CERRO GORDO COUNTY

IOWA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2011

CERRO GORDO COUNTY, IOWA

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011

Prepared by: Cerro Gordo County Auditor's Office

INTRODUCTORY SECTION

CERRO GORDO COUNTY, IOWA

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YEAR ENDED JUNE 30, 2011
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CERRO GORDO COUNTY, IOWA

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CERRO GORDO COUNTY, IOWA

OFFICIALS
June 30, 2011

(Before January 2011)

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

(After January 2011)

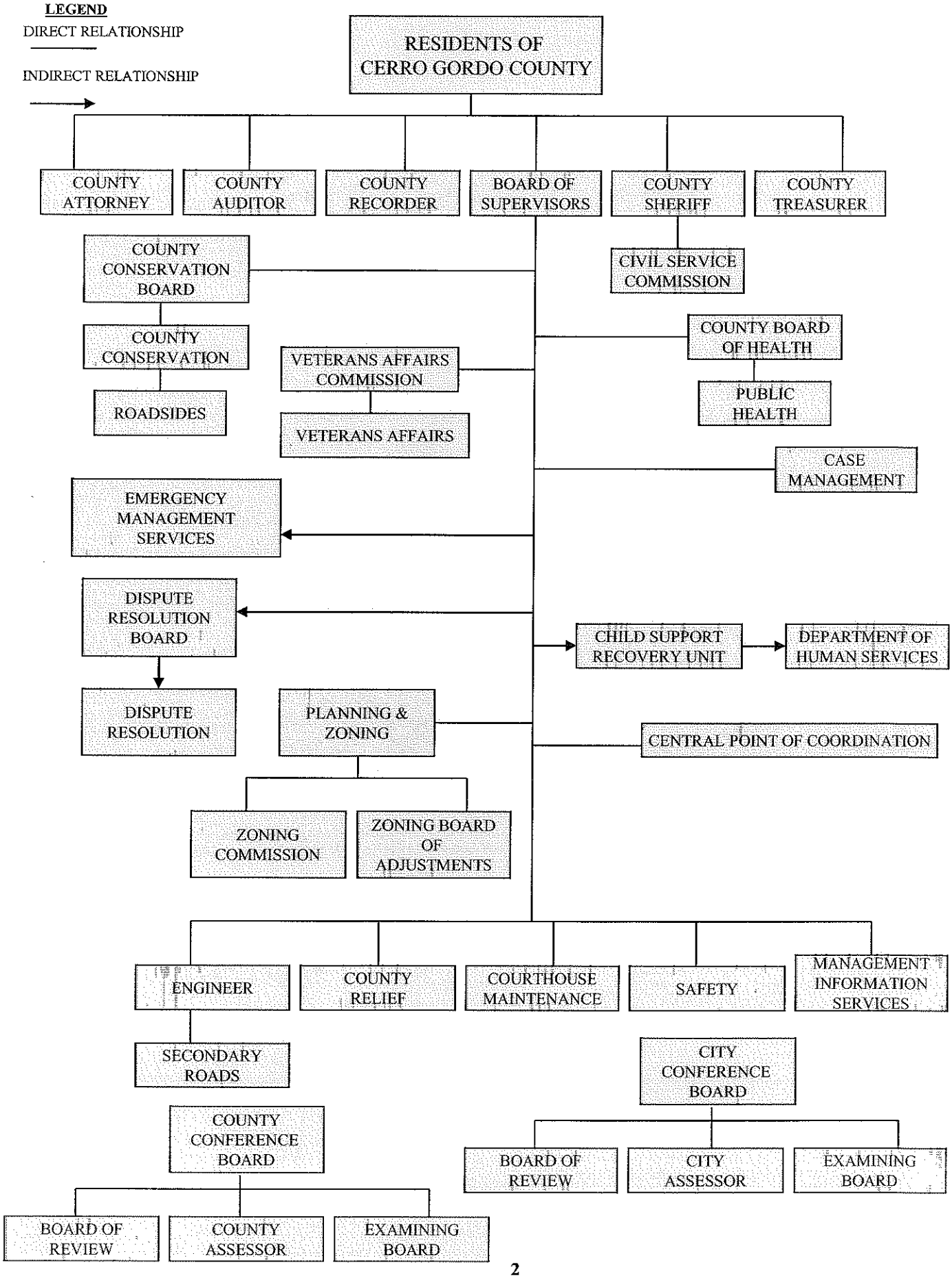
Board of Supervisors

Name	Term Expires	Address
Robert Amosson	January 2015	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
Patricia Wright	January 2015	Treasurer
Colleen Pearce	January 2015	Recorder
Kevin Pals	January 2013	Sheriff
John Boedeker	Appointed	County Assessor
Robert Zinnel	Appointed	City Assessor
Carlyle Dalen	January 2015	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, 2010

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 | Mason City, IA 50401-3254 | (641) 421-3028
Kenneth W. Kline, Auditor | FAX (641) 421-3139
www.co.cerro-gordo.ia.us

December 22, 2011

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, 2011, 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, 2011 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, 2011, indicating that they are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of Cerro Gordo County

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

The County provides a full range of services to its citizens. These services include public safety, parks, planning and zoning, service to people with mental disabilities, construction and maintenance of secondary roads, physical health and social services, property assessment 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.

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 44,000 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. According to figures from the Iowa Department of Economic Development, the County ranks tenth in the state for tourism expenditures with more than $152 million in annual spending, resulting in more than 1,500 tourism related jobs.

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.

In general economic news for the fiscal year, the number of persons employed in the county went from 25,050 to 25,180, an increase of 0.5% from February 2009 to February 2010, according to figures from Iowa Workforce Development. With high grain prices the agricultural economy of the area has been strong and stable; however, the national recession affected local industries and businesses during the fiscal year.

The City of Mason City's cost of living for the second quarter of 2010 was 90.9% of the national average, according to the ACCRA Cost of Living Index, ranking it the lowest cost of living for all Iowa communities that participate in the ACCRA index.

Major Initiatives

In April 2011 the County filed formal copyrights to two computer software programs, the "Precinct Atlas" and the "Absentee Precinct Atlas". The programs were developed by the MIS programming staff and used for the first time at a special election for the Mason City Community School District in February, 2009. The County partnered with the Iowa Secretary of State to offer the program at no cost to other counties later that year. By the June 2011, forty-nine counties, including Cerro Gordo, had used the program in one or more precincts.

The County received two awards during the fiscal year for the Precinct Atlas. In August 2010 the County received the Stars and Stripes Award, one of only five awards that year from The Election Center, the national association of election officials. In November the Precinct Atlas received a 2010 Excellence in Action Award from the Iowa State Association of Counties.

Shortly after taking office in January 2011, the new secretary of state notified the County his office would no longer be an active partner in the distribution and support to other counties of the Precinct Atlas. In May 2011 he threatened to shut down use of the program statewide unless his office took over its control. The County employed its copyright attorney to defend the copyrights and the use of the program. The County also initiated formation of an association of counties for distribution, development of additional functionality, and support to counties for hardware and technical issues. By the end of June 2011, thirty-nine counties had each signed a Memorandum of Understanding with the County for support of the programs.

During the fiscal year the Iowa State Patrol moved into their new regional headquarters on the south end of Mason City, leaving the old, county-owned headquarters vacant. Shortly after the start of the fiscal year the Cerro Gordo County Central Point of Coordination Department and the County Social Services agency moved into the building. The board of supervisors also approved remodeling to convert the former NIACOG building into an election annex to house and further remodeling to move the county attorney's office from the courthouse basement to the third floor offices vacated when the sheriff's office moved to the Law Enforcement Center.

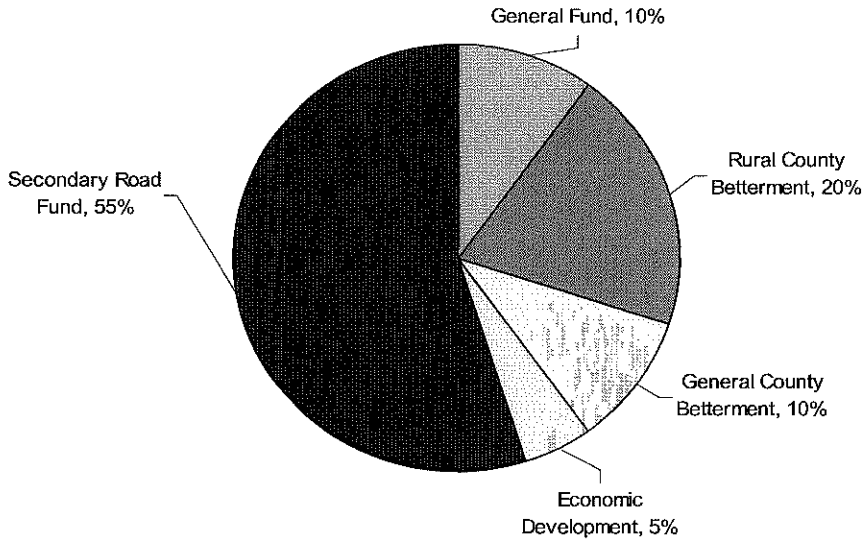
During the fiscal year the County refinanced the $2 million remaining jail bonds, for an estimated interest savings of $70,000.

Long-Term Financial Planning

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

Relevant Financial Policies

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



In FY2011, Cerro Gordo County received a total of $1,650,341 in local option sales and service taxes.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Cerro Gordo County, Iowa for its comprehensive annual financial report for the fiscal year ended June 30, 2010. This was the fifteenth 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, CPA
Budget Manager
Office of the County Auditor
Cerro Gordo County, Iowa

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FINANCIAL SECTION

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, 2011, which collectively comprise the County's basic financial statements listed in the table of contents. These financial statements are the responsibility of Cerro Gordo County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Cerro Gordo County at June 30, 2011, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards,* we have also issued our report dated December 22, 2011 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 20 and 51 through 54 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cerro Gordo County's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the ten years ended June 30, 2010 (which are not presented herein) and expressed unqualified opinions on those financial statements. The combining and nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

December 22, 2011

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, 2011. We encourage readers to consider the information presented here in conjunction with additional information presented in the transmittal letter beginning on page 4, and the County's financial statements, which follow.

FINANCIAL HIGHLIGHTS

- Cerro Gordo County governmental fund revenues decreased 15% or $4,754,021 from $31,624,003 in fiscal year 2010 (FY10) to $26,869,982 in fiscal year 2011 (FY11). Property taxes and other county taxes increased $179,562, local option sales tax dollars increased $225,685, intergovernmental revenues decreased $4,425,825, licenses and permits decreased $286,860, and miscellaneous revenue decreased $508,937 from FY10.

- Cerro Gordo County governmental fund expenditures for FY11 were $28,160,791, a decrease of $4,332,618 from $32,493,409 in FY10. This decrease was primarily contributable to a decrease of $5,264,878 in mental health due to the creation of the County Social Services (CSS) Agency. CSS is a joint five-county agency that efficiently and effectively provides mental health and disability services mandated by the State of Iowa. The Agency accounts for the majority of the mental health expenditures and revenues that counties previously accounted for.

- The assets of the county exceeded liabilities at fiscal year ended June 30, 2011 by $45,029,138 (net assets). Of this amount, $5,014,781 is unrestricted and may be used to meet the County's ongoing obligations. For fiscal year ended June 30, 2010, assets exceeded liabilities by $43,781,661, of which $5,265,374 was unrestricted

- Cerro Gordo County's net assets increased 2.8% or approximately $1,247,477 at June 30, 2011. Government activities increased $1,319,168 and business-type activities decreased by $71,691. For fiscal year ended June 30, 2010, total net assets increased $446,986. Governmental activities increased $513,691 and business-type activities decreased $66,705.

- Cerro Gordo County's governmental funds reported combined ending fund balances of $14,506,623, an increase of $932,803 in comparison with the FY10 fund balances of $13,573,820. Approximately 31.2% of the total amount, $4,550,586, is the County's unassigned fund balance.

- Cerro Gordo County's general long-term debt, excluding compensated absences, termination benefits, and claims payable, decreased $541,936 during the fiscal year, from $11,989,355 in FY10 to $11,447,419 in FY11. This change was due to scheduled payments during FY11. During the year, the County refunded $2,470,000 General Obligation Capital Loan Notes with the issuance of $2,000,000 General Obligation Crossover Refunding Capital Loan Notes.

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 21-23). 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 24) 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 24 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 34.

Supplemental Information

The supplemental information begins on page 55 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 $1,247,477 from $43,781,661 to $45,029,138. 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, 2011

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	$31,044,637	$31,335,092	$96,608	$94,090	$31,141,245	$31,429,182
Capital assets	42,026,702	41,575,920	1,897,255	1,982,538	43,923,957	43,558,458
Total assets	73,071,339	72,911,012	1,993,863	2,076,628	75,065,202	74,987,640
Long-term debt outstanding	11,954,538	11,981,085	547,988	557,967	12,502,526	12,539,052
Other liabilities	17,522,865	18,655,159	10,673	11,768	17,533,538	18,666,927
Total liabilities	29,477,403	30,636,244	558,661	569,735	30,036,064	31,205,979
Net assets:						
Invested in capital assets, net of related debt	30,961,033	29,988,315	1,339,288	1,414,592	32,300,321	31,402,907
Restricted	7,714,036	7,113,380	0	0	7,714,036	7,113,380
Unrestricted	4,918,867	5,173,073	95,914	92,301	5,014,781	5,265,374
Total net assets	$43,593,936	$42,274,768	$1,435,202	$1,506,893	$45,029,138	$43,781,661

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

A restricted portion of the County's net assets, 17.1% or $7,714,036, 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 $5,014,781 or 11.2%.

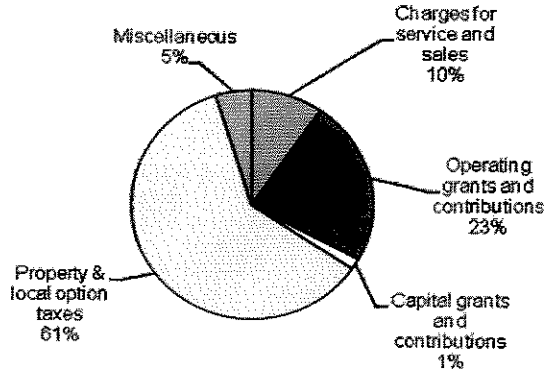
The County's net assets increased by $1,247,477 during the current fiscal year. The governmental-type activities increased by $1,319,168 and the business-type activities decreased $71,691.

The following table highlights the County's revenues and expenses for the fiscal year ended June 30, 2011 and 2010. 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.

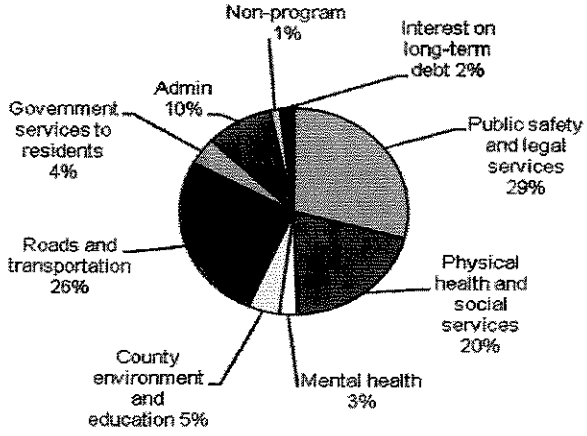
Cerro Gordo County's Changes in Net Assets
June 30, 2011

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2011
Revenues:						
Program revenues:						
Charges for service and sales	$2,546,923	$3,374,858	$66,040	$67,217	$2,612,963	$3,442,075
Operating grants and contributions	6,339,798	7,396,827	0	0	6,339,798	7,396,827
Capital grants and contributions	429,002	5,371,687	0	0	429,002	5,371,687
General Revenues						
Property taxes	14,509,391	14,324,521	0	0	14,509,391	14,324,521
Penalty & interest on property tax	161,757	174,381	0	0	161,757	174,381
State tax credits	408,057	443,450	0	0	408,057	443,450
Local option sales & service tax	1,650,341	1,424,656	0	0	1,650,341	1,424,656
Grants and contributions not restricted to specific purposes	0	0	0	0	0	0
Unrestricted investment earnings	110,664	134,595	50	48	110,714	134,643
Miscellaneous	1,059,843	881,215	0	0	1,059,843	881,215
Total revenues	**27,215,776**	**33,526,190**	**66,090**	**67,265**	**27,281,866**	**33,593,455**
Expenses:						
Public safety and legal services	7,580,694	7,269,875	0	0	7,580,694	7,269,875
Physical health and social services	5,289,561	4,726,961	0	0	5,289,561	4,726,961
Mental health	660,626	5,943,074	0	0	660,626	5,943,074
County environment and education	1,171,665	1,329,604	0	0	1,171,665	1,329,604
Roads and transportation	6,838,237	7,061,925	0	0	6,838,237	7,061,925
Government services to residents	1,117,534	969,501	0	0	1,117,534	969,501
Administration or general government	2,482,454	2,920,542	0	0	2,482,454	2,920,542
Non-program	240,487	2,399,569	137,781	133,970	378,268	2,533,539
Interest on long-term debt	515,350	513,578	0	0	515,350	513,578
Total expenses	**25,896,608**	**33,134,629**	**137,781**	**133,970**	**26,034,389**	**33,268,599**
Increase (decrease) in net assets	**1,319,168**	**391,561**	**(71,691)**	**(66,705)**	**1,247,477**	**324,856**
Net assets July 1,	42,274,768	41,883,207	1,506,893	1,573,598	43,781,661	43,456,805
Net assets June 30,	**43,593,936**	**42,274,768**	**1,435,202**	**1,506,893**	**45,029,138**	**43,781,661**

Revenues by Type



Expenses by Program



Governmental Activities

Revenues for governmental activities decreased 18.8% or $6,310,414 over the prior year. Charges for services decreased $827,935, due primarily to the mental health service revenues being accounted for within the County Social Services (CSS) Agency. The County's operating grants and contributions decreased $1,057,029 due to a reduction of the mental health grants and contributions received from the State in FY11. These mental health grants and contributions are now being received by the CSS Agency. Capital grants and contributions had the largest decrease of $4,942,685 over the prior year's amount of $5,371,687. Roads and transportation received less grants in FY11, and there was a change in accounting for the community development block grant funds that pass-through the county for projects relating to the flood of June 2008. Beginning July 1, 2010 these funds were no longer accounted for within the governmental funds, but rather an agency fund. Property tax revenues increased $184,870 due to an increase in the taxable value in the county. Unrestricted investment earnings decreased $23,931 due to lower investment rate of return.

The cost of all governmental activities this year was $25,896,608, a decrease of $7,238,021 over the prior years' $33,134,629. However, as shown in the Statement of Activities on page 22-23, the amount the taxpayers ultimately financed for these activities through County taxes was only $16,580,885 because some of the cost was paid by those that directly benefited from the programs, or by other governments and organizations that subsidized certain programs with grants and contributions.

Physical health and social service expenses increased $562,600 due to the reclassification of the case management department from the mental health service area to the physical health and social services service area. Mental health had the largest decrease of $5,282,448 due to the majority of the mental health services being accounted for in the newly formed CSS Agency. Administration expenses were $438,088 lower than the prior year due to CLEAR project expenses and financial support given to the health insurance fund in FY10. Non-program services decreased $2,159,082 in the current year. The pass-through community development block grant funds for projects relating to the flood of June 2008 were no longer accounted for in the non-program service area in FY11.

Cerro Gordo County maintained the rural rate of 3.50739 for FY11. The countywide tax rate of 6.29147 for FY10 decreased to 6.28146 for FY11. The combined tax rates resulted in increased property tax dollars of approximately $128,400 for general purposes, $56,600 for rural purposes, and $17,600 for mental health services and a decrease of $2,350 for debt service.

Business-Type Activities

Business-type activities decreased the County's net assets by $71,691.

The County's Individual Major Funds

As Cerro Gordo County completed the year, its governmental funds reported a combined fund balance of $14,506,623, which is an increase of $932,803 or 6.9% over the combined fund balance for FY10. Of this amount, $4,550,586 represents the unassigned fund balance which is available for spending at the government's discretion. The remainder of the fund balance is assigned, restricted, or nonspendable. 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 FY11 with a 53.6% ending fund balance totaling $6,437,812. This is a $141,358 increase from the prior year's $6,296,454 fund balance. Revenues increased $696,302; the key factors were an additional $404,834 in intergovernmental revenues and $137,146 in property and other county taxes. Expenditures increased $378,253, which is an increase of 3.3% from the previous year.

- Cerro Gordo County has continued to look for ways to effectively manage the cost of mental health services. The county, along with four other counties, entered into a 28E agreement to create the CSS Agency. This agency accounts for all mental health revenues, with the exception of each county's property taxes for mental health purposes. It also accounts for the majority of the mental health expenditures. This caused the several financial changes for the mental health fund. The Mental Health Fund balance increased from ($20,262) to $1,752,507 in FY11, an increase of $1,772,769. For the year, expenditures totaled $676,241, a decrease of 87% over last year's expenditures of $5,941,119. Revenues decreased $2,559,811, or 51%.

- The Rural Services Fund balance decreased $150,962 to $789,626 from the prior year ending balance of $940,588. Revenues increased $30,964, from $2,132,784 in FY10 to $2,163,748 in FY11. Expenditures totaled $464,710, an increase of $23,706, or 5.4% over last year's expenditures of $441,004. The County supports the secondary roads fund with an annual transfer out of rural services property tax dollars. In FY11, this allocation increased $250,000 from $1,600,000 in FY10 to $1,850,000 in FY11.

- The Secondary Roads Fund expenditures increased by $1,383,129 or 23%, from $5,975,194 in FY10 to $7,358,323 in FY11. This was due to an increase in capital projects in FY11 as the County continues to maintain the condition of the County roadway system. The Secondary Road Fund balance increased $927,896, from $4,360,635 in FY10 to $3,432,739 in FY11.

- The Public Health Fund ended FY11 with an $871,341 fund balance, a $21,925 decrease over the prior year's balance of $893,266. Expenditures increased $332,523, or 11.3% over the prior year. Revenues increased 2.4%, or $45,872.

- The Debt Service Fund had a fund balance of $28,095, all of which is restricted for the payment of debt.

- The Capital Projects fund balance remained $933 at June 30, 2011.

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 51-52 provide more information. The amendment, made May 2011, resulted in the following:

Revenues and Other Financing Sources decreased $3,003,992, which included:

- Increase of $125,346 in local option sales and service tax.

- A $3,272,103 decrease in intergovernmental revenues by various departments, including increases of $100,000 for secondary roads and transportation, $70,000 awarded for a Department of Energy grant, and $64,808 for the public health department, as well as a decrease of $3,500,000 for Flood CDBG.

- A decrease of $287,090 in licenses and permits for public health fees. For years, the Public Health Department contracted with the State of Iowa to perform annual restaurant inspections. As of July 1, 2010 this contract was terminated.

- Charges for services increased $113,880 due to an increase in public health fees of $53,380 and $60,500 for fees provided by the sheriff department.

- Miscellaneous revenue increased $206,612 due to several departments receiving additional miscellaneous revenue, with the public health, $179,428, and the sheriff department, $9,000, receiving the largest shares.

- Other Financing Sources of $109,363 includes $30,000 from the sale of county assets and $79,363 for additional operating transfers in.

Expenditures and Other Financing Uses decreased $2,798,963, which included:

- Increase of $31,625 in public safety and legal services, including an increase of $30,000 for the sheriff department.

- Decrease of $74,649 in physical health and education mainly due to a decrease of $70,649 for the public health department.

- Increase of $25,100 in Mental Health, MR & DD for mental health services.

- A decrease of $26,288 in county environment & education due to a variety of departments. Increase of $21,000 for conservation, $10,000 for the on-site sewage program, and a decrease of $10,000 for county grants. Also, $50,000 was reclassified from county environment & education to debt service.

- An increase of $120,000 in the roads & transportation service area, all for the Secondary Roads department.

- An increase of $6,000 for government services to residents.

- An increase of $24,270 in administration. $36,600 of this increase was due to additional property and unemployment insurance. Also, a decrease of $7,880 due to the reclassification from administration to debt service.

- A decrease of $39,500 for the nonprogram current service area for drainage ditches.

- An increase of $85,116 for debt service due to reclassification of expenditures.

- Decrease in capital projects of $3,030,000. This includes a reduction of $3,500,000 for the flood CDBG, and increases of $400,000 for secondary road construction projects, and $70,000 for the Department of Energy grant.

- Other Financing Uses of $79,363 for additional operating transfers out.

During the year, however, revenues were $3,414,522 less than budgetary revenues and expenditures were $5,236,743 less than budgetary expenditures. Iowa law requires budget amendments to specific expenditure functions/service areas, i.e., public safety and legal service, to be enacted by the Board of Supervisors no later than May 31 of each fiscal year. Since the County's fiscal year ends on June 30 and since the County's budget is based on the current financial resources measurement focus and the modified accrual basis of accounting, the Board takes a conservative approach when enacting yearend budget amendments. This means the comparison of actual to budgeted amounts will usually show expenditures to be well below budgeted amounts. This is especially true for the Capital Projects and Roads and Transportation service areas when projects may roll over to a subsequent fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Cerro Gordo County's investment in capital assets for its governmental and business-type activities as of June 30, 2011 was $74,422,841, an increase of $3,035,740 or 4.3% compared to FY10. This investment in capital assets includes land, buildings, improvements other than buildings, machinery & equipment, vehicles, intangibles, and infrastructure.

Major capital asset additions during the current fiscal year included infrastructure, vehicles for Sheriff, Conservation, and Secondary Roads and the remodeling of county-owned buildings.

Cerro Gordo County's Capital Assets
FYE 2011

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	$ 1,646,392	$ 1,646,392	$ 62,300	$ 62,300	$ 1,708,692	$ 1,708,692
Construction-in-Process	254,570	537,575	0	0	254,570	537,575
Buildings	17,201,647	17,128,410	0	0	17,201,647	17,128,410
Improvements other than Buildings	603,760	603,760	0	0	603,760	603,760
Machinery & Equipment	6,982,661	6,963,668	0	0	6,982,661	6,963,668
Vehicles	3,850,830	3,502,410	0	0	3,850,830	3,502,410
Intangibles	263,734	263,734	0	0	263,734	263,734
Infrastructure	40,850,304	37,972,209	2,706,643	2,706,643	43,556,947	40,678,852
Total	71,653,898	68,618,158	2,768,943	2,768,943	74,422,841	71,387,101
Less: Accumulated Depreciation	29,627,196	27,042,238	871,691	786,405	30,498,887	27,828,643
Total	42,026,702	41,575,920	1,897,252	1,982,538	43,923,954	43,558,458

For governmental activities, Cerro Gordo County had depreciation expense of $2,779,577 and total accumulated depreciation of $29,627,196 for the year ended June 30, 2011. For business-type activities, depreciation expense was $85,286 and total accumulated depreciation was $871,688 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, 2011, Cerro Gordo County had total long-term debt outstanding for governmental activities of $12,359,367, a decrease of $445,860 compared to FY10. The changes in debt resulted from the issuance of $2,000,000 General Obligation Crossover Refunding Capital Loan Notes, capital loan note retirement of $2,490,000, as well as $51,936 of capital lease purchase agreements payments. In the current year, the County paid $2,541,936 in principal and $519,010 in interest on outstanding debt, compared to $867,698 in principal and $517,888 in interest for FY10.

Sewer revenue capital loan notes (Business-Type Activities) outstanding totaled $557,967. This is a decrease of $9,979 due to debt retirement. Business-Type Activities paid $9,979 in principal and $25,508 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 $197 million.

Cerro Gordo County's Outstanding Debt
June 30, 2011

	2011	2010
Governmental Activities:		
Revenue Bonds & Capital Loan Notes	$ 11,381,750	$ 11,871,750
Capital Lease Purchase Agreements	65,669	117,605
Drainage Warrants	20,088	34,700
Termination Benefits	97,125	15,025
Compensated Absences	794,735	766,147
Total	**$ 12,359,367**	**$ 12,805,227**
Business-Type Activities:		
Sewer Revenue Bonds	$ 557,967	$ 567,946

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 2012 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 6.90% versus 7.32% a year ago. This compares with the State unemployment rate of 6.2% and the national rate of 9.7%

- For the budget year ending June 30, 2012, Cerro Gordo County decreased the countywide tax rate from $6.27042 per thousand of taxable valuation to $6.25077 and maintained the rural county tax rate at $3.50739 per thousand of taxable valuation. This decrease in the countywide tax rate is due to a decrease in funds needed in the debt service fund and additional State funds allocated to mental health services. These additional funds directly reduce the property taxes.

- The tax base for Cerro Gordo County increased 3.5% over the prior year.

- The total expenditures for the FY12 budget are $28,846,489, a decrease of $7,134,526 from the FY11 budget. Two main factors contribute to this decrease: the $3,500,000 Flood CDBG is now accounted for within a non-budgeted agency fund, and the mental health budget is $2,625,000 lower than the previous year. A five-county group was formed to provide more efficient mental health services, with one of the counties accounting for the services within their budget. All four of the County bargaining unit contracts are under agreements that expire June 30, 2013.

All these factors were considered in preparing the Cerro Gordo County budget for the June 30, 2012 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, 2011

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Pooled Investments	$13,438,864	$88,429	$13,527,293
Receivables:			
Property Tax:			
Delinquent	30,949	0	30,949
Succeeding year	14,780,625	0	14,780,625
Interest and Penalty on Property Tax	463	0	463
Accounts	373,857	0	373,857
Accrued Interest	9,483	0	9,483
Special Assessments	53,564	0	53,564
Drainage Assessments	12,679	0	12,679
Due From Other Governments	1,019,423	8,179	1,027,602
Inventories	1,324,730	0	1,324,730
Capital Assets:			
Land	1,646,392	62,300	1,708,692
Construction in Progress	254,570	0	254,570
Intangibles	263,734	0	263,734
Other Capital Assets	69,489,202	2,706,643	72,195,845
Less Accumulated Depreciation/Amortization	(29,627,196)	(871,691)	(30,498,887)
Total Assets	$73,071,339	$1,993,860	$75,065,199
Liabilities			
Accounts Payable	$840,276	$691	$840,967
Accrued Interest Payable	42,683	0	42,683
Salaries and Benefits Payable	390,045	0	390,045
Due to Other Governments	44,209	0	44,209
Unearned Revenue:			
Succeeding Year Property Tax	14,780,625	0	14,780,625
Long-Term Liabilities:			
Portion Due or Payable Within One Year:			
Capital Lease Purchase Agreements	55,317	0	55,317
General Obligation Bonds/Revenue Notes	550,000	10,429	560,429
Compensated Absences	794,735	0	794,735
Termination Benefits	24,975	0	24,975
Portion Due or Payable After One Year:			
Capital Lease Purchase Agreements	10,352	0	10,352
General Obligation Bonds/Revenue Notes	10,831,750	547,538	11,379,288
Drainage District Warrants Payable	20,088	0	20,088
Termination Benefits	72,150	0	72,150
Net OPEB Liability	1,020,198	0	1,020,198
Total Liabilities	29,477,403	558,658	30,036,061
Net Assets			
Invested in Capital Assets, Net of Related Debt	30,961,033	1,339,285	32,300,318
Temporarily Restricted For:			
Non-Expendable:			
Strand Endowment	60,000	0	60,000
Expendable:			
Mental Health Purposes	1,794,025	0	1,794,025
Secondary Roads Purposes	3,229,982	0	3,229,982
Debt Service	18,880	0	18,880
Capital Projects	933	0	933
Other Purposes	2,610,216	0	2,610,216
Unrestricted	4,918,867	95,917	5,014,784
Total Net Assets	$43,593,936	$1,435,202	$45,029,138

See Notes to Financial Statements.

CERRO GORDO COUNTY, IOWA

STATEMENT OF ACTIVITIES
Year Ended June 30, 2011

		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	$7,580,694	$924,425	$664,693	$0
Physical Health and Social Services	5,289,561	413,120	2,501,932	0
Mental Health	660,626	43,112	6,831	0
County Environment and Education	1,171,665	80,193	41,488	0
Roads and Transportation	6,838,237	53,251	3,114,574	429,002
Governmental Services to Residents	1,117,534	674,094	314	0
Administrative Services	2,482,454	176,074	9,966	0
Non-Program	240,487	182,654	0	0
Interest on Long Term Debt	515,350	0	0	0
	25,896,608	2,546,923	6,339,798	429,002
Business-type Activities:				
Wastewater Collection and Treatment	137,781	66,040	0	0
Total	$26,034,389	$2,612,963	$6,339,798	$429,002
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
($5,991,576)	$0	($5,991,576)
(2,374,509)	0	(2,374,509)
(610,683)	0	(610,683)
(1,049,984)	0	(1,049,984)
(3,241,410)	0	(3,241,410)
(443,126)	0	(443,126)
(2,296,414)	0	(2,296,414)
(57,833)	0	(57,833)
(515,350)	0	(515,350)
(16,580,885)	0	(16,580,885)
0	(71,741)	(71,741)
($16,580,885)	($71,741)	($16,652,626)
$13,558,781	$0	$13,558,781
950,610	0	950,610
161,757	0	161,757
408,057	0	408,057
1,650,341	0	1,650,341
110,664	50	110,714
1,059,843	0	1,059,843
17,900,053	50	17,900,103
1,319,168	(71,691)	1,247,477
42,274,768	1,506,893	43,781,661
$43,593,936	$1,435,202	$45,029,138

CERRO GORDO COUNTY, IOWA

BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2011

		Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads	Public Health
Assets					
Cash and Pooled Investments	$6,632,262	$1,627,959	$854,619	$2,086,997	$702,021
Receivables:					
Property Tax:					
Delinquent	19,211	4,393	5,256	0	0
Succeeding Year	9,579,291	2,189,425	2,079,040	0	0
Interest and Penalty on Property Tax	463	0	0	0	0
Accounts	165,441	0	0	7,107	175,828
Accrued Interest	8,985	0	0	0	0
Special Assessments	20,333	0	0	1,806	0
Drainage Assessments	0	0	0	0	0
Due From Other Funds	1,781	0	0	0	0
Due From Other Governments	217,992	173,885	0	383,615	140,661
Inventories	0	0	0	1,324,730	0
Total Assets	$16,645,759	$3,995,662	$2,938,915	$3,804,255	$1,018,510
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable	$312,477	$1,752	$59,921	$299,185	$48,568
Salaries and Benefits Payable	229,924	4,331	5,072	70,421	75,620
Due To Other Funds	0	253	0	104	1,379
Due To Other Governments	22,607	0	0	0	21,602
Unearned Revenue:					
Succeeding Year Property Tax	9,579,291	2,189,425	2,079,040	0	0
Other	63,648	47,394	5,256	1,806	0
Total Liabilities	10,207,947	2,243,155	2,149,289	371,516	147,169
Fund Balances:					
Nonspendable:					
Inventories	0	0	0	1,324,730	0
Trust	0	0	0	0	0
Restricted For:					
Supplemental Levy Purposes	546,152	0	0	0	0
Mental Health Purposes	0	1,752,507	0	0	0
Rural Services Purposes	0	0	789,626	0	0
Secondary Roads Purposes	0	0	0	2,108,009	0
Drainage Warrants	0	0	0	0	0
Conservation Land Acquisition	44,958	0	0	0	0
Nature Center Endowment	0	0	0	0	0
Debt Service	0	0	0	0	0
Capital Projects	0	0	0	0	0
Other Purposes	0	0	0	0	0
Assigned	1,296,116	0	0	0	871,341
Unassigned	4,550,586	0	0	0	0
Total Fund Balances	6,437,812	1,752,507	789,626	3,432,739	871,341
Total Liabilities and Fund Balances	$16,645,759	$3,995,662	$2,938,915	$3,804,255	$1,018,510

See Notes To Financial Statements.

Debt Service	Capital Projects	Nonmajor	Total
$28,049	$967	$1,208,586	$13,141,460
2,089	0	0	30,949
932,869	0	0	14,780,625
0	0	0	463
0	0	3,126	351,502
0	0	498	9,483
31,425	0	0	53,564
0	0	12,679	12,679
0	0	0	1,781
0	2,910	100,347	1,019,410
0	0	0	1,324,730
$994,432	$3,877	$1,325,236	$30,726,646
$0	$2,944	$114,265	$839,112
0	0	4,677	390,045
0	0	45	1,781
0	0	0	44,209
932,869	0	0	14,780,625
33,468	0	12,679	164,251
966,337	2,944	131,666	16,220,023
0	0	0	1,324,730
0	0	60,000	60,000
0	0	0	546,152
0	0	0	1,752,507
0	0	0	789,626
0	0	0	2,108,009
0	0	129,288	129,288
0	0	0	44,958
0	0	122,563	122,563
28,095	0	0	28,095
0	933	0	933
0	0	881,719	881,719
0	0	0	2,167,457
0	0	0	4,550,586
28,095	933	1,193,570	14,506,623
$994,432	$3,877	$1,325,236	$30,726,646

CERRO GORDO COUNTY, IOWA

RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
June 30, 2011

Total Governmental Fund Balances (page 25)		$14,506,623
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of assets is $71,653,898 and the accumulated depreciation/amortization is $29,627,196.		42,026,702
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the governmental funds.		
Property Taxes – General Purposes	28,266	
Property Taxes – Debt Service	2,043	
sTEP Grant	1,321	
Prisoner Room and Board	21,552	
Medicaid	1,714	
Smart Start Workshop Stipend	43,112	
Drainage Assessments/Special Assessments	66,243	164,251
The Internal Service Fund is used by management to charge the costs of the partial self funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Assets.		318,608
Long-term liabilities, including capital lease purchase agreements payable, bonds and notes payable, accrued interest payable, other post employment benefits payable, termination benefits payable and compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		(13,422,248)
Net assets of governmental activities (page 21)		$43,593,936

See Notes to Financial Statements

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CERRO GORDO COUNTY, IOWA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
Year Ended June 30, 2011

	General	Mental Health	Rural Services	Secondary Roads	Public Health
REVENUES:					
Property and Other County Tax	$9,249,723	$2,199,514	$2,101,799	$0	$0
Local Option Sales Tax	165,035	0	0	907,688	0
Interest and Penalty on Property Tax	161,757	0	0	0	0
Intergovernmental	2,293,197	68,729	61,941	3,442,798	1,218,435
Licenses and Permits	17,717	0	0	6,065	103,152
Charges For Service	956,356	0	0	0	309,271
Use of Money and Property	270,208	0	0	200	0
Fines, Forfeitures and Defaults	0	0	0	0	0
Miscellaneous	345,150	198,685	8	42,752	296,079
Total Revenues	13,459,143	2,466,928	2,163,748	4,399,503	1,926,937
EXPENDITURES:					
Operating:					
Public Safety and Legal Services	6,966,612	0	47,838	0	0
Physical Health and Social Services	1,091,554	0	0	0	3,222,395
Mental Health	0	676,241	0	0	0
County Environment and Education	658,907	0	190,715	0	0
Roads and Transportation	0	0	223,985	4,739,670	0
Governmental Services to Residents	968,094	0	2,172	0	0
Administration	2,312,982	0	0	0	0
Non-Program	123	0	0	0	0
Debt Service	5,087	0	0	0	54,554
Capital Projects	0	0	0	2,618,653	0
Total Expenditures	12,003,359	676,241	464,710	7,358,323	3,276,949
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,455,784	1,790,687	1,699,038	(2,958,820)	(1,350,012)
Other Financing Sources (Uses):					
Sale of Capital Assets	7,714	0	0	0	0
Drainage Warrants Issued	0	0	0	0	0
Transfers In	19,363	0	0	1,850,000	1,328,087
Transfers Out	(1,341,503)	(17,918)	(1,850,000)	0	0
Issuance of Refunding Capital Loan Notes	0	0	0	0	0
Total Other Financing Sources (Uses)	(1,314,426)	(17,918)	(1,850,000)	1,850,000	1,328,087
Net Change in Fund Balances	141,358	1,772,769	(150,962)	(1,108,820)	(21,925)
Fund Balances Beginning of Year, As Restated	6,296,454	(20,262)	940,588	4,360,635	893,266
Increase in Reserve For:					
Inventories	0	0	0	180,924	0
Fund Balances End of Year	$6,437,812	$1,752,507	$789,626	$3,432,739	$871,341

See Notes To Financial Statements

Debt Service	Capital Projects	Nonmajor	Total
$950,125	$0	$0	$14,501,161
0	0	577,618	1,650,341
0	0	0	161,757
25,753	9,966	706,592	7,827,411
0	0	0	126,934
0	0	125,508	1,391,135
3,302	0	3,723	277,433
0	0	9,465	9,465
0	0	41,671	924,345
979,180	9,966	1,464,577	26,869,982
0	0	81,413	7,095,863
0	0	781,146	5,095,095
0	0	0	676,241
0	0	331,829	1,181,451
0	0	0	4,963,655
0	0	18,667	988,933
0	0	42,962	2,355,944
0	0	113,921	114,044
2,976,283	0	25,022	3,060,946
0	9,966	0	2,628,619
2,976,283	9,966	1,394,960	28,160,791
(1,997,103)	0	69,617	(1,290,809)
0	0	0	7,714
0	0	34,974	34,974
0	0	30,000	3,227,450
(1,445)	0	(16,584)	(3,227,450)
2,000,000	0	0	2,000,000
1,998,555	0	48,390	2,042,688
1,452	0	118,007	751,879
26,643	933	1,075,563	13,573,820
0	0	0	180,924
$28,095	$933	$1,193,570	$14,506,623

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, 2011

Net change in fund balances - Total governmental funds (page 28)		$751,879
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation/amortization expense to allocate those expenditures over the life of the assets. Capital outlay expenditures and contributed capital assets exceeded depreciation/amortization expense in the current year as follows:		
Expenditures for capital assets	$3,105,724	
Capital assets contributed by the Federal Government	149,147	
Depreciation/amortization expense	(2,779,577)	475,294
In the Statement of Activities, the loss on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources.		(24,512)
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	8,233	
Other	42,215	50,448
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Current year debt repayments exceeded issuances as follows:		
Bonds and leases issued	(2,000,000)	
Principal payments	2,490,000	
Lease payments	51,936	
Drainage warrants	14,612	556,548
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	(28,588)	
Other postemployment benefits/termination benefits	(588,281)	
Interest on long-term debt	3,660	(613,209)
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.		180,924
The Internal Service Funds are used by management to charge the costs of employee health benefits, telephone service, and property insurance to individual funds. The change in Net Assets of the Internal Service Funds are reported with governmental activities.		(58,204)
Change in net assets of governmental activities (page 23)		$1,319,168

See Notes to Financial Statements.

CERRO GORDO COUNTY, IOWA

STATEMENT OF NET ASSETS – PROPRIETARY FUNDS
June 30, 2011

	Enterprise			
	Meservey Wastewater Collection & Treatment Facility	Swaledale Wastewater Collection & Treatment Facility	Totals	Internal Service
ASSETS				
Current Assets:				
Cash	$24,678	$63,751	$88,429	$297,404
Receivables:				
Accounts	0	0	0	22,355
Due From Other Governments	3,011	5,168	8,179	13
Total Current Assets	27,689	68,919	96,608	319,772
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	(390,443)	(481,248)	(871,691)	0
Total Non-Current Assets	1,189,083	708,169	1,897,252	0
Total Assets	$1,216,772	$777,088	$1,993,860	$319,772
LIABILITIES				
Current Liabilities:				
Accounts Payable	$276	$415	$691	$1,164
Note Payable:				
Portion Due Within One Year:				
Note Payable	5,261	5,168	10,429	0
Total Current Liabilities	5,537	5,583	11,120	1,164
Non-Current Liabilities:				
Portion Due After One Year:				
Note Payable	322,744	224,794	547,538	0
Total Liabilities	328,281	230,377	558,658	1,164
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	861,078	478,207	1,339,285	0
Unrestricted	27,413	68,504	95,917	318,608
	$888,491	$546,711	$1,435,202	$318,608

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, 2011

	Enterprise			
	Meservey Wastewater Collection & Treatment Facility	Swaledale Wastewater Collection & Treatment Facility	Totals	Internal Service
OPERATING REVENUES:				
Interfund Services Provided	$0	$0	$0	$2,436,363
Employee Payments	0	0	0	146,694
Miscellaneous	36,235	29,805	66,040	189,880
Total Operating Revenues	36,235	29,805	66,040	2,772,937
OPERATING EXPENSES:				
Waste Water Treatment Facility:				
Depreciation	48,805	36,481	85,286	0
Miscellaneous	10,765	16,172	26,937	0
Health Insurance:				
Medical Claims	0	0	0	245,000
Insurance Premiums	0	0	0	2,212,459
Administrative Fees	0	0	0	52,640
Miscellaneous	0	0	0	9,445
Central Services:				
Telephone	0	0	0	26,504
Insurance	0	0	0	256,306
Flex Benefits	0	0	0	28,848
Total Operating Expenses	59,570	52,653	112,223	2,831,202
Operating Loss	(23,335)	(22,848)	(46,183)	(58,265)
NON-OPERATING REVENUES (EXPENSES)				
Interest Income	15	35	50	61
Interest Expense	(14,987)	(10,571)	(25,558)	0
Total Non-Operating Revenues (Expenses)	(14,972)	(10,536)	(25,508)	61
Net Loss	(38,307)	(33,384)	(71,691)	(58,204)
Net Assets Beginning of Year	926,798	580,095	1,506,893	376,812
Net Assets End of Year	$888,491	$546,711	$1,435,202	$318,608

See Notes To Financial Statements.

CERRO GORDO COUNTY, IOWA

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
Year Ended June 30, 2011

	Enterprise			
	Meservey Wastewater Collection & Treatment Facility	Swaledale Wastewater Collection & Treatment Facility	Totals	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	$36,468	$29,609	$66,077	$0
Cash Received from Operating Funds	0	0	0	2,549,627
Cash Received from Employees and Other	0	0	0	335,432
Cash Paid to Suppliers for Services	(10,936)	(17,097)	(28,033)	(2,836,281)
Net Cash Provided by Operating Activities	25,532	12,512	38,044	48,778
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Income	15	35	50	61
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Interest Expense	(14,987)	(10,571)	(25,558)	0
Note Payments	(5,034)	(4,945)	(9,979)	0
Net Cash Used in Capital and Related Financing Activities	(20,021)	(15,516)	(35,537)	0
Net Increase (Decrease) in Cash	5,526	(2,969)	2,557	48,839
Cash – Beginning of Year	19,152	66,720	85,872	248,565
Cash – End of Year	$24,678	$63,751	$88,429	$297,404
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating Loss	($23,335)	($22,848)	($46,183)	($58,265)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:				
Depreciation	48,805	36,481	85,286	0
(Increase) Decrease in Receivables	234	(195)	39	112,122
Decrease in Payables	(172)	(926)	(1,098)	(5,079)
Net Cash Provided by Operating Activities	$25,532	$12,512	$38,044	$48,778

See Notes To Financial Statements.

CERRO GORDO COUNTY, IOWA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES – AGENCY FUNDS
June 30, 2011

ASSETS	
Cash and Pooled Investments:	
County Treasurer	$3,138,382
Other County Officials	282,181
Receivables:	
Property Tax:	
Delinquent	2,858
Succeeding Year	52,954,633
Accounts	4,021
Assessments	959,091
Due From Other Governments	33,064
Total Assets	$57,374,230
LIABILITIES	
Accounts Payable	$34,262
Salaries and Benefits Payable	16,875
Due To Other Governments	56,960,167
Trusts Payable	348,136
Compensated Absences	14,790
Total Liabilities	$57,374,230
NET ASSETS	$0

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, general administrative services, and drainage district services.

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

A. REPORTING ENTITY

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

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

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

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

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

B. BASIS OF PRESENTATION

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

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

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

Unrestricted net assets consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources that are imposed by management which can be removed or modified.

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

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

The County reports the following major governmental funds:

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

Special Revenue:

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

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

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

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

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

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

Additionally, the County reports the following proprietary funds:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

D. ASSETS, LIABILITIES AND FUND EQUITY

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

Cash, Pooled Investments and Cash Equivalents - The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund, unless otherwise provided by law.

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

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, 2009 assessed property valuations; is for the tax accrual period July 1, 2010 through June 30, 2011 and reflects the tax asking contained in the budget certified by the County board of Supervisors in March 2010.

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

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

Due from and Due to Other Funds - During the course of its operations, the County has numerous transactions between funds. To the extent that certain transactions between funds had not been paid or received as of June 30, 2011, balances of interfund amounts receivable or payable have been recorded in the financial statements.

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

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

Capital Assets – Capital assets, which include property, equipment and vehicles, intangibles and infrastructure assets acquired after July 1, 1980 (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the County), are reported in the applicable governmental or business-type activities columns in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual 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
Intangibles	75,000
Equipment and vehicles	5,000

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

Compensated Absences - County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use payable to employees. A liability is recorded when incurred in the government-wide, proprietary and fiduciary fund financial statements. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2011. Any accrued compensated absences that are carried over must be taken in the following fiscal year or else be lost. 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, fund balances are classified as follows:

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

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

Assigned – Amounts the Board of Supervisors intend to use for specific purposes.

Unassigned – All amounts not included in other classifications.

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, 2011, disbursements exceeded the amounts budgeted in the Debt Service function and disbursements in the Medical Examiner department exceeded the amounts appropriated.

Note 2: Cash and Pooled Investments

The County's deposits in banks at June 30, 2011 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

Note 3: Due from and Due to Other Funds

The detail of inter-fund receivables and payables at June 30, 2011, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Special Revenue:	
	MH/DD Services	$253
	Empowerment	45
	Secondary Road	104
	Public Health	1,379
Total		$1,781

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

Note 4: Inter-fund Transfers

The detail of inter-fund transfers for the year ended June 30, 2011 is as follows:

Transfer To	Transfer From	Amount
General Fund	Special Revenue	
	Mental Health	$17,918
	Debt Service	1,445
Special Revenue:	Special Revenue:	
Secondary Roads	Rural Services	1,850,000
Public Health	General Basic	1,311,503
	Special Revenue:	
	Public Health Inspections	16,584
On Site Sewage Program	General Basic	30,000
Total		$3,227,450

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, 2011 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	537,575	1,789,543	2,072,548	254,570
Total capital assets not being depreciated	2,183,967	1,789,543	2,072,548	1,900,962
Capital assets being depreciated/amortized:				
Buildings	17,128,410	73,237	0	17,201,647
Improvements other than buildings	603,760	0	0	603,760
Machinery and equipment	6,963,668	45,592	26,599	6,982,661
Vehicles	3,502,410	540,952	192,532	3,850,830
Intangibles	263,734	0	0	263,734
Infrastructure	37,972,209	2,878,095	0	40,850,304
Total capital assets being depreciated/amortized	66,434,191	3,537,876	219,131	69,752,936
Less accumulated depreciation/amortization for:				
Buildings	2,810,717	330,073	0	3,140,790
Improvements other than buildings	436,498	9,300	0	445,798
Machinery and equipment	5,038,724	455,631	25,500	5,468,855
Vehicles	2,603,958	256,178	169,119	2,691,017
Intangibles	0	87,911	0	87,911
Infrastructure, road network	16,152,341	1,640,484	0	17,792,825
Total accumulated depreciation/amortization	27,042,238	2,779,577	194,619	29,627,196
Total capital assets being depreciated/amortized, net	39,391,953	758,299	24,512	40,125,740
Governmental activities capital assets, net	$41,575,920	$2,547,842	$2,097,060	$42,026,702

Depreciation/amortization expense was charged to the following functions:

Governmental Activities:	
Public safety and legal services	$358,768
Physical health and social services	49,635
Mental health	2,256
County environment and education	42,289
Roads and transportation	2,103,663
Governmental services to residents	24,802
Administration services	198,164
Total depreciation/amortization expense – governmental activities	$2,779,577

Capital asset activity of the Enterprise Funds for the year ended June 30, 2011 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	786,405	85,286	0	871,691
Total capital assets being depreciated, net	1,920,238	(85,286)	0	1,834,952
Business-type activities capital assets, net	$1,982,538	($85,286)	$0	$1,897,252

Note 6: Due to Other Governments

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

Fund	Description	Amount
General	Services	$22,607
Special Revenue:		
Public Health		21,602
Total Governmental Funds		$44,209
Agency	Collections	
County Special Appraisal		$535,099
Schools		28,287,087
City Assessor		247,510
Corporations		22,068,353
Auto License & Use Tax		1,016,115
City Special Appraisal		105,371
County Assessor		570,390
E911 Operations		398,698
City Special Assessments		949,191
All Others		2,782,353
Total for Agency Funds		$56,960,167

Note 7: Changes in Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2011, is as follows:

Governmental Activities	Capital Loan Notes & Revenue Bonds	Lease Obligations	Compensated Absences
Balance – Beginning of Year	$11,871,750	$117,605	$766,147
Increases	2,000,000	0	794,735
Decreases	2,490,000	51,936	766,147
Balance – End of Year	$11,381,750	$65,669	$794,735
Due within one year	$550,000	$55,317	$794,735

	Termination Benefits	Drainage Warrants	Total
Balance – Beginning of Year	$15,025	$34,700	$12,805,227
Increases	108,185	34,974	2,937,894
Decreases	26,085	49,586	3,383,754
Balance – End of Year	$97,125	$20,088	$12,359,367
Due within one year	$24,975	$0	$1,425,027

Business Type Activities	Sewer Revenue Capital Loan Notes
Balance – Beginning of Year	$567,946
Increases	0
Decreases	9,979
Balance – End of Year	$557,967
Due within one year	$10,429

Note 8: Capital Lease Purchase Agreements / Installment Purchase Agreements

The County entered into a capital lease purchase agreement for the Administration's postage machine totaling $20,679. The following is a schedule of the future minimum lease payments, including interest at 8.233% per annum, and the present value of net minimum lease payments under the agreement in effect at June 30, 2011 for Equipment:

Year Ending June 30,	Postage Machine
2012	$5,087
2013	5,087
2014	5,087
2015	1,272
Total Minimum Lease Payments	16,533
Less: Amount Representing Interest	2,156
Present Value of Net Minimum Lease Payments	$14,377

Payments under capital lease purchase agreements for year ended June 30, 2011, totaled $3,711.

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, 2011 for Equipment:

Year Ending June 30,	Virtual Network
2012	54,554
Total Minimum Lease Payments	54,554
Less: Amount Representing Interest	3,262
Present Value of Net Minimum Lease Payments	$51,292

Payments under capital lease purchase agreements for year ended June 30, 2011, totaled $48,225.

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

During the year ended June 30, 2007, the County issued $9,000,000 and $4,500,000 of General Obligation Capital Loan Notes for the purpose of constructing and equipping a new Law Enforcement Center. During the year ended June 30, 2011, the County refunded the $2,470,000 outstanding balance of the $4,500,000 General Obligation Capital Loan Notes issuance with the issuance of $2,000,000 General Obligation Crossover Refunding Capital Loan Notes. 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 notes are as follows:

	2006B $9,000,000 Issue			2010A $2,000,000 Issue		
Year Ending June 30,	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest
2012	4.30%	0	392,248	2.00%	530,000	40,000
2013	4.30%	0	392,248	2.00%	540,000	29,400
2014	4.30%	0	392,247	2.00%	550,000	18,600
2015	4.30%	220,000	392,247	2.00%	380,000	7,600
2016	4.30%	640,000	382,788			
2017-2021	4.30%-4.375%	3,630,000	1,476,921			
2022-2026	4.375-4.40%	4,510,000	612,284			
		$9,000,000	$4,040,983		$2,000,000	$95,600

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

During the year ended June 30, 2009, the County issued $885,000 of Local Option Sales and Service Tax Revenue Bonds. The purpose of the bonds was for paying the County's share of the Clear Lake Dredging and Restoration Project, a rural County betterment project for the County of Cerro Gordo. The funds were to be advanced as needed for the project. As of June 30, 2009, $300,000 had been advanced to the County. During the year ended June 30, 2010, an additional $ 168,750 was advanced to the County. Interest payments are due semiannually, commencing December 1, 2008 and principal payments are due annually commencing June 1, 2009, maturing June 1, 2028. Payments made during fiscal year 2011 totaled $ 20,000. Details of the outstanding bonds are as follows:

		2008 $885,000 Issue	
Year Ending June 30,	Interest Rate	Principal	Interest
2012	1.25%	20,000	4,772
2013	1.25%	20,000	4,521
2014	1.25%	20,500	4,272
2015	1.25%	21,000	4,016
2016	1.25%	21,500	3,753
2017-2021	1.25%	111,000	14,691
2022-2026	1.25%	118,500	7,553
2027-2028	1.25%	49,250	931
		$381,750	$44,509

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, 2011, the County has obligations to five participants with a total liability of $97,125. Retirement benefits expenses for four retirees for the year ended June 30, 2011 totaled $26,085 and were paid from the General Fund and the Secondary Roads Fund.

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
2012	5,168	10,348	15,516
2013	5,400	10,116	15,516
2014	5,643	9,873	15,516
2015	5,897	9,619	15,516
2016	6,163	9,353	15,516
2017-2021	35,231	42,349	77,580
2022-2026	43,904	33,676	77,580
2027-2031	54,713	22,867	77,580
2032-2036	67,843	9,398	77,241
	$229,962	$157,599	$387,561

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
2012	875	2,400	3,749	10,281	637	2,079	5,261	14,760
2013	915	2,360	3,917	10,113	665	2,051	5,497	14,524
2014	956	2,319	4,094	9,936	695	2,021	5,745	14,276
2015	999	2,276	4,278	9,752	727	1,989	6,004	14,017
2016	1,044	2,231	4,470	9,560	759	1,957	6,273	13,748
2017-2021	5,968	10,407	25,556	44,594	4,341	9,239	35,865	64,240
2022-2026	7,436	8,939	31,848	38,302	5,410	8,170	44,694	55,411
2027-2031	9,267	7,108	39,688	30,462	6,742	6,838	55,697	44,408
2032-2036	11,549	4,826	49,459	20,691	8,402	5,178	69,410	30,695
2037-2041	14,318	1,984	61,415	8,514	10,470	3,110	86,203	13,608
2042-2044	0	0	0	0	7,356	666	7,356	666
	$53,327	$44,850	$228,474	$192,205	$46,204	$43,298	$328,005	$280,353

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 4.50% of their annual covered salary and the County is required to contribute 6.95% 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, 2011, 2010 and 2009 were $834,867, $771,687, and $710,585 respectively, equal to the required contributions for each year.

Note 14: Other Postemployment Benefits (OPEB)

Plan Description. The County operates a single-employer retiree benefit plan which provides medical/prescription drug benefits for retirees and their spouses. There are 255 active and 3 retired members in the plan. Employees must be age 55 or older at retirement. The medical/prescription drug benefit, which is a partially self -funded medical plan, is administered by Group Services. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability. The plan does not issue a stand-alone report.

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

Annual OPEB Cost and Net OPEB Obligation. The County's annual OPEB cost is calculated based on the annual required contribution of the County (ARC), an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.
The table shows the components of the County's annual OPEB cost for June 30, 2011, the amount actually contributed to the plan and the changes in the County's net OPEB obligation:

Annual required contribution	$509,164
Interest on net OPEB obligation	7,604
Adjustment to annual required contribution	0
Annual OPEB cost (expense)	516,768
Contributions made	(10,587)
Increase in net OPEB obligation	506,181
Net OPEB obligation - beginning of the year	$514,017
Net OPEB obligation – end of the year	$1,020,198

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, 2011.
For the fiscal year 2011, the County contributed $ 10,587 to the medical plan. Plan members receiving benefits contributed $21,173, 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 are summarized as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2010	$274,753	2.23%	$514,017
June 30, 2011	$516,767	2.05%	$1,020,198

Funded Status and Funding Progress. As of July 1, 2010, the most recent actuarial valuation date for the period July 1, 2010 through June 30, 2011, the actuarial accrued liability was $4,398,616, with no actuarial value of assets, resulting in an unfunded actuarial liability (UAAL) of $4,398,616. The covered payroll (annual payroll of active employees covered by the plan) was $9,860,872, and the ratio of the UAAL to the covered payroll was 44.6%. As of June 30, 2011, 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

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

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

As of the July 1, 2010 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 $1,278 per month for retirees less than 65. The salary increase rate was assumed to be 4% per year. The UAAL is being amortized as a level percentage on an open basis over 30 years.

Note 15: Risk Management

Cerro Gordo County is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 645 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 150 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

The Pool also provides property coverage. Members who elect such coverage make annual operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses and reinsurance premiums, all of which are due and payable in the current year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's annual contributions to the Pool for the year ended June 30, 2011 were $192,780.

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. For members requiring specific coverage from $3,000,000 to $12,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to $150,000 each occurrence, each location, with excess coverage reinsured by the Travelers Insurance Company.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such losses can be reasonably estimated. Accordingly, at June 30, 2011, no liability has been recorded in the County's financial statements. As of June 30, 2011, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

Note 15: Risk Management (Continued)

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their casualty capital contribution. If a member withdraws after the sixth year, the member is refunded 100 percent of its casualty capital contributions. However, the refund is reduced by an amount equal to the annual casualty operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

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, 2011 was $ 2,299,882.

Amounts payable from the Health Insurance Fund at June 30, 2011 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 $255,445 at June 30, 2011 and is reported as a designation of the Health Insurance Fund Net Assets. Information on the reconciliation of changes in the aggregate liabilities for claims for the current year and prior year is as follows:

	Balance as of July 1	Current Year Claims	Claims Payments	Balance as of June 30
2008-2009	$0	$141,800	$141,800	$0
2009-2010	$0	$247,000	$247,000	$0
2010-2011	$0	$245,000	$245,000	$0

Note 17: Closure and Postclosure Care Costs

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

State and federal laws and regulations require the agency to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, state laws require the agency to submit a closure and postclosure plan detailing the schedule for and the methods by which the operator will meet the conditions for proper closure and postclosure. The agency is in compliance with this requirement. On June 30, 2011, 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 or the county employee did not participate in acquiring the services.

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 December of 2011, the County approved the advance refunding of the General Obligation Capital Loan Notes, Series 2006B by authorizing the issuance of General Obligation Refunding Capital Loan Notes, Series 2012A. The purpose of the refunding was to obtain a lower interest rate on the outstanding debt. The notes will be issued in January 2012.

Note 21: Accounting Change/Restatement

Governmental Accounting Standards Board Statement No.45, Fund Balance Reporting and Governmental Fund Type Definitions, was implemented during fiscal year 2011. The effect of fund type reclassifications is as follows:

	General	Conservation Parks	Jail Commissary Profits	Sheriff Tobacco	Sheriff Abandoned Vehicle	Sheriff DARE	Jail Phone Profits	Conservation Land Acquisition
Balances June 30, 2010, as previously reported	$6,062,480	$134,454	$12,003	$1,535	$616	$3,134	$39,898	$42,334
Changes in fund type classification per implementation of GASB Statement No. 54	233,974	(134,454)	(12,003)	(1,535)	(616)	(3,134)	(39,898)	(42,334)
Balances July 1, 2010, as restated	$6,296,454	$0	$0	$0	$0	$0	$0	$0

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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, 2011

	Actual	Less Funds Not Required To Be Budgeted	Net
REVENUES:			
Property and Other County Tax	$16,151,502	$0	$16,151,502
Interest and Penalty on Property Tax	161,757	0	161,757
Intergovernmental	7,827,411	615	7,826,796
Licenses and Permits	126,934	0	126,934
Charges for Service	1,391,135	116,247	1,274,888
Use of Money and Property	277,433	44	277,389
Miscellaneous	933,810	0	933,810
Total Revenues	26,869,982	116,906	26,753,076
EXPENDITURES:			
Public Safety and Legal Services	7,095,863	0	7,095,863
Physical Health and Social Services	5,095,095	0	5,095,095
Mental Health	676,241	0	676,241
County Environment and Education	1,181,451	0	1,181,451
Roads and Transportation	4,782,731	0	4,782,731
Governmental Services to Residents	988,933	0	988,933
Administrative Services	2,355,944	0	2,355,944
Non-Program	114,044	113,921	123
Debt Service	3,060,946	0	3,060,946
Capital Projects	2,628,619	0	2,628,619
Total Expenditures	27,979,867	113,921	27,865,946
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,109,885)	2,985	(1,112,870)
Other Financing Sources, Net	2,042,688	34,974	2,007,714
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	932,803	37,959	894,844
Balance Beginning of Year	13,573,820	91,329	13,482,491
Balance End of Year	$14,506,623	$129,288	$14,377,335

See Accompanying Independent Auditors' Report.

Budgeted Amounts		Final to Net Variance - Positive (Negative)
Original	Final	
$16,026,828	$16,152,174	($672)
160,000	160,000	1,757
14,358,641	11,086,538	(3,259,742)
395,150	108,060	18,874
1,127,648	1,241,528	33,360
368,228	368,228	(90,839)
844,458	1,051,070	(117,260)
33,280,953	30,167,598	(3,414,522)
7,570,996	7,602,621	506,758
5,478,646	5,403,997	308,902
4,945,010	4,970,110	4,293,869
1,339,397	1,313,109	131,658
5,551,114	5,671,114	888,383
1,025,575	1,031,575	42,642
2,603,919	2,628,189	272,245
40,000	500	377
976,358	1,061,474	(1,999,472)
6,450,000	3,420,000	791,381
35,981,015	33,102,689	5,236,743
(2,700,062)	(2,935,091)	1,822,221
30,000	60,000	1,947,714
(2,670,062)	(2,875,091)	3,769,935
13,437,315	13,437,315	45,176
$10,767,253	$10,562,224	$3,815,111

CERRO GORDO COUNTY, IOWA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
BUDGETARY REPORTING
June 30, 2011

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

Formal and legal budgetary control is based upon ten major classes of expenditures known as functions, not by fund. These ten functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, 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 decreased budgeted revenues and expenditures by $3,113,355 and $2,878,326 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, 2011, disbursements exceeded the amounts budgeted in the Debt Service function and disbursements in the Medical Examiner Department exceeded the amounts appropriated.

CERRO GORDO COUNTY, IOWA

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

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
2009	July 1, 2008	$0	$2,045	$2,045	0%	$9,426	21.7%
2010	July 1, 2008	$0	$2,045	$2,045	0%	$9,761	20.9%
2011	July 1, 2010	$0	$4,399	$4,399	0%	$9,861	44.6%

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.

See Accompanying Independent Auditors' Report.

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Other Supplementary Information

CERRO GORDO COUNTY, IOWA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GENERAL FUND
Year ended June 30, 2011

REVENUES:		
Property and Other County Tax:		
Property Tax	$8,870,601	
Local Option Sales Tax	165,035	
Utility Tax Replacement Excise Tax	371,992	
Other County Tax	7,130	$9,414,758
Interest and Penalty on Property Tax		161,757
Intergovernmental:		
State Shared Revenues		17,658
State Tax Credits		260,183
State and Federal Pass-Thru Revenues:		
Child Support Recovery Incentives	462,836	
Human Services Administration Reimbursement	108,410	
Other	682,350	1,253,596
Contributions From Other Intergovernmental Units		701,988
State Grants and Entitlements		59,738
Federal Grants and Entitlements		34
Licenses and Permits		17,717
Charges for Service:		
Office Fees and Collections:		
County Auditor	2,072	
County Recorder	321,067	
County Sheriff	103,741	
Auto License, Use Tax and Postage	370,977	
Miscellaneous	158,499	956,356
Use of Money and Property:		
Interest on Investments	109,796	
Miscellaneous	160,412	270,208
Miscellaneous:		
Reimbursements	237,653	
Assessments	16,133	
Miscellaneous	91,364	345,150
Total Revenues		13,459,143

(Continued)

CERRO GORDO COUNTY, IOWA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GENERAL FUND
Year Ended June 30, 2011

EXPENDITURES:		
Operating:		
Public Safety and Legal Services		$6,966,612
Physical Health and Social Services		1,091,554
County Environment and Education		658,907
Governmental Services to Residents		968,094
Administration		2,312,982
Non-Program		123
Debt Service		5,087
Total Expenditures		12,003,359
Excess of Revenues Over Expenditures		1,455,784
Other Financing Sources (Uses):		
Sale of Capital Assets	7,714	
Transfers In:		
Mental Health	17,918	
Debt Service	1,445	
Transfers Out:		
Public Health	(1,311,503)	
Capital Projects	(30,000)	(1,314,426)
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses		141,358
Fund Balance Beginning of Year, As Restated		6,296,454
Fund Balance End of Year		$6,437,812

See Accompanying Independent Auditors' Report.

CERRO GORDO COUNTY, IOWA

SCHEDULE OF EXPENDITURES – GENERAL FUND
Year Ended June 30, 2011

Public Safety and Legal Services:		
Law Enforcement:		
Uniformed Patrol Services	$1,428,723	
Law Enforcement Communications	869,787	
Adult Correctional Services	2,317,313	
Administration	713,379	
	5,329,202	
Legal Services:		
Criminal Prosecution	798,464	
Medical Examinations	120,583	
Child Support Recovery	456,896	
	1,375,943	
Emergency Services:		
Emergency Management	43,653	
Assistance to District Court System:		
Physical Operations	1,872	
Research and Other Assistance	250	
	2,122	
Court Proceeding Program:		
Juries and Witnesses	13,516	
Detention Services	18,633	
Court Costs	1,447	
Service of Civil Papers	146,307	
	179,903	
Juvenile Justice Administration:		
Juvenile Victim Restitution	30,017	
Juvenile Representation Services	263	
Court-Appointed Attorneys and Court Costs for Juveniles	5,509	
	35,789	
Total Public Safety and Legal Services		$6,966,612

(Continued)

CERRO GORDO COUNTY, IOWA

SCHEDULE OF EXPENDITURES – GENERAL FUND
Year Ended June 30, 2011

Physical Health and Social Services:		
Physical Health Services:		
Personal & Family Health Services	$608	
Services to the Poor:		
Administration	267,539	
General Welfare Services	13,631	
	281,170	
Services to Military Veterans:		
Administration	112,826	
General Services to Veterans	14,539	
	127,365	
Children's and Family Services:		
Youth Guidance	87,798	
Services to Other Adults:		
Other Social Services	567,064	
Chemical Dependency:		
Treatment Services	17,875	
Preventive Services	9,674	
	27,549	
Total Physical Health and Social Services		$1,091,554
County Environment and Education:		
Conservation and Recreation Services:		
Administration	$401,973	
Maintenance and Operations	166,643	
	568,616	
Animal Control :		
Animal Shelter	19,484	
Animal Bounties and State Apiarist Expense	200	
	19,684	
County Development:		
Land Use and Building Controls	70,607	
Total County Environment and Education		$658,907

(Continued)

CERRO GORDO COUNTY, IOWA

SCHEDULE OF EXPENDITURES – GENERAL FUND
Year Ended June 30, 2011

Governmental Services to Residents:		
Representation Services:		
Elections Administration	$306,828	
Local Elections	8,430	
Township Officials	27	
	315,285	
State Administrative Services:		
Motor Vehicle Registrations and Licensing	339,511	
Recording of Public Documents	313,298	
	652,809	
Total Governmental Services to Residents		$968,094
Administration:		
Policy and Administration:		
General County Management	$389,979	
Administrative Management Services	426,259	
Treasury Management Services	171,836	
Other Policy and Administration	52,088	
	1,040,162	
Central Services:		
General Services	489,940	
Data Processing	604,308	
	1,094,248	
Risk Management Services:		
Safety of Workplace	108,267	
Fidelity of Public Officers	3,137	
Unemployment Compensation	67,168	
	178,572	
Total Administration		$2,312,982
Non-Program:		
Other Non-Program Current		$123
Debt Service:		
Principal	3,711	
Interest	1,376	$5,087
Total Expenditures		$12,003,359

(Concluded)

See Accompanying Independent Auditors' Report.

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CERRO GORDO COUNTY, IOWA

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
June 30, 2011

	Resource Enhancement and Protection	Recorder's Records Management	General County Betterment	Nature Center	Supplemental Environmental Project
ASSETS					
Cash and Pooled Investments	$104,711	$52,024	$3,625	$388,034	$15,012
Receivables:					
Accounts	0	2,056	0	0	0
Accrued Interest	0	21	0	210	0
Drainage Assessments	0	0	0	0	0
Due From Other Governments	0	0	14,335	0	0
Total Assets	$104,711	$54,101	$17,960	$388,244	$15,012
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	$0	$14,987	$3,851	$1,601	$0
Salaries and Benefits Payable	0	0	0	678	0
Due to Other Funds	0	0	0	0	0
Unearned Revenue	0	0	0	0	0
Total Liabilities	0	14,987	3,851	2,279	0
Fund Balances:					
Nonspendable	0	0	0	0	0
Restricted for:					
Drainage Warrants	0	0	0	0	0
Nature Center Endowment	0	0	0	122,563	0
Other Purposes	104,711	39,114	14,109	263,402	15,012
Total Fund Balances	104,711	39,114	14,109	385,965	15,012
Total Liabilities and Fund Balances	$104,711	$54,101	$17,960	$388,244	$15,012

See Accompanying Independent Auditors' Report.

Rural County Betterment	Economic Development	On Site Sewage Program	Drainage	Empowerment	Strand Estate Grant	Sheriff Forfeiture	Attorney Forfeiture	Total
$100,376	$86,990	$29,875	$145,345	$116,909	$73,903	$71,202	$20,580	$1,208,586
0	0	0	0	0	0	1,070	0	3,126
0	0	0	0	0	267	0	0	498
0	0	0	12,679	0	0	0	0	12,679
57,341	28,671	0	0	0	0	0	0	100,347
$157,717	$115,661	$29,875	$158,024	$116,909	$74,170	$72,272	$20,580	$1,325,236
$10,830	$5,000	$0	$16,057	$61,523	$416	$0	$0	$114,265
0	0	0	0	3,999	0	0	0	4,677
0	0	0	0	45	0	0	0	45
0	0	0	12,679	0	0	0	0	12,679
10,830	5,000	0	28,736	65,567	416	0	0	131,666
0	0	0	0	0	60,000	0	0	60,000
0	0	0	129,288	0	0	0	0	129,288
0	0	0	0	0	0	0	0	122,563
146,887	110,661	29,875	0	51,342	13,754	72,272	20,580	881,719
146,887	110,661	29,875	129,288	51,342	73,754	72,272	20,580	1,193,570
$157,717	$115,661	$29,875	$158,024	$116,909	$74,170	$72,272	$20,580	$1,325,236

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2011

	Resource Enhancement and Protection	Recorder's Records Management	General County Betterment	Nature Center	Supplemental Environmental Project
REVENUES:					
Local Option Sales Tax	$0	$0	$82,516	$0	$0
Intergovernmental	41,437	0	0	0	0
Charges For Service	0	9,261	0	0	0
Use of Money and Property	51	229	0	2,915	9
Fines, Forfeitures and Defaults	0	0	0	0	0
Miscellaneous	0	0	0	41,649	0
Total Revenues	41,488	9,490	82,516	44,564	9
EXPENDITURES:					
Operating:					
Public Safety and Legal Services	0	0	1,575	0	0
Physical Health and Social Services	0	0	45,520	0	0
County Environment and Education	23,872	0	2,500	40,032	0
Governmental Services to Residents	0	18,667	0	0	0
Administration	0	0	21,133	0	0
Non-Program	0	0	0	0	0
Debt Service	0	0	0	0	0
Total Expenditures	23,872	18,667	70,728	40,032	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,616	(9,177)	11,788	4,532	9
Other Financing Sources (Uses):					
Drainage Warrants Issued	0	0	0	0	0
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	17,616	(9,177)	11,788	4,532	9
Fund Balances Beginning of Year	87,095	48,291	2,321	381,433	15,003
Fund Balances End of Year	$104,711	$39,114	$14,109	$385,965	$15,012

See Accompanying Independent Auditors' Report.

Rural County Betterment	Economic Development	On Site Sewage Program	Drainage	Public Health Inspections	Empowerment
$330,068	$165,034	$0	$0	$0	$0
0	0	0	615	0	664,540
0	0	0	116,247	0	0
0	0	0	44	0	147
0	0	0	0	0	0
0	0	0	0	22	0
330,068	165,034	0	116,906	22	664,687
76,000	0	0	0	0	0
8,943	0	125	0	0	726,558
92,849	170,600	0	0	0	0
0	0	0	0	0	0
21,829	0	0	0	0	0
0	0	0	113,921	0	0
25,022	0	0	0	0	0
224,643	170,600	125	113,921	0	726,558
105,425	(5,566)	(125)	2,985	22	(61,871)
0	0	0	34,974	0	0
0	0	30,000	0	0	0
0	0	0	0	(16,584)	0
0	0	30,000	34,974	(16,584)	0
105,425	(5,566)	29,875	37,959	(16,562)	(61,871)
41,462	116,227	0	91,329	16,562	113,213
$146,887	$110,661	$29,875	$129,288	$0	$51,342

(Continued)

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2011

	Strand Estate Grant	Sheriff Forfeiture	Attorney Forfeiture	Total
REVENUES:				
Local Option Sales Tax	$0	$0	$0	$577,618
Intergovernmental	0	0	0	706,592
Charges For Service	0	0	0	125,508
Use of Money and Property	328	0	0	3,723
Fines, Forfeitures and Defaults	0	7,637	1,828	9,465
Miscellaneous	0	0	0	41,671
Total Revenues	328	7,637	1,828	1,464,577
EXPENDITURES:				
Operating:				
Public Safety and Legal Services	0	3,838	0	81,413
Physical Health and Social Services	0	0	0	781,146
County Environment and Education	1,976	0	0	331,829
Governmental Services to Residents	0	0	0	18,667
Administration	0	0	0	42,962
Non-Program	0	0	0	113,921
Debt Service	0	0	0	25,022
Total Expenditures	1,976	3,838	0	1,394,960
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,648)	3,799	1,828	69,617
Other Financing Sources (Uses):				
Drainage Warrants Issued	0	0	0	34,974
Transfers In	0	0	0	30,000
Transfers Out	0	0	0	(16,584)
Total Other Financing Sources (Uses)	0	0	0	48,390
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,648)	3,799	1,828	118,007
Fund Balances Beginning of Year	75,402	68,473	18,752	1,075,563
Fund Balances End of Year	$73,754	$72,272	$20,580	$1,193,570

(Concluded)

See Accompanying Independent Auditors' Report.

CERRO GORDO COUNTY, IOWA

COMBINING BALANCE SHEET – INTERNAL SERVICE FUNDS
June 30, 2011

	Central Services	Health Insurance	Total
ASSETS			
Cash and Pooled Investments	$58,887	$238,517	$297,404
Receivables:			
Accounts	5,427	16,928	22,355
Due From other Governments	13	0	13
Total Assets	$64,327	$255,445	$319,772
LIABILITIES			
Liabilities			
Accounts Payable	$1,164	$0	$1,164
Net Assets			
Unrestricted	$63,163	$255,445	$318,608

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, 2011

	Central Services	Health Insurance	Total
OPERATING REVENUES:			
Interfund Services Provided	$254,363	$2,182,000	$2,436,363
Payments from Employees	0	146,694	146,694
Miscellaneous	38,155	151,725	189,880
Total Operating Revenues	292,518	2,480,419	2,772,937
OPERATING EXPENSES:			
Health Insurance:			
Medical Claims Paid	0	245,000	245,000
Insurance Premiums	0	2,212,459	2,212,459
Administrative Fees	0	52,640	52,640
Miscellaneous	0	9,445	9,445
Central Services:			
Telephone	26,504	0	26,504
Insurance	256,306	0	256,306
Flex Benefits	28,848	0	28,848
Total Operating Expenses	311,658	2,519,544	2,831,202
Operating Loss	(19,140)	(39,125)	(58,265)
NON-OPERATING REVENUES:			
Interest	0	61	61
Net Loss	(19,140)	(39,064)	(58,204)
Net Assets Beginning of Year	82,303	294,509	376,812
Net Assets End of Year	$63,163	$255,445	$318,608

See Accompanying Independent Auditors' Report.

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF CASH FLOWS – INTERNAL SERVICE FUNDS
Year Ended June 30, 2011

	Central Services	Health Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Other Funds	$249,745	$2,299,882	$2,549,627
Cash Received from Employees & Others	38,148	297,284	335,432
Cash Payments to Suppliers for Services	(316,737)	(2,519,544)	(2,836,281)
Net Cash Provided By (Used In) Operating Activities	(28,844)	77,622	48,778
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Income	0	61	61
Net Increase (Decrease) in Cash	(28,844)	77,683	48,839
Cash Beginning of Year	87,731	160,834	248,565
Cash End of Year	$58,887	$238,517	$297,404
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating Loss	($19,140)	($39,125)	($58,265)
Adjustments to Reconcile Operating Loss to Net Cash Provided By (Used In) Operating Activities:			
(Increase) Decrease in Receivables	(4,625)	116,747	112,122
Increase (Decrease) in Payables	(5,079)	0	(5,079)
Net Cash Provided By (Used In) Operating Activities	($28,844)	$77,622	$48,778

See Accompanying Independent Auditors' Report.

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES – ALL AGENCY FUNDS
June 30, 2011

	Elected Officials	Other	Total
ASSETS			
Cash and Pooled Investments:			
County Treasurer	$0	$3,138,382	$3,138,382
Other County Officials	282,181	0	282,181
Receivables:			
Property Tax:			
Delinquent	0	2,858	2,858
Succeeding Year	0	52,954,633	52,954,633
Accounts	432	3,589	4,021
Assessments	0	959,091	959,091
Due From Other Governments	0	33,064	33,064
Total Assets	$282,613	$57,091,617	$57,374,230
LIABILITIES			
Accounts Payable	$0	$34,262	$34,262
Salaries and Benefits Payable	0	16,875	16,875
Due to Other Governments	44	56,960,123	56,960,167
Trusts Payable	282,569	65,567	348,136
Compensated Absences	0	14,790	14,790
Total Liabilities	$282,613	$57,091,617	$57,374,230

See Accompanying Independent Auditors' Report.

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES – ELECTED OFFICIALS
June 30, 2011

	Relief Representative Payee	Veterans Affairs	Recorder	Sheriff	Total
ASSETS					
Cash and Pooled Investments:					
Other County Officials	$80,889	$999	($388)	$200,681	$282,181
Receivables:					
Accounts	0	0	432	0	432
Total Assets	$80,889	$999	$44	$200,681	$282,613
LIABILITIES					
Due to Other Governments	$0	$0	$44	$0	$44
Trusts Payable	80,889	999	0	200,681	282,569
Total Liabilities	$80,889	$999	$44	$200,681	$282,613

See Accompanying Independent Auditors' Report.

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES – OTHER AGENCY FUNDS
June 30, 2011

	Agricultural Extension Education	County Assessor	County Special Appraisal	City Assessor
ASSETS				
Cash and Pooled Investments:				
County Treasurer	$2,742	$308,529	$374,330	$74,229
Receivables:				
Property Tax:				
Delinquent	11	16	9	8
Succeeding Year	217,015	284,747	165,831	182,508
Accounts	0	1,475	0	2
Assessments	0	0	0	0
Due From Other Governments	0	0	0	0
Total Assets	$219,768	$594,767	$540,170	$256,747
LIABILITIES				
Accounts Payable	$0	$3,783	$2,468	$2,886
Salaries and Benefits Payable	0	7,177	2,603	4,978
Due to Other Governments	219,768	570,390	535,099	247,510
Trusts Payable	0	0	0	0
Compensated Absences	0	13,417	0	1,373
Total Liabilities	$219,768	$594,767	$540,170	$256,747

See Accompanying Independent Auditors' Report.

City Special Appraisal	Schools	Community Colleges	Corporations	Townships	City Special Assessments
$45,756	$361,184	$16,811	$265,849	$2,868	$44,846
2	1,118	68	1,310	301	0
59,768	27,924,785	1,340,132	21,801,019	229,809	0
0	0	0	0	0	0
0	0	0	175	0	904,345
0	0	0	0	0	0
$105,526	$28,287,087	$1,357,011	$22,068,353	$232,978	$949,191
$155	$0	$0	$0	$0	$0
0	0	0	0	0	0
105,371	28,287,087	1,357,011	22,068,353	232,978	949,191
0	0	0	0	0	0
0	0	0	0	0	0
$105,526	$28,287,087	$1,357,011	$22,068,353	$232,978	$949,191

(Continued)

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES – OTHER AGENCY FUNDS (Continued)
June 30, 2011

	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	$1,016,115	$87	$79,877	$18,757	$4,910
Receivables:					
Property Tax:					
Delinquent	0	0	0	15	0
Succeeding Year	0	6,470	0	742,549	0
Accounts	0	0	0	0	0
Assessments	0	0	0	54,571	0
Due From Other Governments	0	0	24,294	0	0
Total Assets	$1,016,115	$6,557	$104,171	$815,892	$4,910
LIABILITIES					
Accounts Payable	$0	$0	$17,485	$0	$1,003
Salaries and Benefits Payable	0	0	2,117	0	0
Due to Other Governments	1,016,115	6,557	84,569	815,892	3,907
Trusts Payable	0	0	0	0	0
Compensated Absences	0	0	0	0	0
Total Liabilities	$1,016,115	$6,557	$104,171	$815,892	$4,910

Advance Tax	Cash Long/Short	Dispute Resolution	E911 Operations	Advanced Law Enforcement Investigative and Administrative System	Precinct Atlas	Recorder's Transfer Fee	Employee Benefits	Total
$62,007	$217	$6,481	$398,698	$14,946	$33,521	$2,062	$3,560	$3,138,382
0	0	0	0	0	0	0	0	2,858
0	0	0	0	0	0	0	0	52,954,633
0	0	0	0	0	0	2,112	0	3,589
0	0	0	0	0	0	0	0	959,091
0	0	0	0	0	8,770	0	0	33,064
$62,007	$217	$6,481	$398,698	$14,946	$42,291	$4,174	$3,560	$57,091,617
$0	$0	$6,481	$0	$1	$0	$0	$0	$34,262
0	0	0	0	0	0	0	0	16,875
0	217	0	398,698	14,945	42,291	4,174	0	56,960,123
62,007	0	0	0	0	0	0	3,560	65,567
0	0	0	0	0	0	0	0	14,790
$62,007	$217	$6,481	$398,698	$14,946	$42,291	$4,174	$3,560	$57,091,617

(Concluded)

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES – ALL AGENCY FUNDS
Year Ended June 30, 2011

	Elected Officials			
	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
ASSETS				
Cash and Pooled Investments:				
Other County Officials	$239,354	$2,425,635	$2,382,808	$282,181
Receivables:				
Accounts	250	432	250	432
Total Assets	$239,604	$2,426,067	$2,383,058	$282,613
LIABILITIES				
Due to Other Governments	$87	$2,143,498	$2,143,541	$44
Trusts Payable	239,517	282,569	239,517	282,569
Total Liabilities	$239,604	$2,426,067	$2,383,058	$282,613

	Other Agency Funds			
	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
ASSETS				
Cash and Pooled Investments:				
County Treasurer	$3,007,160	$15,010,070	$14,878,848	$3,138,382
Receivables:				
Property Tax:				
Delinquent	2,199	2,858	2,199	2,858
Succeeding Year	51,648,037	52,954,633	51,648,037	52,954,633
Accounts	4,810	3,589	4,810	3,589
Due From Other Governments	1,129,230	959,091	1,129,230	959,091
Assessments	161,186	33,064	161,186	33,064
Total Assets	$55,952,622	$68,963,305	$67,824,310	$57,091,617
LIABILITIES				
Accounts Payable	$49,469	$34,262	$49,469	$34,262
Salaries and Benefits Payable	16,927	16,875	16,927	16,875
Due to Other Governments	55,821,278	68,831,811	67,692,966	56,960,123
Trusts Payable	43,796	65,567	43,796	65,567
Compensated Absences	21,152	14,790	21,152	14,790
Total Liabilities	$55,952,622	$68,963,305	$67,824,310	$57,091,617

See Accompanying Independent Auditors' Report.

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES – ELECTED OFFICIALS
Year Ended June 30, 2011

	Relief Representative Payee	Veterans Affairs	Auditor	Recorder	Sheriff	Total
ASSETS AND LIABILITIES						
Balance Beginning of Year	$74,017	$998	$0	$87	$164,502	$239,604
Additions:						
Office Fees and Collections	0	0	2,072	701,363	971,912	1,675,347
Trusts	412,054	1	0	0	338,665	750,720
Total Additions	412,054	1	2,072	701,363	1,310,577	2,426,067
Deductions:						
Agency Remittances:						
To County Funds	0	0	2,072	321,067	103,741	426,880
To Other Governments	0	0	0	379,769	8,434	388,203
Trusts Paid Out	405,182	0	0	570	1,162,223	1,567,975
Total Deductions	405,182	0	2,072	701,406	1,274,398	2,383,058
Balance End of Year	$80,889	$999	$0	$44	$200,681	$282,613

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, 2011

	Agricultural Extension Education	County Assessor	County Special Appraisal	City Assessor
ASSETS AND LIABILITIES				
Balance Beginning of Year	$212,612	$579,434	$517,072	$266,453
Additions:				
Property and Other County Tax	218,371	292,901	171,957	179,448
E911 Surcharge	0	0	0	0
State Tax Credits	5,937	8,254	6,208	5,755
Auto Licenses, Use Tax and Postage	0	0	0	0
Assessments	0	0	0	0
Trusts	0	0	0	0
Miscellaneous	0	6,458	0	1,921
Total Additions	224,308	307,613	178,165	187,124
Deductions:				
Agency Remittances:				
To Other Governments	217,152	292,280	155,067	196,830
Trusts Paid Out	0	0	0	0
Total Deductions	217,152	292,280	155,067	196,830
Balance End of Year	$219,768	$594,767	$540,170	$256,747

See Accompanying Independent Auditors' Report.

City Special Appraisal	Schools	Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax
$74,986	$27,982,010	$1,302,345	$21,088,515	$223,474	$1,099,633	$963,314
59,425	28,086,987	1,348,446	21,482,877	238,023	0	0
0	0	0	0	0	0	0
648	792,699	36,397	508,389	7,568	0	0
0	0	0	0	0	0	11,020,934
0	0	0	17,406	0	181,986	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
60,073	28,879,686	1,384,843	22,008,672	245,591	181,986	11,020,934
29,533	28,574,609	1,330,177	21,028,834	236,087	332,428	10,968,133
0	0	0	0	0	0	0
29,533	28,574,609	1,330,177	21,028,834	236,087	332,428	10,968,133
$105,526	$28,287,087	$1,357,011	$22,068,353	$232,978	$949,191	$1,016,115

(Continued)

CERRO GORDO COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES – OTHER AGENCY FUNDS (Continued)
Year Ended June 30, 2011

	Brucellosis and Tuberculosis Eradication	Joint Disaster Services	Clear Lake Sanitary	County EMS Association	Advance Tax
ASSETS AND LIABILITIES					
Balance Beginning of Year	$9,919	$329,080	$836,057	$4,903	$64,822
Additions:					
Property and Other County Tax	16,561	0	732,838	0	0
E911 Surcharge	0	0	0	0	0
State Tax Credits	188	0	12,837	0	0
Auto Licenses, Use Tax and Postage	0	0	0	0	0
Assessments	0	0	51,810	0	0
Trusts	0	0	0	0	0
Miscellaneous	0	325,784	0	2,613	0
Total Additions	16,749	325,784	797,485	2,613	0
Deductions:					
Agency Remittances:					
To Other Governments	20,111	550,693	817,650	2,606	0
Trusts Paid Out	0	0	0	0	2,815
Total Deductions	20,111	550,693	817,650	2,606	2,815
Balance End of Year	$6,557	$104,171	$815,892	$4,910	$62,007

Cash Long/Short	Tax Sale Redemption	Dispute Resolution	E911 Operations	Advanced Law Enforcement Investigative and Administrative System	Precinct Atlas	Recorder's Transfer Fee	Pass Through Projects	Employee Benefits	Total
$786	$0	$30,201	$353,700	$29,159	$0	$5,173	$0	($21,026)	$55,952,622
0	0	0	0	0	0	0	0	0	52,827,834
0	0	0	172,310	0	0	0	0	0	172,310
0	0	0	0	0	0	0	0	0	1,384,880
0	0	0	0	0	0	0	0	0	11,020,934
0	0	0	0	0	0	0	0	0	251,202
0	861,225	0	0	0	0	0	1,740,199	255,056	2,856,480
0	0	13,981	613	28,400	42,291	27,604	0	0	449,665
0	861,225	13,981	172,923	28,400	42,291	27,604	1,740,199	255,056	68,963,305
569	0	37,701	127,925	42,613	0	28,603	0	0	64,989,601
0	861,225	0	0	0	0	0	1,740,199	230,470	2,834,709
569	861,225	37,701	127,925	42,613	0	28,603	1,740,199	230,470	67,824,310
$217	$0	$6,481	$398,698	$14,946	$42,291	$4,174	$0	$3,560	$57,091,617

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CERRO GORDO COUNTY, IOWA

SCHEDULE OF CAPITAL ASSETS BY FUNDING SOURCE
Year Ended June 30, 2011

	Balance June 30, 2010	Additions	Disposals	**Balance June 30, 2011**
ASSETS				
Land	$ 1,646,392	$ -	$ -	$ **1,646,392**
Construction in Process	537,575	1,789,543	2,072,548	**254,570**
Buildings and Structures	17,128,410	73,237	-	**17,201,647**
Improvements other than Buildings	603,760	-	-	**603,760**
Machinery and Equipment	6,963,668	45,592	26,599	**6,982,661**
Licensed Vehicles	3,502,410	540,952	192,532	**3,850,830**
Intangibles	263,734	-	-	**263,734**
Infrastructure	37,972,209	2,878,095	-	**40,850,304**
	$ 68,618,158	$ 5,327,419	$ 2,291,679	$ **71,653,898**
FUNDING SOURCE				
General Fund	$ 6,204,023	$ 144,344	$ 8,149	$ **6,340,218**
Special Revenue Funds	47,994,266	5,183,075	2,283,530	**50,893,811**
Capital Project Fund	14,419,869	-	-	**14,419,869**
	$ 68,618,158	$ 5,327,419	$ 2,291,679	$ **71,653,898**

CERRO GORDO COUNTY, IOWA

SCHEDULE OF CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
AS OF JUNE 30, 2011

	Land	Construction in Process	Buildings and Structures
Public Safety and Legal Services			
Law Enforcement	$ -	-	13,273,609
Legal Services	-	-	-
Total Public Safety and Legal Services	-	-	13,273,609
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	-	254,570	-
General Roadway Expenditures	-	-	229,970
Total Roads and Transportation	-	254,570	555,229
State and Local Government Services:			
Representation Services	-	-	
State Administration Services		-	
Total State and Local Government Services	-	-	-
Interprogram Services:			
Policy and Administration		-	238,852
Central Services	1,495,594	-	2,643,665
Total Interprogram Services	1,495,594	-	2,882,517
Total Capital Assets	**$ 1,646,392**	**254,570**	**$ 17,201,647**

Improvements other than Buildings	Machinery and Equipment	Licensed Vehicles	Intangibles	Infrastructure	**Total**
35,379	411,653	635,083	-	-	$ **14,355,724**
-	34,237	-	-	-	**34,237**
35,379	445,890	635,083	-	-	**14,389,961**
-	287,894	46,098	-	-	**333,992**
-	6,371	-	-	-	**6,371**
-	-	-	-	-	-
-	294,265	46,098	-	-	**340,363**
-	6,261	13,037	-	-	**19,298**
-	6,261	13,037	-	-	**19,298**
-	-	-	-	-	-
132,939	251,438	257,304	-	-	**1,282,771**
-	5,157	10,641	-	-	**15,798**
132,939	256,595	267,945	-	-	**1,298,569**
31,151	83,011	51,827	-	-	**491,248**
-	76,024	135,288	-	40,850,304	**41,316,186**
-	4,739,409	2,701,552	-	-	**7,670,931**
31,151	4,898,444	2,888,667	-	40,850,304	**49,478,365**
-	379,762		97,786	-	**477,548**
	55,707		-	-	**55,707**
-	435,469	-	97,786	-	**533,255**
	60,406	-	-	-	**299,258**
404,291	585,331	-	165,948	-	**5,294,829**
404,291	645,737	-	165,948	-	**5,594,087**
603,760	**$ 6,982,661**	**$ 3,850,830**	**$ 263,734**	**40,850,304**	**71,653,898**

CERRO GORDO COUNTY, IOWA

SCHEDULE OF CHANGES IN CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
Year Ended June 30, 2011

	Balance June 30, 2010	Additions	Deletions	**Balance June 30, 2011**
Public Safety and Legal Services				
Law Enforcement	$ 14,269,001	$ 150,937	$ 64,214	$ **14,355,724**
Legal Services	34,237	-	-	**34,237**
Total Public Safety and Legal Services	14,303,238	150,937	64,214	**14,389,961**
Physical Health and Social Services:				
Physical Health Services	332,131	11,316	9,455	**333,992**
Services to Poor	6,371	-	-	**6,371**
Services to Military Veterans	-	-	-	**-**
Total Physical Health and Social Services	338,502	11,316	9,455	**340,363**
Mental Health:				
Persons with Chronic Mental Illness	19,298	-	-	**19,298**
Total Mental Health	19,298	-	-	**19,298**
County Environment and Education:				
Environmental Quality Program	-	-	-	**-**
Conservation and Recreation Services	1,240,936	70,734	28,899	**1,282,771**
County Development	15,798	-	-	**15,798**
Total County Environment and Education	1,256,734	70,734	28,899	**1,298,569**
Roads and Transportation:				
Secondary Roads Administration and Engineering	491,248	-	-	**491,248**
Roadway Maintenance	38,721,096	4,667,638	2,072,548	**41,316,186**
General Roadway Expenditures	7,451,709	335,785	116,563	**7,670,931**
Total Roads and Transportation	46,664,053	5,003,423	2,189,111	**49,478,365**
Government Services to Residents:				
Representation Services	477,548	-	-	**477,548**
State Administration Services	55,707	-	-	**55,707**
Total Government Services to Residents	533,255	-	-	**533,255**
Administration:				
Policy and Administration	226,021	73,237	-	**299,258**
Central Services	5,277,057	17,772	-	**5,294,829**
Total Administration	5,503,078	91,009	-	**5,594,087**
Total Capital Assets	**$ 68,618,158**	**$ 5,327,419**	**$ 2,291,679**	**71,653,898**

STATISTICAL SECTION

CERRO GORDO COUNTY, IOWA

STATISTICAL SECTION
June 30, 2011

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.	84-93
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	94-103
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.	104-108
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.	109-110
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.	111-116

CERRO GORDO COUNTY, IOWA

NET ASSETS BY COMPONENT
Last Nine 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	2010	2011
$ 19,084,939	$ 25,918,908	$ 26,166,841	$ 28,174,721	$ 29,988,315	$ 30,961,033
5,369,094	7,059,287	6,552,918	8,449,567	7,113,380	7,714,036
2,972,174	4,705,865	5,609,581	5,136,789	5,173,073	4,918,867
$ 27,426,207	$ 37,684,060	$ 38,329,340	$ 41,761,077	$ 42,274,768	$ 43,593,936
$ 1,765,188	$ 1,971,672	$ 1,910,172	$ 1,490,330	$ 1,414,592	$ 1,339,288
-	-	-	-	-	-
49,236	(240,350)	(270,020)	83,268	92,301	95,914
$ 1,814,424	$ 1,731,322	$ 1,640,152	$ 1,573,598	$ 1,506,893	$ 1,435,202
$ 20,850,127	$ 27,890,580	$ 28,077,013	$ 29,665,051	$ 31,402,907	$ 32,300,321
5,369,094	7,059,287	6,552,918	8,449,567	7,113,380	7,714,036
3,021,410	4,465,515	5,339,561	5,220,057	5,265,374	5,014,781
$ 29,240,631	$ 39,415,382	$ 39,969,492	$ 43,334,675	$ 43,781,661	$ 45,029,138

CERRO GORDO COUNTY, IOWA

CHANGES IN NET ASSETS
Last Nine Fiscal Years*
(Accrual basis of accounting)
(Unaudited)

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

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

Source: County Records

Fiscal Year						
2006	2007	2008	2009	2010	2011
$ 4,827,135	$ 5,598,566	$ 6,549,905	7,202,831	$ 7,269,875	$ 7,580,694
4,274,119	4,730,060	4,884,946	5,111,164	4,726,961	5,289,561
5,617,449	5,851,088	6,373,624	5,813,641	5,943,074	660,626
1,291,161	1,128,411	1,536,823	1,676,138	1,329,604	1,171,665
4,996,566	6,085,524	5,944,155	6,534,326	7,061,925	6,838,237
892,862	895,995	998,437	1,019,291	969,501	1,117,534
2,441,271	2,227,192	2,448,491	2,166,888	2,920,542	2,482,454
319,240	266,798	172,344	916,010	2,399,569	240,487
37,976	604,169	557,654	535,303	513,578	515,350
-	-	-	-	-	-
24,697,779	27,387,803	29,466,379	30,975,592	33,134,629	25,896,608
137,422	144,092	165,782	140,356	133,970	137,781
$ 24,835,201	$ 27,531,895	$ 29,632,161	31,115,948	$ 33,268,599	$ 26,034,389
$ 556,195	$ 457,988	$ 900,473	893,693	$ 921,982	$ 924,425
510,549	500,140	579,215	574,979	649,560	413,120
514,799	52,699	586,315	548,039	557,386	43,112
82,626	78,750	63,167	90,782	78,204	80,193
547,931	100,061	23,057	57,906	58,176	53,251
676,740	677,734	721,702	641,497	694,326	674,094
269,375	257,804	232,344	253,284	187,016	176,074
468,310	87,828	89,556	153,355	228,208	182,654
-	-	-	-	-	-
9,019,060	10,668,131	8,755,036	9,992,973	7,396,827	6,339,798
5,216,480	850,690	611,123	3,974,119	5,371,687	429,002
17,862,065	13,731,825	12,561,988	17,180,627	16,143,372	9,315,723
70,251	60,990	74,612	73,802	67,217	66,040
70,251	60,990	74,612	73,802	67,217	66,040
$ 17,932,316	$ 13,792,815	$ 12,636,600	17,254,429	$ 16,210,589	$ 9,381,763

(Continued)

CERRO GORDO COUNTY, IOWA

CHANGES IN NET ASSETS (Continued)
Last Nine Fiscal Years*
(Accrual basis of accounting)
(Unaudited)

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

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

Source: County Records

Fiscal Year						
2006	2007	2008	2009	2010	2010
$ (6,835,714)	$ (13,655,978)	$ (16,904,391)	(13,794,965)	$ (16,991,257)	$ (16,580,885)
(67,171)	(83,102)	(91,170)	(66,554)	(66,753)	(71,741)
$ (6,902,885)	$ (13,739,080)	$ (16,995,561)	(13,861,519)	$ (17,058,010)	$ (16,652,626)
$ 11,129,894	$ 11,789,658	$ 12,116,096	12,881,530	$ 13,373,304	$ 13,558,781
571,714	1,465,976	1,396,144	952,133	951,217	950,610
139,522	130,746	146,433	166,230	174,381	161,757
483,123	498,856	483,910	457,716	443,450	408,057
1,411,660	1,520,121	1,787,415	1,539,950	1,424,656	1,650,341
68,051	-	-	-	-	-
533,762	1,141,111	718,515	282,175	134,595	110,664
-	(18,897)	(24,774)	(19,063)	(582,918)	(16,798)
848,945	358,647	925,932	966,031	1,464,133	1,076,641
15,186,671	16,886,218	17,549,671	17,226,702	17,382,818	17,900,053
-	-	-	-	48	50
$ -	$ -	$ -	-	$ 48	$ 50
$ 15,186,671	$ 16,886,218	$ 17,549,671	17,226,702	$ 17,382,866	$ 17,900,103
$ 8,350,957	$ 3,230,240	$ 645,280	3,431,737	$ 391,561	$ 1,319,168
(67,171)	(83,102)	(91,170)	(66,554)	(66,705)	(71,691)
$ 8,283,786	$ 3,147,138	$ 554,110	3,365,183	$ 324,856	$ 1,247,477

(Concluded)

CERRO GORDO COUNTY, IOWA

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

	Fiscal Year			
	2002	2003	2004	2005
General Fund				
Nonspendable	$ -	$ -	$ -	$ -
Restricted	70,224	249,410	171,117	108,481
Committed				
Assigned	837,920	848,207	850,481	898,934
Unassigned	3,890,109	2,973,221	2,343,430	2,168,791
Total General Fund	$ 4,798,253	$ 4,070,838	$ 3,365,028	$ 3,176,206
All Other Governmental Funds				
Nonspendable	$ 1,226,888	$ 1,169,114	$ 969,868	$ 682,260
Restricted	2,574,135	3,647,549	4,740,949	3,883,143
Committed	-	-	-	-
Assigned	380,676	277,252	309,108	398,424
Unassigned	-	-	-	-
Total all other governmental funds	$ 4,181,699	$ 5,093,915	$ 6,019,925	$ 4,963,827
Total Fund Balance All Governmental Funds	$ 8,979,952	$ 9,164,753	$ 9,384,953	$ 8,140,033

Source: County Records

Fiscal Year						
2006	2007	2008	2009	2010	2011
$ -	$ -	$ -	$ -	$ -	$ -
256,829	414,957	611,152	792,804	1,062,596	591,110
			-	-	-
757,648	791,825	836,483	885,085	1,026,793	1,296,116
3,216,509	4,115,092	4,263,906	4,285,163	4,207,065	4,550,586
$ 4,230,986	$ 5,321,874	$ 5,711,541	$ 5,963,052	$ 6,296,454	$ 6,437,812
$ 1,278,393	$ 1,099,959	$ 1,480,937	$ 1,062,380	$ 1,203,806	$ 1,384,730
3,998,814	11,137,918	4,586,705	6,105,723	5,200,556	5,812,740
-	-	-	-	-	-
556,248	656,143	635,649	721,725	893,266	871,341
(588,497)	-	(254,172)	-	(20,262)	-
$ 5,244,958	$ 12,894,020	$ 6,449,119	$ 7,889,828	$ 7,277,366	$ 8,068,811
$ 9,475,944	$ 18,215,894	$ 12,160,660	$ 13,852,880	$ 13,573,820	$ 14,506,623

CERRO GORDO COUNTY, IOWA

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

	Fiscal Year			
	2002	2003	2004	2005
Revenues:				
Property and Other County Tax	$ 9,928,084	$ 10,152,625	$ 10,570,374	$ 11,061,423
Interest and Penalty on Property Tax	128,449	110,045	118,295	126,247
Intergovernmental	8,150,270	9,214,984	9,722,154	12,701,807
Licenses and Permits	17,870	255,666	270,476	297,721
Charges for Services	1,607,381	1,537,166	1,292,565	1,228,309
Use of Money and Property	411,350	274,923	228,181	374,870
Miscellaneous	681,393	863,485	1,215,451	950,043
Total Revenues	20,924,797	22,408,894	23,417,496	26,740,420
Expenditures:				
Public safety and legal services	3,838,927	4,222,779	4,251,143	4,541,026
Physical health and social services	3,494,239	3,615,357	3,913,976	4,006,819
Mental health	4,790,348	5,003,304	5,198,915	5,209,344
County environment and education	592,431	855,482	921,991	880,494
Roads and transportation	4,577,949	4,496,519	4,551,633	4,885,745
Government services to residents	754,305	729,694	742,415	803,724
Administration	1,626,570	1,719,801	1,902,524	1,841,707
Non-program	31,871	296,741	207,694	354,230
Debt service				
Principal	295,000	235,000	60,000	425,000
Interest	44,763	30,192	18,738	37,012
Capital projects	611,437	1,605,101	2,281,067	5,027,808
Total Expenditures	20,657,840	22,809,970	24,050,096	28,012,909
Excess of revenues over (under) expenditures	266,957	(401,076)	(632,600)	(1,272,489)
Other Financing Sources (Uses)				
Proceeds from the sale of capital assets	126,375	150	8,000	11,400
Transfers in	2,334,764	1,953,484	2,158,917	2,095,971
Transfers out	(2,227,594)	(2,140,837)	(2,241,321)	(2,001,214)
Proceeds from drainage warrants	33,964	1,659	16,543	10,340
Issuance of crossover refunding capital loan notes				
Issuance of capital lease purchase agreement	21,483	600,986	-	-
Issuance of LOSST revenue bonds	-	-	-	-
Issuance of installment purchase contracts	-	-	-	-
General obligation notes issued	-	-	1,109,907	200,000
Discount on general obligation notes	-	-	-	(1,320)
Total other financing sources (uses)	288,992	415,442	1,052,046	315,177
Net change in fund balances	$ 555,949	$ 14,366	$ 419,446	$ (957,312)
Debt service as % of noncapital expenditures	1.69%	1.25%	0.36%	2.01%

Source: County Records

Fiscal Year					
2006	2007	2008	2009	2010	2011
$ 13,118,367	$ 14,782,265	$ 15,308,353	$ 15,367,915	$ 15,746,255	$ 16,151,502
139,522	130,746	146,433	166,230	174,381	161,757
11,191,640	11,356,056	10,584,094	12,986,761	12,253,236	7,827,411
324,776	327,967	414,152	397,960	413,794	126,934
1,205,710	1,132,140	1,155,633	1,173,034	1,248,757	1,391,135
637,056	1,246,172	902,907	439,098	311,405	277,433
1,203,546	867,131	921,893	942,716	1,476,175	933,810
27,820,617	29,842,477	29,433,465	31,473,714	31,624,003	26,869,982
4,808,056	5,565,965	6,229,452	6,769,038	6,826,705	7,095,863
4,251,999	4,725,534	4,866,227	5,150,211	4,656,497	5,095,095
5,611,348	5,861,602	6,366,901	5,802,641	5,941,119	676,241
1,235,315	1,112,434	1,631,652	1,661,836	1,302,316	1,181,451
5,111,457	4,513,467	4,972,994	5,079,324	5,340,158	4,963,655
827,433	830,775	928,523	939,846	970,387	988,933
1,872,576	2,157,767	2,466,608	2,187,056	2,886,708	2,355,944
169,026	72,906	50,342	276,787	167,932	114,044
	-	-	-	-	-
640,000	1,160,000	955,000	964,252	861,763	2,541,936
33,630	435,718	560,657	528,766	517,357	519,010
3,267,852	7,893,520	6,858,012	1,224,944	3,022,467	2,628,619
27,828,692	34,329,688	35,886,368	30,584,701	32,493,409	28,160,791
(8,075)	(4,487,211)	(6,452,903)	889,013	(869,406)	(1,290,809)
204,378	21,910	10,910	60,525	214,204	7,714
2,372,050	2,461,511	2,600,826	2,738,466	2,860,798	3,227,450
(2,372,050)	(2,461,511)	(2,600,826)	(2,738,466)	(2,860,798)	(3,227,450)
24,554	7,199	5,781	18,985	45,287	34,974
					2,000,000
24,394	-	-	199,413	20,679	-
-	-	-	300,000	168,750	-
-	-	-	642,841	-	-
500,000	13,500,000	-	-	-	-
(5,473)	(123,514)	-	-	-	-
747,853	13,405,595	16,691	1,221,764	448,920	2,042,688
$ 739,778	$ 8,918,384	$ (6,436,212)	$ 2,110,777	$ (420,486)	$ 751,879
2.74%	6.04%	5.22%	5.09%	4.68%	11.99%

CERRO GORDO COUNTY, IOWA

PROGRAM REVENUES BY FUNCTION/PROGRAM
Last Nine Fiscal Years*
(Accrual basis of accounting)
(Unaudited)

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

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

Source: County Records

Fiscal Year					
2006	2007	2008	2009	2010	2011
$ 1,005,372	$ 1,537,752	$ 1,480,436	$ 1,536,881	$ 1,561,615	$ 1,589,118
2,972,838	3,210,734	3,025,728	2,917,504	2,975,874	2,915,052
2,962,403	3,758,706	3,248,590	4,571,818	2,032,435	49,943
132,769	149,244	114,371	586,783	128,474	121,681
9,247,719	4,027,815	3,646,140	6,323,786	6,188,066	3,596,827
754,886	697,549	724,823	642,216	694,771	674,408
317,768	258,451	232,344	448,284	187,016	186,040
468,310	91,574	89,556	153,355	2,375,121	182,654
-	-	-	-	-	-
17,862,065	13,731,825	12,561,988	17,180,627	16,143,372	9,315,723
70,251	60,990	74,612	73,802	67,217	66,040
70,251	60,990	74,612	73,802	67,217	66,040
$ 17,932,316	$ 13,792,815	$ 12,636,600	$ 17,254,429	$ 16,210,589	$ 9,381,763

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
2002	$ 1,378,362,141	$ 278,148,059	$ 94,723,846	$ 276,298,362
2003	1,446,224,242	330,952,120	103,694,495	277,587,342
2004	1,497,415,171	352,973,493	104,854,672	281,099,208
2005	1,611,741,386	377,229,604	107,330,489	244,175,206
2006	1,669,700,033	387,968,624	108,897,495	243,226,460
2007	1,847,067,126	406,188,967	115,663,644	243,061,267
2008	1,931,601,558	415,706,118	118,533,891	245,007,595
2009	2,082,080,113	454,631,950	124,087,009	291,362,364
2010	2,158,325,908	472,474,791	125,039,073	292,634,499
2011	2,185,469,250	462,309,715	122,515,972	432,256,773

	Taxable Value of Property			
Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Agricultural Property
2002	$ 774,485,219	$ 278,148,059	$ 94,723,846	$ 276,298,362
2003	746,690,164	322,364,729	103,694,495	277,587,342
2004	768,799,470	352,973,493	104,854,672	281,099,208
2005	778,583,429	373,980,577	107,330,489	244,175,206
2006	796,987,659	387,968,624	108,897,495	243,226,460
2007	841,230,630	402,277,964	115,663,644	243,061,267
2008	871,747,220	415,706,118	118,533,891	245,007,595
2009	903,062,500	453,264,680	124,087,009	262,503,636
2010	965,567,898	472,474,791	125,039,073	274,580,757
2011	1,003,294,020	462,309,715	122,515,972	285,781,276

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
$ 66,247,060	$ 166,587,656	$ 2,260,367,124	$ 7,231,164	$ 2,253,135,960
63,909,159	159,002,012	2,381,369,370	7,108,709	2,374,260,661
63,650,574	155,758,848	2,455,751,966	6,968,150	2,448,783,816
71,183,983	152,267,639	2,563,928,307	6,860,915	2,557,067,392
75,170,736	355,470,345	2,840,433,693	6,721,097	2,833,712,596
84,837,300	557,830,644	3,254,648,948	6,725,715	3,247,923,233
83,605,174	557,706,923	3,352,161,259	6,674,947	3,345,486,312
94,990,249	524,896,066	3,572,047,751	6,546,853	3,565,500,898
100,955,290	552,664,832	3,702,094,393	6,400,851	3,695,693,542
116,873,546	630,695,007	3,950,120,263	6,267,987	3,943,852,276

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
$ 66,247,060	$ 166,587,656	$ 1,656,490,202	$ 7,231,164	$ 1,649,259,038	4.70
63,909,159	158,644,547	1,672,890,436	7,108,709	1,665,781,727	4.70
63,650,574	155,758,848	1,727,136,265	6,968,150	1,720,168,115	4.59
71,183,983	137,128,009	1,712,381,693	6,860,915	1,705,520,778	5.28
75,170,736	149,339,489	1,761,590,463	6,721,097	1,754,869,366	6.20
84,837,300	185,780,708	1,872,851,513	6,725,715	1,866,125,798	6.59
83,605,174	167,798,894	1,902,398,892	6,674,947	1,895,723,945	6.59
94,990,249	184,296,587	2,022,204,661	6,546,853	2,015,657,808	6.32
100,955,290	168,369,930	2,106,987,739	6,400,851	2,100,586,888	6.29
116,873,546	157,060,949	2,147,835,478	6,267,987	2,141,567,491	6.27

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			
	2002	2003	2004	2005
County Direct Rates:				
General Basic	3.15	3.17	3.21	3.50
General Supplemental	-	-	-	0.15
MH/DD Service	1.44	1.43	1.38	1.40
Debt Service	0.11	0.11	-	0.23
Total Urban County Rate	4.70	4.70	4.59	5.28
Rural Basic	3.13	3.13	3.13	3.42
Total Rural County Rate	7.83	7.83	7.73	8.69
City and Town Rates:				
Mason City	10.10	10.25	10.47	10.55
Clear Lake	7.83	8.23	8.41	8.98
Dougherty	14.78	14.86	14.53	16.65
Meservey	8.10	9.75	9.79	9.86
Plymouth	2.97	3.15	3.40	1.22
Rock Falls	6.55	6.74	6.74	6.84
Rockwell	8.10	8.10	8.10	8.10
Swaledale	20.92	19.52	17.95	16.64
Thornton	10.39	10.47	10.46	12.83
Ventura	6.22	6.52	7.34	7.41
Nora Springs	11.92	11.14	13.26	12.16
Township Rates:				
Bath	0.47	0.47	0.47	0.54
Clear Lake	0.28	0.28	0.26	0.33
Dougherty	0.31	0.31	0.31	0.35
Falls	0.54	0.54	0.53	0.59
Geneseo	0.42	0.42	0.41	0.47
Grant - Clear Lake	0.42	0.42	0.41	0.50
Grant - Forest City	0.42	0.42	0.41	0.50
Grant - Ventura	0.42	0.42	0.41	0.50
Gimes	0.81	0.79	0.73	0.82
Lake	0.23	0.22	0.20	0.27
Lime Creek	0.41	0.40	0.41	0.42
Lincoln	0.31	0.31	0.30	0.38
Mason	0.41	0.41	0.41	0.41
Mount Vernon	0.24	0.23	0.42	0.49
Owen	0.50	0.50	0.50	0.63
Pleasant Valley	0.40	0.40	0.47	0.51
Portland	0.32	0.32	0.31	0.34
Union	0.31	0.28	0.24	0.28

Source: Cerro Gordo County Auditors Office

Fiscal Year Taxes are Payable					
2006	2007	2008	2009	2010	2011
3.50	3.50	3.50	3.50	3.50	3.50
1.00	1.00	1.08	1.14	1.19	1.20
1.36	1.28	1.26	1.19	1.13	1.12
0.34	0.81	0.76	0.49	0.47	0.45
6.20	6.59	6.59	6.32	6.29	6.27
3.51	3.51	3.51	3.51	3.51	3.51
9.71	10.11	10.11	9.83	9.80	9.78
11.64	12.26	12.67	12.80	12.73	13.39
9.36	10.05	10.05	10.05	10.05	10.05
17.24	17.77	18.20	17.67	21.70	21.93
9.83	9.81	9.80	9.77	9.70	9.77
5.34	5.55	8.92	11.49	12.09	12.40
6.84	6.50	6.50	6.50	6.50	6.50
8.10	8.10	8.10	8.10	8.10	8.10
16.64	16.15	16.61	17.08	16.52	16.70
12.71	12.09	12.77	12.64	11.98	13.19
7.26	3.00	7.73	6.78	9.98	10.98
12.12	11.22	13.23	14.05	14.71	14.15
0.54	0.54	0.54	0.54	0.54	0.54
0.29	0.28	0.27	0.25	0.23	0.24
0.35	0.35	0.35	0.35	0.35	0.34
0.62	0.62	0.62	0.62	0.62	0.62
0.47	0.47	0.46	0.40	0.37	0.41
0.50	0.50	0.51	0.42	0.41	0.39
0.50	0.50	0.51	0.44	0.41	0.39
0.50	0.50	0.51	0.38	0.39	0.41
0.82	0.76	0.78	0.76	0.73	0.73
0.18	0.10	0.12	0.10	0.12	0.12
0.42	0.41	0.41	0.41	0.41	0.41
0.39	0.39	0.39	0.37	0.35	0.34
0.41	0.41	0.41	0.41	0.41	0.41
0.47	0.47	0.48	0.49	0.49	0.49
0.63	0.63	0.63	0.63	0.63	0.63
0.51	0.51	0.51	0.52	0.49	0.48
0.38	0.38	0.41	0.46	0.44	0.44
0.28	0.24	0.25	0.25	0.25	0.25

(Continued)

CERRO GORDO COUNTY, IOWA

DIRECT AND OVERLAPPING PROPERTY TAX RATES (Continued)
Last Ten Fiscal Years
(rate per $1,000 of assessed value)
(Unaudited)

	Fiscal Year Taxes are Payable			
	2002	2003	2004	2005
School District Rates:				
Clear Lake	12.86	12.94	12.83	13.45
Forest City	15.87	15.73	14.77	14.97
Mason City	14.39	15.11	13.65	14.12
Meservey-Thornton	10.19	9.83	9.02	10.85
Nora Springs-Rock Falls	14.73	16.16	16.27	16.86
North Central	13.03	14.34	13.97	14.82
Rockwell-Swaledale	10.76	11.68	11.90	13.80
Rudd-Rockford-Marble Rock	12.90	13.17	13.17	15.19
Sheffield-Chapin	12.79	12.94	12.90	14.50
Ventura	11.56	11.58	11.72	10.97
Other Taxing Authority Rates:				
County Assessor	0.47	0.40	0.40	0.41
City Assessor	0.29	0.24	0.23	0.21
North Iowa Area Community College	0.52	0.60	0.61	0.63
Ag. Extension	0.11	0.11	0.11	0.12
State	0.05	0.00	0.00	0.00
Clear Lake Sanitary Sewer	1.81	1.76	1.70	1.67
Falls - Rock Falls Cemetery	0.07	0.07	0.07	0.07

Source: Cerro Gordo County Auditors Office

Fiscal Year Taxes are Payable					
2006	2007	2008	2009	2010	2011
12.64	11.89	11.90	11.88	11.88	12.94
15.36	14.56	14.64	15.01	15.43	16.74
14.72	14.10	14.08	13.67	13.62	15.12
11.63	10.05	10.27	10.77	11.32	11.68
16.74	16.62	16.75	16.46	16.85	16.41
14.37	13.31	14.20	13.47	14.31	14.48
13.55	13.74	14.37	14.26	13.78	13.77
15.96	15.79	15.79	16.24	14.01	14.02
14.23	14.25	12.59	12.85	13.29	13.59
10.99	10.40	10.10	9.61	10.39	10.57
0.40	0.41	0.49	0.56	0.55	0.52
0.22	0.20	0.23	0.26	0.23	0.23
0.62	0.62	0.66	0.66	0.62	0.66
0.12	0.11	0.11	0.10	0.11	0.11
0.00	0.00	0.00	0.00	0.00	0.00
1.67	1.67	1.66	1.59	1.49	1.46
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 2011			Fiscal Year 2002		
	Net Taxable Value	Rank	Percent of Total Taxable Value	Net Taxable Value	Rank	Percent of Total Taxable Value
Interstate Power & Light Co	$ 73,239,489	1	3.41%	$ 68,311,288	1	4.32%
Golden Grain Energy LLC	56,333,979	2	2.62%			
Lehigh Portland Cement Co	18,883,940	3	0.88%	23,507,146	2	1.48%
Ag Processing Inc	18,360,227	4	0.85%			
Union Pacific	17,897,691	5	0.83%	13,455,816	5	0.85%
Five Star Cooperative	17,174,966	6	0.80%			
Hawkeye Power Partners LLC	12,793,651	7	0.60%			
AADG Inc (Curries Company)	12,673,982	8	0.59%	15,031,905	4	0.95%
Mall Associates LLC	11,439,113	9	0.53%	12,992,168	6	0.82%
Quest Corp	11,392,211	10	0.53%	12,824,609	7	0.81%
Holnam Inc/Northwestern States Portland Cement Co.				19,731,440	3	1.25%
General Foods Corporation				12,033,641	8	0.76%
Northern Border Pipeline				10,675,212	9	0.67%
Mason City Shopping Center				9,772,530	10	0.62%
	$ 250,189,249		11.65%	$ 198,335,755		12.53%

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
2002	$ 42,976,436	$ 42,543,086	98.99%	$ 18,382	$ 42,561,468	99.03%
2003	44,383,926	44,169,153	99.52%	8,059	44,177,212	99.53%
2004	44,544,314	42,566,151	95.56%	144,700	42,710,851	95.88%
2005	47,203,216	45,252,976	95.87%	24,111	45,277,087	95.92%
2006	51,164,802	49,185,934	96.13%	-3,149	49,182,785	96.13%
2007	54,025,405	52,028,179	96.30%	16,638	52,044,817	96.33%
2008	55,911,709	53,942,250	96.48%	36,357	53,978,607	96.54%
2009	58,154,094	56,220,505	96.68%	4,747	56,225,252	96.68%
2010	61,066,901	59,136,632	96.84%	13,163	59,149,795	96.86%
2011	65,508,663	63,720,109	97.27%	9,348	63,729,457	97.28%

Total tax collections solely for Cerro Gordo County were:

Fiscal Year	Amount
2002	$9,016,960
2003	$9,175,330
2004	$9,194,534
2005	$10,259,896
2006	$11,607,154
2007	$12,752,868
2008	$13,075,127
2009	$13,234,094
2010	$13,906,364
2011	$14,211,708

Source: Cerro Gordo County Treasurer's Office

CERRO GORDO COUNTY, IOWA

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

Fiscal Year	Governmental Activities: General Obligation Bonds	Governmental Activities: Capital Loan Notes	Governmental Activities: Capital Lease Purchases	Governmental Activities: Revenue Bonds	Business-Type Activities: Sewer Revenue Capital Loan Notes	Total Government	Percentage of Personal Income (1)	Per Capita (1)
2002	$ 635,000	$ -	$ 25,596	$ -	$ 312,300	$ 972,896	0.08%	$ 21.32
2003	400,000	400,000	477,468	-	576,348	1,853,816	0.15%	40.89
2004	340,000	1,120,000	325,408	-	569,463	2,354,871	0.18%	52.19
2005	280,000	955,000	165,886	-	611,268	2,012,154	0.14%	44.69
2006	215,000	880,000	20,698	-	603,750	1,719,448	0.12%	38.35
2007	145,000	13,290,000	15,393	-	595,379	14,045,772	0.95%	316.46
2008	75,000	12,405,000	9,621	-	586,635	13,076,256	0.86%	297.08
2009	-	11,945,000	469,623	253,000	577,497	13,245,120	0.82%	302.50
2010	-	11,470,000	117,605	401,750	567,946	12,557,301	0.76%	286.79
2011	-	11,000,000	65,669	381,750	557,967	12,005,386	*	275.87

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)
2002	$ 635,000	$ 635,000	0.04%	$ 13.91
2003	400,000	400,000	0.02%	8.82
2004	340,000	340,000	0.02%	7.54
2005	280,000	280,000	0.02%	6.22
2006	215,000	215,000	0.01%	4.80
2007	145,000	145,000	0.01%	3.27
2008	75,000	75,000	0.00%	1.70
2009	0	0	0.00%	-
2010	0	0	0.00%	-
2011	0	0	0.00%	-

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

Source: Cerro Gordo County Auditor's Office

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CERRO GORDO COUNTY, IOWA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2011
(Unaudited)

Governmental Unit		Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
County direct debt	$	11,381,750	100.00%	$ 11,381,750
City debt:				
Clear Lake		7,126,500	100.00%	7,126,500
Mason City		34,200,973	100.00%	34,200,973
Nora Springs		1,227,000	5.40%	66,263
Thornton		185,000	100.00%	185,000
Ventura		131,196	100.00%	131,196
Subtotal, City debt				41,709,932
School Districts:				
Clear Lake	$	7,150,000	100.00%	7,150,000
Forest City		1,835,000	3.39%	62,238
Mason City		37,331,474	100.00%	37,331,474
Nora Springs-Rock Falls		115,000	48.62%	55,911
North Central		1,700,000	25.15%	427,573
Rockwell-Swaledale		795,000	100.00%	795,000
Rudd-Rockford-Marble Rock		211,266	7.29%	15,411
Sheffield-Chapin		1,090,000	21.03%	229,181
Ventura		1,730,000	70.68%	1,222,717
Subtotal, School District debt				47,289,507
Other Districts:				
Clear Lake Sanitary District	$	3,065,000	100.00%	3,065,000
North Iowa Area Community College		1,350,000	36.05%	486,648
Subtotal, Other District debt				3,551,648
Total overlapping debt				92,551,086
Total direct and overlapping debt				$ 103,932,836

Source: Cities and school districts within Cerro Gordo County

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

CERRO GORDO COUNTY, IOWA

LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(Unaudited)

	2002	2003	2004	2005
Debt Limit, 5% of Assessed Value	112,656,798	118,713,033	122,439,191	127,853,370
Total net debt applicable to limit	635,000	400,000	1,460,000	1,235,000
Legal Debt Margin	$ 112,021,798	$ 118,313,033	$ 120,979,191	$ 126,618,370
Total net debt applicable to the limit as a percentage of debt limit	0.56%	0.34%	1.19%	0.97%

Source: County records

Legal Debt Margin Calculation for Fiscal Year 2011

Net Assessed Value	$	3,943,852,276
Debt Limit (5% of assessed value)		197,192,614
Debt applicable to limit:		
General obligation capital loan notes		11,000,000
LOS&ST Revenue Bonds		381,750
Capital leases		65,669
Total net debt applicable to limit		11,447,419
Legal debt margin	$	185,745,195

2006	2007	2008	2009	2010	2011
141,685,630	162,396,162	167,274,316	178,275,045	184,784,677	197,192,614
1,115,698	13,450,393	12,489,621	12,667,623	11,989,355	11,447,419
$ 140,569,932	$ 148,945,769	$ 154,784,695	$ 165,607,422	$ 172,795,322	$ 185,745,195
0.79%	8.28%	7.47%	7.11%	6.49%	5.81%

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)
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	43,740	1,620,279	37,043	627	6,564	5.43%
2009	43,609	1,656,807	37,992	620	6,526	7.32%
2010	43,519	*	*	634	5,411	6.90%

(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)

	2011			2002		
	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
Mercy Medical Center North Iowa	2,650	1	10.95%	2,000-2,499	1	8.49%
Curries Graham	673	2	2.78%	500-999	2	2.83%
Opportunity Village	640	3	2.65%	250-499	5	1.42%
Hy-Vee Food Stores	592	4	2.45%	500-999	4	2.83%
Mason City Community School District	497	5	2.05%	-	-	-
Principal Financial Group	448	6	1.85%	500-999	3	2.83%
Wal-Mart Stores	379	7	1.57%	-	-	-
City of Mason City	330	8	1.36%	250-499	10	1.42%
Good Shepherd Geriatrics Center	302	9	1.25%	-	-	-
Kraft Foods	278	10	1.15%	-	-	-
Woodharbor Doors and Cabinetry, Inc.	-	-	-	250-499	6	1.42%
Cole Sewell Corporation	-	-	-	250-499	7	1.42%
IMI Cornelius	-	-	-	250-499	8	1.42%
Armour Food Co.	-	-	-	250-499	9	1.42%
	$ 6,789		28.06%	$ 5,000 - 8,490		25.48%

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	2002	2003	2004	2005
Public Safety and Legal Services:				
Sheriff	50.00	54.00	53.00	53.00
Attorney	11.00	11.00	11.00	11.00
Child Support Recovery	7.00	7.00	7.00	7.00
Physical Health and Social Services:				
Health Department	46.00	51.00	49.00	49.00
General Relief	1.25	1.25	1.25	1.35
Veteran Affairs	1.75	1.75	1.75	1.65
Mental Health:				
CPC	1.00	1.00	1.50	1.50
Case Management	6.00	7.00	7.00	9.00
County Environment and Education:				
Conservation	6.50	6.50	6.50	6.50
Planning and Zoning:	0.50	0.50	1.00	1.00
Roads and Transportation:				
Engineer	41.00	42.00	43.00	43.00
Roadsides	3.00	3.00	3.00	3.00
Governmental Services to Residents:				
Treasurer, motor vehicles	6.60	6.60	6.60	6.60
Recorder	5.00	5.00	5.00	5.00
Auditor, elections	3.00	2.50	3.00	3.00
Administration:				
Board of Supervisors	3.00	3.00	3.50	3.50
Auditor	5.50	5.50	5.50	5.50
Treasurer, tax	2.40	2.40	2.40	2.40
MIS	7.00	7.00	6.00	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	211	222	221	224

Source: County Records

Fiscal Year					
2006	2007	2008	2009	2010	2011
51.00	61.00	71.00	72.00	72.00	73.00
10.00	11.00	11.00	11.00	11.00	11.00
7.00	7.00	7.00	7.00	7.00	7.00
49.00	51.00	49.00	50.00	51.00	48.00
1.35	1.35	1.35	1.35	1.35	1.35
1.65	1.65	1.65	1.65	1.65	1.65
1.50	1.50	1.50	2.20	2.20	3.20
10.00	9.00	9.00	9.00	9.00	9.00
6.00	6.00	6.00	6.00	6.50	6.50
1.00	1.00	1.00	1.00	1.00	1.00
43.00	40.00	40.00	39.00	38.00	39.00
3.00	3.00	3.00	3.00	3.00	3.00
6.60	6.60	6.60	6.45	5.75	5.75
5.00	5.00	5.00	5.00	5.00	5.00
3.00	3.00	3.00	3.00	3.00	3.00
3.50	3.50	3.50	3.50	3.50	3.50
5.50	6.50	6.50	6.50	6.50	6.50
2.40	2.40	2.40	1.55	2.25	2.25
7.00	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	231	239	240	239	239

CERRO GORDO COUNTY, IOWA

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

	Fiscal Year			
Function/Program	2002	2003	2004	2005
Public Safety and Legal Services:				
Sheriff:				
Weapon permits issued	328	291	285	304
Number of Jail bookings	2,767	3,015	3,111	2,864
Civil Papers Served	5,457	5,541	5,593	4,972
Service Calls	6,543	6,667	7,098	5,419
Number of Arrests	551	521	530	412
Citations and Warnings issued	2,558	3,549	4,272	4,742
Attorney:				
Number Cases Filed:				
Felony	450	432	455	432
Indictable Misdemeanor	1,258	1,339	1,252	1,347
Juvenile	212	219	233	229
Physical Health and Social Services:				
Health Department:				
Number of Immunizations	5,685	5,393	6,578	3,834
Number of Nursing Clients	411	435	370	352
Number of Nursing Visits	5,714	5,503	5,864	5,844
Number of Home Care Aide Clients	247	341	259	238
Number Home Care Aide service hours	14,133	16,431	13,858	14,573
Number of Food Inspections	3,105	2,815	2,469	2,572
County Environment and Education:				
Conservation:				
Number of camper nights	3,306	4,753	4,285	4,715
Conservation programs presented	257	213	271	218
People attending programs	9,023	10,819	11,225	9,102
Planning and Zoning:				
Zoning Permits issued	130	135	145	126
Board of Adjustment cases	54	51	32	39
Roads and Transportation:				
Engineer: Miles maintained	946	945	965	970
Governmental Services to Residents:				
Treasurer: Titles issued	17,726	17,071	17,012	17,186
Recorder: Documents recorded	12,739	14,054	16,437	12,807
Auditor:				
Registered voters	30,783	31,350	31,290	33,239
Absentee ballots requested	6,113	7,032	3,064	9,505

Source: County Records

Fiscal Year					
2006	2007	2008	2009	2010	2011
320	338	343	394	495	1,149
3,361	3,652	3,497	3,542	3,431	2,998
4,304	4,289	4,068	4,911	4,743	4,647
5,568	5,519	5,151	7,953	8,634	8,876
434	1,005	344	1,604	2,423	2,572
4,008	4,507	4,354	2,677	2,764	4,029
412	404	347	277	218	283
1,294	1,225	1,229	1,049	984	1,036
265	177	215	203	174	151
5,036	5,685	6,255	7,006	5,516	5,081
372	354	314	341	324	358
5,854	5,968	5,516	5,649	6,443	6,320
222	247	223	148	144	296
13,879	13,206	12,176	13,066	13,527	12,175
2,305	3,067	2,998	3,209	2,664	840
3,800	4,097	4,583	4,017	4,359	4,209
252	297	273	238	251	274
9,156	9,985	9,295	10,727	10,451	11,169
122	105	153	105	92	96
37	37	36	34	26	28
970	970	970	970	970	970
17,142	19,917	13,704	12,874	14,989	13,791
11,664	11,026	10,806	10,094	9,961	9,495
32,171	31,470	32,089	32,200	32,114	32,158
1,992	5,370	3,067	10,145	1,731	5,872

CERRO GORDO COUNTY, IOWA

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

	Fiscal Year			
Function/Program	2002	2003	2004	2005
Public Safety and Legal Services:				
Sheriff:				
Number of vehicles	20	21	22	21
Physical Health and Social Services:				
Health Department:				
Number of vehicles	6	7	7	8
County Environment and Education:				
Conservation:				
Number of park areas	29	30	30	30
Total acres managed	2,962	3,024	3,024	3,024
Number of vehicles	15	15	15	15
Roads and Transportation:				
Engineer:				
Number of vehicles	20	21	21	22
Number of buildings	6	6	6	6
Governmental Services to Residents:				
Auditor, elections:				
Number of voting machines	2	2	32	29

Source: Various County Departments.

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

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

Fiscal Year					
2006	2007	2008	2009	2010	2011
22	24	26	26	26	28
9	8	8	9	9	9
30	30	30	31	31	31
3,024	3,024	3,024	3,284	3,284	3,284
15	15	15	15	15	15
23	23	23	44*	44*	44*
6	6	6	6	6	6
59	59	59	59	59	59

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FINANCIAL INFORMATION REQUIRED

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CERRO GORDO COUNTY, IOWA

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

	Modified Accrual Basis			
	2011	2010	2009	2008
Revenues:				
Property and other County Tax	$ 16,151,502	15,746,255	15,367,915	15,308,353
Interest and Penalty on property tax	161,757	174,381	166,230	146,433
Intergovernmental	7,827,411	12,253,236	12,986,761	10,584,094
Licenses and permits	126,934	413,794	397,960	414,152
Charges for services	1,391,135	1,248,757	1,173,034	1,155,633
Use of money and property	277,433	311,405	439,098	902,907
Fines, forfeitures, and defaults	9,465	42,893	48,814	25,305
Miscellaneous	924,345	1,433,282	893,902	896,588
Total	$ 26,869,982	31,624,003	31,473,714	29,433,465
Expenditures:				
Operating:				
Public safety and legal services	$ 7,095,863	6,826,705	6,769,038	6,229,452
Physical health and social services	5,095,095	4,656,497	5,150,211	4,866,227
Mental Health	676,241	5,941,119	5,802,641	6,366,901
County environment and education	1,181,451	1,302,316	1,661,836	1,631,652
Roads and transportation	4,963,655	5,340,158	5,079,324	4,972,994
Governmental services to residents	988,933	970,387	939,846	928,523
Administrative services	2,355,944	2,886,708	2,187,056	2,466,608
Non-program	114,044	167,932	276,787	50,342
Debt service	3,060,946	1,379,120	1,493,018	1,515,657
Capital projects	2,628,619	3,022,467	1,224,944	6,858,012
Total	$ 28,160,791	32,493,409	30,584,701	35,886,368

See Accompanying Independent Auditors' Report.

Modified Accrual Basis					
2007	2006	2005	2004	2003	2002
14,782,265	13,118,367	11,061,423	10,570,374	10,152,625	9,928,084
130,746	139,522	126,247	118,275	110,045	128,449
11,356,056	11,191,640	12,701,807	9,722,154	9,214,984	8,150,270
327,967	324,776	297,721	270,476	255,666	17,870
1,132,140	1,205,710	1,228,309	1,292,565	1,537,166	1,607,381
1,246,172	637,056	374,870	228,181	274,923	405,278
31,316	61,612	-	-	-	2,369
835,815	1,141,934	950,043	1,215,451	863,485	679,024
29,842,477	27,820,617	26,740,420	23,417,476	22,408,894	20,918,725
5,565,965	4,808,056	4,541,026	4,251,143	4,222,779	3,838,927
4,725,534	4,251,999	4,006,819	3,913,976	3,615,357	3,494,239
5,861,602	5,611,348	5,209,344	5,198,915	5,003,304	4,790,348
1,112,434	1,203,407	880,494	921,991	855,482	591,227
4,513,467	5,111,457	4,885,745	4,551,633	4,496,519	4,577,949
830,775	827,433	803,724	742,415	729,694	754,305
2,157,767	1,872,576	1,841,707	1,902,524	1,719,801	1,626,570
72,906	169,026	354,230	207,694	296,741	31,871
1,595,718	673,630	462,012	78,738	265,192	339,763
7,893,520	3,299,760	5,027,808	2,281,067	1,605,101	611,437
34,329,688	27,828,692	28,012,909	24,050,096	22,809,970	20,656,636

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SINGLE AUDIT SECTION

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, 2011, which collectively comprise the County's basic financial statements listed in the table of contents and have issued our report thereon dated December 22, 2011. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

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

December 22, 2011

Gardiner Thomsen, P.C.

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CERRO GORDO COUNTY, IOWA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2011

Grantor/Program	CFDA Number	Agency or Pass-Through Number	Program Expenditures
Direct:			
U.S. Department of Energy			
ARRA – Energy Efficiency and Conservation Block Grant Program	81.128	RW0000180	$9,966
U.S. Department of Health and Human Services			
Centers for Disease Control and Prevention			
Environmental Public Health and Emergency Response	93.070	1UE2EH000726-01	116,294
Total Direct			$126,260
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		35,636
U.S. Department of Housing and Urban Development			
Iowa Department of Economic Development			
Jumpstart Disaster Recovery Housing Program	14.228	08-DRH-002	503,187
Jumpstart Disaster Recovery Housing Program	14.228	08-DRH-202	1,101,931
Disaster Business Rental Assistance Program	14.228	08-DRB-208	84,208
			1,689,326
U.S. Department of Justice			
Iowa Department of Justice			
Violence Against Women	16.588	VW-10-66	2,500
Violence Against Women	16.588	VW-11	1,570
			4,070
Iowa Office of Drug Control Policy			
ARRA - Byrne-Justice Assistance Grant	16.803	09JAG/ARRA-3344B	183,912
National Highway Traffic Safety Administration			
Iowa Department of Transportation			
Highway Planning and Construction	20.205		285,728
Iowa Department of Transportation			
Traffic Safety Bureau			
Alcohol Incentive Grant		PAP 10-410,Task 11	
Intoxicated Persons Program	20.605	PAP 11-410,Task 13	12,093
U.S. Department of Education			
Department of Transportation			
ARRA-State Fiscal Stabilization Funds (SFSF)-Government Services, Recovery Act	84.397	S397A090016A	132,597
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		13,202
Part D – Grants for Supportive Services & Senior Centers	93.043		18,860
Part E – Homemaker	93.052		31,743

CERRO GORDO COUNTY, IOWA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2011

Grantor/Program	CFDA Number	Agency or Pass-Through Number	Program Expenditures
Iowa Department of Public Health			
Public Health Emergency Preparedness & Response	93.069	880BT17/5880BT317	86,431
Immunization Action Plan	93.268	5880I414/5881I414	28,778
ARRA – Immunization Action Plan	93.268	AR06ARRA	4,757
Breast & Cervical Cancer Prevention	93.283	5880NB07/5881NB07	18,195
Iowa Healthy Communities Initiative	93.283	5881OB32	16,692
Immunization Action Plan	93.712	5880I414	2,543
ARRA – Immunization Action Plan	93.712	AR06ARRA	2,324
HIV Counseling, Testing & Referral	93.940	5880AP04/5881AP04	8,616
HIV Counseling, Testing & Referral	93.911	5880AP04	551
Iowa Department of Human Services			
Human Services Administrative Reimbursement			
Child Care Mandatory & Matching Funds of the Child Care & Development Fund	93.596		8,752
Foster Care Title IV-E	93.658		14,130
Adoption Assistance	93.659		3,403
Refugee	93.566		21
Medical Assistance Program	93.778		34,110
Children's Health Insurance Program	93.767		163
Social Services Block Grant	93.667		12,196
Child Care and Development Block Grant	93.575		661,006
ARRA-Child Care and Development Block Grant	93.713		3,534
U.S. Department of Homeland Security			
Iowa Homeland Security & Emergency Management Division			
Emergency Management Performance Grant	97.042		25,837
Homeland Security Grant Program	97.067	2007-GE-T7-0032-002	5,334
Homeland Security Grant Program	97.067	2008-GE-T8-2008	272,013
			277,347
Total Indirect			$3,616,553
Total			$3,742,813

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 in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See Accompanying Independent Auditors' Report.

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Gardiner Thomsen
Certified Public Accountants

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

To the Officials of Cerro Gordo County
Mason City, Iowa

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Cerro Gordo County, Iowa, as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements listed in the table of contents and have issued our report thereon dated December 22, 2011. We conducted our audit in accordance with U.S generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the County's financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiencies in internal control described in Part II of the accompanying Schedule of Finding and Questioned Costs as item II-A-11 to be a material weakness.

A significant deficiency is a deficiency or combination of deficiencies in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in Part II of the accompanying Schedule of Findings and Questioned Costs as item II-B-11 to be a significant deficiency.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2011 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since

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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.

December 22, 2011

Gardiner Thomsen, P.C.

Gardiner Thomsen
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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 Cerro Gordo County, Iowa's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on its major federal programs for the year ended June 30, 2011. Cerro Gordo County's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its major federal programs is the responsibility of Cerro Gordo County's management. Our responsibility is to express an opinion on Cerro Gordo County's compliance based on our audit.

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

In our opinion Cerro Gordo County complied, in all material respects, with the requirements referred to above that could have a direct material effect on its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of Cerro Gordo County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered Cerro Gordo County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified. However, as discussed below, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies as defined below.

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

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

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

December 22, 2011

Caroline Thomsen, P.C.

CERRO GORDO COUNTY, IOWA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Part I: Summary of the Independent Auditors' Results:

a. Unqualified opinions were issued on the financial statements.

b. Significant deficiencies and material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.

c. The audit did not disclose any non-compliance which is material to the financial statements.

d. An unqualified opinion was issued on compliance with requirements applicable to the major programs.

e. The audit disclosed no audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).

f. The major programs were as follows:

- CFDA Number 14.228 – Jumpstart Disaster Recovery Housing Program and Disaster Business Rental Assistance Program and 93.575 – Child Care and Development Block Grant

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, 2011

Part II: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

II-A-11 **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-11 **Financial Reporting**—During the year ended June 30, 2011, the County refunded the $2,470,000 outstanding balance of the 2007 General Obligation Capital Loan Notes by issuing $2,000,000 General Obligation Crossover Refunding Capital Loan Notes. No proceeds of long term debt or debt service disbursements were recorded on the County records since the proceeds were delivered directly to Bankers Trust to pay off the debt. Adjustments were subsequently made by the County to properly include this amount in the financial statements.

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

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

Conclusion—Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

INTERNAL CONTROL DEFICIENCIES:

No matters were reported.

CERRO GORDO COUNTY, IOWA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Part IV: Other Findings Related to Required Statutory Reporting:

IV-A-11 **Certified Budget** – Disbursements during the year ended June 30, 2011 exceeded the amounts budgeted in the Debt Service function and disbursements in the Medical Examiner department exceeded amounts appropriated. It appears the E911 Surcharge budget was overexpended at June 30, 2011

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. Chapter 331.434(6) of the Code of Iowa authorizes the Board of Supervisors, by resolution, to increase or decrease appropriations of one office or department by increasing or decreasing the appropriation of another office or department as long as the function budget is not increased. Such increases or decreases should be made before disbursements are allowed to exceed the appropriation. The E911 surcharge budget should have been amended before disbursements wre allowed to exceed the budget.

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

Conclusion – Response accepted.

IV-B-11 **Questionable Disbursements** – No 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.

IV-C-11 **Travel Expense** – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

IV-D-11 **Business Transactions** – The following business transactions between the County and County officials or employees were noted:

Name, Title and Business Connection	Transaction	Amount
Tracie Siemers, Auditor's Office		
Steve Siemers, Spouse	Snow removal and trailer rental	$ 1,788
Brock Specialties, Adam Brock, Tracie's Brother in law	Recorder's Office Remodeling	9,622
Linda Weatherwax, Tracie's Mother	Election Worker	212
Kenneth Kline, County Auditor		
Jason Kline, Son	Computer Services	510
Shelly Tuttle, Secondary Road		
Mark's Air & Water Technologies, Mark Tuttle, Spouse	2 air purifiers	1,265
Barb Sowder, Auditor's Office		
Terri Gretillat, Sister	Election Worker	192
Jaclyn Smith, Treasurer's Office		
V&K Lawn, Chad Valvoda, Brother	Lawn Services	1,121

In accordance with Chapter 331.342 of the Code of Iowa, the transactions with Linda Weatherwax, Jason Kline, Mark's Air & Water Technologies, Terri Gretillat and Chad Valvoda do not appear to represent conflicts of interest since total transactions were less than $1,500 during the fiscal year.

In accordance with Chapter 331.342 of the Code of Iowa, the transactions over $1,500 during the year with Steve Siemers and Brock Specialties do not appear to represent a conflict of interest because Tracie Siemers does not participate in acquiring these services and the snow removal services were entered into through competitive bid.

CERRO GORDO COUNTY, IOWA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

IV-E-11 **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-11 **Board Minutes** – No transactions were found that we believe should have been approved in the Board minutes but were not.

IV-G-11 **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-11 **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-11 **Economic Development** – During the year ended June 30, 2011, the County paid $170,600 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-11 **Grant Activity** – The County complied with grant regulations; no violations were noted.

IV-K-11 **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, 2011, did not exceed the amount budgeted.