060	1,640,152	1,731,322	39,969,492	39,415,382
Net assets June 30,	**41,761,077**	**38,329,340**	**1,573,598**	**1,640,152**	**43,334,675**	**39,969,492**

Governmental Activities

Revenues for governmental activities increased 14.3%, or $4,295,670 over the prior year. The County's operating grants and contributions increased $1,237,937 due to additional mental health grants of $1,361,504 received from the State FY09. Capital grants and contributions had the largest increase of $3,362,996 over the prior year's amount of $611,123. This was due to the amount of financial support received from FEMA for the flood that hit the county in June 2008. Property tax revenues increased $321,423 due to an increase in the taxable value in the county. Unrestricted investment earnings decreased $436,340 due to lower investment rate of return.

The cost of all governmental activities this year was $30,975,592, an increase of $1,509,213 over the prior years' $29,466,378. 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 $13,794,965 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.

Public safety and legal service expenses were $652,926 higher than the prior year due to the addition of jail personnel for the new law enforcement complex. Mental Health expenses decreased $559,983 due to the reception of federal stimulus money. The stimulus money reduced the amount of local match on Medicaid services, so the portion of expenditures used for Medicaid match was reduced by 20%. Roads and Transportation increased $590,171 due to the purchase of equipment.

Cerro Gordo County maintained the rural rate of 3.51050 for FY09 and decreased the countywide tax rate of 6.59468 in FY08 to 6.32224 for FY09. The combined tax rates resulted in increased property tax dollars of approximately $516,777 for general purposes, $93,045 for rural purposes, and a decrease of $424,359 for debt service.

Business-Type Activities

Business-type activities decreased the County's net assets by $66,554.

The County's Individual Major Funds

As Cerro Gordo County completed the year, its governmental funds reported a combined fund balance of $13,852,880, which is a increase of $1,692,220 or 13.9% over the combined fund balance for FY08. Of this amount, $12,538,595 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 FY09 with a 50% ending fund balance totaling $5,746,193. This is an $188,529 increase from the prior year's $5,557,664 fund balance. The key factors for the increase were an additional $591,987 in property and other county taxes and an additional $113,485 in intergovernmental revenues. The largest increase for expenditures was the public safety and legal services function with $563,347. After years of planning, the Cerro Gordo County Sheriff's Department moved into the newly constructed Cerro Gordo County Law Enforcement Complex on February 14, 2008. With the new complex came nine additional jail personnel and the expenses associated with personnel.

- Cerro Gordo County has continued to look for ways to effectively manage the cost of mental health services. For the year, expenditures totaled $5,802,641, a decrease of 8.9% over last year's expenditures of $6,366,901. The primary reason for the decrease is due to federal stimulus money. The stimulus money reduced the amount of local match on Medicaid services, so the portion of our expenditures used for Medicaid match was reduced by 20%. Revenues increased $1,490,275 due to additional State funding. The Mental Health Fund balance increased from $(254,172) to $919,664 in FY09, an increase of $1,173,836.

- The Rural Services Fund had a fund balance that increased $271,492 to $848,808 from the prior year ending balance of $577,316, a result of the additional property and other county taxes received. Revenues increased $159,077, from $1,924,314 in FY08 to $2,083,391 in FY09. Expenditures totaled $311,899, an increase of 5.1% over last year's expenditures of $296,644.

- The Secondary Roads Fund expenditures decreased by $96,032 or 1.6%, from $5,873,037 in FY08 $5,777,005 in FY09. This was due to a decrease in roadway construction completed in FY09 as the County continues to maintain the condition of the County roadway system. The Secondary Road Fund balance increased $382,854, from $3,567,458 in FY08 to $3,950,312 in FY09.

- The Public Health Fund ended FY09 with a $721,725 fund balance, a $86,076 increase over the prior year's balance of $635,649. Expenditures increased $264,886, or 9.6% over the prior year. Revenues increased 10.3%, or $172,271 due to the additional tax dollar support received from the county.

- The Debt Service Fund had a fund balance of $25,832, all of which is reserved for the payment of debt.

- The Capital Projects fund balance was $339,648 at June 30, 2009. This is a decrease of $131,232 from the prior year fund balance of $470,880 due to the completion of the new courthouse roof.

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 2009, resulted in the following:

Revenues and Other Financing Sources increased $2,225,501, which included:

- Decrease of $93,637 in local option sales and service tax and utility excise tax.

- A $1,557,809 increase in intergovernmental revenues by various departments, including an increase of $735,259 for mental health services, $600,000 for Flood CDBG, and $185,000 for sheriff department.

- Additional $20,500 in licenses and permits for planning and zoning permits and public health fee.

- Charges for services increased $49,211, due to an increase in county relief of $10,000, public health of $64,327, and $14,884 for mental health services, along with a decrease of $40,000 for sheriff department. .

- Decrease of $377,438 in use of money & property. This was due to less interest revenue earned than budgeted and sale of property of $53,062.

- Miscellaneous revenue increased $246,016 due to several departments receiving additional miscellaneous revenue, with the public health receiving the largest share of $144,797.

- Other financing Sources of $823,040 includes $800,000 for the CLEAR project debt proceeds and a $23,040 transfer to public health.

Expenditures and Other Financing Uses increased $1,645,740, which included:

- Increase of $53,500 in public safety and legal services, including $50,000 for the Sheriff department.

- Decrease of $42,411 in physical health and education. This includes a decrease of $65,000 for the Court Services department, and in increase of $10,589 for the public health department.

- Additional $934,182 in county environment & education. $135,820 of the total was for additional county grants and $800,000 for the CLEAR project.

- An increase of $9,500 for government services to residents.

- Decrease of $74,300 in administration for several departments.
- An increase of $60,000 for the nonprogram current service area for drainage ditches.

- Increase in capital projects of $681,150. $600,000 for the flood CDBG and $81,150 for the construction of the law enforcement complex.

During the year, however, revenues were $198,121 less than budgetary revenues and expenditures were $3,382,790 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 functions 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, 2009 was $64,534,222, an increase of $3,758,247 or 5.8% compared to FY08. This investment in capital assets includes land, buildings, improvements other than buildings, machinery & equipment, vehicles, and infrastructure.

Major capital asset additions during the current fiscal year included infrastructure, the new law enforcement complex, and vehicles for Sheriff and Secondary Roads.

Cerro Gordo County's Capital Assets
FYE 2009

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	$ 1,646,392	$ 1,646,392	$ 62,300	$ 62,300	$ 1,708,692	$ 1,708,692
Construction-in-Process	1,074,333	1,202,355	0	0	1,074,333	1,202,355
Buildings	18,013,056	17,549,653	0	0	18,013,056	17,549,653
Improvements other than Buildings	603,760	603,760	0	0	603,760	603,760
Machinery & Equipment	6,883,972	6,503,591	0	0	6,883,972	6,503,591
Vehicles	3,515,582	3,483,678	0	0	3,515,582	3,483,678
Infrastructure	33,786,431	30,775,850	2,706,643	2,706,643	36,493,074	33,482,493
Total	65,523,526	61,765,279	2,768,943	2,768,943	68,292,469	64,534,222
Less: Accumulated Depreciation	24,934,181	23,234,011	701,117	615,832	25,635,298	23,849,843
Total	40,589,346	38,531,268	2,067,826	2,153,111	42,657,171	40,684,379

For governmental activities, Cerro Gordo County had depreciation expense of $2,357,122 and total accumulated depreciation of $24,934,181 for the year ended June 30, 2009. For business-type activities, depreciation expense was $85,285 and total accumulated depreciation was $701,117 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, 2009, Cerro Gordo County had general obligation bonds and capital loan notes outstanding totaling $12,198,000, a decrease of $282,000 compared to FY08. The decrease of debt resulted from the debt retirement of $582,000 along with the issuance of $300,000 of revenue bonds. In the current year, the County paid $582,000 in principal and $528,250 in interest on outstanding debt, compared to $955,000 in principal and $560,657 in interest for FY08.

Sewer revenue capital loan notes (Business-Type Activities) outstanding totaled $577,497. This is a decrease of $9,138 due to debt retirement. Business-Type Activities paid $9,138 in principal and $26,399 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 $178 million.

Cerro Gordo County's Outstanding Debt
June 30, 2009

	2009	2008
Governmental Activities:		
General Obligation Bonds and Capital Loan Notes	$ 12,198,000	$ 12,480,000
Capital Lease Purchase Agreements	148,202	9,621
Installment Purchase Agreements	321,421	0
Drainage Warrants	29,971	16,457
Termination Benefits	19,550	8,925
Compensated Absences	736,444	699,257
Total	**$ 13,453,588**	**$ 13,214,260**
Business-Type Activities:		
Sewer Revenue Bonds	$ 577,497	$ 586,635

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 2010 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 5.43% versus 4.5% a year ago. This compares with the State unemployment rate of 4.6% and the national rate of 9.5%.

- For the budget year ending June 30, 2010, Cerro Gordo County decreased the countywide tax rate from $6.32224 per thousand of taxable valuation to $6.30195 and maintained the rural county tax rate at $3.51050 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.

- The tax base for Cerro Gordo County increased 4.0% over the prior year.

- The total expenditures for the FY09 budget are $33,547,798, an increase of $985,256 from the FY08 budget. The main factor contributing to the increase is an additional $830,000 budgeted in capital projects for the pass through of grants attributable to the flood of 2008. All four of the County bargaining unit contracts are currently under five year agreements that expire June 30, 2010.

All these factors were considered in preparing the Cerro Gordo County budget for the June 30, 2010 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.

CERRO GORDO COUNTY, IOWA

STATEMENT OF NET ASSETS
June 30, 2009

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Pooled Investments	$13,277,115	$74,992	$13,352,107
Receivables:			
Property Tax:			
Delinquent	19,834	0	19,834
Succeeding year	14,070,750	0	14,070,750
Interest and Penalty on Property Tax	163	0	163
Accounts	416,143	0	416,143
Accrued Interest	20,719	0	20,719
Special Assessments	93,125	0	93,125
Drainage Assessments	11,561	0	11,561
Due From Other Governments	2,125,862	8,944	2,134,806
Inventories	1,002,380	0	1,002,380
Capital Assets:			
Land	1,646,392	62,300	1,708,692
Construction in Progress	1,074,333	0	1,074,333
Other Capital Assets	62,802,801	2,706,643	65,509,444
Less Accumulated Depreciation	(24,934,181)	(701,117)	(25,635,298)
Total Assets	$71,626,997	$2,151,762	$73,778,759
Liabilities			
Accounts Payable	$1,273,512	$668	$1,274,180
Accrued Interest Payable	50,122	0	50,122
Salaries and Benefits Payable	288,612	0	288,612
Due to Other Governments	479,167	0	479,167
Unearned Revenue:			
Succeeding Year Property Tax	14,070,750	0	14,070,750
Long-Term Liabilities:			
Portion Due or Payable Within One Year:			
Capital Lease Purchase Agreements	48,684	0	48,684
Installment Purchase Agreement	321,422	0	321,422
General Obligation Bonds/Revenue Notes	486,880	9,549	496,429
Compensated Absences	741,211	0	741,211
Termination Benefits	12,325	0	12,325
Portion Due or Payable After One Year:			
Capital Lease Purchase Agreements	99,518	0	99,518
General Obligation Bonds/Revenue Notes	11,711,120	567,947	12,279,067
Drainage District Warrants Payable	29,971	0	29,971
Termination Benefits	7,225	0	7,225
Net OPEB Liability	245,401	0	245,401
Total Liabilities	29,865,920	578,164	30,444,084
Net Assets			
Invested in Capital Assets, Net of Related Debt	28,174,721	1,490,330	29,665,051
Temporarily Restricted For:			
Mental Health Purposes	894,193	0	894,193
Secondary Roads Purposes	4,525,702	0	4,525,702
Debt Service	8,414	0	8,414
Capital Projects	339,648	0	339,648
Other Purposes	2,681,610	0	2,681,610
Unrestricted	5,136,789	83,268	5,220,057
Total Net Assets	$41,761,077	$1,573,598	$43,334,675

See Notes to Financial Statements.

CERRO GORDO COUNTY, IOWA

STATEMENT OF ACTIVITIES
Year Ended June 30, 2009

		Program Revenues		
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
FUNCTIONS/PROGRAMS:				
Governmental Activities:				
Public Safety and Legal Services	$7,202,831	$893,693	$643,188	$0
Physical Health and Social Services	5,111,164	574,979	2,342,525	0
Mental Health	5,813,641	548,039	4,023,779	0
County Environment and Education	1,676,138	90,782	45,592	450,409
Roads and Transportation	6,534,326	57,906	2,937,170	3,328,710
Governmental Services to Residents	1,019,291	641,497	719	0
Administrative Services	2,166,888	253,284	0	195,000
Non-Program	916,010	153,355	0	0
Interest on Long Term Debt	535,303	0	0	0
	30,975,592	3,213,535	9,992,973	3,974,119
Business-type Activities				
Wastewater Collection and Treatment	140,356	73,802	0	0
Total	$31,115,948	$3,287,337	$9,992,973	$3,974,119

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

Net Assets End of Year

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
($5,665,950)	$0	($5,665,950)
(2,193,660)	0	(2,193,660)
(1,241,823)	0	(1,241,823)
(1,089,355)	0	(1,089,355)
(210,540)	0	(210,540)
(377,075)	0	(377,075)
(1,718,604)	0	(1,718,604)
(762,655)	0	(762,655)
(535,303)	0	(535,303)
(13,794,965)	0	(13,794,965)
0	(66,554)	(66,554)
($13,794,965)	($66,554)	($13,861,519)
$12,881,530	$0	$12,881,530
952,133	0	952,133
166,230	0	166,230
457,716	0	457,716
1,539,950	0	1,539,950
282,175	0	282,175
946,968	0	946,968
17,226,702	0	17,226,702
3,431,737	(66,554)	3,365,183
38,329,340	1,640,152	39,969,492
$41,761,077	$1,573,598	$43,334,675

CERRO GORDO COUNTY, IOWA

BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2009

		Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads	Public Health
Assets					
Cash and Pooled Investments	$5,951,007	$1,345,851	$871,213	$2,681,564	$455,133
Receivables:					
Property Tax:					
Delinquent	11,472	2,924	4,124	0	0
Succeeding Year	9,037,996	2,183,091	1,904,995	0	0
Interest and Penalty on Property Tax	163	0	0	0	0
Accounts	111,907	7,944	0	9,849	177,714
Accrued Interest	20,236	0	0	0	0
Special Assessments	55,784	0	0	5,916	0
Drainage Assessments	0	0	0	0	0
Due From Other Funds	3,036	0	0	0	0
Due From Other Governments	194,658	340,518	0	1,270,477	192,963
Inventories	0	0	0	1,002,380	0
Total Assets	$15,386,259	$3,880,328	$2,780,332	$4,970,186	$825,810
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable	$351,789	$300,009	$19,686	$217,276	$42,699
Salaries and Benefits Payable	161,922	12,710	2,923	48,636	49,511
Due To Other Funds	0	766	0	213	1,916
Due To Other Governments	14,159	460,627	0	0	4,381
Compensated Absences	4,767	0	0	0	0
Deferred Revenue:					
Succeeding Year Property Tax	9,037,996	2,183,091	1,904,995	0	0
Other	69,433	3,461	3,920	753,749	5,578
Total Liabilities	9,640,066	2,960,664	1,931,524	1,019,874	104,085
Fund Balances					
Reserved For:					
Inventories	0	0	0	1,002,380	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
Unreserved, Reported In:					
General Fund	5,746,193	0	0	0	0
Special Revenue Funds	0	919,664	848,808	2,947,932	721,725
Capital Projects Fund	0	0	0	0	0
Total Fund Balances	5,746,193	919,664	848,808	3,950,312	721,725
Total Liabilities and Fund Balances	$15,386,259	$3,880,328	$2,780,332	$4,970,186	$825,810

See Notes To Financial Statements

Debt Service	Capital Projects	Nonmajor	Total
$25,797	$284,788	$1,472,321	$13,087,674
1,314	0	0	19,834
944,668	0	0	14,070,750
0	0	0	163
0	58,011	44,419	409,844
0	0	483	20,719
31,425	0	0	93,125
0	0	11,561	11,561
0	0	0	3,036
0	0	127,230	2,125,846
0	0	0	1,002,380
$1,003,204	$342,799	$1,656,014	$30,844,932
$0	$3,151	$330,714	$1,265,324
0	0	12,910	288,612
0	0	141	3,036
0	0	0	479,167
0	0	0	4,767
944,668	0	0	14,070,750
32,704	0	11,551	880,396
977,372	3,151	355,316	16,992,052
0	0	0	1,002,380
0	0	121,308	121,308
0	0	104,765	104,765
0	0	60,000	60,000
25,832	0	0	25,832
0	0	0	5,746,193
0	0	1,014,625	6,452,754
0	339,648	0	339,648
25,832	339,648	1,300,698	13,852,880
$1,003,204	$342,799	$1,656,014	$30,844,932

CERRO GORDO COUNTY, IOWA

RECONCILIATION OF THE BALANCE SHEET
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
June 30, 2009

Total Governmental Fund Balances (page 24)		$13,852,880
Amounts reported for governmental activities in the statement of net assets that are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. The cost of assets is $65,523,526 and the accumulated depreciation is $24,934,181.		40,589,345
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the funds.		
Property Taxes – General Purposes	17,875	
Property Taxes – Debt Service	1,279	
sTEP Grant	2,532	
Federal Emergency Management Assistance	747,833	
Public Health Bioterrorism Grant	5,578	
Mental Health Providers	623	
Drainage Assessments/Special Assessments	104,676	880,396
The Internal Service Fund is used by management to charge the costs of partial self funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Assets.		187,568
Long-term liabilities, including bonds payable, accrued interest payable and compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the funds.		(13,749,112)
Net assets of governmental activities (page 20)		$41,761,077

See Notes to Financial Statements

CERRO GORDO COUNTY, IOWA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
Year Ended June 30, 2009

	General	Mental Health	Rural Services	Secondary Roads	Public Health
REVENUES:					
Property and Other County Tax	$8,819,617	$2,207,677	$2,002,377	$846,972	$0
Interest and Penalty on Property Tax	166,230	0	0	0	0
Intergovernmental	1,961,895	4,727,374	81,014	3,502,257	1,215,662
Licenses and Permits	15,460	0	0	7,495	22,535
Charges For Service	867,523	21,694	0	0	191,992
Use of Money and Property	379,956	0	0	800	0
Fines, Forfeitures and Defaults	0	0	0	0	0
Miscellaneous	278,718	39,042	0	23,726	261,081
Total Revenues	12,489,399	6,995,787	2,083,391	4,381,250	1,691,270
EXPENDITURES:					
Operating:					
Public Safety and Legal Services	6,498,178	0	58,537	0	0
Physical Health and Social Services	573,367	0	0	0	2,969,209
Mental Health	0	5,802,641	0	0	0
County Environment and Education	1,144,913	0	47,444	0	0
Roads and Transportation	0	0	205,525	4,873,799	0
Governmental Services to Residents	917,768	0	393	0	0
Administration	2,144,781	0	0	0	0
Non-Program	75,981	0	0	0	0
Debt Service	52,236	0	0	321,420	54,554
Capital Projects	0	0	0	581,786	0
Total Expenditures	11,407,224	5,802,641	311,899	5,777,005	3,023,763
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,082,175	1,193,146	1,771,492	(1,395,755)	(1,332,493)
Other Financing Sources (Uses):					
Sale of Capital Assets	6,200	0	0	54,325	0
Issuance of Drainage Warrants	0	0	0	0	0
Transfers In	19,310	0	0	1,500,000	1,219,156
Transfers Out	(1,219,156)	(19,310)	(1,500,000)	0	0
Proceeds from Issuance of Revenue Bond	300,000	0	0	0	0
Proceeds from Issuance of Installment Contract	0	0	0	642,841	0
Proceeds from Capital Lease Purchase Agreement	0	0	0	0	199,413
Total Other Financing Sources (Uses)	(893,646)	(19,310)	(1,500,000)	2,197,166	1,418,569
Net Change in Fund Balances	188,529	1,173,836	271,492	801,411	86,076
Fund Balances Beginning of Year	5,557,664	(254,172)	577,316	3,567,458	635,649
Decrease in Reserve For:					
Inventories	0	0	0	(418,557)	0
Fund Balances End of Year	$5,746,193	$919,664	$848,808	$3,950,312	$721,725

See Notes To Financial Statements

Debt Service	Capital Projects	Nonmajor	Total
$952,291	$0	$538,981	$15,367,915
0	0	0	166,230
30,581	450,409	1,017,569	12,986,761
0	0	352,470	397,960
0	0	91,825	1,173,034
0	3,506	54,836	439,098
0	0	48,814	48,814
22,502	58,011	210,822	893,902
1,005,374	511,926	2,315,317	31,473,714
0	0	212,323	6,769,038
0	0	1,607,635	5,150,211
0	0	0	5,802,641
0	0	469,479	1,661,836
0	0	0	5,079,324
0	0	21,685	939,846
0	0	42,275	2,187,056
0	0	200,806	276,787
1,014,854	0	49,954	1,493,018
0	643,158	0	1,224,944
1,014,854	643,158	2,604,157	30,584,701
(9,480)	(131,232)	(288,840)	889,013
0	0	0	60,525
0	0	18,985	18,985
0	0	0	2,738,466
0	0	0	(2,738,466)
0	0	0	300,000
0	0	0	642,841
0	0	0	199,413
0	0	18,985	1,221,764
(9,480)	(131,232)	(269,855)	2,110,777
35,312	470,880	1,570,553	12,160,660
0	0	0	(418,557)
$25,832	$339,648	$1,300,698	$13,852,880

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, 2009

Net change in fund balances - Total governmental funds (page 27)		$2,110,777
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 expense to allocate those expenditures over the life of the assets. Capital outlays exceeded depreciation expense in the current year as follows:		
Expenditures for capital assets	$1,998,489	
Capital assets contributed by the Iowa Department of Transportation	2,301,298	
Capital assets contributed by the Iowa Highway Patrol	195,000	
Depreciation expense	(2,357,122)	2,137,665
In the Statement of Activities, the loss on the disposition of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increases financial resources.		(79,588)
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	5,695	
Other	324,667	330,362
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond and note principal and other debts is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Current year debt issuances exceeded repayments as follows:		
Bonds, leases and loans issued	(1,406,640)	
Principal payments	582,000	
Lease payments	60,832	
Installment payments	321,419	
Drainage warrants	5,471	(436,918)
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	(47,812)	
Interest on long-term debt	(6,537)	(54,349)
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.		(418,557)
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 net revenue of the Internal Service Funds are reported with governmental activities.		(157,655)
Change in net assets of governmental activities (page 22)		$3,431,737

See Notes to Financial Statements.

CERRO GORDO COUNTY, IOWA

STATEMENT OF NET ASSETS – PROPRIETARY FUNDS
June 30, 2009

	Enterprise			
	Meservey Wastewater Collection & Treatment Facility	Swaledale Wastewater Collection & Treatment Facility	Totals	Internal Service
ASSETS				
Current Assets:				
Cash	$9,067	$65,925	$74,992	$189,441
Receivables:				
Accounts	0	0	0	6,299
Due From Other Governments	3,589	5,355	8,944	16
Total Current Assets	12,656	71,280	83,936	195,756
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	(292,830)	(408,287)	(701,117)	0
Total Non-Current Assets	1,286,696	781,130	2,067,826	0
Total Assets	$1,299,352	$852,410	$2,151,762	$195,756
LIABILITIES				
Current Liabilities:				
Accounts Payable	$276	$392	$668	$8,188
Note Payable:				
Portion Due Within One Year:				
Note Payable	4,817	4,732	9,549	0
Total Current Liabilities	5,093	5,124	10,217	8,188
Non-Current Liabilities:				
Portion Due After One Year:				
Note Payable	333,040	234,907	567,947	0
Total Liabilities	338,133	240,031	578,164	8,188
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	948,839	541,491	1,490,330	0
Unrestricted	12,380	70,888	83,268	187,568
	$961,219	$612,379	$1,573,598	$187,568

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, 2009

	Enterprise			
	Meservey Wastewater Collection & Treatment Facility	Swaledale Wastewater Collection & Treatment Facility	Totals	Internal Service
OPERATING REVENUES:				
Interfund Services Provided	$0	$0	$0	$2,072,497
Employee Payments	0	0	0	144,271
Miscellaneous	38,667	35,135	73,802	127,817
Total Operating Revenues	38,667	35,135	73,802	2,344,585
OPERATING EXPENSES:				
Waste Water Treatment Facility:				
Depreciation	48,805	36,481	85,286	0
Miscellaneous	13,988	14,684	28,672	0
Health Insurance:				
Medical Claims	0	0	0	141,800
Insurance Premiums	0	0	0	2,022,096
Administrative Fees	0	0	0	50,668
Miscellaneous	0	0	0	10,673
Central Services:				
Telephone	0	0	0	47,013
Insurance	0	0	0	230,576
Total Operating Expenses	62,793	51,165	113,958	2,502,826
Operating Loss	(24,126)	(16,030)	(40,156)	(158,241)
NON-OPERATING REVENUE (EXPENSES)				
Interest Income	0	0	0	586
Interest Expense	(15,410)	(10,988)	(26,398)	0
Total Non-Operating Revenues (Expenses)	(15,410)	(10,988)	(26,398)	586
Net Loss	(39,536)	(27,018)	(66,554)	(157,655)
Net Assets Beginning of Year	1,000,755	639,397	1,640,152	345,223
Net Assets End of Year	$961,219	$612,379	$1,573,598	$187,568

See Notes To Financial Statements

CERRO GORDO COUNTY, IOWA

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
Year Ended June 30, 2009

	Enterprise			
	Meservey Wastewater Collection & Treatment Facility	Swaledale Wastewater Collection & Treatment Facility	Totals	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	$37,862	$34,582	$72,444	$0
Cash Received from Operating Funds	0	0	0	2,204,997
Cash Received from Employees and Other	0	0	0	140,653
Cash Paid to Suppliers for Services	(14,223)	(15,256)	(29,479)	(2,500,334)
Net Cash Provided by (Used in) Operating Activities	23,639	19,326	42,965	(154,684)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Income	0	0	0	586
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Interest Expense	(15,411)	(10,988)	(26,399)	0
Note Payments	(4,610)	(4,528)	(9,138)	0
Net Cash Used in Capital and Related Financing Activities	(20,021)	(15,516)	(35,537)	0
Net Increase (Decrease) in Cash	3,618	3,810	7,428	(154,098)
Cash – Beginning of Year	5,449	62,115	67,564	343,539
Cash – End of Year	$9,067	$65,925	$74,992	$189,441
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating Loss	($24,126)	($16,030)	($40,156)	($158,241)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities:				
Depreciation	48,805	36,481	85,286	0
(Increase) Decrease in Receivables	(805)	(553)	(1,358)	1,065
Increase (Decrease) in Payables	(235)	(572)	(807)	2,492
Net Cash Provided by (Used in) Operating Activities	$23,639	$19,326	$42,965	($154,684)

See Notes To Financial Statements.

CERRO GORDO COUNTY, IOWA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES – AGENCY FUNDS
June 30, 2009

ASSETS	
Cash and Pooled Investments:	
County Treasurer	$2,687,905
Other County Officials	264,246
Receivables:	
Property Tax:	
Delinquent	1,387
Succeeding Year	47,651,526
Accounts	5,882
Assessments	1,088,693
Due From Other Governments	239,338
Total Assets	$51,938,977
LIABILITIES	
Accounts Payable	$378,959
Salaries and Benefits Payable	14,515
Due To Other Governments	51,211,796
Trusts Payable	311,944
Compensated Absences	21,763
Total Liabilities	$51,938,977

See Notes To Financial Statements

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, and general administrative 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 that 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 also 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 three categories

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

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, but can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program 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 self 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

Fiduciary fund types are used to account for net assets and changes in net assets. The fiduciary funds of the County are considered agency 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 fund. 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
Pass-through Projects
Employees Benefits

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 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. Investments, consisting of non-negotiable certificates of deposit, are stated at cost.

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

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, 2007 assessed property valuations; is for the tax accrual period July 1, 2008 through June 30, 2009 and reflects the tax asking contained in the budget certified by the County board of Supervisors in March 2008.

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

Drainage and Special Assessments Receivable - Drainage and special assessments receivable represents amounts assessed to individuals for work done which benefits their property. These assessments are payable by individuals in not less than 10 nor more than 20 annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Drainage assessments receivable represent assessments which are 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, 2009, 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 (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. In compliance with GASB 34, the County had included infrastructure assets acquired after June 30, 1980. 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 coats in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Infrastructure	$ 50,000
Land, buildings and improvements	25,000
Equipment and vehicles	5,000

Note 1: Summary of Significant Accounting Policies (Continued)

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

Asset Class	Estimated Useful lives (In Years)
Buildings	40-50
Building improvements	20-50
Infrastructure	30-50
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. Deferred 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 deferred 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, 2008. 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, 2009, disbursements exceeded the amounts budgeted in the Roads and Transportation and Debt Service functions.

Note 2: Cash and Pooled Investments

The County's deposits in banks at June 30, 2009 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.

The County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of $1,000,000 pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Note 3: Due from and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2009, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Special Revenue:	
	MH/DD Services	$ 766
	Empowerment	141
	Secondary Road	213
	Public Health	1,916
Total		$ 3,036

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, 2009 is as follows:

Transfer To	Transfer From	Amount
General Fund	Special Revenue	
	Mental Health	$ 19,310
Special Revenue	Special Revenue:	
Secondary Roads	Rural Services	1,500,000
Public Health	General Basic	1,219,156
Total		$ 2,738,466

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

Note 5: Capital Assets

Capital assets activity for the year ended June 30, 2009 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental Activities:				
Capital assets not being depreciated:				
Land	$1,646,392	0	0	$1,646,392
Construction in progress	1,202,355	1,109,411	1,237,433	1,074,333
Total capital assets not being depreciated	2,848,747	1,109,411	1,237,433	2,720,725
Capital assets being depreciated:				
Buildings	17,549,653	463,403	0	18,013,056
Improvements other than buildings	603,760	0	0	603,760
Machinery and equipment	6,503,591	953,613	573,232	6,883,972
Vehicles	3,483,678	195,212	163,308	3,515,582
Infrastructure	30,775,850	3,010,581	0	33,786,431
Total capital assets being depreciated	58,916,532	4,622,809	736,540	62,802,801
Less accumulated depreciation for:				
Buildings	2,305,148	346,773	0	2,651,921
Improvements other than buildings	416,774	10,050	0	426,824
Machinery and equipment	4,734,194	499,555	550,446	4,683,303
Vehicles	2,243,461	286,969	106,506	2,423,924
Infrastructure, road network	13,534,434	1,213,775	0	14,748,209
Total accumulated depreciation	23,234,011	2,357,122	656,952	24,934,181
Total capital assets being depreciated, net	35,682,521	2,265,688	79,588	37,868,621
Governmental activities capital assets, net	$38,531,268	$3,375,099	$1,317,021	$40,589,346

Depreciation expense was charged to the following functions:

Governmental Activities:	
Public safety and legal services	$391,809
Physical health and social services	42,469
Mental health	3,337
County environment and education	46,206
Roads and transportation	1,716,958
Governmental services to residents	65,323
Administration services	91,020
Total depreciation expense – governmental activities	$2,357,122

Capital asset activity of the Enterprise Funds for the year ended June 30, 2009 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	615,832	85,285	0	701,117
Total capital assets being depreciated, net	2,090,811	(85,285)	0	2,005,526
Business-type activities capital assets, net	$2,153,111	$(85,285)	$0	$2,067,826

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	$14,159
Special Revenue		
Mental Health		460,627
Public Health		4,381
Total Governmental Funds		$ 479,167
Agency	Collections	
County Special Appraisal		$ 470,221
Schools		25,476,827
City Assessor		248,442
Corporations		19,599,180
Auto License & Use Tax		878,604
City Special Appraisal		70,844
County Assessor		515,930
E911 Operations		341,976
City Special Assessments		1,054,248
All Others		2,555,524
Total for Agency Funds		$ 51,211,796

Note 7: Changes in Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2009, is as follows:

Governmental Activities	Capital Loan Notes & General Obligation Bonds	Lease Obligations	Installment Purchases	Compensated Absences
Balance – Beginning of Year	$12,480,000	$9,621	$0	$699,257
Increases	300,000	199,413	642,841	736,444
Decreases	582,000	60,832	321,420	699,257
Balance – End of Year	$12,198,000	$148,202	$321,421	$736,444
Due within one year	$486,880	$48,684	$321,421	$736,444

	Termination Benefits	Drainage Warrants	Total
Balance – Beginning of Year	$ 8,925	$16,457	$13,214,260
Increases	21,675	18,985	1,919,358
Decreases	11,050	5,471	1,680,030
Balance – End of Year	$19,550	$29,971	$13,453,588
Due within one year	$12,325	$0	$1,605,754

Business Type Activities	Sewer Revenue Capital Loan Notes
Balance – Beginning of Year	$586,635
Increases	0
Decreases	9,138
Balance – End of Year	$577,497
Due within one year	$9,550

Note 8: Capital Lease Purchase Agreements / Installment Purchase Agreements

The County has entered into a capital lease purchase agreement for the Administration's postage machine totaling $29,325. The following is a schedule of the future minimum lease payments, including interest at 8.508% per annum, and the present value of net minimum lease payments under the agreement in effect at June 30, 2009 for Equipment:

Year Ending June 30,	Postage Machine
2010	$3,450
Total Minimum Lease Payments	3,450
Less: Amount Representing Interest	107
Present Value of Net Minimum Lease Payments	$3,343

Payments under capital lease purchase agreements for year ended June 30, 2009, totaled $6,900.

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, 2009 for Equipment:

Year Ending June 30,	Virtual Network
2010	$54,554
2011	54,554
2012	54,555
Total Minimum Lease Payments	163,663
Less: Amount Representing Interest	18,804
Present Value of Net Minimum Lease Payments	$144,859

Payments under capital lease purchase agreements for year ended June 30, 2009, totaled $54,554.

In August of 2008, the Secondary Road Department has entered into two separate installment purchase agreements for three motorgraders totaling $202,995 and $439,846 respectively. The following is a schedule of the installment payments under the agreement in effect at June 30, 2009 for Equipment:

Year Ending June 30,	John Deere	Zeigler	Total
2010	$101,497	$219,924	$321,421

Payments under the installment purchase agreements for year ended June 30, 2009, totaled $101,497 and $219,922 respectively.

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

The County has issued $ 620,000 in general obligation bonds to fund the costs of construction of a sanitary sewer project. The bonds were paid in full during the year ended June 30, 2009. 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:

	2006B $9,000,000 Issue			2007A $4,500,000 Issue		
Year Ending June 30,	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest
2010	4.30%	$0	$392,248	3.65%	$475,000	$110,647
2011	4.30%	0	392,247	3.70%	490,000	93,310
2012	4.30%	0	392,247	3.75%	510,000	75,181
2013	4.30%	0	392,247	3.80%	530,000	56,055
2014	4.30%	0	392,248	3.80%	550,000	35,915
2015-2019	4.30%	2,945,000	1,753,763	3.85%	390,000	15,015
2020-2024	4.375-4.40%	4,130,000	982,438	-	0	0
2025-2026	4.40%	1,925,000	128,040	-	0	0
		$9,000,000	$4,825,478		$2,945,000	$386,122

During the year ended June 39, 2009, the County issued $885,000 of Local Option Sales and Service Tax Revenue Bonds. The purpose of the bonds were 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. 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 2009 totaled $49,954. Details of the outstanding bonds are as follows:

	2008 $885,000 Issue		
Year Ending June 30,	Interest Rate	Principal	Interest
2010	1.25%	$11,880	$3,162
2011	1.25%	12,028	3,014
2012	1.25%	12,179	2,863
2013	1.25%	12,331	2,711
2014	1.25%	12,485	2,557
2015-2019	1.25%	64,805	10,407
2020-2024	1.25%	65,958	6,254
2025-2028	1.25%	58,334	1,835
		$253,000	$32,803

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, 2009, the County has obligations to three participants with a total liability of $19,550. Retirement benefits expenses for three retirees for the year ended June 30, 2009 totaled $11,050.

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.

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
2010	$4,732	$10,784	$15,516
2011	4,945	10,571	15,516
2012	5,168	10,348	15,516
2013	5,400	10,116	15,516
2014	5,644	9,873	15,517
2015-2019	32,262	45,318	77,580
2020-2024	40,204	37,376	77,580
2025-2029	50,102	27,478	77,580
2030-2034	62,436	15,144	77,580
2035-2036	28,746	1,946	30,692
	$239,639	$178,954	$418,593

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	$59,100 Note		$253,200 Note		$49,000 Note		Total	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	$802	$2,473	$3,433	$10,597	$583	$2,133	$4,818	$15,203
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	2,320	4,094	9,936	695	2,020	5,745	14,276
2015-2019	5,465	10,910	23,403	46,747	3,976	9,604	32,844	67,261
2020-2024	6,810	9,565	29,164	40,986	4,954	8,626	40,928	59,177
2025-2029	8,486	7,889	36,344	33,806	6,174	7,406	51,004	49,101
2030-2034	10,575	5,800	45,291	24,859	7,694	5,886	63,560	36,545
2035-2039	13,179	3,196	56,441	13,709	9,588	3,992	79,208	20,897
2040-2044	6,065	411	26,072	1,768	11,822	1,632	43,959	3,811
	$54,966	$49,761	$235,495	$213,245	$47,397	$47,536	$337,858	$310,542

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 statue 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 4.10% of their annual covered salary and the County is required to contribute 6.35% 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, 2009, 2008 and 2007 were $710,585, $627,155 and $574,555 respectively, equal to the required contributions for each year.

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 246 active and 6 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.

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, 2009, the amount actually contributed to the plan and the changes in the County's net OPEB obligation:

Annual required contribution	$251,652
Interest on net OPEB obligation	0
Adjustment to annual required contribution	0
Annual OPEB cost (expense)	251,652
Contributions made	(6,250)
Increase in net OPEB obligation	245,502
Net OPEB obligation - beginning of the year	0
Net OPEB obligation – end of the year	$245,502

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, 2009.
For the fiscal year 2009, the County contributed $ 6,250 to the medical plan. Plan members receiving benefits contributed $ 12,500, 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, 2009 are summarized as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6-30-2009	$251,652	2.48%	$245,502

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 $9,425,823, and the ratio of the UAAL to the covered payroll was 21.7%. As of June 30, 2009, 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 short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations.

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

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 $419 per month for retirees less than 65. The salary increase rate was assumed to be 4% per year. The UAAL is being amortized on a level dollar 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 577 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 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, 2009 were $198,990.

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 $100,000 each occurrence, each location, with excess coverage reinsured on an individual-member basis.

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 claimed 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, 2009, no liability has been recorded in the County's financial statements. As of June 30, 2009, 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 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 capital contribution.

If a member withdraws after the sixth year, the member is refunded 100 percent of its capital contributions. However, the refund is reduced by an amount equal to the annual operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

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, 2009 was $1,818,058.

Amounts payable from the Health Insurance Fund at June 30, 2009 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 $104,577 at June 30, 2009 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
2007-2008	$0	180,800	180,800	$0
2008-2009	$0	141,800	141,800	$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, 2009, 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. 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.

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 2009, the County discovered that an Information Systems employee had gained unauthorized access to the time clock software installed on the County's server. Upon further investigation, it was determined the employee had made approximately 600 unauthorized edits or additional punches to the employee's timesheets, beginning in May of 2007 through October of 2009. The employee was immediately terminated and the County continues to investigate. County personnel have determined the amounts of additional payroll, including the County's portion of payroll tax and IPERS expense incurred by the unauthorized access were not material to the financial statements in any fiscal year during the period. The County has also implemented additional controls over the payroll time clock system to prevent or detect and correct any future unauthorized access to the server or the software. A separate report is being prepared for submission to the Office of the Auditor of State and the County Attorney.

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, 2009

	Actual	Less Funds Not Required To Be Budgeted	Net
REVENUES:			
Property and Other County Tax	$15,367,915	$0	$15,367,915
Interest and Penalty on Property Tax	166,230	0	166,230
Intergovernmental	12,986,761	0	12,986,761
Licenses and Permits	397,960	0	397,960
Charges for Service	1,173,034	15,514	1,157,520
Use of Money and Property	439,098	0	439,098
Miscellaneous	942,716	160,319	782,397
Total Revenues	31,473,714	175,833	31,297,881
EXPENDITURES:			
Public Safety and Legal Services	6,769,038	0	6,769,038
Physical Health and Social Services	5,150,211	0	5,150,211
Mental Health	5,802,641	0	5,802,641
County Environment and Education	1,661,836	0	1,661,836
Roads and Transportation	5,497,881	0	5,497,881
Governmental Services to Residents	939,846	0	939,846
Administrative Services	2,187,056	0	2,187,056
Non-Program	276,787	200,806	75,981
Debt Service	1,493,018	0	1,493,018
Capital Projects	1,224,944	0	1,224,944
Total Expenditures	31,003,258	200,806	30,802,452
Excess (Deficiency) of Revenues Over (Under) Expenditures	470,456	(24,973)	495,429
Other Financing Sources, Net	1,221,764	18,985	1,202,779
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,692,220	(5,988)	1,698,208
Balance Beginning of Year	12,160,660	110,753	12,049,907
Balance End of Year	$13,852,880	$104,765	$13,748,115

See Accompanying Independent Auditors' Report.

Budgeted Amounts		Final to Net Variance - Positive (Negative)
Original	Final	
$15,445,141	$15,351,504	$16,411
130,000	130,000	36,230
11,459,941	13,017,750	(30,989)
384,075	404,575	(6,615)
1,052,478	1,101,689	55,831
809,071	431,633	7,465
812,835	1,058,851	(276,454)
30,093,541	31,496,002	(198,121)
7,151,260	7,204,760	435,722
5,372,186	5,329,775	179,564
6,530,000	6,530,000	727,359
1,389,880	2,324,062	662,226
5,172,514	5,172,514	(325,367)
1,021,417	1,030,917	91,071
2,525,567	2,451,267	264,211
20,500	80,500	4,519
1,059,218	1,060,297	(432,721)
2,320,000	3,001,150	1,776,206
32,562,542	34,185,242	3,382,790
(2,469,001)	(2,689,240)	3,184,669
10,000	810,000	392,779
(2,459,001)	(1,879,240)	3,577,448
12,066,012	12,066,012	(16,105)
$9,607,011	$10,186,772	$3,561,343

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 disbursements by $1,402,461 and $1,622,700 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, 2009, disbursements exceeded the amounts budgeted in the Roads and Transportation and Debt Service functions.

CERRO GORDO COUNTY, IOWA

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

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)
July 1, 2008	$0	$2,045	2,045	0%	$9,426	21.7%

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.

Other Supplementary Information

CERRO GORDO COUNTY, IOWA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GENERAL FUND
Year ended June 30, 2009

REVENUES:		
Property and Other County Tax:		
Property Tax	$8,115,659	
Local Option Sales Tax	153,994	
Utility Tax Replacement Excise Tax	541,916	
Other County Tax	8,048	$8,819,617
Interest and Penalty on Property Tax		166,230
Intergovernmental:		
State Shared Revenues		16,074
State Tax Credits		288,121
State and Federal Pass-Thru Revenues:		
Child Support Recovery Incentives	437,797	
Human Services Administration Reimbursement	140,654	
Other	196,778	775,229
Contributions From Other Intergovernmental Units		823,787
State Grants and Entitlements		56,650
Federal Grants and Entitlements		2,034
Licenses and Permits		15,460
Charges for Service:		
Office Fees and Collections:		
County Auditor	2,874	
County Recorder	310,287	
County Sheriff	108,931	
Auto License, Use Tax and Postage	323,267	
Miscellaneous	122,164	867,523
Use of Money and Property:		
Interest on Investments	268,426	
Miscellaneous	111,533	379,956
Miscellaneous:		
Reimbursements	189,542	
Assessments	33,969	
Miscellaneous	55,207	278,718
Total Revenues		12,489,399

(Continued)

CERRO GORDO COUNTY, IOWA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GENERAL FUND
Year Ended June 30, 2009

EXPENDITURES:		
Operating:		
Public Safety and Legal Services		$6,498,178
Physical Health and Social Services		573,367
County Environment and Education		1,144,913
Governmental Services to Residents		917,768
Administration		2,152,654
Non-Program		75,981
Debt Service		44,363
Total Expenditures		11,407,224
Excess of Revenues Over Expenditures		1,082,175
Other Financing Sources (Uses)		
Sale of Capital Assets	6,200	
Transfers In		
Mental Health	19,310	
Transfers Out		
Public Health	(1,219,156)	
Proceeds From Issuance of Debt	300,000	(893,646)
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses		188,529
Fund Balance Beginning of Year		5,557,664
Fund Balance End of Year		$5,746,193

See Accompanying Independent Auditors' Report.

CERRO GORDO COUNTY, IOWA

SCHEDULE OF EXPENDITURES – GENERAL FUND
Year Ended June 30, 2009

Public Safety and Legal Services:		
Law Enforcement:		
Uniformed Patrol Services	$1,380,859	
Law Enforcement Communications	802,948	
Adult Correctional Services	2,104,720	
Administration	648,329	
	4,936,856	
Legal Services:		
Criminal Prosecution	747,242	
Medical Examinations	110,984	
Child Support Recovery	431,236	
	1,289,462	
Emergency Services:		
Emergency Management	42,140	
Assistance to District Court System:		
Physical Operations	1,950	
Research and Other Assistance	250	
	2,200	
Court Proceeding Program:		
Juries and Witnesses	16,304	
Detention Services	21,449	
Court Costs	2,361	
Service of Civil Papers	151,193	
	191,307	
Juvenile Justice Administration:		
Juvenile Victim Restitution	29,421	
Juvenile Representation Services	560	
Court-Appointed Attorneys and Court Costs for Juveniles	6,232	
	36,213	
Total Public Safety and Legal Services		$6,498,178

(Continued)

CERRO GORDO COUNTY, IOWA

SCHEDULE OF EXPENDITURES – GENERAL FUND
Year Ended June 30, 2009

Physical Health and Social Services:		
Services to the Poor:		
Administration	$244,268	
General Welfare Services	22,941	
	267,209	
Services to Military Veterans:		
Administration	99,701	
General Services to Veterans	20,465	
	120,166	
Children's and Family Services:		
Youth Guidance	82,576	
Chemical Dependency:		
Treatment Services	59,470	
Preventive Services	43,946	
	103,416	
Total Physical Health and Social Services		$573,367
County Environment and Education:		
Environmental Quality Program		
Environmental Restoration	$300,000	
Conservation and Recreation Services:		
Administration	376,040	
Maintenance and Operations	189,604	
	565,644	
Animal Control :		
Animal Shelter	2,890	
Animal Bounties and State Apiarist Expense	34	
	2,924	
County Development:		
Land Use and Building Controls	68,480	
Economic Development	207,865	
	276,345	
Total County Environment and Education		$1,144,913

(Continued)

CERRO GORDO COUNTY, IOWA

SCHEDULE OF EXPENDITURES – GENERAL FUND
Year Ended June 30, 2009

Governmental Services to Residents:		
Representation Services:		
Elections Administration	$317,082	
Local Elections	13,736	
Township Officials	1,882	
	332,700	
State Administrative Services:		
Motor Vehicle Registrations and Licensing	297,616	
Recording of Public Documents	287,452	
	585,068	
Total Governmental Services to Residents		$917,768
Administration:		
Policy and Administration:		
General County Management	$332,004	
Administrative Management Services	405,416	
Treasury Management Services	166,260	
Other Policy and Administration	44,631	
	948,311	
Central Services:		
General Services	441,551	
Data Processing	636,490	
	1,078,041	
Risk Management Services:		
Safety of Workplace	117,557	
Fidelity of Public Officers	3,137	
Unemployment Compensation	5,608	
	126,302	
Total Administration		$2,152,654
Non-Program:		
Other Non-Program Current		$75,981
Debt Service:		
Principal		$44,363
Total Expenditures		$11,407,224

(Concluded)

See Accompanying Independent Auditors' Report.

CERRO GORDO COUNTY, IOWA

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
June 30, 2009

	Resource Enhancement and Protection	Recorder's Records Management	General County Betterment	Nature Center	Conservation Parks
ASSETS					
Cash and Pooled Investments	$74,208	$55,583	$3,681	$360,581	$114,875
Receivables:					
Accounts	0	2,684	0	1,961	4,954
Accrued Interest	0	40	0	443	0
Drainage Assessments	0	0	0	0	0
Due From Other Governments	0	0	16,239	0	0
Total Assets	$74,208	$58,307	$19,920	$362,985	$119,829
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	$0	$5,620	$7,726	$210	$2,917
Salaries and Benefits Payable	0	0	0	603	1,655
Due to Other Funds	0	0	0	0	0
Unearned Revenue	0	0	0	0	0
Total Liabilities	0	5,620	7,726	813	4,572
Fund Balances:					
Reserved for Endowment	0	0	0	121,308	0
Reserved for Drainage Warrants	0	0	0	0	0
Reserved for Trust	0	0	0	0	0
Unreserved	74,208	52,687	12,194	240,864	115,257
Total Fund Equity	74,208	52,687	12,194	362,172	115,257
Total Liabilities and Fund Balances	$74,208	$58,307	$19,920	$362,985	$119,829

See Accompanying Independent Auditors' Report.

Rural County Betterment	Economic Development	Drainage	Public Health Inspections	Empowerment
$68,003	$216,633	$108,424	$16,486	$250,380
0	0	2,568	6,334	549
0	0	0	0	0
0	0	11,561	0	0
64,956	32,478	4,838	8,719	0
$132,959	$249,111	$127,391	$31,539	$250,929
$42,205	$104,750	$11,075	$4,942	$147,550
0	0	0	9,243	1,409
0	0	0	0	141
0	0	11,551	0	0
42,205	104,750	22,626	14,185	149,100
0	0	0	0	0
0	0	104,765	0	0
0	0	0	0	0
90,754	144,361	0	17,354	101,829
90,754	144,361	104,765	17,354	101,829
$132,959	$249,111	$127,391	$31,539	$250,929

(Continued)

CERRO GORDO COUNTY, IOWA

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
June 30, 2009

	Jail Commissary Profits	Sheriff Forfeiture	Sheriff Tobacco	Sheriff Abandoned Vehicle
ASSETS				
Cash and Pooled Investments	$10,139	$20,740	$1,535	$870
Receivables:				
Accounts	5,120	18,261	0	0
Accrued Interest	0	0	0	0
Drainage Assessments	0	0	0	0
Due From Other Governments	0	0	0	0
Total Assets	$15,259	$39,001	$1,535	870
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$1,800	$840	$0	$0
Salaries and Benefits Payable	0	0	0	0
Due to Other Funds	0	0	0	0
Unearned Revenue	0	0	0	0
Total Liabilities	1,800	840	0	0
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	13,459	38,161	1,535	870
Total Fund Equity	13,459	38,161	1,535	870
Total Liabilities and Fund Balances	$15,259	$39,001	$1,535	$870

See Accompanying Independent Auditors' Report.

Sheriff DARE	Jail Phone Profits	Attorney Forfeiture	Strand Estate Trust	Conservation Land Acquisition Trust	Total
$3,154	$27,036	$20,914	$77,370	$41,709	$1,472,321
0	1,943	0	0	45	44,419
0	0	0	0	0	483
0	0	0	0	0	11,561
0	0	0	0	0	127,230
$3,154	$28,979	$20,914	$77,370	$41,754	$1,656,014
$0	$0	$603	$476	$0	$330,714
0	0	0	0	0	12,910
0	0	0	0	0	141
0	0	0	0	0	11,551
0	0	603	476	0	355,316
0	0	0	0	0	121,308
0	0	0	0	0	104,765
0	0	0	60,000	0	60,000
3,154	28,979	20,311	16,894	41,754	1,014,625
3,154	28,979	20,311	76,894	41,754	1,300,698
$3,154	$28,979	$20,914	$77,370	$41,754	$1,656,014

(Concluded)

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2009

	Resource Enhancement and Protection	Recorder's Records Management	General County Betterment	Nature Center	Conservation Parks
REVENUES:					
Property and Other County Tax	$0	$0	$76,997	$0	$0
Intergovernmental	28,914	0	0	0	0
Licenses and Permits	0	0	0	0	0
Charges For Service	0	9,257	0	0	59,862
Use of Money and Property	432	719	0	6,236	1,890
Fines, Forfeitures and Defaults	0	0	0	0	0
Miscellaneous	0	0	0	43,859	0
Total Revenues	29,346	9,976	76,997	50,095	61,752
EXPENDITURES:					
Operating:					
Public Safety and Legal Services	0	0	6,000	0	0
Physical Health and Social Services	0	0	56,631	0	0
County Environment and Education	7,032	0	2,500	41,148	30,502
Governmental Services to Residents	0	21,685	0	0	0
Administration	0	0	19,740	0	0
Non-Program	0	0	0	0	0
Debt Service	0	0	0	0	0
Total Expenditures	7,032	21,685	84,871	41,148	30,502
Excess (Deficiency) of Revenues Over (Under) Expenditures	22,314	(11,709)	(7,874)	8,947	31,250
Other Financing Sources (Uses):					
Issuance of Drainage Warrants	0	0	0	0	0
Total Other Financing Sources	0	0	0	0	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	22,314	(11,709)	(7,874)	8,947	31,250
Fund Balances Beginning of Year	51,894	64,396	20,068	353,225	84,007
Fund Balances End of Year	$74,208	$52,687	$12,194	$362,172	$115,257

See Accompanying Independent Auditors' Report.

Rural County Betterment	Economic Development	Drainage	Public Health Inspections	Empowerment
$307,989	$153,995	$0	$0	$0
0	0	0	39,739	947,977
0	0	0	352,470	0
0	0	15,514	7,192	0
0	0	0	0	3,718
0	0	0	0	0
0	0	160,319	6,095	549
307,989	153,995	175,833	405,496	952,244
73,933	0	0	0	0
4,000	0	0	470,391	1,076,613
196,473	190,100	0	0	0
0	0	0	0	0
22,535	0	0	0	0
0	0	200,806	0	0
49,954	0	0	0	0
346,895	190,100	200,806	470,391	1,076,613
(38,906)	(36,105)	(24,973)	(64,895)	(124,369)
0	0	18,985	0	0
0	0	18,985	0	0
(38,906)	(36,105)	(5,988)	(64,895)	(124,369)
129,660	180,466	110,753	82,249	226,198
$90,754	$144,361	$104,765	$17,354	$101,829

(Continued)

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2009

	Jail Commissary Profits	Sheriff Forfeiture	Sheriff Tobacco	Sheriff Abandoned Vehicle
REVENUES:				
Property and Other County Tax	$0	$0	$0	$0
Intergovernmental	0	0	700	239
Licenses and Permits	0	0	0	0
Charges For Service	0	0	0	0
Use of Money and Property	20,133	0	0	0
Fines, Forfeitures and Defaults	0	39,109	0	0
Miscellaneous	0	0	0	0
Total Revenues	20,133	39,109	700	239
EXPENDITURES:				
Operating:				
Public Safety and Legal Services	18,240	99,970	145	230
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
Total Expenditures	18,240	99,970	145	230
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,893	(60,861)	555	9
Other Financing Sources (Uses):				
Proceeds From Drainage Warrants	0	0	0	0
Total Other Financing Sources	0	0	0	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,893	(60,861)	555	9
Fund Balances Beginning of Year	11,566	99,022	980	861
Fund Balances End of Year	$13,459	$38,161	$1,535	$870

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	$538,981
0	0	0	0	0	1,017,569
0	0	0	0	0	352,470
0	0	0	0	0	91,825
0	17,786	0	1,255	2,667	54,836
0	0	9,705	0	0	48,814
0	0	0	0	0	210,822
0	17,786	9,705	1,255	2,667	2,315,317
40	2,989	10,776	0	0	212,323
0	0	0	0	0	1,607,635
0	0	0	1,724	0	469,479
0	0	0	0	0	21,685
0	0	0	0	0	42,275
0	0	0	0	0	200,806
0	0	0	0	0	49,954
40	2,989	10,776	1,724	0	2,604,157
(40)	14,797	(1,071)	(469)	2,667	(288,840)
0	0	0	0	0	18,985
0	0	0	0	0	18,985
(40)	14,797	(1,071)	(469)	2,667	(269,855)
3,194	14,182	21,382	77,363	39,087	1,570,553
$3,154	$28,979	$20,311	$76,894	$41,754	$1,300,698

(Concluded)

CERRO GORDO COUNTY, IOWA

COMBINING BALANCE SHEET – INTERNAL SERVICE FUNDS
June 30, 2009

	Central Services	Health Insurance	Total
ASSETS			
Cash and Pooled Investments	$84,946	$104,495	$189,441
Receivables:			
Accounts	6,217	82	6,299
Due From other Governments	16	0	16
Total Assets	$91,179	$104,577	$195,756
LIABILITIES			
Liabilities			
Accounts Payable	$8,188	$0	$8,188
Net Assets			
Unrestricted	$82,991	$104,577	$187,568

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, 2009

	Central Services	Health Insurance	Total
OPERATING REVENUES:			
Interfund Services Provided	$254,439	$1,818,058	$2,072,497
Payments from Employees	0	144,271	144,271
Miscellaneous	16,307	111,510	127,817
Total Operating Revenues	270,746	2,073,839	2,344,585
OPERATING EXPENSES:			
Health Insurance:			
Medical Claims Paid	0	141,800	141,800
Insurance Premiums	0	2,022,096	2,022,096
Administrative Fees	0	50,668	50,668
Miscellaneous	0	10,673	10,673
Central Services:			
Telephone	47,013	0	47,013
Insurance	230,576	0	230,576
Total Operating Expenses	277,589	2,225,237	2,502,826
Operating Loss	(6,843)	(151,398)	(158,241)
NON-OPERATING REVENUES:			
Interest	0	586	586
Net Loss	(6,843)	(150,812)	(157,655)
Net Assets Beginning of Year	89,834	255,389	345,223
Net Assets End of Year	$82,991	$104,577	$187,568

See Accompanying Independent Auditors' Report.

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF CASH FLOWS – INTERNAL SERVICE FUNDS
Year Ended June 30, 2009

	Central Services	Health Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Other Funds	$255,279	$1,949,718	$2,204,997
Cash Received from Employees & Others	16,314	124,339	140,653
Cash Payments to Suppliers for Services	(275,097)	(2,225,237)	(2,500,334)
Net Cash Used In Operating Activities	(3,504)	(151,180)	(154,684)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Income	0	586	586
Net Decrease in Cash	(3,504)	(150,594)	(154,098)
Cash Beginning of Year	88,450	255,089	343,539
Cash End of Year	$84,946	$104,495	$189,441
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:			
Operating Loss	($6,843)	($151,398)	($158,241)
Adjustments to Reconcile Operating Loss to Net Cash Used In Operating Activities:			
Decrease in Receivables	847	218	1,065
Increase in Payables	2,492	0	2,492
Net Cash Used In Operating Activities	($3,504)	($151,180)	($154,684)

See Accompanying Independent Auditors' Report.

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES – ALL AGENCY FUNDS
June 30, 2009

	Elected Officials	Other	Total
ASSETS			
Cash and Pooled Investments:			
County Treasurer	$0	$2,687,905	$2,687,905
Other County Officials	264,246	0	264,246
Receivables:			
Property Tax			
Delinquent	0	1,387	1,387
Succeeding Year	0	47,651,526	47,651,526
Accounts	183	5,699	5,882
Assessments	0	1,088,693	1,088,693
Due From Other Governments	0	239,338	239,338
Total Assets	$264,429	$51,674,548	$51,938,977
LIABILITIES			
Accounts Payable	$0	$378,959	$378,959
Salaries and Benefits Payable	0	14,515	14,515
Due to Other Governments	47	51,211,749	51,211,796
Trusts Payable	264,382	47,562	311,944
Compensated Absences	0	21,763	21,763
Total Liabilities	$264,429	$51,674,548	$51,938,977

See Accompanying Independent Auditors' Report.

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES – ELECTED OFFICIALS
June 30, 2009

	Relief Representative Payee	Veterans Affairs	Recorder	Sheriff	Total
ASSETS					
Cash and Pooled Investments:					
Other County Officials	$74,486	$998	($136)	$188,898	$264,246
Receivables:					
Accounts	0	0	183	0	183
Total Assets	$74,486	$998	$47	$188,898	$264,429
LIABILITIES					
Due to Other Governments	$0	$0	$47	$0	$47
Trusts Payable	74,486	998	0	188,898	264,382
Total Liabilities	$74,486	$998	$47	$188,898	$264,429

See Accompanying Independent Auditors' Report.

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES – OTHER AGENCY FUNDS
June 30, 2009

	Agricultural Extension Education	County Assessor	County Special Appraisal	City Assessor
ASSETS				
Cash and Pooled Investments:				
County Treasurer	$2,496	$247,985	$325,727	$59,389
Receivables:				
Property Tax:				
Delinquent	8	21	18	2
Succeeding Year	207,026	289,675	244,244	200,045
Accounts	0	1,758	0	188
Assessments	0	0	0	0
Due From Other Governments	0	0	0	0
Total Assets	$209,530	$539,439	$569,989	$259,624
LIABILITIES				
Accounts Payable	$0	$5,861	$97,816	$1,180
Salaries and Benefits Payable	0	5,559	1,952	4,239
Due to Other Governments	209,530	515,930	470,221	248,442
Trusts Payable	0	0	0	0
Compensated Absences	0	12,089	0	5,763
Total Liabilities	$209,530	$539,439	$569,989	$259,624

See Accompanying Independent Auditors' Report.

City Special Appraisal	Schools	Community Colleges	Corporations	Townships	City Special Assessments
$50,952	$313,691	$15,875	$233,228	$2,567	$27,504
0	1,104	47	163	24	0
19,892	25,162,032	1,194,265	19,365,614	210,333	0
0	0	0	0	0	0
0	0	0	175	0	1,026,744
0	0	0	0	0	0
$70,844	$25,476,827	$1,210,187	$19,599,180	$212,924	$1,054,248
$0	$0	$0	$0	$0	$0
0	0	0	0	0	0
70,844	25,476,827	1,210,187	19,599,180	212,924	1,054,248
0	0	0	0	0	0
0	0	0	0	0	0
$70,844	$25,476,827	$1,210,187	$19,599,180	$212,924	$1,054,248

(Continued)

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES – OTHER AGENCY FUNDS (Continued)
June 30, 2009

	Auto License and Use Tax	Brucellosis and Tuberculosis Eradication	Joint Disaster Services	Clear Lake Sanitary	County EMS Association
ASSETS					
Cash and Pooled Investments:					
County Treasurer	$878,604	$84	$51,977	$14,650	$5,318
Receivables:					
Property Tax:					
Delinquent	0	0	0	0	0
Succeeding Year	0	5,775	0	752,625	0
Accounts	0	0	0	0	0
Assessments	0	0	0	61,774	0
Due From Other Governments	0	0	232,573	0	6,765
Total Assets	$878,604	$5,859	$284,550	$829,049	$12,083
LIABILITIES					
Accounts Payable	$0	$0	$273,623	$0	$0
Salaries and Benefits Payable	0	0	1,585	0	0
Due to Other Governments	878,604	5,859	9,342	829,049	12,083
Trusts Payable	0	0	0	0	0
Compensated Absences	0	0	0	0	0
Total Liabilities	$878,604	$5,859	$284,550	$829,049	$12,083

Advance Tax	Cash Long/Short	Dispute Resolution	E911 Operations	Advanced Law Enforcement Investigative and Administrative System	Recorder's Transfer Fee	Employee Benefits	Total
$51,059	$862	$43,921	$341,976	$22,636	$901	($3,497)	$2,687,905
0	0	0	0	0	0	0	1,387
0	0	0	0	0	0	0	47,651,526
0	0	2,770	0	0	983	0	5,699
0	0	0	0	0	0	0	1,088,693
0	0	0	0	0	0	0	239,338
$51,059	$862	$46,691	$341,976	$22,636	$1,884	($3,497)	$51,674,548
$0	$0	$477	$0	$2	$0	$0	$378,959
0	0	1,180	0	0	0	0	14,515
0	862	41,123	341,976	22,634	1,884	0	51,211,749
51,059	0	0	0	0	0	(3,497)	47,562
0	0	3,911	0	0	0	0	21,673
$51,059	$862	$46,691	$341,976	$22,636	$1,884	($3,497)	$51,674,548

(Concluded)

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES – ALL AGENCY FUNDS
Year Ended June 30, 2009

	Elected Officials			
	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
ASSETS				
Cash and Pooled Investments:				
Other County Officials	$269,101	$2,125,829	$2,130,684	$264,246
Receivables:				
Accounts	2,310	183	2,310	183
Total Assets	$271,411	$2,126,012	$2,132,994	$264,429
LIABILITIES				
Due to Other Governments	$113	$1,861,630	$1,861,696	$47
Trusts Payable	271,298	264,382	271,298	264,382
Total Liabilities	$271,411	$2,126,012	$2,132,994	$264,429

	Other Agency Funds			
	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
ASSETS				
Cash and Pooled Investments:				
County Treasurer	$2,107,840	$11,988,304	$11,408,239	$2,687,905
Receivables:				
Property Tax:				
Delinquent	1,311	1,387	1,311	1,387
Succeeding Year	45,602,146	47,651,526	45,602,146	47,651,526
Accounts	6,274	5,699	6,274	5,699
Interest	0	0	0	0
Due From Other Governments	1,276,505	1,088,693	1,276,505	1,088,693
Assessments	185,212	239,338	185,212	239,338
Total Assets	$49,179,288	$60,974,947	$58,479,687	$51,674,548
LIABILITIES				
Accounts Payable	$195,256	$378,959	$195,256	$378,959
Salaries and Benefits Payable	12,043	14,515	12,043	14,515
Due to Other Governments	48,891,945	60,512,148	58,192,344	51,211,749
Trusts Payable	60,485	47,562	60,485	47,562
Compensated Absences	19,559	21,763	19,559	21,763
Total Liabilities	$49,179,288	$60,974,947	$58,479,687	$51,674,548

See Accompanying Independent Auditors' Report.

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES – ELECTED OFFICIALS
Year Ended June 30, 2009

	Relief Representative Payee	Veterans Affairs	Auditor	Recorder	Sheriff	Total
ASSETS AND LIABILITIES						
Balance Beginning of Year	$62,527	$997	$0	$113	$207,774	$271,411
Additions:						
Office Fees and Collections	0	0	2,874	657,937	753,823	1,414,634
Trusts	445,325	1	0	0	266,052	711,378
Total Additions	445,325	1	2,874	657,937	1,019,875	2,126,012
Deductions:						
Agency Remittances:						
To County Funds	0	0	2,874	310,287	108,931	422,092
To Other Governments	0	0	0	347,176	603	347,779
Trusts Paid Out	433,366	0	0	540	929,217	1,363,123
Total Deductions	433,366	0	2,874	658,003	1,038,751	2,132,994
Balance End of Year	$74,486	$998	$0	$47	$188,898	$264,429

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, 2009

	Agricultural Extension Education	County Assessor	County Special Appraisal	City Assessor
ASSETS AND LIABILITIES				
Balance Beginning of Year	$193,550	$480,915	$459,163	$245,116
Additions:				
Property and Other County Tax	210,018	304,859	257,577	195,506
E911 Surcharge	0	0	0	0
State Tax Credits	6,457	9,191	8,073	6,424
Auto Licenses, Use Tax and Postage	0	0	0	0
Assessments	0	0	0	0
Trusts	0	0	0	0
Miscellaneous	0	5,685	0	4,898
Total Additions	216,475	319,735	265,650	206,828
Deductions:				
Agency Remittances:				
To Other Governments	200,495	261,211	154,824	192,320
Trusts Paid Out	0	0	0	0
Total Deductions	200,495	261,211	154,824	192,320
Balance End of Year	$209,530	$539,439	$569,989	$259,624

See Accompanying Independent Auditors' Report.

City Special Appraisal	Schools	Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax
$70,616	$24,223,781	$1,229,558	$18,751,229	$205,297	$1,230,574	$717,847
18,766	25,481,024	1,213,294	18,923,499	219,772	0	0
0	0	0	0	0	0	0
1,592	824,308	41,067	539,037	8,348	0	0
0	0	0	0	0	0	9,378,117
0	0	0	7,854	0	186,305	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
20,358	26,305,332	1,254,361	19,470,390	228,120	186,305	9,378,117
20,130	25,052,286	1,273,732	18,622,439	220,493	362,631	9,217,360
0	0	0	0	0	0	0
20,130	25,052,286	1,273,732	18,622,439	220,493	362,631	9,217,360
$70,844	$25,476,827	$1,210,187	$19,599,180	$212,924	$1,054,248	$878,604

(Continued)

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES – OTHER AGENCY FUNDS (Continued)
Year Ended June 30, 2009

	Brucellosis and Tuberculosis Eradication	Joint Disaster Services	Clear Lake Sanitary	County EMS Association	Advance Tax
ASSETS AND LIABILITIES					
Balance Beginning of Year	$6,496	$195,632	$820,397	$12,082	$55,167
Additions:					
Property and Other County Tax	15,648	0	736,376	0	0
E911 Surcharge	0	0	0	0	0
State Tax Credits	217	0	15,954	0	0
Auto Licenses, Use Tax and Postage	0	0	0	0	0
Assessments	0	0	61,592	0	0
Trusts	0	0	0	0	0
Miscellaneous	0	1,142,066	0	6,765	0
Total Additions	15,865	1,142,066	813,922	6,765	0
Deductions:					
Agency Remittances:					
To Other Governments	16,502	1,053,148	805,270	6,764	0
Trusts Paid Out	0	0	0	0	4,108
Total Deductions	16,502	1,053,148	805,270	6,764	4,108
Balance End of Year	$5,859	$284,550	$829,049	$12,083	$51,059

Cash Long/Short	Tax Sale Redemption	Dispute Resolution	E911 Operations	Advanced Law Enforcement Investigative and Administrative System	Recorder's Transfer Fee	Employee Benefits	Total
$859	$0	$44,567	$228,147	$1,377	$1,600	$5,318	$49,179,288
0	0	0	0	0	0	0	47,576,339
0	0	0	177,960	0	0	0	177,960
0	0	0	0	0	0	0	1,460,668
0	0	0	0	0	0	0	9,378,117
0	0	0	0	0	0	0	255,751
0	599,703	0	0	0	0	221,330	821,033
3	0	56,217	12,733	67,450	9,262	0	1,305,079
3	599,703	56,217	190,693	67,450	9,262	221,330	60,974,947
0	0	54,093	76,864	46,191	8,978	0	57,645,731
0	599,703	0	0	0	0	230,145	833,956
0	599,703	54,093	76,864	46,191	8,978	230,145	58,479,687
$862	$0	$46,691	$341,976	$22,636	$1,884	($3,497)	$51,674,548

(Concluded)

CERRO GORDO COUNTY, IOWA

SCHEDULE OF CAPITAL ASSETS BY FUNDING SOURCE
Year Ended June 30, 2009

	Balance June 30, 2008	Additions	Disposals	**Balance June 30, 2009**
ASSETS				
Land	$ 1,646,392	$ -	$ -	$ **1,646,392**
Construction in Process	1,202,355	1,109,411	1,237,433	**1,074,333**
Buildings and Structures	17,549,653	463,403	-	**18,013,056**
Improvements other than Buildings	603,760	-	-	**603,760**
Machinery and Equipment	6,503,591	953,613	573,232	**6,883,972**
Licensed Vehicles	3,483,678	195,212	163,308	**3,515,582**
Infrastructure	30,775,850	3,010,581	-	**33,786,431**
	$ 61,765,279	$ 5,732,220	$ 1,973,973	$ **65,523,526**
FUNDING SOURCE				
General Fund	$ 6,110,347	$ 400,878	$ 125,123	$ **6,386,102**
Special Revenue Funds	41,060,263	5,200,984	1,848,850	**44,412,397**
Capital Project Fund	14,594,669	130,358	-	**14,725,027**
	$ 61,765,279	$ 5,732,220	$ 1,973,973	$ **65,523,526**

CERRO GORDO COUNTY, IOWA

SCHEDULE OF CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
AS OF JUNE 30, 2009

	Land	Construction in Process	Buildings and Structures
Public Safety and Legal Services			
Law Enforcement	$ -	-	13,884,540
Legal Services	-	-	-
Total Public Safety and Legal Services	-	-	13,884,540
Physical Health and Social Services:			
Physical Health Services	-	-	-
Services to Poor	-	-	-
Services to Military Veterans	-	-	-
Total Physical Health and Social Services	-	-	-
Mental Health:			
Persons with Chronic Mental Illness	-	-	-
Total Mental Health	-	-	-
County Environment and Education:			
Environmental Quality Program	-	-	-
Conservation and Recreation Services	150,798	-	490,292
County Development	-	-	-
Total County Environment and Education	150,798	-	490,292
Roads and Transportation:			
Secondary Roads Administration and Engineering	-	-	325,259
Roadway Maintenance	-	1,074,333	-
General Roadway Expenditures	-	-	229,970
Total Roads and Transportation	-	1,074,333	555,229
State and Local Government Services:			
Representation Services	-	-	
State Administration Services		-	
Total State and Local Government Services	-	-	-
Interprogram Services:			
Policy and Administration		-	439,330
Central Services	1,495,594	-	2,643,665
Total Interprogram Services	1,495,594	-	3,082,995
Total Capital Assets	**$ 1,646,392**	**1,074,333**	**$ 18,013,056**

Improvements other than Buildings	Machinery and Equipment	Licensed Vehicles	Infrastructure	Total
35,379	442,453	546,588	-	$ **14,908,960**
-	34,237	-	-	**34,237**
35,379	476,690	546,588	-	**14,943,197**
-	280,648	46,098	-	**326,746**
-	6,371	-	-	**6,371**
-	-	-	-	**-**
-	287,019	46,098	**-**	**333,117**
-	13,761	22,313	-	**36,074**
-	13,761	22,313	-	**36,074**
-	-	-	-	-
132,939	249,883	222,692	-	**1,246,604**
-	5,157	10,641	-	**15,798**
132,939	255,040	233,333	-	**1,262,402**
31,151	83,011	51,827	-	**491,248**
-	76,024	135,288	33,786,431	**35,072,076**
-	4,728,449	2,480,135	-	**7,438,554**
31,151	4,887,484	2,667,250	33,786,431	**43,001,878**
-	390,599		-	**390,599**
	55,707		-	**55,707**
-	446,306	-	-	**446,306**
	60,406	-	-	**499,736**
404,291	457,266	-	-	**5,000,816**
404,291	517,672	-	-	**5,500,552**
603,760	**$ 6,883,972**	**$ 3,515,582**	**$ 33,786,431**	**65,523,526**

CERRO GORDO COUNTY, IOWA

SCHEDULE OF CHANGES IN CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
Year Ended June 30, 2009

	Balance June 30, 2008	Additions	Deletions	**Balance June 30, 2009**
Public Safety and Legal Services				
Law Enforcement	$ 14,751,241	$ 259,846	$ 102,127	$ **14,908,960**
Legal Services	34,237	-	-	**34,237**
Total Public Safety and Legal Services	14,785,478	259,846	102,127	**14,943,197**
Physical Health and Social Services:				
Physical Health Services	209,806	184,335	67,395	**326,746**
Services to Poor	6,371	-	-	**6,371**
Services to Military Veterans	-	-	-	**-**
Total Physical Health and Social Services	216,177	184,335	67,395	**333,117**
Mental Health:				
Persons with Chronic Mental Illness	36,623	6,261	6,810	**36,074**
Total Mental Health	36,623	6,261	6,810	**36,074**
County Environment and Education:				
Environmental Quality Program	-	-	-	**-**
Conservation and Recreation Services	1,246,268	45,617	45,281	**1,246,604**
County Development	15,798	-	-	**15,798**
Total County Environment and Education	1,262,066	45,617	45,281	**1,262,402**
Roads and Transportation:				
Secondary Roads Administration and Engineering	493,532	5,207	7,491	**491,248**
Roadway Maintenance	32,189,517	4,119,992	1,237,433	**35,072,076**
General Roadway Expenditures	7,104,621	762,026	428,093	**7,438,554**
Total Roads and Transportation	39,787,670	4,887,225	1,673,017	**43,001,878**
Government Services to Residents:				
Representation Services	390,599	-	-	**390,599**
State Administration Services	48,907	6,800	-	**55,707**
Total Government Services to Residents	439,506	6,800	-	**446,306**
Administration:				
Policy and Administration	499,736	-	-	**499,736**
Central Services	4,738,023	342,136	79,343	**5,000,816**
Total Administration	5,237,759	342,136	79,343	**5,500,552**
Total Capital Assets	**$ 61,765,279**	**$ 5,732,220**	**$ 1,973,973**	**65,523,526**

CERRO GORDO COUNTY, IOWA

STATISTICAL SECTION
June 30, 2009

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.

Contents	Pages
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	85-94
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	95-104
Debt Capacity These schedules present information to help the readers assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	105-109
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	110-111
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	112-117

CERRO GORDO COUNTY, IOWA

NET ASSETS BY COMPONENT
Last Seven 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	$ 17,351,703	$ 17,613,164	$ 20,412,104
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	$ 1,944,010	$ 1,968,992	$ 1,881,595
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	$ 19,295,713	$ 19,582,156	$ 22,293,699

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

Source: County Records

Fiscal Year			
2006	2007	2008	2009
$ 19,084,939	$ 25,918,908	$ 26,166,841	$ 28,174,721
5,369,094	7,059,287	6,552,918	8,449,567
2,972,174	4,705,865	5,609,581	5,136,789
$ 27,426,207	$ 37,684,060	$ 38,329,340	$ 41,761,077
$ 1,765,188	$ 1,971,672	$ 1,910,172	$ 1,490,330
-	-	-	-
49,236	(240,350)	(270,020)	83,268
$ 1,814,424	$ 1,731,322	$ 1,640,152	$ 1,573,598
$ 20,850,127	$ 27,890,580	$ 28,077,013	$ 29,665,051
5,369,094	7,059,287	6,552,918	8,449,567
3,021,410	4,465,515	5,339,561	5,220,057
$ 29,240,631	$ 39,415,382	$ 39,969,492	$ 43,334,675

CERRO GORDO COUNTY, IOWA

CHANGES IN NET ASSETS
Last Seven 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

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

(Continued)

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
$ (6,835,714)	$ (13,655,978)	$ (16,904,391)	$ (13,794,965)
(67,171)	(83,102)	(91,170)	(66,554)
$ (6,902,885)	$ (13,739,080)	$ (16,995,561)	$ (13,861,519)
$ 11,129,894	$ 11,789,658	$ 12,116,096	$ 12,881,530
571,714	1,465,976	1,396,144	952,133
139,522	130,746	146,433	166,230
483,123	498,856	483,910	457,716
1,411,660	1,520,121	1,787,415	1,539,950
68,051	-	-	-
533,762	1,141,111	718,515	282,175
-	(18,897)	(24,774)	(19,063)
848,945	358,647	925,932	966,031
15,186,671	16,886,218	17,549,671	17,226,702
-	-	-	-
$ -	$ -	$ -	$ -
$ 15,186,671	$ 16,886,218	$ 17,549,671	$ 17,226,702
$ 8,350,957	$ 3,230,240	$ 645,280	$ 3,431,737
(67,171)	(83,102)	(91,170)	(66,554)
$ 8,283,786	$ 3,147,138	$ 554,110	$ 3,365,183

(Concluded)

CERRO GORDO COUNTY, IOWA

FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified accrual accounting)
(Unaudited)

	Fiscal Year			
	2000	2001	2002	2003
General Fund				
Reserved	$ 397,769	$ 362,931	$ -	$ -
Unreserved	3,952,844	4,177,714	4,752,314	4,035,231
Total General Fund	$ 4,350,613	$ 4,540,645	$ 4,752,314	$ 4,035,231
All Other Governmental Funds				
Reserved for:				
Debt Service	$ 64,037	$ 58,733	$ 93,479	$ 78,070
Inventories, endowment & other	1,069,904	1,074,354	1,225,885	1,228,790
Unreserved, reported in:				
Special revenue funds	2,662,857	2,513,650	2,876,136	3,786,949
Capital Project funds	554,879	74,047	32,138	35,713
Total all other governmental funds	$ 4,351,677	$ 3,720,784	$ 4,227,638	$ 5,129,522

Source: County Records

Fiscal Year					
2004	2005	2006	2007	2008	2009
$ -	$ -	$ -	$ -	$ -	$ -
3,298,960	3,060,094	4,088,421	5,142,234	5,557,664	5,746,193
$ 3,298,960	$ 3,060,094	$ 4,088,421	$ 5,142,234	$ 5,557,664	$ 5,746,193
$ 75,186	$ 56,281	$ 91,890	$ 65,005	$ 35,312	$ 25,832
1,217,766	890,990	1,543,517	1,335,305	1,711,875	1,288,453
3,908,195	3,624,846	4,340,613	5,583,371	4,384,929	6,452,754
884,846	507,822	(588,497)	6,089,979	470,880	339,648
$ 6,085,993	$ 5,079,939	$ 5,387,523	$ 13,073,660	$ 6,602,996	$ 8,106,687

CERRO GORDO COUNTY, IOWA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified accrual accounting)
(Unaudited)

	Fiscal Year			
	2000	2001	2002	2003
Revenues:				
Property and Other County Tax	$ 9,681,668	$ 9,963,952	$ 9,928,084	$ 10,152,625
Interest and Penalty on Property Tax	109,952	113,886	128,449	110,045
Intergovernmental	7,531,032	7,642,241	8,150,270	9,214,984
Licenses and Permits	16,856	25,682	17,870	255,666
Charges for Services	1,168,535	1,232,560	1,607,381	1,537,166
Use of Money and Property	681,312	713,248	411,350	274,923
Miscellaneous	647,514	786,479	681,393	863,485
Total Revenues	19,836,869	20,478,048	20,924,797	22,408,894
Expenditures:				
Public safety and legal services	3,278,743	3,644,249	3,838,927	4,222,779
Physical health and social services	2,843,920	3,038,370	3,494,239	3,615,357
Mental health	5,007,406	5,263,698	4,790,348	5,003,304
County environment and education	534,156	580,585	592,431	855,482
Roads and transportation	3,546,455	4,328,377	4,577,949	4,496,519
Government services to residents	589,493	612,996	754,305	729,694
Administration	1,625,355	1,652,354	1,626,570	1,719,801
Non-program	88,137	34,299	31,871	296,741
Debt service				
Interest	70,583	72,871	44,763	30,192
Principal	465,000	590,000	295,000	235,000
Capital projects	1,966,240	1,230,675	611,437	1,605,101
Total Expenditures	20,015,488	21,048,474	20,657,840	22,809,970
Excess of revenues over (under) expenditures	(178,619)	(570,426)	266,957	(401,076)
Other Financing Sources (Uses)				
Proceeds from the sale of capital assets	56,937	106,699	126,375	150
Transfers in	1,743,499	2,345,026	2,334,764	1,953,484
Transfers out	(1,743,499)	(2,345,026)	(2,227,594)	(2,140,837)
Proceeds from drainage warrants	91,619	25,007	33,964	1,659
Issuance of capital lease purchase agreement	-	-	21,483	600,986
Issuance of LOSST revenue bonds	-	-	-	-
Issuance of installment purchase contracts	-	-	-	-
General obligation notes issued	505,067	-	-	-
Discount on general obligation notes	-	-	-	-
Total other financing sources (uses)	653,623	131,706	288,992	415,442
Net change in fund balances	$ 475,004	$ (438,720)	$ 555,949	$ 14,366
Debt service as % of noncapital expenditures	2.97%	3.34%	1.69%	1.25%

Source: County Records

Fiscal Year					
2004	2005	2006	2007	2008	2009
$ 10,570,374	$ 11,061,423	$ 13,118,367	$ 14,782,265	$ 15,308,353	$ 15,367,915
118,295	126,247	139,522	130,746	146,433	166,230
9,722,154	12,701,807	11,191,640	11,356,056	10,584,094	12,986,761
270,476	297,721	324,776	327,967	414,152	397,960
1,292,565	1,228,309	1,205,710	1,132,140	1,155,633	1,173,034
228,181	374,870	637,056	1,246,172	902,907	439,098
1,215,451	950,043	1,203,546	867,131	921,893	942,716
23,417,496	26,740,420	27,820,617	29,842,477	29,433,465	31,473,714
4,251,143	4,541,026	4,808,056	5,565,965	6,229,452	6,769,038
3,913,976	4,006,819	4,251,999	4,725,534	4,866,227	5,150,211
5,198,915	5,209,344	5,611,348	5,861,602	6,366,901	5,802,641
921,991	880,494	1,235,315	1,112,434	1,631,652	1,661,836
4,551,633	4,885,745	5,111,457	4,513,467	4,972,994	5,079,324
742,415	803,724	827,433	830,775	928,523	939,846
1,902,524	1,841,707	1,872,576	2,157,767	2,466,608	2,187,056
207,694	354,230	169,026	72,906	50,342	276,787
			-	-	-
18,738	37,012	640,000	1,160,000	560,657	528,766
60,000	425,000	33,630	435,718	955,000	964,252
2,281,067	5,027,808	3,267,852	7,893,520	6,858,012	1,224,944
24,050,096	28,012,909	27,828,692	34,329,688	35,886,368	30,584,701
(632,600)	(1,272,489)	(8,075)	(4,487,211)	(6,452,903)	889,013
8,000	11,400	204,378	21,910	10,910	60,525
2,158,917	2,095,971	2,372,050	2,461,511	2,600,826	2,738,466
(2,241,321)	(2,001,214)	(2,372,050)	(2,461,511)	(2,600,826)	(2,738,466)
16,543	10,340	24,554	7,199	5,781	18,985
-	-	24,394	-	-	199,413
-	-	-	-	-	300,000
-	-	-	-	-	642,841
1,109,907	200,000	500,000	13,500,000	-	-
-	(1,320)	(5,473)	(123,514)	-	-
1,052,046	315,177	747,853	13,405,595	16,691	1,221,764
$ 419,446	$ (957,312)	$ 739,778	$ 8,918,384	$ (6,436,212)	$ 2,110,777
0.36%	2.01%	2.74%	6.04%	5.22%	5.09%

CERRO GORDO COUNTY, IOWA

PROGRAM REVENUES BY FUNCTION/PROGRAM
Last Seven 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
$ 1,005,372	$ 1,537,752	$ 1,480,436	$ 1,536,881
2,972,838	3,210,734	3,025,728	2,917,504
2,962,403	3,758,706	3,248,590	4,571,818
132,769	149,244	114,371	586,783
9,247,719	4,027,815	3,646,140	6,323,786
754,886	697,549	724,823	642,216
317,768	258,451	232,344	448,284
468,310	91,574	89,556	153,355
-	-	-	-
17,862,065	13,731,825	12,561,988	17,180,627
70,251	60,990	74,612	73,802
70,251	60,990	74,612	73,802
$ 17,932,316	$ 13,792,815	$ 12,636,600	$ 17,254,429

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
2000	$ 1,175,861,095	$ 256,647,793	$ 87,096,328	$ 251,185,732
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

	Taxable Value of Property			
Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Agricultural Property
2000	$ 663,364,554	$ 256,647,793	$ 87,096,328	$ 251,183,880
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

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
$ 64,944,208	$ 177,120,383	$ 2,012,855,539	$ 7,474,493	$ 2,005,381,046
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

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
$ 64,944,208	$ 177,120,383	$ 1,500,357,146	$ 7,472,641	$ 1,492,884,505	5.16
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

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			
	2000	2001	2002	2003
County Direct Rates:				
General Basic	3.30	3.30	3.15	3.17
General Supplemental	-	-	-	-
MH/DD Service	1.60	1.52	1.44	1.43
Debt Service	0.26	0.32	0.11	0.11
Total Urban County Rate	5.16	5.14	4.70	4.70
Rural Basic	3.49	3.32	3.13	3.13
Total Rural County Rate	8.64	8.46	7.83	7.83
City and Town Rates:				
Mason City	10.08	10.12	10.10	10.25
Clear Lake	8.11	8.11	7.83	8.23
Dougherty	14.25	13.64	14.78	14.86
Meservey	7.99	8.10	8.10	9.75
Plymouth	1.93	2.43	2.97	3.15
Rock Falls	6.57	6.55	6.55	6.74
Rockwell	8.10	8.10	8.10	8.10
Swaledale	25.08	20.31	20.92	19.52
Thornton	10.26	10.36	10.39	10.47
Ventura	8.68	7.40	6.22	6.52
Nora Springs	14.43	13.19	11.92	11.14
Township Rates:				
Bath	0.50	0.47	0.47	0.47
Clear Lake	0.32	0.31	0.28	0.28
Dougherty	0.31	0.29	0.31	0.31
Falls	0.54	0.54	0.54	0.54
Geneseo	0.45	0.44	0.42	0.42
Grant - Clear Lake	0.45	0.43	0.42	0.42
Grant - Forest City	0.45	0.43	0.42	0.42
Grant - Ventura	0.45	0.43	0.42	0.42
Gimes	0.71	0.71	0.81	0.79
Lake	0.24	0.23	0.23	0.22
Lime Creek	0.41	0.41	0.41	0.40
Lincoln	0.33	0.31	0.31	0.31
Mason	0.41	0.41	0.41	0.41
Mount Vernon	0.30	0.24	0.24	0.23
Owen	0.53	0.52	0.50	0.50
Pleasant Valley	0.45	0.43	0.40	0.40
Portland	0.34	0.33	0.32	0.32
Union	0.31	0.31	0.31	0.28

Source: Cerro Gordo County Auditors Office

Fiscal Year Taxes are Payable					
2004	2005	2006	2007	2008	2009
3.21	3.50	3.50	3.50	3.50	3.50
-	0.15	1.00	1.00	1.08	1.14
1.38	1.40	1.36	1.28	1.26	1.19
-	0.23	0.34	0.81	0.76	0.49
4.59	5.28	6.20	6.59	6.59	6.32
3.13	3.42	3.51	3.51	3.51	3.51
7.73	8.69	9.71	10.11	10.11	9.83
10.47	10.55	11.64	12.26	12.67	12.80
8.41	8.98	9.36	10.05	10.05	10.05
14.53	16.65	17.24	17.77	18.20	17.67
9.79	9.86	9.83	9.81	9.80	9.77
3.40	1.22	5.34	5.55	8.92	11.49
6.74	6.84	6.84	6.50	6.50	6.50
8.10	8.10	8.10	8.10	8.10	8.10
17.95	16.64	16.64	16.15	16.61	17.08
10.46	12.83	12.71	12.09	12.77	12.64
7.34	7.41	7.26	3.00	7.73	6.78
13.26	12.16	12.12	11.22	13.23	14.05
0.47	0.54	0.54	0.54	0.54	0.54
0.26	0.33	0.29	0.28	0.27	0.25
0.31	0.35	0.35	0.35	0.35	0.35
0.53	0.59	0.62	0.62	0.62	0.62
0.41	0.47	0.47	0.47	0.46	0.40
0.41	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
0.73	0.82	0.82	0.76	0.78	0.76
0.20	0.27	0.18	0.10	0.12	0.10
0.41	0.42	0.42	0.41	0.41	0.41
0.30	0.38	0.39	0.39	0.39	0.37
0.41	0.41	0.41	0.41	0.41	0.41
0.42	0.49	0.47	0.47	0.48	0.49
0.50	0.63	0.63	0.63	0.63	0.63
0.47	0.51	0.51	0.51	0.51	0.52
0.31	0.34	0.38	0.38	0.41	0.46
0.24	0.28	0.28	0.24	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			
	2000	2001	2002	2003
School District Rates:				
Clear Lake	13.22	13.34	12.86	12.94
Forest City	16.07	15.92	15.87	15.73
Mason City	14.94	14.50	14.39	15.11
Meservey-Thornton	9.74	10.77	10.19	9.83
Nora Springs-Rock Falls	14.53	14.68	14.73	16.16
North Central	13.99	13.44	13.03	14.34
Rockwell-Swaledale	11.09	10.81	10.76	11.68
Rudd-Rockford-Marble Rock	12.98	13.03	12.90	13.17
Sheffield-Chapin	13.37	13.10	12.79	12.94
Ventura	11.60	11.62	11.56	11.58
Other Taxing Authority Rates:				
County Assessor	0.42	0.48	0.47	0.40
City Assessor	0.28	0.31	0.29	0.24
North Iowa Area Community College	0.54	0.53	0.52	0.60
Ag. Extension	0.11	0.11	0.11	0.11
State	0.01	0.01	0.05	0.00
Clear Lake Sanitary Sewer	1.82	1.81	1.81	1.76
Falls - Rock Falls Cemetery	0.07	0.07	0.07	0.07
Benefited Lighting District	0.23	0.23	-	-

Source: Cerro Gordo County Auditors Office

Fiscal Year Taxes are Payable					
2004	2005	2006	2007	2008	2009
12.83	13.45	12.64	11.89	11.90	11.88
14.77	14.97	15.36	14.56	14.64	15.01
13.65	14.12	14.72	14.10	14.08	13.67
9.02	10.85	11.63	10.05	10.27	10.77
16.27	16.86	16.74	16.62	16.75	16.46
13.97	14.82	14.37	13.31	14.20	13.47
11.90	13.80	13.55	13.74	14.37	14.26
13.17	15.19	15.96	15.79	15.79	16.24
12.90	14.50	14.23	14.25	12.59	12.85
11.72	10.97	10.99	10.40	10.10	9.61
0.40	0.41	0.40	0.41	0.49	0.56
0.23	0.21	0.22	0.20	0.23	0.26
0.61	0.63	0.62	0.62	0.66	0.66
0.11	0.12	0.12	0.11	0.11	0.10
0.00	0.00	0.00	0.00	0.00	0.00
1.70	1.67	1.67	1.67	1.66	1.59
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 2009			Fiscal Year 2000		
	Net Taxable Value	Rank	Percent of Total Taxable Value	Net Taxable Value	Rank	Percent of Total Taxable Value
Interstate Power & Light Co	$ 110,869,786	1	5.48%	$ 64,172,061	1	4.28%
Golden Grain Energy LLC	32,554,897	2				
Ag Processing Inc	19,993,692	3				
Five Star Cooperative	19,922,597	4	0.99%			
Lehigh Portland Cement Co	19,723,214	5	0.98%	28,030,723	2	1.87%
Union Pacific	14,983,994	6	0.74%	-	-	-
AADG Inc (Curries Company)	14,875,353	7	0.74%	13,971,398	5	0.93%
Holcim (US) Inc	14,823,554	8	0.73%	25,755,914	3	1.72%
Hawkeye Power Partners LLC	12,790,881	9	0.63%	-	-	-
Quest Corp	11,447,780	10	0.57%			-
General Foods Corporation	-	-	-	19,515,227	4	1.30%
US West/Northwestern Bell	-	-	-	13,848,882	6	0.92%
Mall Associates LLC	-			11,708,816	7	0.78%
CAG Subsidary (Con Agra)	-	-	-	10,463,435	8	0.70%
Principal Mutual Life	-	-	-	8,710,740	9	0.58%
Clear Lake Independent Telephone Company	-	-	-	8,600,415	10	0.57%
	$ 271,985,748		10.85%	$ 204,777,611		13.65%

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
2000	$ 39,957,583	$ 39,870,744	99.78%	$ 7,310	$ 39,878,054	99.80%
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%

Total tax collections solely for Cerro Gordo County were:

Fiscal Year	Amount
2000	$8,433,188
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

Source: Cerro Gordo County Treasurer's Office

CERRO GORDO COUNTY, IOWA

RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(Unaudited)

	Governmental Activities			Business-Type Activities			
Fiscal Year	General Obligation Bonds	Capital Loan Notes	Capital Lease Purchases	Sewer Revenue Capital Loan Notes	Total Government	Percentage of Personal Income (1)	Per Capita (1)
2000	$ 570,000	$ 950,000	$ 26,285	$ 274,038	$ 1,820,323	0.16%	$ 39.86
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	-	12,198,000	469,623	577,497	13,245,120	*	302.50

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: General Obligation Bonds	General Bonded Debt Outstanding: Total	Percentage Net Taxable Value of Property (1)	Per Capita (2)
2000	$ 1,520,000	$ 1,520,000	0.10%	$ 33.28
2001	930,000	930,000	0.06%	20.02
2002	635,000	635,000	0.04%	13.91
2003	800,000	800,000	0.05%	17.64
2004	1,460,000	1,460,000	0.08%	32.36
2005	1,235,000	1,235,000	0.07%	27.43
2006	1,095,000	1,095,000	0.06%	24.42
2007	13,435,000	13,435,000	0.72%	302.70
2008	12,480,000	12,480,000	0.66%	283.53
2009	12,198,000	12,198,000	0.61%	278.58

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

CERRO GORDO COUNTY, IOWA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2009
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
County direct debt	$ 12,198,000	100.00%	$ 12,198,000
City debt:			
Clear Lake	5,465,000	100.00%	5,465,000
Mason City	21,956,010	100.00%	21,956,010
Nora Springs	770,000	7.38%	56,841
Thornton	245,000	100.00%	245,000
Ventura	297,500	100.00%	297,500
Total City debt			$ 28,020,351
School Districts:			
Clear Lake	$ 8,505,000	100.00%	$ 8,505,000
Forest City	2,280,000	3.49%	79,593
Mason City	14,850,000	100.00%	14,850,000
Nora Springs-Rock Falls	330,000	49.18%	162,304
North Central	2,600,000	30.08%	782,161
Rockwell-Swaledale	1,275,000	100.00%	1,275,000
Rudd-Rockford-Marble Rock	0	7.48%	0
Sheffield-Chapin	1,390,000	12.64%	175,676
Ventura	0	73.39%	0
Total School District debt			$ 25,829,733
Other Districts:			
Clear Lake Sanitary District	$ 3,870,000	100.00%	$ 3,870,000
North Iowa Area Community College	1,735,000	37.49%	650,497
Total Other District debt			$ 4,520,497
Subtotal, overlapping debt			$ 58,370,581
Total direct and overlapping debt			$ 70,568,581

Source: Cities and school districts within Cerro Gordo County

CERRO GORDO COUNTY, IOWA

LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(Unaudited)

	2000	2001	2002	2003
Debt Limit, 5% of Assessed Value	100,269,052	107,912,790	112,656,798	118,713,033
Total net debt applicable to limit	1,520,000	930,000	635,000	400,000
Legal Debt Margin	$ 98,749,052	$ 106,982,790	$ 112,021,798	$ 118,313,033
Total net debt applicable to the limit as a percentage of debt limit	1.52%	0.86%	0.56%	0.34%

Source: County records

Legal Debt Margin Calculation for Fiscal Year 2009

Net Assessed Value	$	3,565,500,898
Debt Limit (5% of assessed value)		178,275,045
Debt applicable to limit:		
General obligation capital loan notes		11,945,000
LOS&ST Revenue Bonds		253,000
Capital leases		469,623
Total net debt applicable to limit		12,667,623
Legal debt margin	$	165,607,422

2004	2005	2006	2007	2008	2009
122,439,191	127,853,370	141,685,630	162,396,162	167,274,316	178,275,045
1,460,000	1,235,000	1,115,698	13,450,393	12,489,621	12,667,623
$ 120,979,191	$ 126,618,370	$ 140,569,932	$ 148,945,769	$ 154,784,695	$ 165,607,422
1.19%	0.97%	0.79%	8.28%	7.47%	7.11%

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)
1999	45,669	$ 1,156,285	$ 24,793	810	7,894	2.59%
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	*	34,636	*	6,564	5.43%

(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)

	2009			2000		
	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
Mercy Medical Center North Iowa	2,600	1	10.07%	500-999	1	2.96%
Curries Graham	993	2	3.85%	500-999	2	2.96%
Mason City Community School District	556	3	2.15%	-	-	-
Opportunity Village	556	4	2.15%	250-499	5	1.48%
Principal Financial Group	550	5	2.13%	500-999	3	2.96%
Hy-Vee Food Stores	530	6	2.05%	500-999	4	1.48%
Kraft Foods	450	7	1.74%	-	-	-
Woodharbor Molding & Millwork Inc.	400	8	1.55%	250-499	6	1.48%
Wal-Mart Stores	373	9	1.45%	-	-	-
Good Shepherd Geriatrics Center	300	10	1.16%	250-499	10	1.48%
Armour Food Co.	-	-	-	250-499	9	1.48%
IMI Cornelius	-	-	-	250-499	8	1.48%
Cole Sewell Corporation	-	-	-	250-499	7	1.48%
	$ 7,308		28.31%	$ 3,250 - 6,490		19.22%

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)

	Fiscal Year			
Function/Program	2000	2001	2002	2003
Public Safety and Legal Services:				
Sheriff	44.00	50.00	50.00	54.00
Attorney	11.00	11.00	11.00	11.00
Child Support Recovery	6.00	6.00	7.00	7.00
Physical Health and Social Services:				
Health Department	46.00	44.00	46.00	51.00
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	1.00
Case Management	6.00	5.00	6.00	7.00
County Environment and Education:				
Conservation	6.00	6.50	6.50	6.50
Planning and Zoning:	0.50	0.50	0.50	0.50
Roads and Transportation:				
Engineer	41.00	39.00	41.00	42.00
Roadsides	3.00	3.00	3.00	3.00
Governmental Services to Residents:				
Treasurer, motor vehicles	4.20	5.20	6.60	6.60
Recorder	5.00	5.00	5.00	5.00
Auditor, elections	2.50	2.50	3.00	2.50
Administration:				
Board of Supervisors	3.00	3.00	3.00	3.00
Auditor	5.50	5.50	5.50	5.50
Treasurer, tax	3.80	3.80	2.40	2.40
MIS	6.00	7.00	7.00	7.00
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	201	205	211	222

Source: County Records

Fiscal Year					
2004	2005	2006	2007	2008	2009
53.00	53.00	51.00	61.00	71.00	72.00
11.00	11.00	10.00	11.00	11.00	11.00
7.00	7.00	7.00	7.00	7.00	7.00
49.00	49.00	49.00	51.00	49.00	50.00
1.25	1.35	1.35	1.35	1.35	1.35
1.75	1.65	1.65	1.65	1.65	1.65
1.50	1.50	1.50	1.50	1.50	2.20
7.00	9.00	10.00	9.00	9.00	9.00
6.50	6.50	6.00	6.00	6.00	6.00
1.00	1.00	1.00	1.00	1.00	1.00
43.00	43.00	43.00	40.00	40.00	39.00
3.00	3.00	3.00	3.00	3.00	3.00
6.60	6.60	6.60	6.60	6.60	6.45
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	5.50	6.50	6.50	6.50
2.40	2.40	2.40	2.40	2.40	1.55
6.00	7.00	7.00	7.00	6.00	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
221	224	221	231	238	239

CERRO GORDO COUNTY, IOWA

OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
Function/Program	2000	2001	2002	2003
Public Safety and Legal Services:				
Sheriff:				
Weapon permits issued	281	275	328	291
Number of Jail bookings	2,270	2,504	2,767	3,015
Civil Papers Served	5,311	5,483	5,457	5,541
Service Calls	6,142	5,786	6,543	6,667
Number of Arrests	361	389	551	521
Citations and Warnings issued	2,463	2,211	2,558	3,549
Attorney:				
Number cases filed:				
Felony	270	374	450	432
Indictable Misdemeanor	1,327	1,249	1,258	1,339
Juvenile	199	180	212	219
Physical Health and Social Services:				
Health Department:				
Number of immunizations	6,247	6,738	5,685	5,393
Number nursing clients	544	541	411	435
Number nursing visits	6,020	5,677	5,714	5,503
Number Home care aide clients	231	261	247	341
Number Home care aide service hours	13,889	13,984	14,133	16,431
Number of food inspections	3,422	3,147	3,105	2,815
Mental Health:				
CPC: Persons served	817	884	934	1,003
County Environment and Education:				
Conservation:				
Number of camper nights	3,057	2,973	3,306	4,753
Conservation programs presented	184	272	257	213
People attending programs	9,145	11,336	9,023	10,819
Planning and Zoning:				
Zoning Permits issued	133	105	130	135
Board of Adjustment cases	55	42	54	51
Roads and Transportation:				
Engineer: Miles maintained	948	948	946	945
Governmental Services to Residents:				
Treasurer: Titles issued	15,990	16,270	17,726	17,071
Recorder: Documents recorded	12,385	10,294	12,739	14,054
Auditor:				
Registered voters	30,401	31,574	30,783	31,350
Absentee ballots requested	2,323	6,506	6,113	7,032

Source: County Records

Fiscal Year					
2004	2005	2006	2007	2008	2009
285	304	320	338	343	394
3,111	2,864	3,361	3,652	3,497	3,542
5,593	4,972	4,304	4,289	4,068	4,911
7,098	5,419	5,568	5,519	5,151	7,953
530	412	434	1,005	344	1,604
4,272	4,742	4,008	4,507	4,354	2,677
455	432	412	404	347	277
1,252	1,347	1,294	1,225	1,229	1,049
233	229	265	177	215	203
6,578	3,834	5,036	5,685	6,255	7,006
370	352	372	354	314	341
5,864	5,844	5,854	5,968	5,516	5,649
259	238	222	247	223	148
13,858	14,573	13,879	13,206	12,176	13,066
2,469	2,572	2,305	3,067	2,998	3,209
1,019	1,055	1,300	1,380	1,322	1,243
4,285	4,715	3,800	4,097	4,583	4,017
271	218	252	297	273	238
11,225	9,102	9,156	9,985	9,295	10,727
145	126	122	105	153	105
32	39	37	37	36	34
965	970	970	970	970	970
17,012	17,186	17,142	19,917	13,704	12,874
16,437	12,807	11,664	11,026	10,806	10,094
31,290	33,239	32,171	31,470	32,089	32,200
3,064	9,505	1,992	5,370	3,067	10,145

CERRO GORDO COUNTY, IOWA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Unaudited)

Function/Program	2000	2001	2002	2003
Public Safety and Legal Services:				
Sheriff:				
Number of vehicles	17	18	20	21
Physical Health and Social Services:				
Health Department:				
Number of vehicles	5	6	6	7
County Environment and Education:				
Conservation:				
Number of park areas	28	29	29	30
Total acres managed	2,892	2,962	2,962	3,024
Number of vehicles	15	15	15	15
Roads and Transportation:				
Engineer:				
Number of vehicles	20	21	20	21
Number of buildings	6	6	6	6
Governmental Services to Residents:				
Auditor, elections:				
Number of voting machines	1	2	2	2

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.

2004	2005	2006	2007	2008	2009
22	21	22	24	26	26
7	8	9	8	8	9
30	30	30	30	30	31
3,024	3,024	3,024	3,024	3,024	3,284
15	15	15	15	15	15
21	22	23	23	23	44*
6	6	6	6	6	6
32	29	59	59	59	59

CERRO GORDO COUNTY, IOWA

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

		Modified Accrual Basis			
		2009	2008	2007	2006
Revenues:					
Property and other County Tax	$	15,367,915	15,308,353	14,782,265	13,118,367
Interest and Penalty on property tax		166,230	146,433	130,746	139,522
Intergovernmental		12,986,761	10,584,094	11,356,056	11,191,640
Licenses and permits		397,960	414,152	327,967	324,776
Charges for services		1,173,034	1,155,633	1,132,140	1,205,710
Use of money and property		439,098	902,907	1,246,172	637,056
Fines, forfeitures, and defaults		48,814	25,305	31,316	61,612
Miscellaneous		893,902	896,588	835,815	1,141,934
Total	$	31,473,714	29,433,465	29,842,477	27,820,617
Expenditures:					
Operating:					
Public safety and legal services	$	6,769,038	6,229,452	5,565,965	4,808,056
Physical health and social services		5,150,211	4,866,227	4,725,534	4,251,999
Mental Health		5,802,641	6,366,901	5,861,602	5,611,348
County environment and education		1,661,836	1,631,652	1,112,434	1,203,407
Roads and transportation		5,079,324	4,972,994	4,513,467	5,111,457
Governmental services to residents		939,846	928,523	830,775	827,433
Administrative services		2,187,056	2,466,608	2,157,767	1,872,576
Non-program		276,787	50,342	72,906	169,026
Debt service		1,493,018	1,515,657	1,595,718	673,630
Capital projects		1,224,944	6,858,012	7,893,520	3,299,760
Total	$	30,584,701	35,886,368	34,329,688	27,828,692

See Accompanying Independent Auditors' Report.

Modified Accrual Basis					
2005	2004	2003	2002	2001	2000
11,061,423	10,570,374	10,152,625	9,928,084	9,963,952	9,681,668
126,247	118,275	110,045	128,449	113,886	109,952
12,701,807	9,722,154	9,214,984	8,150,270	7,642,241	7,531,032
297,721	270,476	255,666	17,870	25,682	16,856
1,228,309	1,292,565	1,537,166	1,607,381	1,232,500	1,168,535
374,870	228,181	274,923	405,278	705,077	676,919
-	-	-	2,369	1,928	2,721
950,043	1,215,451	863,485	679,024	784,551	644,793
26,740,420	23,417,476	22,408,894	20,918,725	20,469,817	19,832,476
4,541,026	4,251,143	4,222,779	3,838,927	3,644,249	3,278,743
4,006,819	3,913,976	3,615,357	3,494,239	3,038,370	2,843,920
5,209,344	5,198,915	5,003,304	4,790,348	5,263,698	5,007,406
880,494	921,991	855,482	591,227	578,945	531,926
4,885,745	4,551,633	4,496,519	4,577,949	4,328,377	3,546,455
803,724	742,415	729,694	754,305	612,996	589,493
1,841,707	1,902,524	1,719,801	1,626,570	1,652,354	1,625,355
354,230	207,694	296,741	31,871	34,299	88,137
462,012	78,738	265,192	339,763	662,871	535,583
5,027,808	2,281,067	1,605,101	611,437	1,230,675	1,966,240
28,012,909	24,050,096	22,809,970	20,656,636	21,046,834	20,013,258

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, 2009, which collectively comprise the County's basic financial statements listed in the table of contents and have issued our report thereon dated January 22, 2010. 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 that our audit provides a reasonable basis for our opinions.

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 also 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.

January 22, 2010

Gardiner Thomsen, P.C.

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CERRO GORDO COUNTY, IOWA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2009

Grantor/Program	CFDA Number	Agency or Pass-Through Number	Program Expenditures
Indirect:			
U.S. Department of Agriculture			
Iowa Department of Human Services			
Human Services Administrative Reimbursements			
State Administrative Matching Grants for Food Stamp Program	10.561		29,704
U.S. Department of Housing and Urban Development			
Iowa Department of Economic Development			
Jumpstart Small Business Assistance Program	14.228	09-JMPST-07	450,409
Jumpstart Disaster Recovery Housing Program	14.228	08-DRH-002	58,011
			508,420
U.S. Department of Justice			
Iowa Department of Justice			
STOP Violence Against Women	16.588	VW-08-44	31,930
STOP Violence Against Women	16.588	VW-08-66	2,685
			34,615
Iowa Office of Drug Control Policy			
Byrne-Justice Assistance Grant	16.738	07JAG/C06-A18	132,200
National Highway Traffic Safety Administration			
Iowa Department of Transportation			
Highway Planning and Construction	20.205		243,346
Iowa Department of Transportation			
Traffic Safety Bureau			
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons Program	20.605	PAP-08-410,Task 12 PAP 09-410,Task 14	33,508
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		5,000
Part D – Grants for Supportive Services & Senior Centers	93.043		11,864
Part E – Homemaker	93.052		3,000

CERRO GORDO COUNTY, IOWA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2009

Grantor/Program	CFDA Number	Agency or Pass-Through Number	Program Expenditures
Iowa Department of Public Health			
Healthy Homes Assessment and Outreach	93.240	5880HH01	6,205
Immunization Action Plan	93.268	5888I410/5889I414	32,606
Breast & Cervical Cancer Prevention	93.283	5889NB07	11,268
Wisewoman Cardiovascular Study	93.283	5889WW05	6,100
HIV Counseling, Testing & Referral	93.283	5888AP04	647
			18,015
HIV Counseling, Testing & Referral	93.940	5888AP04/5889AP04	5,006
HIV Counseling, Testing & Referral	93.911	5888AP04/5889AP04	4,549
Iowa Department of Human Services			
Human Services Administrative Reimbursement			
Temporary Assistance to Needy Families	93.558		27,576
Child Care Mandatory & Matching Funds of the Child Care & Development Fund	93.596		7,789
Foster Care Title IV-E	93.658		16,780
Adoption Assistance	93.659		4,018
Medical Assistance Program	93.778		36,432
Expansion Title XXI	93.767		230
Social Services Block Grant	93.667		18,074
Social Services Block Grant	93.667		188,542
			206,616
U.S. Department of Homeland Security			
Iowa Homeland Security & Emergency Management Division			
Discover Recovery – Public Assistance	97.036	DR-1763	878,547
Emergency Management Performance Grant	97.042		32,937
Homeland Security Grant Program	97.067	2006-GE-T6-0065-002	500,379
Homeland Security Grant Program	97.067	2006-GE-T6-0065-007	547,712
Homeland Security Grant Program	97.067	2007-GE-T7-0032-002	22,764
			1,070,855
Total Indirect			3,349,819
Total			3,349,819

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.

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, 2009, which collectively comprise the County's basic financial statements listed in the table of contents and have issued our report thereon dated January 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 our 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 would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies and other deficiencies we consider to be material weaknesses.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Cerro Gordo County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of Cerro Gordo County's financial statements that is more than inconsequential will not be prevented or detected by Cerro Gordo County's internal control. We consider the deficiencies in internal control described in Part II of the accompanying Schedule of Finding and Questioned Costs to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by Cerro Gordo County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we believe items II-A-09, II-B-09 and II-C-09 are material weaknesses.

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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, 2009 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 statues.

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.

January 22, 2010

Gardner Thomson P.C.

Gardiner Thomsen
Certified Public Accountants

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 each of its major federal programs for the year ended June 30, 2009. 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 each of 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 that 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 each of its major federal programs for the year ended June 30, 2009.

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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cerro Gordo County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the County's internal control that might be significant deficiencies or material weaknesses as defined below.

A control deficiency in the County's 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the County's ability to administer a federal

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program such that there is more than a remote likelihood noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control.

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.

January 22, 2010

Gardner Thomas P.C.

CERRO GORDO COUNTY, IOWA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2009

Part I: Summary of the Independent Auditors' Results:

a. Unqualified opinions were issued on the financial statements.

b. Significant deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements, including a material weakness.

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 are as follows:

- CFDA Number 97.036 – Disaster Recovery – Public Assistance
- CFDA Number 97.067 – Homeland Security Grant Program

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, 2009

Part II: Findings Related to the Financial Statements:

SIGNIFICANT DEFICIENCIES:

II-A-09 **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-09 **Financial Reporting**—During the year ended June 30, 2009, the Public Health Department and the Secondary Road Department issued debt without a public hearing prior to the issuance of debt. In addition, no debt proceeds were recorded to the County's records, nor were either of the debt issuances included in the County budget. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

Recommendation—The County should implement procedures to ensure all debt issuances and the purchase of the related assets are identified and included in the County's financial statements and budget. Debt issuance should be preceded by public hearing as required.

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

Conclusion—Response accepted.

II-C-09 **Information Systems**— During our review of internal control, the existing control activities in the County's computer systems were evaluated in order to determine activities, from a control standpoint, were designed to provide reasonable assurance regarding the achievement of objectives in the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations. We noted a weakness in the system which allowed unauthorized access by an Information Systems employee to a timeclock program installed on the County's server. The access enabled the employee to make unauthorized edits and additional punches to the employee's electronic timecard resulting in additional payroll, overtime and County portion of payroll tax and IPERS.

Recommendation— The County should develop a written policy requiring user profiles to help limit access to programs to those who have a legitimate need.

Response— We have implemented procedures to strengthen controls over computer based systems, including the controls over the timeclock software for those employees who perform the payroll functions and those who are authorized to edit the timecards.

Conclusion—Response accepted.

CERRO GORDO COUNTY, IOWA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2009

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

II-D-09 **Credit Card Policy**—Several departments have credit cards for use by various employees while on County business. The County does have a written policy to regulate the use of credit cards and to establish procedures for the proper accounting of credit card charges. However, it was noted that supporting documentation for the Sheriff and Emergency Management was not always available to support credit card charges.

Recommendation—As required by the credit card policy, all claims for purchases by credit card should be supported by detailed invoices or other appropriate supporting documentation before payment.

Response—We will have sufficient appropriate supporting documentation available for credit cards claims before payment.

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.

SIGNIFICANT DEFICIENCIES:

No matters were reported.

Part IV: Other Findings Related to Required Statutory Reporting:

IV-A-09 **Certified Budget** – Disbursements during the year ended June 30, 2009 exceeded the amounts budgeted in the Roads and Transportation 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.

CERRO GORDO COUNTY, IOWA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2009

IV-B-09 **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
Kevin Pals, Sheriff	Rolls for SALT meeting and training	$64
HyVee Food		
Three invoices for Public Health	Refreshments for various meetings	68
Two invoices for the Sheriff's office	Refreshments for various meetings	54
Three invoices for Conservation	Food for various programs	646
One invoice for Administration	Food for Township Trustees meeting	75
HyVee Foods Stores East		
Three invoices for Conservation	Food for Various Day Events	1,246
Teresa Symens, Public Health	Food for Lunch and Learn meeting	97
Penny McCaslin, Public Health	Pizza for JUST ELIMINATE LIES meeting	53
North Iowa Corridor EDC	Lunch Dues for Jay Urdahl	54
	Lunch Dues for Tom Drzycimski	54
Trophies Unlimited		
One invoice for Conservation	Engraving on a plaque	5
One invoice for Sheriff's office	Plaque for Employee	27
Hy Vee Food Store West		
One invoice for Administration	Rolls for Safety Meeting	48
Shopko		
Two invoices for Public Health	Gift Cards for Vaccine Incentives	300
Tammy Bryant, Public Health	Refreshments Reimbursement	19
Top Line Catering		
Thirteen invoices for Public Health	Lunch for Health Board Meetings	712
Godfather's Pizza		
Six invoices for Public Health	Food for Lead Lunch and Learn	461
One invoice for Sheriff's Office	Food for North Iowa Domestic Meeting	42
HyVee Inc.		
One invoice for Public Health	Refreshements for Lead Lunch and Learn	10
Fareway Stores		
One invoice for Conservation	Food for various Day Events	21

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 – As recommended, a policy will be implemented as soon as possible. The disbursements were made from donations for the programs the department offers.
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.

Conclusion – Response accepted.

IV-C-09 **Travel Expense** – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

CERRO GORDO COUNTY, IOWA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2009

IV-D-09 **Business Transactions** – Business transactions between the County and County officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction	Amount
Tracie Siemers, Auditor's Office		
Steve Siemers, Spouse	Snow removal and trailer rental	$ 948
Myra Karsjens, Auditor's Office		
Dale Karsjens, Spouse	Election Runner	763
Kenneth Kline, County Auditor		
Shielah Handt, Mother in Law	Election Runner	144
Willis Handt, Father in Law	Election Runner	158

In accordance with Chapter 331.342 of the Code of Iowa, the transactions with Steve Siemers, Dale Karsjens, Shielah and Willis Handt do not appear to represent conflicts of interest since total transactions were less than $1,500 during the fiscal year.

Recommendation – The County should refrain from conducting business with related parties..

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

Conclusion – Response acknowledged.

IV-E-09 **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-09 **Board Minutes** – It was noted the Public Health department and the Secondary Road department issued debt without the approval of the Board of Supervisors. No notice of public hearing preceding the debt or public hearing for the approval of the issuance of the debt was documented in the miunutes.

Recommendation – In the event debt is issued, public notice of a public hearing should be documented. The results of the public hearing and the authorization of the issuance of the debt should be documented in the minutes.

Response – The public notice will be published and the authorization by the Board of Supervisors will be noted in the future.

Conclusion – Response accepted.

IV-G-09 **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.

IV-H-09 **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-09 **Economic Development** – During the year ended June 30, 2009, the County paid $85,350 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-09 **Grant Activity** – The County complied with grant regulations; no violations were noted.

IV-K-09 **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, 2008, did not exceed the amount budgeted.