



# **CERRO GORDO COUNTY**

## **IOWA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2013**

# **CERRO GORDO COUNTY, IOWA**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2013**

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

## **INTRODUCTORY SECTION**

# CERRO GORDO COUNTY, IOWA

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# CERRO GORDO COUNTY, IOWA

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# CERRO GORDO COUNTY, IOWA

OFFICIALS  
June 30, 2013

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## (Before January 2013) Board of Supervisors

<u>Name</u>	<u>Term Expires</u>	<u>Address</u>
Robert Amosson .....	January 2015 .....	Rockwell, Iowa
Phillip Dougherty .....	January 2013 .....	Dougherty, Iowa
Jay Urdahl.....	January 2013 .....	Mason City, Iowa

### Officers

<u>Name</u>	<u>Term Expires</u>	<u>Title</u>
Kenneth Kline.....	January 2013 .....	Auditor
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

\*Robert Zinnel retired effective August 31, 2012. Danielle Naumann was appointed effective November 19, 2012.

## (After January 2013) Board of Supervisors

<u>Name</u>	<u>Term Expires</u>	<u>Address</u>
Robert Amosson .....	January 2015 .....	Rockwell, Iowa
Phillip Dougherty .....	January 2017 .....	Dougherty, Iowa
Jay Urdahl.....	January 2017 .....	Mason City, Iowa

### Officers

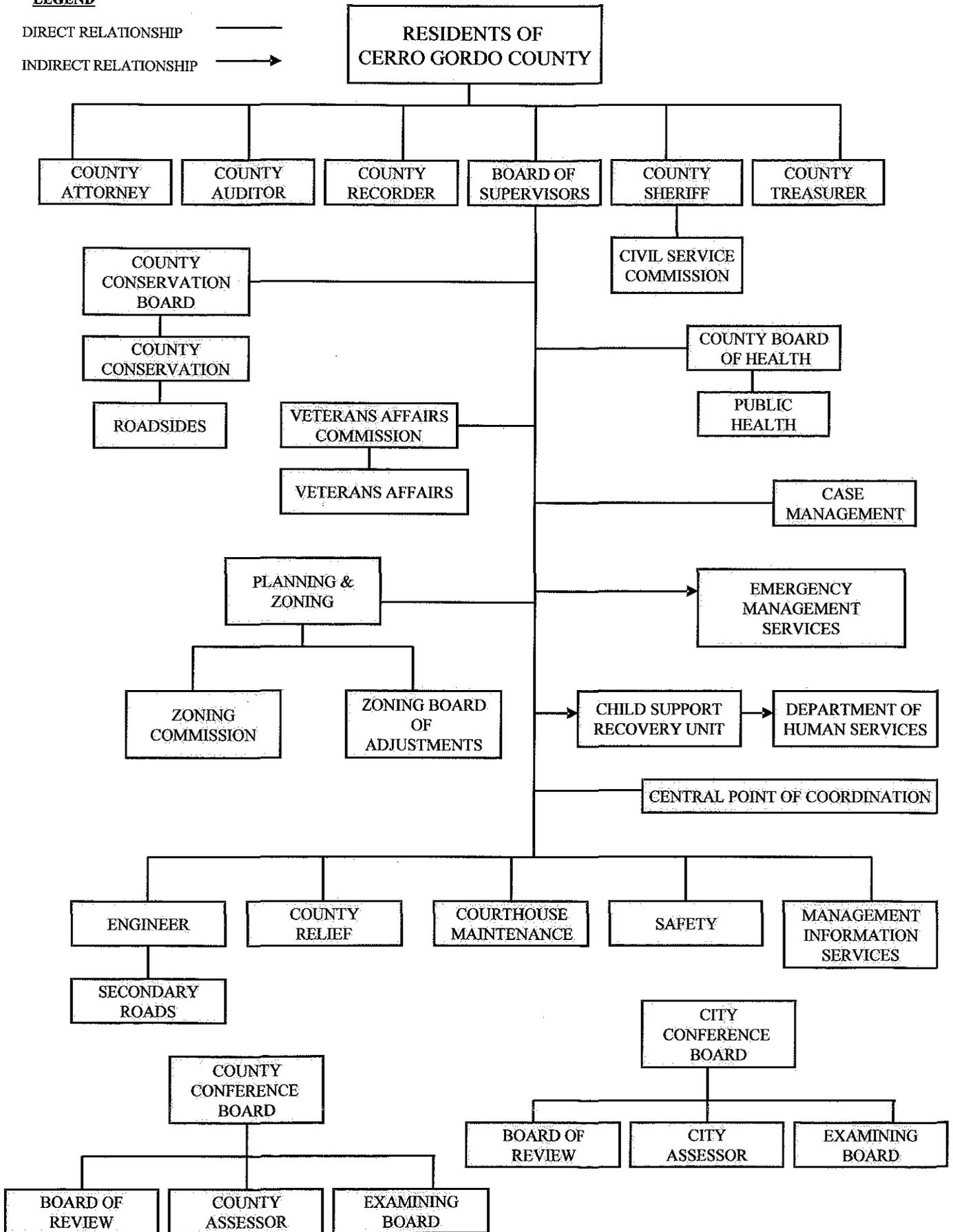
<u>Name</u>	<u>Term Expires</u>	<u>Title</u>
Kenneth Kline.....	January 2017 .....	Auditor
Patricia Wright.....	January 2015 .....	Treasurer
Colleen Pearce.....	January 2015 .....	Recorder
Kevin Pals.....	January 2017 .....	Sheriff
John Boedeker .....	Appointed.....	County Assessor
Danielle Naumann .....	Appointed.....	City Assessor
Carlyle Dalen.....	January 2015 .....	County Attorney

# CERRO GORDO COUNTY ORGANIZATIONAL CHART

**LEGEND**

DIRECT RELATIONSHIP ———

INDIRECT RELATIONSHIP ———>





Government Finance Officers Association

**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, 2012**

Executive Director/CEO



## County Auditor Cerro Gordo County Courthouse

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

Mason City, IA 50401-3254

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

December 18, 2013

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, 2013, 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, 2013 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, 2013, 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 15<sup>th</sup> for the fiscal year beginning the following July 1<sup>st</sup>. This annual budget serves as the foundation for the County's financial planning and control. The State of Iowa requires the adoption of an annual budget with total County operating expenditures listed by major program service area. Activities of the general fund, special revenue funds, capital projects funds, and the debt service fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the total function/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 43,000-plus population.

Tourism is an important industry in Cerro Gordo County, largely due to Clear Lake, which, at 3,865 acres, is the third largest natural lake in Iowa, and is the namesake of the surrounding city. According to figures from the Iowa Department of Economic Development, the County ranks eleventh in the state for tourism expenditures with more than \$190 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 23,565 to 23,168, a decrease of 1.7% from December 2011 to December 2012, according to figures from Iowa Workforce Development. With high grain prices the agricultural economy of the area has been strong and stable.

The City of Mason City’s cost of living for the second quarter of 2013 was 91.4% of the national average, according to the ACCRA Cost of Living Index, ranking it the second lowest cost of living for all Iowa communities that participate in the ACCRA index.

### **Major Initiatives**

In June of 2013 Cerro Gordo County and fifty-five other Iowa counties formed a new intergovernmental entity, the Iowa Precinct Atlas Consortium. That same month the County sold to IPAC a limited, exclusive license for the development, distribution, and use of the Precinct Atlas software within the State of Iowa. The sale price was \$200,000, and included ongoing maintenance of the software and technical support for a period of four years, for an estimated annual fee of about \$40,000.

For the third year in a row, the County received a national award for the Precinct Atlas program. In July 2012 the County received an Achievement Award from the Center for Digital Government. The previous year the program earned a 2011 Achievement Award “Best of Category” from the National Association of Counties, preceded by the 2010 Stars and Stripes Award from the Election Center, the national association of election officials.

In January of 2013 the County entered into an agreement with Dan Corbin, Inc. to adjust the County GPS survey control network. The original network was set and measured in 2002 using the most accurate control available at the time, the Iowa High Accuracy Reference Network NAD83. In 2011 the National Geodetic Survey performed a major adjustment to the coordinate system for the North American Continent. The current project will establish new GPS field observations and adjust the positional accuracy of existing network monuments to the newer and more accurate coordinate system.

On February 19, 2013 the County experienced a breach of the computer network system when an employee mistakenly logged on to a bogus website for processing ACH transactions. Over the next twenty-four hours an unknown person or persons had limited and intermittent access to the County’s financial software system, including social security numbers for both employees and tax sale buyers. Internal security checks and balances, along with quick and decisive action by First Citizens Bank, frustrated multiple attempts to transfer County funds. The County contracted with McGladrey LLP, a private IT consulting firm, to identify and alleviate risks, and cooperated with a still incomplete investigation by the Federal Bureau of Investigation.

In response to the security breach, County officials adopted several reforms, including:

- Replacing two computers in the Treasurer’s Office that had been hacked
- Establishing designated stand-alone computers and printers in both the Treasurer’s Office and the County Conservation Office for processing ACH transactions
- Limiting IP addresses for the designated computers to only certain, legitimate addresses
- Installing keypads on exterior doors to the Treasurer’s Office
- Purchasing encrypted and password-protected USB drives to manually transfer banking and confidential information between County computers
- Removing social security numbers from database tables

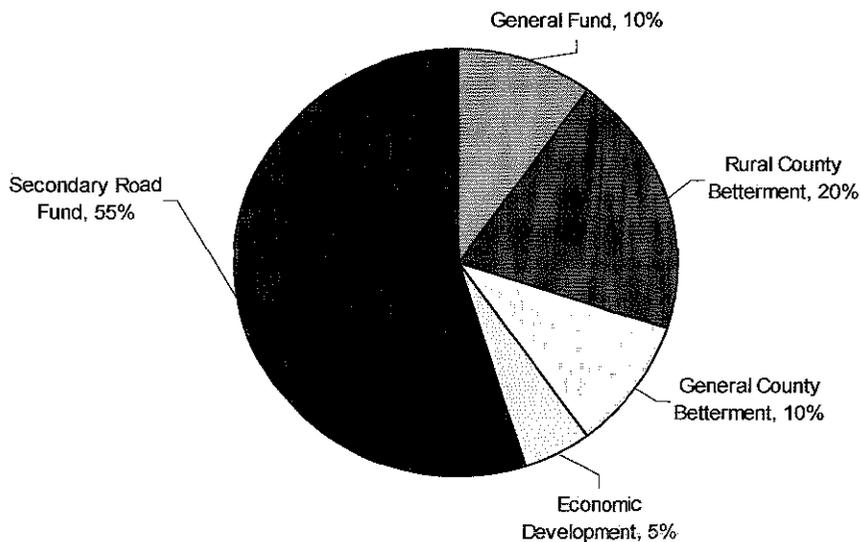
The County also purchased and made available to all employees a one-year subscription to ID essentials, a credit reporting and monitoring service, at a cost of \$23,000-plus. About one-fourth of the employees took advantage of the service. There has been no evidence at this time that the incident resulted in any employee’s identity having been stolen.

**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 FY2013, Cerro Gordo County received a total of \$1,584,772 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, 2012. This was the seventeenth 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 AUDITOR'S REPORT

To the Officials of Cerro Gordo County  
Mason City, Iowa

#### Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements listed in the table of contents.

#### Management's Responsibility for the Financial Statements

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

#### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Cerro Gordo County, Iowa, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Other Matters

##### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 11-20 and 52-53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions of the financial statements that collectively comprise Cerro Gordo County, Iowa's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the ten years ended June 30, 2012 (which are not presented herein) and expressed unmodified opinions on those financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2013, on our consideration of Cerro Gordo County, Iowa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cerro Gordo County, Iowa's internal control over financial reporting and compliance.

*Caroline Thompson, P.C.*

Charles City, Iowa

December 18, 2013

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## 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, 2013. We encourage readers to consider the information presented here in conjunction with additional information presented in the transmittal letter beginning on page 4, and the County's financial statements, which follow.

### FINANCIAL HIGHLIGHTS

- ◆ Cerro Gordo County governmental fund revenues increased 2.1% or \$564,690 from \$26,779,777 in fiscal year 2012 (FY12) to \$27,344,467 in fiscal year 2013 (FY13). Property taxes and other county taxes increased \$523,746, local option sales tax dollars decreased \$97,694, intergovernmental revenues decreased \$151,041, charges for services decreased \$28,184, and miscellaneous revenues increased \$394,703 from FY12.
- ◆ Cerro Gordo County governmental fund expenditures for FY13 were \$26,807,158, a decrease of \$11,231,520 from \$38,038,678 in FY12. This decrease was primarily contributable to a decrease of \$9,420,154 in debt service expenditures. In FY12, the county issued \$9,365,000 of General Obligation Refunding Capital Loan notes and refunded the \$9,000,000 outstanding balance of the \$9,000,000 General obligation Capital loan notes that were issued in FY07. Mental health expenditures decreased \$1,431,943 to a total of \$2,361,533 in FY13, and roads and transportation expenditures decreased \$649,482 to a FY13 total of \$4,417,491. Physical health and social services increased \$205,293, from \$4,639,871 in FY12 to \$4,845,164 in FY13.
- ◆ The assets of the county exceeded liabilities at fiscal year ended June 30, 2013 by \$44,162,528 (net position). Of this amount, \$4,644,510 is unrestricted and may be used to meet the County's ongoing obligations. For fiscal year ended June 30, 2012, assets exceeded liabilities by \$42,903,936, of which \$4,280,103 was unrestricted.
- ◆ Cerro Gordo County's net position increased 2.9% or \$1,258,592 at June 30, 2013. Government activities increased \$1,320,959 and business-type activities decreased by \$62,367. For fiscal year ended June 30, 2012, total net position decreased \$2,073,860. Governmental activities decreased \$2,003,933 and business-type activities decreased \$69,927.
- ◆ Cerro Gordo County's governmental funds reported combined ending fund balances of \$12,890,717, an increase of \$396,464 in comparison with the FY12 fund balances of \$12,494,253. Approximately 41.1% of the total amount, \$5,295,536, is the County's unassigned fund balance.
- ◆ Cerro Gordo County's general long-term debt, excluding compensated absences, termination benefits, and claims payable, decreased \$564,367 during the fiscal year, from \$11,207,101 in FY12 to \$10,642,734 in FY13. This change was due to scheduled payments during FY13.

### USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the government's financial activities.

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

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

The Statement of Activities presents information showing how the County's net position changed during the fiscal year. All changes in net position are reported as soon as the event or change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods.

The County's governmental activities are displayed in the Statement of Net Position and the Statement of Activities. Governmental activities include public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, government services to residents, administrative services, interest on long-term debt, and other non-program activities. Property taxes and state and federal grants finance most of these activities.

### Fund Financial Statements

The fund financial statements begin on page 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 position, a statement of revenues, expenses, and changes in fund net position, 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 56 and provides detailed information about the non-major governmental funds and the individual fiduciary funds. In addition, the Single Audit Section provides details of the various Federal awards received by the County.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Cerro Gordo County's net position increased \$1,258,592 from \$42,903,936 to \$44,162,528. The analysis below focuses on the net position and changes in net position of our government and business-type activities.

### **Cerro Gordo County's Net Position June 30, 2013**

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$30,867,869	\$29,620,791	\$113,997	\$102,989	\$30,981,866	\$29,723,780
Capital assets	43,407,970	42,292,231	1,726,684	1,811,970	45,134,654	44,104,201
Total assets	<u>74,275,839</u>	<u>71,913,022</u>	<u>1,840,681</u>	<u>1,914,959</u>	<u>76,116,520</u>	<u>73,827,981</u>
Long-term debt outstanding	12,402,596	12,270,340	525,254	536,641	12,927,850	12,806,981
Other liabilities	19,013,623	18,104,021	12,519	13,043	19,026,142	18,117,064
Total liabilities	<u>31,416,219</u>	<u>30,374,361</u>	<u>537,773</u>	<u>549,684</u>	<u>31,953,992</u>	<u>30,924,045</u>
Net position:						
Invested in capital assets, net of related debt	33,106,986	31,446,880	1,189,440	1,264,433	34,296,426	32,711,313
Restricted	5,221,592	5,912,520	0	0	5,221,592	5,912,520
Unrestricted	4,531,042	4,179,261	113,468	100,842	4,644,510	4,280,103
Total net position	<u>\$42,859,620</u>	<u>\$41,538,661</u>	<u>\$1,302,908</u>	<u>\$1,365,275</u>	<u>\$44,162,528</u>	<u>\$42,903,936</u>

The largest portion of the County's net position, 77.7%, 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 position, 11.8% or \$5,221,592, represents resources that are subject to external restrictions, constitution provisions, or enabling legislation on how they can be used. The remaining balance of unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – is \$4,644,510 or 10.5%.

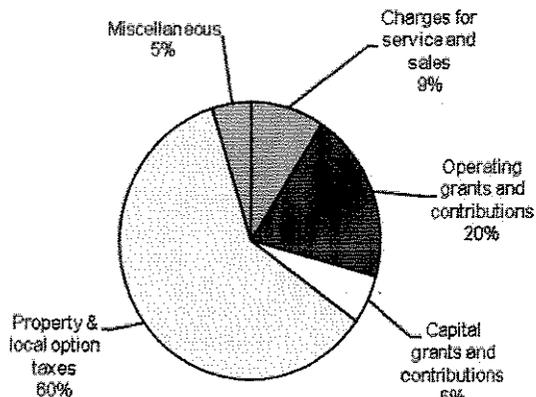
The County's net position increased \$1,258,592 during the current fiscal year. The governmental-type activities increased by \$1,320,959 and the business-type activities decreased \$62,367.

The following table highlights the County's revenues and expenses for the fiscal year ended June 30, 2013 and 2012. These two main components are subtracted to yield the change in net position. This table utilizes the full accrual method of accounting. Revenue is further divided into two major components: Program Revenue and General Revenue. Program Revenue is defined as charges for service and sales, operating grants and contributions, and capital grants and contributions. General Revenue includes taxes, investment income, and other unrestricted revenue sources.

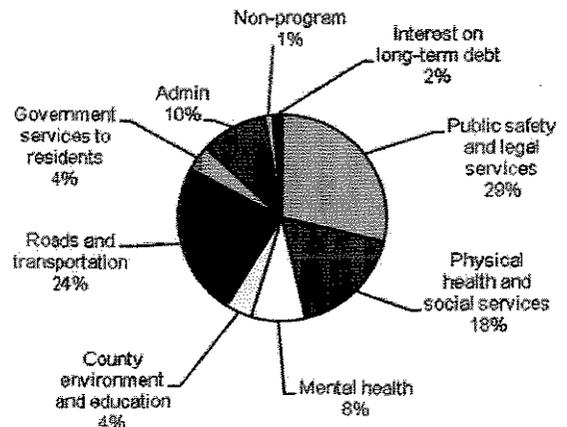
## Cerro Gordo County's Changes in Net Position June 30, 2013

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Revenues:</b>						
Program revenues:						
Charges for service and sales	\$2,610,175	\$2,572,092	\$66,979	\$66,716	\$2,677,154	\$2,638,808
Operating grants and contributions	5,855,315	5,735,343	0	0	5,855,315	5,735,343
Capital grants and contributions	1,651,919	937,276	0	0	1,651,919	937,276
General Revenues						
Property taxes	15,463,782	14,948,314	0	0	15,463,782	14,948,314
Penalty & interest on property tax	153,414	163,122	0	0	153,414	163,122
State tax credits	466,927	420,545	0	0	466,927	420,545
Local option sales & service tax	1,584,772	1,682,466	0	0	1,584,772	1,682,466
Grants and contributions not restricted to specific purposes	0	0	0	0	0	0
Unrestricted investment earnings	48,577	88,847	59	58	48,636	88,905
Miscellaneous	1,393,127	952,897	0	0	1,393,127	952,897
Loss on Disposal of Capital Assets	(13,888)	(34,141)	0	0	(13,888)	(34,141)
<b>Total revenues</b>	<b>29,214,120</b>	<b>27,466,761</b>	<b>67,038</b>	<b>66,774</b>	<b>29,281,158</b>	<b>27,533,535</b>
<b>Expenses:</b>						
Public safety and legal services	8,030,019	7,841,364	0	0	8,030,019	7,841,364
Physical health and social services	4,932,071	4,816,751	0	0	4,932,071	4,816,751
Mental health	2,371,135	3,805,315	0	0	2,371,135	3,805,315
County environment and education	1,152,679	1,267,463	0	0	1,152,679	1,267,463
Roads and transportation	6,732,570	6,906,435	0	0	6,732,570	6,906,435
Government services to residents	1,118,470	1,118,476	0	0	1,118,470	1,118,476
Administrative services	2,924,656	2,697,211	0	0	2,924,656	2,697,211
Non-program	204,592	217,755	129,405	136,701	333,997	354,456
Interest on long-term debt	426,969	799,924	0	0	426,969	799,924
<b>Total expenses</b>	<b>27,893,161</b>	<b>29,470,694</b>	<b>129,405</b>	<b>136,701</b>	<b>28,022,566</b>	<b>29,607,395</b>
<b>Increase (decrease) in net position</b>	<b>1,320,959</b>	<b>(2,003,933)</b>	<b>(62,367)</b>	<b>(69,927)</b>	<b>1,258,592</b>	<b>(2,073,860)</b>
Net position July 1,	41,538,661	43,542,594	1,365,275	1,435,202	42,903,936	44,977,796
<b>Net position June 30,</b>	<b>42,859,620</b>	<b>41,538,661</b>	<b>1,302,908</b>	<b>1,365,275</b>	<b>44,162,528</b>	<b>42,903,936</b>

**Revenues by Type**



**Expenses by Program**



## **Government Activities**

Revenues for governmental activities increased 6.4% or \$1,747,359 over the prior year. Charges for services increased \$38,083, due to additional service fees collected within the county. The County's operating grants and contributions increased \$119,972 due to an increase in the physical health and social services grants and contributions received in FY13. Roads and transportation received additional grants in FY13 causing the capital grants and contributions to have the largest increase of \$714,643 over the prior year's amount of \$937,276, an increase of 76.2%. Property tax revenues increased \$515,468 due to an increase in the taxable value in the county. Unrestricted investment earnings decreased \$40,270 due to lower investment rate of return.

The cost of all governmental activities this year was \$27,893,161, a decrease of \$1,577,533 over the prior years' \$29,470,694. 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 \$17,775,752 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.

Administrative services had the largest increase of \$227,445, followed by public safety and legal services with an increase of \$188,655. Mental health had the largest decrease of \$1,434,180, from \$3,805,315 to \$2,371,135. As of July 1, 2010, mental health services have been accounted for in the newly formed CSS Agency. The majority of the county expenditures for mental health are fund requests transferred to the CSS Agency. In the past three fiscal years, funds transfers have been inconsistently requested by the CSS causing dramatic sways in expenditures from year to year. Interest on Long Term Debt decreased \$372,955, along with roads and transportation by \$173,865.

Cerro Gordo County maintained the rural rate of 3.50739 for FY13. The countywide tax rate of 6.25077 for FY12 decreased to 6.23582 for FY13. The combined tax rates resulted in increased property tax dollars of approximately \$410,000 for general purposes, \$94,500 for rural purposes, \$18,750 for mental health services, and \$700 for debt service.

## **Business-Type Activities**

Business-type activities decreased the County's net position by \$62,367.

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

As Cerro Gordo County completed the year, its governmental funds reported a combined fund balance of \$12,890,717, which is an increase of \$396,464 or 3.17% over the combined fund balance for FY12. Of this amount, \$5,295,536 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 FY13 with a 51.1% ending fund balance totaling \$6,611,644. This is a \$264,657 increase from the prior year's \$6,346,987 fund balance. Revenues increased \$672,258; the key factors were an additional \$399,997 in property and other county taxes and \$292,218 in miscellaneous revenues. Expenditures increased \$219,831 which is an increase of 1.7% 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 in FY11. In FY12, three additional counties joined the CSS Agency for a total of eight

counties. FY13 led to 14 additional counties joining the CSS Agency, for a total of 22 counties that comprise 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. The Mental Health Fund balance increased from \$451,835 in FY12 to \$567,655, an increase of \$115,820. For the year, expenditures totaled \$2,361,533, a decrease of 37.7% over last year's expenditures of \$3,793,476 due to the irregular requests for reimbursement from County Social Services. Revenues decreased \$15,451, or 0.6%.

- ◆ The Rural Services Fund balance increased \$63,467 to \$811,341 from the prior year ending balance of \$747,874. Revenues increased \$97,208, from \$2,256,468 in FY12 to \$2,353,676 in FY13. Expenditures totaled \$440,209, a decrease of \$8,011, or 1.8% over last year's expenditures of \$448,220. The County supports the secondary roads fund with an annual property tax dollar transfer out of the rural services fund. In FY13, this transfer remained the same as the prior year at \$1,850,000.
- ◆ The Secondary Roads Fund expenditures decreased by \$372,217 or 5.8%, from \$6,409,375 in FY12 to \$6,037,158 in FY13. This was due to a decrease in spending for capital assets and rock in FY13. The Secondary Roads fund balance decreased \$281,450, from \$2,981,656 in FY12 to \$2,700,206 in FY13.
- ◆ The Public Health Fund ended FY13 with a fund balance of \$774,065, a \$69,242 increase over the prior year's balance of \$704,823. Expenditures increased \$111,758, or 3.3% over the prior year. Revenues also increased 12.9%, or \$238,757.
- ◆ The Debt Service Fund had a fund balance of \$29,582, all of which is restricted for the payment of debt.
- ◆ The Capital Projects fund balance remained \$933 at June 30, 2013.

## **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 52-53 provides more information. The amendment, approved in May 2013, resulted in the following:

Revenues and Other Financing Sources increased \$251,381, which included:

- ◆ A decrease of \$19,196 in local option sales and service tax and \$103,000 in utility replacement excise tax.
- ◆ A \$246,284 decrease in intergovernmental revenues by various departments, including increases of \$143,465 for the public health department, \$60,730 for an aerial GIS project, and a decrease of \$556,000 for the county run empowerment program. The empowerment program was changed mid-year from a budgetary fund to an agency fund (which the county is not required to budget).
- ◆ An increase of \$11,000 in licenses and permits for public health and planning and zoning fees.
- ◆ Charges for services increased \$51,162 due to an increase in public health fees of \$1,412, \$5,000 for fees provided by the sheriff department, an additional \$18,800 received by the county treasurer and \$22,500 by the county recorder for services. There was an additional \$3,450 received by various departments.
- ◆ Use of money & property increased due to the sheriff commissary earning an additional \$20,000.

- ◆ Miscellaneous revenue increased \$537,483 due to several departments receiving additional miscellaneous revenue, with public health, \$191,727, the sheriff department, \$4,500, and the CPC (MH-DD) office, \$42,977, receiving the largest shares. The county also received an IPERS refund of \$256,109 in FY13.
- ◆ Other Financing Sources of \$216 is from the sale of county assets.

Expenditures and Other Financing Uses increased \$222,348, which included:

- ◆ Increase of \$72,753 in public safety and legal services. This is due to additional expenditures for the county medical examiner's office of \$25,000 and the county attorney's office of \$45,000.
- ◆ Decrease of \$267,846 in physical health and education mainly due to the decrease of \$554,000 for the county run empowerment program and an increase in public health department expenditures of \$257,404.
- ◆ Increase of \$21,500 in Mental Health, MR & DD for mental health services.
- ◆ A decrease of \$4,000 in county environment & education for grants not awarded by the county.
- ◆ An increase of \$17,000 for government services to residents. This was for additional county recorder expenditures.
- ◆ An increase of \$82,941 in administration. \$41,353 of this increase was due to the hazard mitigation project and \$62,650 was expended on the county Aerial GIS project, which were not initially budgeted. The county also expended an additional \$16,000 on postage than was budgeted. Also, a decrease in expenditures for the Non-department of \$42,562.
- ◆ An increase in capital projects of \$300,000 for secondary road construction projects.

During the year, however, revenues were \$1,314,749 less than budgetary revenues and expenditures were \$2,870,859 less than budgetary expenditures. Iowa law requires budget amendments to specific expenditure functions/service areas, i.e., public safety and legal service, to be enacted by the Board of Supervisors no later than May 31 of each fiscal year. Since the County's fiscal year ends on June 30 and the County's budget is based on the current financial resources measurement focus and the modified accrual basis of accounting, the Board takes a conservative approach when enacting 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, 2013 was \$80,827,107, an increase of \$3,579,984 or 4.6% compared to FY12. 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 purchase of data processing equipment.

### Cerro Gordo County's Capital Assets FYE 2013

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 1,646,392	\$ 1,646,392	\$ 62,300	\$ 62,300	\$ 1,708,692	\$ 1,708,692
Construction-in-Process	20,540	521,461	0	0	20,540	521,461
Buildings	17,470,007	17,470,007	0	0	17,470,007	17,470,007
Improvements other than Buildings	603,760	603,760	0	0	603,760	603,760
Machinery & Equipment	7,114,456	7,010,544	0	0	7,114,456	7,010,544
Vehicles	4,069,657	4,106,445	0	0	4,069,657	4,106,445
Intangibles	263,734	263,734	0	0	263,734	263,734
Infrastructure	46,869,618	42,855,837	2,706,643	2,706,643	49,576,261	45,562,480
<b>Total</b>	<b>78,058,164</b>	<b>74,478,180</b>	<b>2,768,943</b>	<b>2,768,943</b>	<b>80,827,107</b>	<b>77,247,123</b>
Less: Accumulated Depreciation	34,650,194	32,185,949	1,042,259	956,973	35,692,453	33,142,922
<b>Total</b>	<b>43,407,970</b>	<b>42,292,231</b>	<b>1,726,684</b>	<b>1,811,970</b>	<b>45,134,654</b>	<b>44,104,201</b>

For governmental activities, Cerro Gordo County had depreciation expense of \$2,802,920 and total accumulated depreciation of \$34,650,194 for the year ended June 30, 2013. For business-type activities, depreciation expense was \$85,286 and total accumulated depreciation was \$1,042,259 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, 2013, Cerro Gordo County had total long-term debt outstanding for governmental activities of \$11,856,697, a decrease of \$233,029 compared to FY12. The changes in debt resulted from capital loan note retirement of \$560,000, as well as \$4,367 of capital lease purchase agreements payments and a net \$301,410 increase in termination benefits. In the current year, the County paid \$564,368 in principal and \$427,889 in interest on outstanding debt, compared to \$9,607,704 in principal and \$804,707 in interest for FY12. Sewer revenue capital loan notes (Business-Type Activities) outstanding totaled \$536,642. This is a decrease of \$10,898 due to debt retirement. Business-Type Activities paid \$10,898 in principal and \$24,640 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 \$213 million.

**Cerro Gordo County's Outstanding Debt  
June 30, 2013**

	2013	2012
<b>Governmental Activities:</b>		
Revenue Bonds & Capital Loan Notes	\$ 10,636,750	\$ 11,196,750
Capital Lease Purchase Agreements	5,984	10,351
Drainage Warrants	20,817	14,417
Termination Benefits	373,560	72,150
Compensated Absences	819,586	796,058
<b>Total</b>	<b>\$ 11,856,697</b>	<b>\$ 12,089,726</b>
<b>Business-Type Activities:</b>		
Sewer Revenue Bonds	\$ 536,642	\$ 547,540

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 2014 fiscal year budget, tax rates, and the fees that will be charged for the various County services. One of those factors is the economy. Cerro Gordo County's unemployment rate now stands at 5.70% versus 6.40% a year ago. This compares with the State unemployment rate of 5.2% and the national rate of 7.8%

- ◆ For the budget year ending June 30, 2014, Cerro Gordo County decreased the countywide tax rate from \$6.23582 per thousand of taxable valuation to \$6.23582 and maintained the rural county tax rate at \$3.50739 per thousand of taxable valuation. The decrease in the countywide tax rate is due to a decrease in funds needed in the debt service fund.
- ◆ The tax base for Cerro Gordo County increased 3.6% over the prior year.
- ◆ The total expenditures for the FY14 budget are \$29,298,510, a decrease of \$305,716, or 1.0%, from the FY13 budget. Most of the increase is due to the increase in salary and benefits for county employees. All four of the County bargaining unit contracts expired on June 30, 2013. Three of the contracts were re-negotiated and will expire June 30, 2017; the other re-negotiated contract will expire June 30, 2016.

All these factors were considered in preparing the Cerro Gordo County budget for the June 30, 2014 fiscal year.

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

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

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# CERRO GORDO COUNTY, IOWA

## STATEMENT OF NET POSITION June 30, 2013

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Pooled Investments	\$12,288,758	\$105,639	\$12,394,397
Receivables:			
Property Tax:			
Delinquent	30,088	0	30,088
Succeeding year	16,183,565	0	16,183,565
Interest and Penalty on Property Tax	998	0	998
Accounts	368,930	0	368,930
Accrued Interest	7,088	0	7,088
Special Assessments	42,225	0	42,225
Drainage Assessments	1,669	0	1,669
Due From Other Governments	906,644	8,358	915,002
Inventories	1,037,904	0	1,037,904
Capital Assets:			
Land	1,646,392	62,300	1,708,692
Construction in Progress	20,540	0	20,540
Intangibles	263,734	0	263,734
Other Capital Assets	76,127,498	2,706,643	78,834,141
Less Accumulated Depreciation/Amortization	(34,650,194)	(1,042,259)	(35,692,453)
<b>Total Assets</b>	<b>\$74,275,839</b>	<b>\$1,840,681</b>	<b>\$76,116,520</b>
<b>LIABILITIES</b>			
Accounts Payable	\$804,749	\$1,131	\$805,880
Accrued Interest Payable	34,593	0	34,593
Salaries and Benefits Payable	466,878	0	466,878
Due to Other Governments	33,974	0	33,974
Unearned Revenue:			
Succeeding Year Property Tax	16,183,565	0	16,183,565
Long-Term Liabilities:			
Portion Due or Payable Within One Year:			
Capital Lease Purchase Agreements	4,738	0	4,738
General Obligation Bonds/Revenue Notes	570,500	11,388	581,888
Compensated Absences	819,586	0	819,586
Termination Benefits	95,040	0	95,040
Portion Due or Payable After One Year:			
Capital Lease Purchase Agreements	1,246	0	1,246
General Obligation Bonds/Revenue Notes	10,066,250	525,254	10,591,504
Drainage District Warrants Payable	20,817	0	20,817
Termination Benefits	278,520	0	278,520
Net OPEB Liability	2,035,763	0	2,035,763
<b>Total Liabilities</b>	<b>31,416,219</b>	<b>537,773</b>	<b>31,953,992</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	33,106,986	1,189,440	34,296,426
Restricted For:			
Non-Expendable:			
Strand Endowment	60,000	0	60,000
Expendable:			
Supplemental Levy Purposes	47,738	0	47,738
Mental Health Purposes	609,334	0	609,334
Secondary Roads Purposes	2,519,334	0	2,519,334
Capital Projects	933	0	933
Drainage	97,627	0	97,627
Other Purposes	1,886,626	0	1,886,626
Unrestricted	4,531,042	113,468	4,644,510
<b>Total Net Position</b>	<b>\$42,859,620</b>	<b>\$1,302,908</b>	<b>\$44,162,528</b>

See Notes to Financial Statements.

# CERRO GORDO COUNTY, IOWA

## STATEMENT OF ACTIVITIES Year Ended June 30, 2013

	Program Revenues			
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
<b>FUNCTIONS/PROGRAMS:</b>				
Governmental Activities:				
Public Safety and Legal Services	\$8,030,019	\$1,035,154	\$590,984	\$0
Physical Health and Social Services	4,932,071	363,339	2,126,748	0
Mental Health	2,371,135	26	0	0
County Environment and Education	1,152,679	80,471	17,963	0
Roads and Transportation	6,732,570	61,890	3,078,218	1,651,919
Governmental Services to Residents	1,118,470	714,053	50	0
Administration	2,924,656	181,257	41,352	0
Non-Program	204,592	173,985	0	0
Interest on Long Term Debt	426,969	0	0	0
	<u>27,893,161</u>	<u>2,610,175</u>	<u>5,855,315</u>	<u>1,651,919</u>
Business-type Activities:				
Wastewater Collection and Treatment	129,405	66,979	0	0
	<u>129,405</u>	<u>66,979</u>	<u>0</u>	<u>0</u>
<b>Total</b>	<u>\$28,022,566</u>	<u>\$2,677,154</u>	<u>\$5,855,315</u>	<u>\$1,651,919</u>

### GENERAL REVENUES:

Property and Other County Tax Levied For:

General Purposes

Debt Service

Penalty and Interest on Property Tax

State Tax Credits, Unrestricted

Local Option Sales and Service Tax

Unrestricted Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$6,403,881)	\$0	(\$6,403,881)
(2,441,984)	0	(2,441,984)
(2,371,109)	0	(2,371,109)
(1,054,245)	0	(1,054,245)
(1,940,543)	0	(1,940,543)
(404,367)	0	(404,367)
(2,702,047)	0	(2,702,047)
(30,607)	0	(30,607)
(426,969)	0	(426,969)
(17,775,752)	0	(17,775,752)
0	(62,426)	(62,426)
(\$17,775,752)	(\$62,426)	(\$17,838,178)
\$14,527,567	\$0	\$14,527,567
936,215	0	936,215
153,414	0	153,414
466,927	0	466,927
1,584,772	0	1,584,772
48,577	59	48,636
1,379,239	0	1,379,239
19,096,711	59	19,096,770
1,320,959	(62,367)	1,258,592
41,538,661	1,365,275	42,903,936
\$42,859,620	\$1,302,908	\$44,162,528

# CERRO GORDO COUNTY, IOWA

## BALANCE SHEET – GOVERNMENTAL FUNDS June 30, 2013

	Special Revenue				
	General	Mental Health	Rural Services	Secondary Roads	Public Health
<b>Assets</b>					
Cash and Pooled Investments	\$6,836,990	\$709,975	\$825,699	\$1,508,274	\$751,433
Receivables:					
Property Tax:					
Delinquent	20,328	3,703	4,280	0	0
Succeeding Year	10,984,393	1,998,039	2,273,827	0	0
Interest and Penalty on Property Tax	998	0	0	0	0
Accounts	180,217	0	0	24,633	118,700
Accrued Interest	7,018	0	0	0	0
Special Assessments	42,225	0	0	0	0
Drainage Assessments	0	0	0	0	0
Due From Other Funds	2,592	0	0	0	0
Due From Other Governments	278,944	57,484	0	390,633	86,200
Inventories	0	0	0	1,037,904	0
<b>Total Assets</b>	<b>\$18,353,705</b>	<b>\$2,769,201</b>	<b>\$3,103,806</b>	<b>\$2,961,444</b>	<b>\$956,333</b>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts Payable	\$342,924	\$145,173	\$10,918	\$179,603	\$75,033
Salaries and Benefits Payable	299,194	5,631	6,075	73,413	81,704
Due To Other Funds	0	417	0	175	2,000
Due To Other Governments	13,066	0	0	407	20,501
Compensated Absences	3,324	0	0	7,640	3,030
Unearned Revenue:					
Succeeding Year Property Tax	10,984,393	1,998,039	2,273,827	0	0
Other	99,160	52,286	1,645	0	0
<b>Total Liabilities</b>	<b>11,742,061</b>	<b>2,201,546</b>	<b>2,292,465</b>	<b>261,238</b>	<b>182,268</b>
Fund Balances:					
Nonspendable:					
Inventories	0	0	0	1,037,904	0
Trust	0	0	0	0	0
Restricted For:					
Supplemental Levy Purposes	2,007	0	0	0	0
Mental Health Purposes	0	567,655	0	0	0
Rural Services Purposes	0	0	811,341	0	0
Secondary Roads Purposes	0	0	0	1,662,302	0
Drainage Warrants	0	0	0	0	0
Conservation Land Acquisition	46,539	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	1,267,562	0	0	0	774,065
Unassigned	5,295,536	0	0	0	0
<b>Total Fund Balances</b>	<b>6,611,644</b>	<b>567,655</b>	<b>811,341</b>	<b>2,700,206</b>	<b>774,065</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$18,353,705</b>	<b>\$2,769,201</b>	<b>\$3,103,806</b>	<b>\$2,961,444</b>	<b>\$956,333</b>

See Notes To Financial Statements.

Debt Service	Capital Projects	Nonmajor	Total
\$29,131	\$933	\$1,315,651	\$11,978,086
1,777	0	0	30,088
927,306	0	0	16,183,565
0	0	0	998
0	0	11,181	334,731
0	0	70	7,088
0	0	0	42,225
0	0	1,669	1,669
0	0	0	2,592
0	0	93,383	906,644
0	0	0	1,037,904
\$958,214	\$933	\$1,421,954	\$30,525,590
\$0	\$0	\$24,133	\$777,784
0	0	861	466,878
0	0	0	2,592
0	0	0	33,974
0	0	0	13,994
927,306	0	0	16,183,565
1,326	0	1,669	156,086
928,632	0	26,663	17,634,873
0	0	0	1,037,904
0	0	60,000	60,000
0	0	0	2,007
0	0	0	567,655
0	0	0	811,341
0	0	0	1,662,302
0	0	116,775	116,775
0	0	0	46,539
0	0	123,683	123,683
29,582	0	0	29,582
0	933	0	933
0	0	1,094,833	1,094,833
0	0	0	2,041,627
0	0	0	5,295,536
29,582	933	1,395,291	12,890,717
\$958,214	\$933	\$1,421,954	\$30,525,590

# CERRO GORDO COUNTY, IOWA

## RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION June 30, 2013

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Total Governmental Fund Balances (page 25) \$12,890,717

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of assets is \$78,058,164 and the accumulated depreciation/amortization is \$34,650,194. 43,407,970

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

Property Taxes – General Purposes	20,317	
Property Taxes – Debt Service	1,326	
Reimbursements	90,549	
Drainage Assessments/Special Assessments	<u>43,894</u>	156,086

The Internal Service Funds are used by management to charge the costs of the partial self funding of the County's health insurance benefit plan and the costs of centralized service operations for telephone service and property insurance to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position. 317,906

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. (13,913,059)

**Net position of governmental activities (page 21) \$42,859,620**

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, 2013

	Special Revenue				
	General	Mental Health	Rural Services	Secondary Roads	Public Health
<b>REVENUES:</b>					
Property and Other County Tax	\$10,036,312	\$2,218,973	\$2,279,997	\$0	\$0
Local Option Sales Tax	158,477	0	0	871,625	0
Interest and Penalty on Property Tax	153,414	0	0	0	0
Intergovernmental	2,454,314	67,453	70,231	3,126,789	1,380,746
Licenses and Permits	15,600	0	0	8,620	96,492
Charges For Service	1,011,870	26	0	0	266,847
Use of Money and Property	248,784	0	0	200	0
Fines, Forfeitures and Defaults	0	0	0	0	0
Miscellaneous	605,406	190,901	3,448	70,986	344,812
<b>Total Revenues</b>	<b>14,684,177</b>	<b>2,477,353</b>	<b>2,353,676</b>	<b>4,078,220</b>	<b>2,088,897</b>
<b>EXPENDITURES:</b>					
Operating:					
Public Safety and Legal Services	7,416,574	0	6,221	0	0
Physical Health and Social Services	1,268,280	0	0	0	3,519,483
Mental Health	0	2,361,533	0	0	0
County Environment and Education	672,765	0	201,556	0	0
Roads and Transportation	0	0	230,664	4,186,827	0
Governmental Services to Residents	1,044,741	0	1,768	0	0
Administration	2,536,061	0	0	0	0
Non-Program	0	0	0	0	0
Debt Service	5,087	0	0	0	0
Capital Projects	0	0	0	1,850,331	0
<b>Total Expenditures</b>	<b>12,943,508</b>	<b>2,361,533</b>	<b>440,209</b>	<b>6,037,158</b>	<b>3,519,483</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,740,669	115,820	1,913,467	(1,958,938)	(1,430,586)
Other Financing Sources (Uses):					
Sale of Capital Assets	20,600	0	0	3,450	216
Drainage Warrants Issued	0	0	0	0	0
Transfers In	3,000	0	0	1,850,000	1,499,612
Transfers Out	(1,499,612)	0	(1,850,000)	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(1,476,012)</b>	<b>0</b>	<b>(1,850,000)</b>	<b>1,853,450</b>	<b>1,499,828</b>
Change in Fund Balances	264,657	115,820	63,467	(105,488)	69,242
Fund Balances Beginning of Year	6,346,987	451,835	747,874	2,981,656	704,823
Decrease in Reserve For:					
Inventories	0	0	0	(175,962)	0
<b>Fund Balances End of Year</b>	<b>\$6,611,644</b>	<b>\$567,655</b>	<b>\$811,341</b>	<b>\$2,700,206</b>	<b>\$774,065</b>

See Notes To Financial Statements.

Debt Service	Capital Projects	Nonmajor	Total
\$936,972	\$0	\$0	\$15,472,254
0	0	554,670	1,584,772
0	0	0	153,414
27,456	0	17,901	7,144,890
0	0	0	120,712
0	0	26,005	1,304,748
166	0	1,076	250,226
0	0	28,993	28,993
0	0	68,905	1,284,458
964,594	0	697,550	27,344,467
0	0	154,342	7,577,137
0	0	57,401	4,845,164
0	0	0	2,361,533
0	0	232,414	1,106,735
0	0	0	4,417,491
0	0	2,385	1,048,894
0	0	44,150	2,580,211
0	0	27,405	27,405
962,648	0	24,522	992,257
0	0	0	1,850,331
962,648	0	542,619	26,807,158
1,946	0	154,931	537,309
0	0	0	24,266
0	0	10,851	10,851
0	0	0	3,352,612
0	0	(3,000)	(3,352,612)
0	0	7,851	35,117
1,946	0	162,782	572,426
27,636	933	1,232,509	12,494,253
0	0	0	(175,962)
\$29,582	\$933	\$1,395,291	\$12,890,717

# 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, 2013

<b>Net change in fund balances - Total governmental funds (page 28)</b>		<b>\$572,426</b>
<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>		
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	\$2,304,895	
Capital Assets Contributed by Others	1,651,918	
Depreciation/Amortization Expense	<u>(2,802,920)</u>	1,153,893
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.		(38,154)
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	(8,472)	
Other	<u>58,982</u>	50,510
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year debt repayments exceeded issuances as follows:		
Drainage Warrants Issued	(10,851)	
Principal Payments	560,000	
Lease Payments	4,367	
Drainage Warrants Payments	<u>4,451</u>	557,967
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	(9,534)	
Other Postemployment Benefits/Termination Benefits	(781,705)	
Interest on Long-Term Debt	<u>921</u>	(790,318)
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.		(175,962)
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 Position of the Internal Service Funds are reported with governmental activities.		(9,403)
<b>Change in net position of governmental activities (page 23)</b>		<u><u>\$1,320,959</u></u>

See Notes to Financial Statements.

# CERRO GORDO COUNTY, IOWA

## STATEMENT OF NET POSITION – PROPRIETARY FUNDS June 30, 2013

	Enterprise			Internal Service
	Meservey Wastewater Collection & Treatment Facility	Swaledale Wastewater Collection & Treatment Facility	Totals	
<b>ASSETS</b>				
Current Assets:				
Cash	\$39,457	\$66,182	\$105,639	\$310,672
Receivables:				
Accounts	0	0	0	34,199
Due From Other Governments	3,348	5,010	8,358	0
Total Current Assets	42,805	71,192	113,997	344,871
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	(488,050)	(554,209)	(1,042,259)	0
Total Non-Current Assets	1,091,476	635,208	1,726,684	0
<b>Total Assets</b>	<b>\$1,134,281</b>	<b>\$706,400</b>	<b>\$1,840,681</b>	<b>\$344,871</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	\$529	\$602	\$1,131	\$26,965
Note Payable:				
Portion Due Within One Year:				
Note Payable	5,745	5,643	11,388	0
Total Current Liabilities	6,274	6,245	12,519	26,965
Non-Current Liabilities:				
Portion Due After One Year:				
Note Payable	311,503	213,751	525,254	0
<b>Total Liabilities</b>	<b>317,777</b>	<b>219,996</b>	<b>537,773</b>	<b>26,965</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	774,228	415,212	1,189,440	0
Unrestricted	42,276	71,192	113,468	317,906
	\$816,504	\$486,404	\$1,302,908	\$317,906

See Notes To Financial Statements.

# CERRO GORDO COUNTY, IOWA

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION – PROPRIETARY FUNDS Year Ended June 30, 2013

	Enterprise		Totals	Internal Service
	Meservey Wastewater Collection & Treatment Facility	Swaledale Wastewater Collection & Treatment Facility		
<b>OPERATING REVENUES:</b>				
Interfund Services Provided	\$0	\$0	\$0	\$2,765,532
Employee Payments	0	0	0	192,912
Miscellaneous	36,259	30,720	66,979	231,335
<b>Total Operating Revenues</b>	<b>36,259</b>	<b>30,720</b>	<b>66,979</b>	<b>3,189,779</b>
<b>OPERATING EXPENSES:</b>				
Waste Water Treatment Facility:				
Depreciation	48,805	36,481	85,286	0
Miscellaneous	7,965	11,514	19,479	0
Health Insurance:				
Medical Claims	0	0	0	246,000
Insurance Premiums	0	0	0	2,542,661
Administrative Fees	0	0	0	53,301
Miscellaneous	0	0	0	9,374
Central Services:				
Telephone	0	0	0	32,493
Insurance	0	0	0	315,440
<b>Total Operating Expenses</b>	<b>56,770</b>	<b>47,995</b>	<b>104,765</b>	<b>3,199,269</b>
Operating Loss	(20,511)	(17,275)	(37,786)	(9,490)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest Income	24	35	59	87
Interest Expense	(14,524)	(10,116)	(24,640)	0
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(14,500)</b>	<b>(10,081)</b>	<b>(24,581)</b>	<b>87</b>
Net Loss	(35,011)	(27,356)	(62,367)	(9,403)
Net Position Beginning of Year	851,515	513,760	1,365,275	327,309
Net Position End of Year	\$816,504	\$486,404	\$1,302,908	\$317,906

See Notes To Financial Statements.

# CERRO GORDO COUNTY, IOWA

## STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS Year Ended June 30, 2013

	Enterprise		Totals	Internal Service
	Meservey Wastewater Collection & Treatment Facility	Swaledale Wastewater Collection & Treatment Facility		
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash Received from Customers	\$36,059	\$31,080	\$67,139	\$0
Cash Received from Operating Funds	0	0	0	2,765,143
Cash Received from Employees and Other	0	0	0	392,117
Cash Paid to Suppliers for Services	(8,918)	(11,573)	(20,491)	(3,173,102)
Net Cash Provided by (Used in) Operating Activities	27,141	19,507	46,648	(15,842)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest Income	23	35	58	87
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Interest Expense	(14,524)	(10,116)	(24,640)	0
Note Payments	(5,498)	(5,400)	(10,898)	0
Net Cash Used in Capital and Related Financing Activities	(20,022)	(15,516)	(35,538)	0
Net Increase (Decrease) in Cash	7,142	4,026	11,168	(15,755)
Cash – Beginning of Year	32,315	62,156	94,471	326,427
Cash – End of Year	\$39,457	\$66,182	\$105,639	\$310,672
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>				
Operating Loss	(\$20,511)	(\$17,275)	(\$37,786)	(\$9,490)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities:				
Depreciation	48,805	36,481	85,286	0
(Increase) Decrease in Receivables	(200)	360	160	(32,519)
Increase (Decrease) in Payables	(953)	(59)	(1,012)	26,167
Net Cash Provided by (Used In) Operating Activities	\$27,141	\$19,507	\$46,648	(\$15,842)

See Notes To Financial Statements.

# CERRO GORDO COUNTY, IOWA

## STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES – AGENCY FUNDS June 30, 2013

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### ASSETS

Cash and Pooled Investments:	
County Treasurer	\$3,270,220
Other County Officials	256,192
Receivables:	
Property Tax:	
Delinquent	20,401
Succeeding Year	50,758,176
Accounts	3,022
Assessments	877,562
Due From Other Governments	515,546
<b>Total Assets</b>	<u>\$55,701,119</u>

### LIABILITIES

Accounts Payable	\$704,977
Salaries and Benefits Payable	20,849
Due To Other Governments	54,571,757
Trusts Payable	386,818
Compensated Absences	16,718
<b>Total Liabilities</b>	<u>\$55,701,119</u>

### NET POSITION

\$0

See Notes To Financial Statements.

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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### Note 1: Summary of Significant Accounting Policies

Cerro Gordo County is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Treasurer, Recorder, Sheriff, and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance, general administrative services, and drainage district services.

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

#### A. REPORTING ENTITY

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

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

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

One hundred and sixty-one drainage districts have been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from agricultural and other lands or the protection of such lands from overflow. Although these districts are legally separate from the County, they are controlled, managed and supervised by the Cerro Gordo County Board of Supervisors. The 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 Position (previously referred to as 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 Position presents the County's nonfiduciary assets and liabilities, with the difference reported as net position. Net position is reported in the following categories.

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

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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

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

*Unrestricted net position* consists of net position not meeting the definition of the two preceding categories. Unrestricted net position often has 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 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 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 other revenues to provide services which are primarily intended to benefit those persons residing in the county outside of incorporated city areas.

The Secondary Roads Fund is utilized to account for the road use tax allocation from the State of Iowa, required transfers from the General and the Special Revenue, Rural Services Fund and other revenues to be used 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 property tax and other revenues to be used for the payment of interest and principal on the County's general long-term debt.

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

Additionally, the County reports the following 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.

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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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
- City Assessor
- 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
- E-911 Operations
- Advance Law Enforcement Investigative and Administration System
- Precinct Atlas
- Recorder's Transfer Fee
- Pass-Through Projects
- Empowerment
- Employee Benefits

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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

#### C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within sixty days after year end.

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

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

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position 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. Investments are stated at fair value except for investments in non-negotiable certificates of deposit which are stated at cost.

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

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2013

### 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, 2011 assessed property valuations; is for the tax accrual period July 1, 2012 through June 30, 2013 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2012.

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, 2013, balances of interfund amounts receivable or payable have been recorded in the financial statements.

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

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

Capital Assets – Capital assets, which include property, equipment and vehicles, intangibles and infrastructure assets acquired after July 1, 1980 (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the County), are reported in the applicable governmental and business-type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost 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.

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

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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

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

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

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

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

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

Unearned revenue on the Statement of Net Position 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 or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2013. 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 Position. 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.

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2013

### 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. In a resolution dated June 2011, the Board of Supervisors designed the County Auditor to make such determinations.

Unassigned – All amounts not included in other classifications.

Net Position – The Net Position of the Internal Service, Employee Group Health Fund is designated for anticipated future catastrophic losses of the County.

### E. BUDGETS AND BUDGETARY ACCOUNTING

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2013, disbursements did not exceed amounts budgeted.

### Note 2: Cash and Pooled Investments

The County's deposits in banks at June 30, 2013 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.

Interest Rate Risk – The County's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the County.

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

The detail of inter-fund receivables and payables at June 30, 2013, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Special Revenue:	
	Mental Health	\$417
	Secondary Roads	175
	Public Health	<u>2,000</u>
Total		<u>\$2,592</u>

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

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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### Note 4: Inter-fund Transfers

The detail of inter-fund transfers for the year ended June 30, 2013 is as follows:

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount</u>
General Basic	Special Revenue: Rural County Betterment	\$3,000
Special Revenue: Secondary Roads	Special Revenue: Rural Services	1,850,000
Public Health	General Basic	1,499,612
Total		<u>\$3,352,612</u>

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

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2013

### Note 5: Capital Assets

Capital assets activity for the year ended June 30, 2013 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
<b>Governmental Activities:</b>				
Capital assets not being depreciated/amortized:				
Land	\$1,646,392	\$0	\$0	\$1,646,392
Construction in progress	521,461	3,512,860	4,013,781	20,540
Total capital assets not being depreciated/amortized	2,167,853	3,512,860	4,013,781	1,666,932
Capital assets being depreciated/amortized:				
Buildings	17,470,007	0	0	17,470,007
Improvements other than buildings	603,760	0	0	603,760
Machinery and equipment	7,010,544	322,534	218,622	7,114,456
Vehicles	4,106,445	121,419	158,207	4,069,657
Intangibles	263,734	0	0	263,734
Infrastructure	42,855,837	4,013,781	0	46,869,618
Total capital assets being depreciated/amortized	72,310,327	4,457,734	376,829	76,391,232
Less accumulated depreciation/amortization for:				
Buildings	3,473,909	336,249	0	3,810,158
Improvements other than buildings	455,098	9,301	0	464,399
Machinery and equipment	5,839,058	288,066	209,232	5,917,892
Vehicles	2,827,198	271,819	129,443	2,969,574
Intangibles	175,822	87,911	0	263,733
Infrastructure, road network	19,414,864	1,809,574	0	21,224,438
Total accumulated depreciation/amortization	32,185,949	2,802,920	338,675	34,650,194
Total capital assets being depreciated/amortized, net	40,124,378	1,654,814	38,154	41,741,038
Governmental activities capital assets, net	\$42,292,231	\$5,167,674	\$4,051,935	\$43,407,970

Depreciation/amortization expense was charged to the following functions:

Governmental Activities:

Public safety and legal services	\$361,524
Physical health and social services	24,213
Mental health	2,256
County environment and education	48,687
Roads and transportation	2,164,791
Governmental services to residents	40,977
Administration	160,472

Total depreciation/amortization expense – governmental activities

\$2,802,920

Capital asset activity of the Enterprise Funds for the year ended June 30, 2013 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	956,973	85,286	0	1,042,259
Total capital assets being depreciated, net	1,749,670	(85,286)	0	1,664,384
Business-type activities capital assets, net	\$1,811,970	(\$85,286)	\$0	\$1,726,684

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2013

### 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 at June 30, 2013 is as follows:

Fund	Description	Amount
General	Services	\$13,066
Special Revenue:		
Secondary Roads		407
Public Health		20,501
Total Governmental Funds		<u>\$33,974</u>
Agency:	Collections	
County Assessor		\$1,237,343
City Assessor		749,683
Schools		25,503,963
Community Colleges		1,485,261
Corporations		21,708,701
City Special Assessments		859,962
Auto License and Use Tax		941,517
Clear Lake Sanitary		868,334
E911 Operations		467,612
All Others		749,381
Total for Agency Funds		<u>\$54,571,757</u>

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

A summary of changes in long-term liabilities for the year ended June 30, 2013, is as follows:

Governmental Activities	Capital Loan		
	Notes & Revenue Bonds	Lease Obligations	Compensated Absences
Balance – Beginning of Year	\$11,196,750	\$10,351	\$796,058
Increases	0	0	819,586
Decreases	560,000	4,367	796,058
Balance – End of Year	<u>\$10,636,750</u>	<u>\$5,984</u>	<u>\$819,586</u>
Due within one year	<u>\$570,500</u>	<u>\$4,738</u>	<u>\$819,586</u>

	Termination Benefits	Drainage Warrants	Total
	Balance – Beginning of Year	\$72,150	\$14,417
Increases	355,210	10,851	1,185,647
Decreases	53,800	4,451	1,418,676
Balance – End of Year	<u>\$373,560</u>	<u>\$20,817</u>	<u>\$11,856,697</u>
Due within one year	<u>\$95,040</u>	<u>\$0</u>	<u>\$1,489,864</u>

Business Type Activities	Sewer Revenue Capital Loan Notes
	Balance – Beginning of Year
Increases	0
Decreases	10,898
Balance – End of Year	<u>\$536,642</u>
Due within one year	<u>\$11,388</u>

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2013

### Note 8: Capital Lease 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, 2013 for Equipment:

Year Ending June 30,	Postage Machine
2014	\$5,087
2015	1,272
Total Minimum Lease Payments	6,359
Less: Amount Representing Interest	375
Present Value of Net Minimum Lease Payments	<u>\$5,984</u>

Payments under capital lease purchase agreements for year ended June 30, 2013, totaled \$5,087.

### 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. During the year ended June 30, 2012, the County refunded the \$9,000,000 outstanding balance of the \$9,000,000 General Obligation Capital Loan Notes issuance with the issuance of \$9,365,000 General Obligation 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:

Year Ending June 30,	2012A \$9,365,000 Issue			2010A \$2,000,000 Issue		
	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest
2014	2.00%	\$0	\$392,248	2.00%	\$550,000	\$18,600
2015	2.00%	0	392,248	2.00%	380,000	7,600
2016	2.00%	770,000	205,228		0	0
2017	2.00%	785,000	189,827		0	0
2018	2.00%	800,000	174,128		0	0
2019-2023	2.00%-2.25%	4,235,000	623,672		0	0
2024-2026	2.40%-2.65%	2,775,000	144,300		0	0
		<u>\$9,365,000</u>	<u>\$2,121,651</u>		<u>\$930,000</u>	<u>\$26,200</u>

During the year ended June 30, 2009, the County issued \$885,000 of Local Option Sales and Service Tax Revenue Bonds. The purpose of the bonds was for paying the County's share of the Clear Lake Dredging and Restoration Project, a rural County betterment project for the County of Cerro Gordo. The funds were to be advanced as needed for the project. As of June 30, 2009, \$300,000 had been advanced to the County. During the year ended June 30, 2010, an additional \$ 168,750 was advanced to the County. Interest payments are due semiannually, commencing December 1, 2008 and principal payments are due annually commencing June 1, 2009, maturing June 1, 2028. Payments made during fiscal year 2013 totaled \$ 20,000. Details of the outstanding bonds are as follows:

Year Ending June 30,	2008 \$885,000 Issue		
	Interest Rate	Principal	Interest
2014	1.25%	\$20,500	\$4,272
2015	1.25%	21,000	4,016
2016	1.25%	21,500	3,753
2017	1.25%	21,500	3,484
2018	1.25%	22,000	3,216
2019-2023	1.25%	114,000	11,897
2024-2028	1.25%	121,250	4,578
		<u>\$341,750</u>	<u>\$35,216</u>

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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### **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, 2013, the County has obligations to twelve participants with a total liability of \$373,560. Retirement benefits expenses for thirteen retirees for the year ended June 30, 2013 totaled \$53,800 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.

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2013

### 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
2014	\$5,643	\$9,873	\$15,516
2015	5,897	9,619	15,516
2016	6,163	9,353	15,516
2017	6,440	9,076	15,516
2018	6,730	8,786	15,516
2019-2023	38,473	39,107	77,580
2024-2028	47,944	29,636	77,580
2029-2033	59,748	17,832	77,580
2034-2036	42,356	3,853	46,209
	<u>\$219,394</u>	<u>\$137,135</u>	<u>\$356,529</u>

The County has also issued \$59,100, \$253,200 and \$49,000 in sewer revenue capital loan notes to fund the costs of improvements and extensions to the County's Sanitary Sewer Utility including construction of a sanitary sewer collection and treatment facility for users in the City of Meservey. The notes and interest are payable solely from the net earnings of the system and do not represent general obligations of the County. Interest payments on the capital loan notes began on July 1, 2003. The capital loan notes have an interest rate of 4.5% with final payment due by July 1, 2044. Details of the sewer revenue capital loan notes are as follows:

Year Ending June 30,	\$59,100 Note		\$253,200 Note		\$49,000 Note		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
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	1,091	2,184	4,672	9,358	794	1,922	6,557	13,464
2018	1,140	2,135	4,882	9,148	829	1,887	6,851	13,170
2019-2023	6,517	9,858	27,908	42,242	4,741	8,839	39,166	60,939
2024-2028	8,121	8,254	34,779	35,371	5,908	7,672	48,808	51,297
2029-2033	10,120	6,255	43,340	26,809	7,362	6,218	60,822	39,282
2034-2038	12,611	3,765	54,010	16,140	9,175	4,405	75,796	24,310
2039-2043	8,938	813	38,375	3,495	11,434	2,146	58,747	6,454
2044	0	0	0	0	2,479	111	2,479	111
	<u>\$51,537</u>	<u>\$40,090</u>	<u>\$220,808</u>	<u>\$171,811</u>	<u>\$44,903</u>	<u>\$39,167</u>	<u>\$317,248</u>	<u>\$251,068</u>

### Note 13: Pension and Retirement Benefits

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

Most regular plan members are required to contribute 5.78% of their annual covered salary and the County is required to contribute 8.67% 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, 2013, 2012 and 2011 were \$1,008,833, \$958,435 and \$834,867 respectively, equal to the required contributions for each year.

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS June 30, 2013

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

**Plan Description.** The County operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees, retirees and their spouses. There are 244 active and 17 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 (ARC) of the County, 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 following table shows the components of the County's annual OPEB cost for June 30, 2013, the amount actually contributed to the plan and the changes in the County's net OPEB obligation:

Annual required contribution	\$555,143
Interest on net OPEB obligation	34,547
Adjustment to annual required contribution	<u>(64,412)</u>
Annual OPEB cost (expense)	525,278
Contributions made	<u>(44,983)</u>
Increase in net OPEB obligation	480,295
Net OPEB obligation - beginning of the year	<u>1,555,468</u>
Net OPEB obligation – end of the year	<u>\$2,035,763</u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the plan's actual contributions for the year ended June 30, 2013. For the year ended June 30, 2013, the County contributed \$ 44,983 to the medical plan. Plan members receiving benefits contributed \$89,966, or 66.67% 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, 2011	\$516,767	2.05%	\$1,020,198
June 30, 2012	\$547,333	2.20%	\$1,555,468
June 30, 2013	\$525,278	8.56%	\$2,035,763

**Funded Status and Funding Progress.** As of July 1, 2012, the most recent actuarial valuation date for the period July 1, 2012 through June 30, 2013, the actuarial accrued liability was \$4,301,935, with no actuarial value of assets, resulting in an unfunded actuarial liability (UAAL) of \$4,301,935. The covered payroll (annual payroll of active employees covered by the plan) was \$9,959,453, and the ratio of the UAAL to the covered payroll was 43.19%. As of June 30, 2013, there were no trust fund assets. The General Fund and the Special Revenue Secondary Roads Fund will be used to liquidate the net pension obligation.

**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.

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations.

As of the July 1, 2012 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%. An inflation rate of 0% is assumed for the purpose of this computation.

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 \$1,639 per month for retirees. 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 679 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 at a level determined by the Board not to exceed 300 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, 2013 were \$202,836.

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 \$15,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location, with excess coverage reinsured by Lexington 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, 2013, no liability has been recorded in the County's financial statements. As of June 30, 2013, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS June 30, 2013

### 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 the amount of capital distributions previously received by the withdrawing member and 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, 2013 was \$ 2,415,446.

Amounts payable from the Health Insurance Fund at June 30, 2013 total \$25,000 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 \$253,124 at June 30, 2013 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
2009-2010	\$0	\$247,000	\$247,000	\$0
2010-2011	\$0	\$245,000	\$245,000	\$0
2011-2012	\$0	\$230,220	\$230,220	\$0
2012-2013	\$0	\$271,000	\$246,000	\$25,000

### 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, 2013, the County did not anticipate any additional assessments for closure and postclosure care costs.

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS June 30, 2013

### 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.

The County has entered into a contract with Heartland Asphalt totaling \$1,989,411 for Roadway Projects. As of June 30, 2013, costs of \$20,540 have been incurred. The balance of \$1,968,871 remaining on the contract will be paid as work on the project progresses.

### Note 20: Early Childhood Iowa Area Board

Cerro Gordo County is the fiscal agent for the Cerro Gordo, Hancock, Worth Empowerment Board, an organization formed pursuant to the provisions of Chapter 256I of the Code of Iowa. The Area Board receives state grants to administer early childhood and school ready programs. Financial transactions of the Area Board are included in the County's financial statements because of the County's fiduciary relationship with the organization. The Area Board's financial data for the year ended June 30, 2013 is as follows:

	Early Childhood	School Ready	Total
<b>Revenues:</b>			
State Grants:			
Early Childhood	\$84,524	\$0	\$84,524
Family Support and Parent Education	0	278,219	278,219
Preschool Support for Low-Income Families	0	122,158	122,158
Quality Improvement	0	49,787	49,787
Allocation for Administration	4,432	14,840	19,272
Other Grant Programs	0	29,979	29,979
Total State Grants	88,956	494,983	583,939
Interest on Investments	13	97	110
Total Revenues	88,969	495,080	584,049
<b>Expenditures:</b>			
Program Services:			
Early Childhood	30,524	0	30,524
Family Support and Parent Education	0	282,569	282,569
Preschool Support for Low-Income Families	0	116,761	116,761
Quality Improvement	0	48,676	48,676
Other Program Services	45,211	10,301	55,512
Total Program Services	75,735	458,307	534,042
Administration	4,498	14,981	19,479
Total Expenditures	80,233	473,288	553,521
Net Change in Fund Balance	8,736	21,792	30,528
Fund Balance Beginning of Year	10,084	102,925	113,009
Fund Balance End of Year	\$18,820	\$124,717	\$143,537

# CERRO GORDO COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

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## **Note 21: Subsequent Events**

Management has evaluated subsequent events through December 18, 2013, the date which the financial statements were available to be issued.

**Required Supplementary Information**

# CERRO GORDO COUNTY, IOWA

## BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN BALANCE – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS Year Ended June 30, 2013

	Actual	Less Funds Not Required To Be Budgeted	Net
<b>REVENUES:</b>			
Property and Other County Tax	\$17,057,026	\$0	\$17,057,026
Interest and Penalty on Property Tax	153,414	0	153,414
Intergovernmental	7,144,890	0	7,144,890
Licenses and Permits	120,712	0	120,712
Charges for Service	1,304,748	16,287	1,288,461
Use of Money and Property	250,226	27	250,199
Miscellaneous	1,313,667	0	1,313,667
<b>Total Revenues</b>	<b>27,344,683</b>	<b>16,314</b>	<b>27,328,369</b>
<b>EXPENDITURES:</b>			
Public Safety and Legal Services	7,577,137	0	7,577,137
Physical Health and Social Services	4,845,164	0	4,845,164
Mental Health	2,361,533	0	2,361,533
County Environment and Education	1,106,735	0	1,106,735
Roads and Transportation	4,593,453	0	4,593,453
Governmental Services to Residents	1,048,894	0	1,048,894
Administration	2,580,211	0	2,580,211
Non-Program	27,405	27,405	0
Debt Service	992,257	0	992,257
Capital Projects	1,850,331	0	1,850,331
<b>Total Expenditures</b>	<b>26,983,120</b>	<b>27,405</b>	<b>26,955,715</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	361,563	(11,091)	372,654
Other Financing Sources, Net	34,901	10,851	24,050
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	396,464	(240)	396,704
Balance Beginning of Year	12,494,253	117,015	12,377,238
Balance End of Year	\$12,890,717	\$116,775	\$12,773,942

See Accompanying Independent Auditor's Report.

Budgeted Amounts		Final to Net Variance - Positive (Negative)
Original	Final	
\$17,156,835	\$17,034,639	\$22,387
200,000	200,000	(46,586)
8,429,597	8,183,313	(1,038,423)
1,500	12,500	108,212
966,175	1,017,337	271,124
319,159	339,159	(88,960)
1,318,687	1,856,170	(542,503)
28,391,953	28,643,118	(1,314,749)
7,952,672	8,025,425	448,288
5,471,986	5,204,140	358,976
2,439,186	2,460,686	99,153
1,286,622	1,282,622	175,887
5,367,972	5,367,972	774,519
1,146,761	1,163,761	114,867
2,826,769	2,909,710	329,499
0	0	0
992,258	992,258	1
2,120,000	2,420,000	569,669
29,604,226	29,826,574	2,870,859
(1,212,273)	(1,183,456)	1,556,110
10,000	10,216	13,834
(1,202,273)	(1,173,240)	1,569,944
12,403,547	12,403,547	(26,309)
\$11,201,274	\$11,230,307	\$1,543,635

# CERRO GORDO COUNTY, IOWA

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING June 30, 2013

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In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the modified accrual basis following required public notice and hearing for all funds, except blended component units, drainage districts, the Internal Service Funds 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, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the general fund, special revenue funds, debt service fund and capital projects funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year, a budget amendment increased budgeted revenues and expenditures by \$251,165 and \$222,348 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, 2013, disbursements did not exceed the amounts budgeted.

# 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%
2012	July 1, 2010	\$0	\$4,743	\$4,743	0%	\$10,446	45.4%
2013	July 1, 2012	\$0	\$4,302	\$4,302	0%	\$9,959	43.2%

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 Auditor's Report.

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**Supplementary Information**

# CERRO GORDO COUNTY, IOWA

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GENERAL FUND Year ended June 30, 2013

### REVENUES:

Property and Other County Tax:		
Property Tax	\$9,653,680	
Local Option Sales Tax	158,477	
Utility Tax Replacement Excise Tax	375,505	
Other County Tax	<u>7,127</u>	\$10,194,789
Interest and Penalty on Property Tax		153,414
Intergovernmental:		
State Shared Revenues		16,557
State Tax Credits		304,914
State and Federal Pass-Thru Revenues:		
Child Support Recovery Incentives	434,899	
Human Services Administration Reimbursement	141,002	
Other	<u>737,047</u>	1,312,948
Contributions From Other Intergovernmental Units		720,594
State Grants and Entitlements		62,814
Federal Grants and Entitlements		36,487
Licenses and Permits		15,600
Charges for Service:		
Office Fees and Collections:		
County Auditor	2,667	
County Recorder	323,888	
County Sheriff	123,958	
Auto License, Use Tax and Postage	385,929	
Miscellaneous	<u>175,428</u>	1,011,870
Use of Money and Property:		
Interest on Investments	47,360	
Miscellaneous	<u>201,424</u>	248,784
Miscellaneous:		
Reimbursements	316,384	
Assessments	23,176	
Miscellaneous	<u>265,846</u>	605,406
<b>Total Revenues</b>		<u>14,684,177</u>

(Continued)

# CERRO GORDO COUNTY, IOWA

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GENERAL FUND Year Ended June 30, 2013

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### EXPENDITURES:

#### Operating:

Public Safety and Legal Services		\$7,416,574
Physical Health and Social Services		1,268,280
County Environment and Education		672,765
Governmental Services to Residents		1,044,741
Administration		2,536,061
Debt Service		5,087
<b>Total Expenditures</b>		<u>12,943,508</u>

Excess of Revenues Over Expenditures 1,740,669

#### Other Financing Sources (Uses):

Sale of Capital Assets	20,600	
Transfers In:		
Rural County Betterment	3,000	
Transfers Out:		
Public Health	<u>(1,499,612)</u>	(1,476,012)

Excess of Revenues and Other Financing Sources Over  
Expenditures and Other Financing Uses 264,657

Fund Balance Beginning of Year 6,346,987

Fund Balance End of Year \$6,611,644

See Accompanying Independent Auditor's Report.

# CERRO GORDO COUNTY, IOWA

## SCHEDULE OF EXPENDITURES -- GENERAL FUND Year Ended June 30, 2013

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### Public Safety and Legal Services:

#### Law Enforcement:

Uniformed Patrol Services	\$1,488,914
Law Enforcement Communications	943,318
Adult Correctional Services	2,511,546
Administration	642,498
	<hr/>
	5,586,276

#### Legal Services:

Criminal Prosecution	925,249
Medical Examinations	141,452
Child Support Recovery	449,554
	<hr/>
	1,516,255

#### Emergency Services:

Emergency Management	42,286
Fire Protection and Rescue Services	21,000
	<hr/>
	63,286

#### Assistance to District Court System:

Physical Operations	1,960
Research and Other Assistance	250
	<hr/>
	2,210

#### Court Proceeding Program:

Juries and Witnesses	30,576
Detention Services	17,207
Court Costs	9,888
Service of Civil Papers	140,098
	<hr/>
	197,769

#### Juvenile Justice Administration:

Juvenile Victim Restitution	40,029
Juvenile Representation Services	931
Court-Appointed Attorneys and Court Costs for Juveniles	9,818
	<hr/>
	50,778

### Total Public Safety and Legal Services

\$7,416,574

(Continued)

# CERRO GORDO COUNTY, IOWA

## SCHEDULE OF EXPENDITURES – GENERAL FUND Year Ended June 30, 2013

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### Physical Health and Social Services:

#### Services to the Poor:

Administration	\$289,120
General Welfare Services	14,422
	<u>303,542</u>

#### Services to Military Veterans:

Administration	123,226
General Services to Veterans	17,863
	<u>141,089</u>

#### Children's and Family Services:

Youth Guidance	<u>151,934</u>
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#### Services to Other Adults:

Other Social Services	<u>636,605</u>
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#### Chemical Dependency:

Treatment Services	24,538
Preventive Services	10,572
	<u>35,110</u>

### Total Physical Health and Social Services

\$1,268,280

### County Environment and Education:

#### Conservation and Recreation Services:

Administration	\$444,266
Maintenance and Operations	142,025
	<u>586,291</u>

#### Animal Control :

Animal Shelter	<u>15,675</u>
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#### County Development:

Land Use and Building Controls	<u>70,799</u>
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### Total County Environment and Education

\$672,765

(Continued)

# CERRO GORDO COUNTY, IOWA

## SCHEDULE OF EXPENDITURES – GENERAL FUND Year Ended June 30, 2013

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### Governmental Services to Residents:

#### Representation Services:

Elections Administration

\$341,011

#### State Administrative Services:

Motor Vehicle Registrations and Licensing

349,632

Recording of Public Documents

354,098

703,730

#### **Total Governmental Services to Residents**

**\$1,044,741**

### Administration:

#### Policy and Administration:

General County Management

\$398,226

Administrative Management Services

499,404

Treasury Management Services

188,693

Other Policy and Administration

54,607

1,140,930

#### Central Services:

General Services

519,152

Data Processing

736,276

1,255,428

#### Risk Management Services:

Safety of Workplace

114,619

Fidelity of Public Officers

3,727

Unemployment Compensation

21,357

139,703

#### **Total Administration**

**\$2,536,061**

### Debt Service:

Principal

\$4,367

Interest

720

**\$5,087**

#### **Total Expenditures**

**\$12,943,508**

(Concluded)

See Accompanying Independent Auditor's Report.

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# CERRO GORDO COUNTY, IOWA

## COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

June 30, 2013

	Resource Enhancement and Protection	Recorder's Records Management	General County Betterment	Nature Center	Supplemental Environmental Project
<b>ASSETS</b>					
Cash and Pooled Investments	\$128,937	\$39,873	\$22,751	\$401,252	\$4,334
Receivables:					
Accounts	0	2,368	0	7,413	0
Accrued Interest	0	4	0	66	0
Drainage Assessments	0	0	0	0	0
Due From Other Governments	0	0	13,340	0	0
<b>Total Assets</b>	<b>\$128,937</b>	<b>\$42,245</b>	<b>\$36,091</b>	<b>\$408,731</b>	<b>\$4,334</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$0	\$0	\$0	\$2,153	\$0
Salaries and Benefits Payable	0	0	0	861	0
Unearned Revenue	0	0	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,014</b>	<b>0</b>
Fund Balances:					
Nonspendable	0	0	0	0	0
Restricted for:					
Drainage Warrants	0	0	0	0	0
Nature Center Endowment	0	0	0	123,683	0
Other Purposes	128,937	42,245	36,091	282,034	4,334
<b>Total Fund Balances</b>	<b>128,937</b>	<b>42,245</b>	<b>36,091</b>	<b>405,717</b>	<b>4,334</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$128,937</b>	<b>\$42,245</b>	<b>\$36,091</b>	<b>\$408,731</b>	<b>\$4,334</b>

See Accompanying Independent Auditor's Report.

Rural County Betterment	Economic Development	On Site Sewage Program	Drainage	Strand Estate Grant	Sheriff Forfeiture	Attorney Forfeiture	Total
\$226,432	\$170,003	\$10,895	\$123,390	\$71,188	\$88,121	\$28,475	\$1,315,651
0	0	0	0	0	1,400	0	11,181
0	0	0	0	0	0	0	70
0	0	0	1,669	0	0	0	1,669
53,362	26,681	0	0	0	0	0	93,383
\$279,794	\$196,684	\$10,895	\$125,059	\$71,188	\$89,521	\$28,475	\$1,421,954
\$14,797	\$0	\$0	\$6,615	\$416	\$152	\$0	\$24,133
0	0	0	0	0	0	0	861
0	0	0	1,669	0	0	0	1,669
14,797	0	0	8,284	416	152	0	26,663
0	0	0	0	60,000	0	0	60,000
0	0	0	116,775	0	0	0	116,775
0	0	0	0	0	0	0	123,683
264,997	196,684	10,895	0	10,772	89,369	28,475	1,094,833
264,997	196,684	10,895	116,775	70,772	89,369	28,475	1,395,291
\$279,794	\$196,684	\$10,895	\$125,059	\$71,188	\$89,521	\$28,475	\$1,421,954

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS Year Ended June 30, 2013

	Resource Enhancement and Protection	Recorder's Records Management	General County Betterment	Nature Center	Supplemental Environmental Project
<b>REVENUES:</b>					
Local Option Sales Tax	\$0	\$0	\$79,238	\$0	\$0
Intergovernmental	17,901	0	0	0	0
Charges For Service	0	9,718	0	0	0
Use of Money and Property	62	49	0	805	0
Fines, Forfeitures and Defaults	0	0	0	0	0
Miscellaneous	0	0	0	68,903	2
<b>Total Revenues</b>	<b>17,963</b>	<b>9,767</b>	<b>79,238</b>	<b>69,708</b>	<b>2</b>
<b>EXPENDITURES:</b>					
Operating:					
Public Safety and Legal Services	0	0	0	0	0
Physical Health and Social Services	0	0	48,301	0	0
County Environment and Education	6,335	0	3,500	57,992	7,500
Governmental Services to Residents	0	2,385	0	0	0
Administration	0	0	22,076	0	0
Non-Program	0	0	0	0	0
Debt Service	0	0	0	0	0
<b>Total Expenditures</b>	<b>6,335</b>	<b>2,385</b>	<b>73,877</b>	<b>57,992</b>	<b>7,500</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,628	7,382	5,361	11,716	(7,498)
Other Financing Sources (Uses):					
Drainage Warrants Issued	0	0	0	0	0
Transfers Out	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	11,628	7,382	5,361	11,716	(7,498)
Fund Balances Beginning of Year	117,309	34,863	30,730	394,001	11,832
Fund Balances End of Year	\$128,937	\$42,245	\$36,091	\$405,717	\$4,334

See Accompanying Independent Auditor's Report.

Rural County Betterment	Economic Development	On Site Sewage Program	Drainage	Strand Estate Grant
\$316,955	\$158,477	\$0	\$0	\$0
0	0	0	0	0
0	0	0	16,287	0
0	0	0	27	133
0	0	0	0	0
0	0	0	0	0
316,955	158,477	0	16,314	133
140,657	0	0	0	0
9,100	0	0	0	0
72,488	70,600	12,647	0	1,352
0	0	0	0	0
22,074	0	0	0	0
0	0	0	27,405	0
24,522	0	0	0	0
268,841	70,600	12,647	27,405	1,352
48,114	87,877	(12,647)	(11,091)	(1,219)
0	0	0	10,851	0
(3,000)	0	0	0	0
(3,000)	0	0	10,851	0
45,114	87,877	(12,647)	(240)	(1,219)
219,883	108,807	23,542	117,015	71,991
\$264,997	\$196,684	\$10,895	\$116,775	\$70,772

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS Year Ended June 30, 2013

	Sheriff Forfeiture	Attorney Forfeiture	Total
<b>REVENUES:</b>			
Local Option Sales Tax	\$0	\$0	\$554,670
Intergovernmental	0	0	17,901
Charges For Service	0	0	26,005
Use of Money and Property	0	0	1,076
Fines, Forfeitures and Defaults	23,230	5,763	28,993
Miscellaneous	0	0	68,905
<b>Total Revenues</b>	<b>23,230</b>	<b>5,763</b>	<b>697,550</b>
<b>EXPENDITURES:</b>			
Operating:			
Public Safety and Legal Services	12,799	886	154,342
Physical Health and Social Services	0	0	57,401
County Environment and Education	0	0	232,414
Governmental Services to Residents	0	0	2,385
Administration	0	0	44,150
Non-Program	0	0	27,405
Debt Service	0	0	24,522
<b>Total Expenditures</b>	<b>12,799</b>	<b>886</b>	<b>542,619</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,431	4,877	154,931
Other Financing Sources (Uses):			
Drainage Warrants Issued	0	0	10,851
Transfers Out	0	0	(3,000)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>7,851</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	10,431	4,877	162,782
Fund Balances Beginning of Year	78,938	23,598	1,232,509
Fund Balances End of Year	\$89,369	\$28,475	\$1,395,291

(Concluded)

See Accompanying Independent Auditor's Report.

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF NET POSITION – INTERNAL SERVICE FUNDS June 30, 2013

	Central Services	Health Insurance	Total
<b>ASSETS</b>			
Cash and Pooled Investments	\$65,968	\$244,704	\$310,672
Receivables:			
Accounts	779	33,420	34,199
<b>Total Assets</b>	<b>\$66,747</b>	<b>\$278,124</b>	<b>\$344,871</b>
<b>LIABILITIES</b>			
Liabilities			
Accounts Payable	\$1,965	\$25,000	\$26,965
Net Position			
Unrestricted	\$64,782	\$253,124	\$317,906

See Accompanying Independent Auditor's Report.

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION – INTERNAL SERVICE FUNDS Year Ended June 30, 2013

	Central Services	Health Insurance	Total
<b>OPERATING REVENUES:</b>			
Interfund Services Provided	\$350,086	\$2,415,446	\$2,765,532
Payments from Employees	0	192,912	192,912
Miscellaneous	411	230,924	231,335
<b>Total Operating Revenues</b>	<b>350,497</b>	<b>2,839,282</b>	<b>3,189,779</b>
<b>OPERATING EXPENSES:</b>			
Health Insurance:			
Medical Claims Paid	0	246,000	246,000
Insurance Premiums	0	2,542,661	2,542,661
Administrative Fees	0	53,301	53,301
Miscellaneous	0	9,374	9,374
Central Services:			
Telephone	32,493	0	32,493
Insurance	315,440	0	315,440
<b>Total Operating Expenses</b>	<b>347,933</b>	<b>2,851,336</b>	<b>3,199,269</b>
Operating Income (Loss)	2,564	(12,054)	(9,490)
<b>NON-OPERATING REVENUES:</b>			
Interest	0	87	87
Net Income (Loss)	2,564	(11,967)	(9,403)
Net Position Beginning of Year	62,218	265,091	327,309
Net Position End of Year	\$64,782	\$253,124	\$317,906

See Accompanying Independent Auditor's Report.

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF CASH FLOWS – INTERNAL SERVICE FUNDS Year Ended June 30, 2013

	Central Services	Health Insurance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash Received from Other Funds	\$349,697	\$2,415,446	\$2,765,143
Cash Received from Employees & Others	411	391,706	392,117
Cash Payments to Suppliers for Services	(346,766)	(2,826,336)	(3,173,102)
Net Cash Provided By (Used In) Operating Activities	3,342	(19,184)	(15,842)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest Income	0	87	87
Net Increase (Decrease) in Cash	3,342	(19,097)	(15,755)
Cash Beginning of Year	62,626	263,801	326,427
Cash End of Year	\$65,968	\$244,704	\$310,672
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>			
Operating Income (Loss)	\$2,564	(\$12,054)	(\$9,490)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:			
Increase in Receivables	(389)	(32,130)	(32,519)
Increase in Payables	1,167	25,000	26,167
Net Cash Provided By (Used In) Operating Activities	\$3,342	(\$19,184)	(\$15,842)

See Accompanying Independent Auditor's Report.

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES – ALL AGENCY FUNDS June 30, 2013

	Elected Officials	Other	Total
<b>ASSETS</b>			
Cash and Pooled Investments:			
County Treasurer	\$0	\$3,270,220	\$3,270,220
Other County Officials	256,192	0	256,192
Receivables:			
Property Tax:			
Delinquent	0	20,401	20,401
Succeeding Year	0	50,758,176	50,758,176
Accounts	454	2,568	3,022
Assessments	0	877,562	877,562
Due From Other Governments	0	515,546	515,546
<b>Total Assets</b>	<b>\$256,646</b>	<b>\$55,444,473</b>	<b>\$55,701,119</b>
<b>LIABILITIES</b>			
Accounts Payable	\$0	\$704,977	\$704,977
Salaries and Benefits Payable	0	20,849	20,849
Due to Other Governments	4,184	54,567,573	54,571,757
Trusts Payable	252,462	134,356	386,818
Compensated Absences	0	16,718	16,718
<b>Total Liabilities</b>	<b>\$256,646</b>	<b>\$55,444,473</b>	<b>\$55,701,119</b>

See Accompanying Independent Auditor's Report.

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES – ELECTED OFFICIALS

June 30, 2013

	Relief Representative Payee	Veterans Affairs	Recorder	Sheriff	Total
<b>ASSETS</b>					
Cash and Pooled Investments:					
Other County Officials	\$55,019	\$999	\$3,730	\$196,444	\$256,192
Receivables:					
Accounts	0	0	454	0	454
<b>Total Assets</b>	<b>\$55,019</b>	<b>\$999</b>	<b>\$4,184</b>	<b>\$196,444</b>	<b>\$256,646</b>
<b>LIABILITIES</b>					
Due to Other Governments	\$0	\$0	\$4,184	\$0	\$4,184
Trusts Payable	55,019	999	0	196,444	252,462
<b>Total Liabilities</b>	<b>\$55,019</b>	<b>\$999</b>	<b>\$4,184</b>	<b>\$196,444</b>	<b>\$256,646</b>

See Accompanying Independent Auditor's Report.

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES – OTHER AGENCY FUNDS June 30, 2013

	Agricultural Extension Education	County Assessor	City Assessor	Schools
<b>ASSETS</b>				
Cash and Pooled Investments:				
County Treasurer	\$2,366	\$636,202	\$114,354	\$268,823
Receivables:				
Property Tax:				
Delinquent	100	418	82	11,060
Succeeding Year	241,416	637,882	652,676	25,224,080
Accounts	0	1,743	0	0
Assessments	0	0	0	0
Due From Other Governments	0	0	0	0
<b>Total Assets</b>	<b>\$243,882</b>	<b>\$1,276,245</b>	<b>\$767,112</b>	<b>\$25,503,963</b>
<b>LIABILITIES</b>				
Accounts Payable	\$0	\$12,935	\$8,325	\$0
Salaries and Benefits Payable	0	12,166	6,187	0
Due to Other Governments	243,882	1,237,343	749,683	25,503,963
Trusts Payable	0	0	0	0
Compensated Absences	0	13,801	2,917	0
<b>Total Liabilities</b>	<b>\$243,882</b>	<b>\$1,276,245</b>	<b>\$767,112</b>	<b>\$25,503,963</b>

See Accompanying Independent Auditor's Report.

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	Brucellosis and Tuberculosis Eradication
\$13,861	\$224,584	\$2,005	\$34,864	\$941,517	\$69
608	7,758	332	0	0	3
1,470,792	21,474,456	244,843	0	0	7,335
0	0	0	0	0	0
0	1,903	0	825,098	0	0
0	0	0	0	0	0
<b>\$1,485,261</b>	<b>\$21,708,701</b>	<b>\$247,180</b>	<b>\$859,962</b>	<b>\$941,517</b>	<b>\$7,407</b>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
1,485,261	21,708,701	247,180	859,962	941,517	7,407
0	0	0	0	0	0
0	0	0	0	0	0
<b>\$1,485,261</b>	<b>\$21,708,701</b>	<b>\$247,180</b>	<b>\$859,962</b>	<b>\$941,517</b>	<b>\$7,407</b>

(Continued)

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES – OTHER AGENCY FUNDS (Continued) June 30, 2013

	Joint Disaster Services	Clear Lake Sanitary	County EMS Association	Advance Tax	Cash Long/Short	E911 Operations
<b>ASSETS</b>						
Cash and Pooled Investments:						
County Treasurer	\$90,669	\$13,037	\$5,032	\$77,743	\$247	\$488,910
Receivables:						
Property Tax:						
Delinquent	0	40	0	0	0	0
Succeeding Year	0	804,696	0	0	0	0
Accounts	0	0	0	0	0	0
Assessments	0	50,561	0	0	0	0
Due From Other Governments	300	0	5,309	0	0	0
<b>Total Assets</b>	<b>\$90,969</b>	<b>\$868,334</b>	<b>\$10,341</b>	<b>\$77,743</b>	<b>\$247</b>	<b>\$488,910</b>
<b>LIABILITIES</b>						
Accounts Payable	\$39,486	\$0	\$0	\$0	\$0	\$21,298
Salaries and Benefits Payable	2,496	0	0	0	0	0
Due to Other Governments	48,987	868,334	10,341	0	247	467,612
Trusts Payable	0	0	0	77,743	0	0
Compensated Absences	0	0	0	0	0	0
<b>Total Liabilities</b>	<b>\$90,969</b>	<b>\$868,334</b>	<b>\$10,341</b>	<b>\$77,743</b>	<b>\$247</b>	<b>\$488,910</b>

Advanced Law Enforcement Investigative and Administrative System	Precinct Atlas	Recorder's Transfer Fee	Pass Through Projects	Empowerment	Employee Benefits	Total
\$22,153	\$184,693	\$877	\$0	\$143,537	\$4,677	\$3,270,220
0	0	0	0	0	0	20,401
0	0	0	0	0	0	50,758,176
0	0	825	0	0	0	2,568
0	0	0	0	0	0	877,562
0	121,653	0	388,284	0	0	515,546
<b>\$22,153</b>	<b>\$306,346</b>	<b>\$1,702</b>	<b>\$388,284</b>	<b>\$143,537</b>	<b>\$4,677</b>	<b>\$55,444,473</b>
\$20,001	\$123,047	\$0	\$388,284	\$90,362	\$1,239	\$704,977
0	0	0	0	0	0	20,849
2,152	183,299	1,702	0	0	0	54,564,573
0	0	0	0	53,175	3,438	134,356
0	0	0	0	0	0	16,718
<b>\$22,153</b>	<b>\$306,346</b>	<b>\$1,702</b>	<b>\$388,284</b>	<b>\$143,537</b>	<b>\$4,677</b>	<b>\$55,444,473</b>

(Concluded)

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES – ALL AGENCY FUNDS Year Ended June 30, 2013

	Elected Officials			Balance June 30, 2013
	Balance July 1, 2012	Additions	Deductions	
<b>ASSETS</b>				
Cash and Pooled Investments:				
Other County Officials	\$290,860	\$2,287,425	\$2,322,093	\$256,192
Receivables:				
Accounts	173	454	173	454
<b>Total Assets</b>	<b>\$291,033</b>	<b>\$2,287,879</b>	<b>\$2,322,266</b>	<b>\$256,646</b>
<b>LIABILITIES</b>				
Due to Other Governments	\$87	\$2,035,417	\$2,031,320	\$4,184
Trusts Payable	290,946	252,462	290,946	252,462
<b>Total Liabilities</b>	<b>\$291,033</b>	<b>\$2,287,879</b>	<b>\$2,322,266</b>	<b>\$256,646</b>

	Other Agency Funds			Balance June 30, 2013
	Balance July 1, 2012	Additions	Deductions	
<b>ASSETS</b>				
Cash and Pooled Investments:				
County Treasurer	\$3,260,258	\$15,087,525	\$15,077,563	\$3,270,220
Receivables:				
Property Tax:				
Delinquent	1,423	20,401	1,423	20,401
Succeeding Year	52,713,231	50,758,176	52,713,231	50,758,176
Accounts	7,272	2,568	7,272	2,568
Due From Other Governments	1,083,719	877,562	1,083,719	877,562
Assessments	382,628	515,546	382,628	515,546
<b>Total Assets</b>	<b>\$57,448,531</b>	<b>\$67,261,778</b>	<b>\$69,265,836</b>	<b>\$55,444,473</b>
<b>LIABILITIES</b>				
Accounts Payable	\$571,405	\$704,977	\$571,405	\$704,977
Salaries and Benefits Payable	19,639	20,849	19,639	20,849
Due to Other Governments	56,707,558	66,384,878	68,524,863	54,567,573
Trusts Payable	135,230	134,356	135,230	134,356
Compensated Absences	14,699	16,718	14,699	16,718
<b>Total Liabilities</b>	<b>\$57,448,531</b>	<b>\$67,261,778</b>	<b>\$69,265,836</b>	<b>\$55,444,473</b>

See Accompanying Independent Auditor's Report.

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES – ELECTED OFFICIALS Year Ended June 30, 2013

	Relief Representative Payee	Veterans Affairs	Auditor	Recorder	Sheriff	Total
<b>ASSETS AND LIABILITIES</b>						
Balance Beginning of Year	\$85,186	\$999	\$0	\$87	\$204,761	\$291,033
Additions:						
Office Fees and Collections	0	0	2,667	834,163	733,151	1,569,981
Trusts	351,593	0	0	0	366,305	717,898
<b>Total Additions</b>	<b>351,593</b>	<b>0</b>	<b>2,667</b>	<b>834,163</b>	<b>1,099,456</b>	<b>2,287,879</b>
Deductions:						
Agency Remittances:						
To County Funds	0	0	2,667	323,888	123,958	450,513
To Other Governments	0	0	0	505,953	7,036	512,989
Trusts Paid Out	381,760	0	0	225	976,779	1,358,764
<b>Total Deductions</b>	<b>381,760</b>	<b>0</b>	<b>2,667</b>	<b>830,066</b>	<b>1,107,773</b>	<b>2,322,266</b>
Balance End of Year	\$55,019	\$999	\$0	\$4,184	\$196,444	\$256,646

See Accompanying Independent Auditor's Report.

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES – OTHER AGENCY FUNDS Year Ended June 30, 2013

	Agricultural Extension Education	County Assessor	City Assessor	Schools	Community Colleges
<b>ASSETS AND LIABILITIES</b>					
Balance Beginning of Year	\$238,800	\$1,172,123	\$351,509	\$27,125,375	\$1,399,681
<b>Additions:</b>					
Property and Other County Tax	242,777	649,773	649,083	25,382,595	1,478,784
E911 Surcharge	0	0	0	0	0
State Tax Credits	7,230	13,275	7,643	824,813	42,356
Auto Licenses, Use Tax and Postage	0	0	0	0	0
Assessments	0	0	0	0	0
Trusts	0	0	0	0	0
Miscellaneous	0	16,275	2,574	0	0
<b>Total Additions</b>	<b>250,007</b>	<b>679,323</b>	<b>659,300</b>	<b>26,207,408</b>	<b>1,521,140</b>
<b>Deductions:</b>					
Agency Remittances:					
To Other Governments	244,925	575,201	243,697	27,828,820	1,435,560
Trusts Paid Out	0	0	0	0	0
<b>Total Deductions</b>	<b>244,925</b>	<b>575,201</b>	<b>243,697</b>	<b>27,828,820</b>	<b>1,435,560</b>
Balance End of Year	\$243,882	\$1,276,245	\$767,112	\$25,503,963	\$1,485,261

See Accompanying Independent Auditor's Report.

Corporations	Townships	City Special Assessments	Auto License and Use Tax	Brucellosis and Tuberculosis Eradication	Joint Disaster Services	Clear Lake Sanitary
\$22,805,875	\$237,861	\$1,051,500	\$934,546	\$6,977	\$205,639	\$823,202
21,162,331	253,851	0	0	19,685	0	797,604
0	0	0	0	0	0	0
615,255	8,166	0	0	211	0	13,269
0	0	0	11,234,568	0	0	0
14,705	0	103,994	0	0	0	47,050
0	0	0	0	0	0	0
0	0	0	0	0	493,121	0
21,792,291	262,017	103,994	11,234,568	19,896	493,121	857,923
22,889,465	252,698	295,532	11,227,597	19,466	607,791	812,791
0	0	0	0	0	0	0
22,889,465	252,698	295,532	11,227,597	19,466	607,791	812,791
\$21,708,701	\$247,180	\$859,962	\$941,517	\$7,407	\$90,969	\$868,334

(Continued)

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES – OTHER AGENCY FUNDS (Continued) Year Ended June 30, 2013

	County EMS Association	Advance Tax	Cash Long/Short	Tax Sale Redemption	E911 Operations
<b>ASSETS AND LIABILITIES</b>					
Balance Beginning of Year	\$4,106	\$71,468	\$239	\$0	\$397,945
Additions:					
Property and Other County Tax	0	0	0	0	0
E911 Surcharge	0	0	0	0	198,605
State Tax Credits	0	0	0	0	0
Auto Licenses, Use Tax and Postage	0	0	0	0	0
Assessments	0	0	0	0	0
Trusts	0	6,275	0	607,674	0
Miscellaneous	7,214	0	8	0	821
<b>Total Additions</b>	<b>7,214</b>	<b>6,275</b>	<b>8</b>	<b>607,674</b>	<b>199,426</b>
Deductions:					
Agency Remittances:					
To Other Governments	979	0	0	0	108,461
Trusts Paid Out	0	0	0	607,674	0
<b>Total Deductions</b>	<b>979</b>	<b>0</b>	<b>0</b>	<b>607,674</b>	<b>108,461</b>
Balance End of Year	\$10,341	\$77,743	\$247	\$0	\$488,910

Advanced Law Enforcement Investigative and Administrative System	Precinct Atlas	Recorder's Transfer Fee	Pass Through Projects	Empowerment	Employee Benefits	Total
\$1,251	\$158,579	\$1,796	\$337,499	\$113,009	\$9,551	\$57,448,531
0	0	0	0	0	0	50,636,483
0	0	0	0	0	0	198,605
0	0	0	0	0	0	1,532,218
0	0	0	0	0	0	11,234,568
0	0	0	0	0	0	165,749
0	0	0	1,123,090	584,049	258,581	2,579,669
21,300	363,455	9,718	0	0	0	914,486
21,300	363,455	9,718	1,123,090	584,049	258,581	67,261,778
398	215,688	9,812	0	0	0	66,768,881
0	0	0	1,072,305	553,521	263,455	2,496,955
398	215,688	9,812	1,072,305	553,521	263,455	69,265,836
\$22,153	\$306,346	\$1,702	\$388,284	\$143,537	\$4,677	\$55,444,473

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# CERRO GORDO COUNTY, IOWA

## SCHEDULE OF CAPITAL ASSETS BY FUNDING SOURCE Year Ended June 30, 2013

	Balance July 1, 2012	Additions	Disposals	Balance June 30, 2013
<b>ASSETS</b>				
Land	\$ 1,646,392	\$ -	\$ -	\$ 1,646,392
Construction in Process	521,461	3,512,860	4,013,781	20,540
Buildings and Structures	17,470,007	-	-	17,470,007
Improvements other than Buildings	603,760	-	-	603,760
Machinery and Equipment	7,010,544	322,535	218,622	7,114,457
Licensed Vehicles	4,106,445	121,418	158,207	4,069,656
Intangibles	263,734	-	-	263,734
Infrastructure	42,855,837	4,013,781	-	46,869,618
	<u>\$ 74,478,180</u>	<u>\$ 7,970,594</u>	<u>\$ 4,390,610</u>	<u>\$ 78,058,164</u>
<b>FUNDING SOURCE</b>				
General Fund	\$ 6,447,138	\$ 46,325	\$ -	\$ 6,493,463
Special Revenue Funds	53,432,833	7,924,269	4,390,610	56,966,492
Capital Project Fund	14,598,209	-	-	14,598,209
	<u>\$ 74,478,180</u>	<u>\$ 7,970,594</u>	<u>\$ 4,390,610</u>	<u>\$ 78,058,164</u>

# CERRO GORDO COUNTY, IOWA

## SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY AS OF JUNE 30, 2013

	Land	Construction in Process	Buildings and Structures
Public Safety and Legal Services			
Law Enforcement	\$ -	-	13,273,609
Legal Services	-	-	90,020
<b>Total Public Safety and Legal Services</b>	-	-	<b>13,363,629</b>
Physical Health and Social Services:			
Physical Health Services	-	-	-
Services to Poor	-	-	-
Services to Military Veterans	-	-	-
<b>Total Physical Health and Social Services</b>	-	-	-
Mental Health, MR & DD:			
Chronic Mental Illness	-	-	-
<b>Total Mental Health, MR &amp; DD</b>	-	-	-
County Environment and Education:			
Environmental Quality Program	-	-	-
Conservation and Recreation Services	150,798	-	490,292
County Development	-	-	-
<b>Total County Environment and Education</b>	<b>150,798</b>	-	<b>490,292</b>
Roads & Transportation:			
Secondary Roads Administration and Engineering	-	-	325,259
Roadway Maintenance	-	20,540	-
General Roadway Expenditures	-	-	229,970
<b>Total Roads &amp; Transportation</b>	-	<b>20,540</b>	<b>555,229</b>
Government Services to Residents:			
Representation Services	-	-	-
State Administration Services	-	-	-
<b>Total Government Services to Residents</b>	-	-	-
Administration:			
Policy and Administration	-	-	417,192
Central Services	1,495,594	-	2,643,665
<b>Total Administration</b>	<b>1,495,594</b>	-	<b>3,060,857</b>
<b>Total Capital Assets</b>	<b>\$ 1,646,392</b>	<b>20,540</b>	<b>\$ 17,470,007</b>

Improvements other than Buildings	Machinery and Equipment	Licensed Vehicles	Intangibles	Infrastructure	Total
35,379	433,988	646,898	-	-	\$ 14,389,874
-	34,237	-	-	-	124,257
35,379	468,225	646,898	-	-	14,514,131
-	313,002	46,098	-	-	359,100
-	6,371	-	-	-	6,371
-	-	-	-	-	-
-	319,373	46,098	-	-	365,471
-	6,261	13,037	-	-	19,298
-	6,261	13,037	-	-	19,298
-	-	-	-	-	-
132,939	264,308	256,511	-	-	1,294,848
-	5,157	10,641	-	-	15,798
132,939	269,465	267,152	-	-	1,310,646
31,151	95,293	51,827	-	-	503,530
-	76,024	137,803	-	46,869,618	47,103,985
-	4,757,720	2,906,841	-	-	7,894,531
31,151	4,929,037	3,096,471	-	46,869,618	55,502,046
-	379,762	-	97,786	-	477,548
-	55,707	-	-	-	55,707
-	435,469	-	97,786	-	533,255
-	60,406	-	-	-	477,598
404,291	626,221	-	165,948	-	5,335,719
404,291	686,627	-	165,948	-	5,813,317
603,760	\$ 7,114,457	\$ 4,069,656	\$ 263,734	46,869,618	78,058,164

# CERRO GORDO COUNTY, IOWA

## SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY Year Ended June 30, 2013

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
<b>Public Safety and Legal Services</b>				
Law Enforcement	\$ 14,386,690	\$ 119,567	\$ 116,383	\$ 14,389,874
Legal Services	124,257	-	-	124,257
<b>Total Public Safety and Legal Services</b>	<b>14,510,947</b>	<b>119,567</b>	<b>116,383</b>	<b>14,514,131</b>
<b>Physical Health and Social Services:</b>				
Physical Health Services	332,106	54,009	27,015	359,100
Services to Poor	6,371	-	-	6,371
Services to Military Veterans	-	-	-	-
<b>Total Physical Health and Social Services</b>	<b>338,477</b>	<b>54,009</b>	<b>27,015</b>	<b>365,471</b>
<b>Mental Health, MR &amp; DD:</b>				
Persons with Chronic Mental Illness	19,298	-	-	19,298
<b>Total Mental Health, MR &amp; DD</b>	<b>19,298</b>	<b>-</b>	<b>-</b>	<b>19,298</b>
<b>County Environment and Education:</b>				
Environmental Quality Program	-	-	-	-
Conservation and Recreation Services	1,295,640	17,387	18,179	1,294,848
County Development	15,798	-	-	15,798
<b>Total County Environment and Education</b>	<b>1,311,438</b>	<b>17,387</b>	<b>18,179</b>	<b>1,310,646</b>
<b>Roads &amp; Transportation:</b>				
Secondary Roads Administration & Engineering	491,248	56,200	43,918	503,530
Roadway Maintenance	43,591,125	7,526,641	4,013,781	47,103,985
General Roadway Expenditures	7,899,865	166,000	171,334	7,894,531
<b>Total Roads &amp; Transportation</b>	<b>51,982,238</b>	<b>7,748,841</b>	<b>4,229,033</b>	<b>55,502,046</b>
<b>Government Services to Residents:</b>				
Representation Services	477,548	-	-	477,548
State Administration Services	55,707	-	-	55,707
<b>Total Government Services to Residents</b>	<b>533,255</b>	<b>-</b>	<b>-</b>	<b>533,255</b>
<b>Administration:</b>				
Policy and Administration	477,598	-	-	477,598
Central Services	5,304,929	30,790	-	5,335,719
<b>Total Administration</b>	<b>5,782,527</b>	<b>30,790</b>	<b>-</b>	<b>5,813,317</b>
<b>Total Capital Assets</b>	<b>\$ 74,478,180</b>	<b>\$ 7,970,594</b>	<b>\$ 4,390,610</b>	<b>78,058,164</b>

**STATISTICAL SECTION**

# CERRO GORDO COUNTY, IOWA

## STATISTICAL SECTION

June 30, 2013

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

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

# CERRO GORDO COUNTY, IOWA

## NET POSITION BY COMPONENT

Last Ten Fiscal Years

(Accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2004	2005	2006	2007
<b>Government activities:</b>				
Invested in capital assets, net of related debt	\$ 9,761,714	\$ 13,727,858	\$ 19,084,939	\$ 25,918,908
Restricted	3,241,336	3,083,406	5,369,094	7,059,287
Unrestricted	4,610,114	3,600,840	2,972,174	4,705,865
Total government activities net position	<u>\$ 17,613,164</u>	<u>\$ 20,412,104</u>	<u>\$ 27,426,207</u>	<u>\$ 37,684,060</u>
<b>Business-type activities:</b>				
Invested in capital assets, net of related debt	\$ 1,924,793	\$ 1,748,701	\$ 1,765,188	\$ 1,971,672
Restricted	-	-	-	-
Unrestricted	44,199	132,894	49,236	(240,350)
Total business-type activities net position	<u>\$ 1,968,992</u>	<u>\$ 1,881,595</u>	<u>\$ 1,814,424</u>	<u>\$ 1,731,322</u>
<b>Primary Government:</b>				
Invested in capital assets, net of related debt	\$ 11,686,507	\$ 15,476,559	\$ 20,850,127	\$ 27,890,580
Restricted	3,241,336	3,083,406	5,369,094	7,059,287
Unrestricted	4,654,313	3,733,734	3,021,410	4,465,515
Total primary government net position	<u>\$ 19,582,156</u>	<u>\$ 22,293,699</u>	<u>\$ 29,240,631</u>	<u>\$ 39,415,382</u>

Source: County Records

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 26,166,841	\$ 28,174,721	\$ 29,988,315	\$ 30,961,033	\$ 31,446,880	\$ 33,106,986
6,552,918	8,449,567	7,113,380	7,714,036	5,912,520	5,221,592
5,609,581	5,136,789	5,173,073	4,918,867	4,179,261	4,531,042
<u>\$ 38,329,340</u>	<u>\$ 41,761,077</u>	<u>\$ 42,274,768</u>	<u>\$ 43,593,936</u>	<u>\$ 41,538,661</u>	<u>\$ 42,859,620</u>
\$ 1,910,172	\$ 1,490,330	\$ 1,414,592	\$ 1,339,288	\$ 1,264,433	\$ 1,189,440
-	-	-	-	-	-
(270,020)	83,268	92,301	95,914	100,842	113,468
<u>\$ 1,640,152</u>	<u>\$ 1,573,598</u>	<u>\$ 1,506,893</u>	<u>\$ 1,435,202</u>	<u>\$ 1,365,275</u>	<u>\$ 1,302,908</u>
\$ 28,077,013	\$ 29,665,051	\$ 31,402,907	\$ 32,300,321	\$ 32,711,313	\$ 34,296,426
6,552,918	8,449,567	7,113,380	7,714,036	5,912,520	5,221,592
5,339,561	5,220,057	5,265,374	5,014,781	4,280,103	4,644,510
<u>\$ 39,969,492</u>	<u>\$ 43,334,675</u>	<u>\$ 43,781,661</u>	<u>\$ 45,029,138</u>	<u>\$ 42,903,936</u>	<u>\$ 44,162,528</u>

# CERRO GORDO COUNTY, IOWA

## CHANGES IN NET POSITION

Last Ten Fiscal Years

(Accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2004	2005	2006	2007
Expenses:				
Government activities:				
Public safety and legal services	\$ 4,431,064	\$ 4,590,463	\$ 4,827,135	\$ 5,598,566
Physical health and social services	4,107,546	4,104,085	4,274,119	4,730,060
Mental health	5,221,710	5,225,350	5,617,449	5,851,088
County environment and education	1,296,647	923,060	1,291,161	1,128,411
Roads and transportation	4,704,427	5,591,263	4,996,566	6,085,524
Government services to residents	674,627	804,185	892,862	895,995
Administration or general government	2,671,926	2,050,532	2,441,271	2,227,192
Non-program	146,647	1,063,732	319,240	266,798
Interest on long-term debt	22,388	37,859	37,976	604,169
Capital projects	-	-	-	-
Total governmental activities expenses	23,276,982	24,390,529	24,697,779	27,387,803
Business-type activities:				
Wastewater collection and treatment	126,426	248,320	137,422	144,092
Total government expenses	\$ 23,403,408	\$ 24,638,849	\$ 24,835,201	\$ 27,531,895
Program Revenues:				
Government activities:				
Charges for services:				
Public safety and legal services	\$ 399,983	\$ 544,358	\$ 556,195	\$ 457,988
Physical health and social services	726,481	698,391	510,549	500,140
Mental health	37,978	56,119	514,799	52,699
County environment and education	169,280	161,248	82,626	78,750
Roads and Transportation	450,070	661,816	547,931	100,061
Government services to residents	782,932	687,499	676,740	677,734
Administration or general government	170,474	107,919	269,375	257,804
Non-program	81,831	331,394	468,310	87,828
Capital Projects	49,799	-	-	-
Operating grants and contributions	8,903,694	9,275,378	9,019,060	10,668,131
Capital grants and contributions revenues	-	2,445,455	5,216,480	850,690
Total government program revenues	11,772,522	14,969,577	17,862,065	13,731,825
Business-type activities:				
Charges for services:				
Wastewater collection and treatment revenues	151,408	160,923	70,251	60,990
Total government program revenues	\$ 11,923,930	\$ 15,130,500	\$ 17,932,316	\$ 13,792,815

Source: County Records

							Fiscal Year					
2008		2009		2010		2011		2012		2013		
\$	6,549,905	\$	7,202,831	\$	7,269,875	\$	7,580,694	\$	7,841,364	\$	8,030,019	
	4,884,946		5,111,164		4,726,961		5,289,561		4,816,751		4,932,071	
	6,373,624		5,813,641		5,943,074		660,626		3,805,315		2,371,135	
	1,536,823		1,676,138		1,329,604		1,171,665		1,267,463		1,152,679	
	5,944,155		6,534,326		7,061,925		6,838,237		6,906,435		6,732,570	
	998,437		1,019,291		969,501		1,117,534		1,118,476		1,118,470	
	2,448,491		2,166,888		2,920,542		2,482,454		2,697,211		2,924,656	
	172,344		916,010		2,399,569		240,487		217,755		204,592	
	557,654		535,303		513,578		515,350		799,924		426,969	
	-		-		-		-		-		-	
	29,466,379		30,975,592		33,134,629		25,896,608		29,470,694		27,893,161	
	165,782		140,356		133,970		137,781		136,701		129,405	
\$	29,632,161	\$	31,115,948	\$	33,268,599	\$	26,034,389	\$	29,607,395	\$	28,022,566	
\$	900,473	\$	893,693	\$	921,982	\$	924,425	\$	949,400	\$	1,035,154	
	579,215		574,979		649,560		413,120		375,956		363,339	
	586,315		548,039		557,386		43,112		-		26	
	63,167		90,782		78,204		80,193		86,241		80,471	
	23,057		57,906		58,176		53,251		19,285		61,890	
	721,702		641,497		694,326		674,094		728,588		714,053	
	232,344		253,284		187,016		176,074		208,308		181,257	
	89,556		153,355		228,208		182,654		204,314		173,985	
	-		-		-		-		-		-	
	8,755,036		9,992,973		7,396,827		6,339,798		5,735,343		5,855,315	
	611,123		3,974,119		5,371,687		429,002		937,276		1,651,919	
	12,561,988		17,180,627		16,143,372		9,315,723		9,244,711		10,117,409	
	74,612		73,802		67,217		66,040		66,716		66,979	
	74,612		73,802		67,217		66,040		66,716		66,979	
\$	12,636,600	\$	17,254,429	\$	16,210,589	\$	9,381,763	\$	9,311,427	\$	10,184,388	

(Continued)

# CERRO GORDO COUNTY, IOWA

## CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years

(Accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2004	2005	2006	2007
Net (Expense)/Revenue:				
Governmental activities	\$ (11,504,460)	\$ (9,420,952)	\$ (6,835,714)	\$ (13,655,978)
Business-type activities	24,982	(87,397)	(67,171)	(83,102)
Total government net expense	\$ (11,479,478)	\$ (9,508,349)	\$ (6,902,885)	\$ (13,739,080)
General Revenues and Other Changes in Net Position:				
Governmental activities				
Property and other county tax levied for:				
General purposes	\$ 8,788,746	\$ 9,443,597	\$ 11,129,894	\$ 11,789,658
Debt service	-	374,667	571,714	1,465,976
Penalty and interest on property tax	106,704	126,247	139,522	130,746
State tax credits, unrestricted	399,747	422,743	483,123	498,856
Local option sales and service tax	1,769,845	1,228,557	1,411,660	1,520,121
Unrestricted grants and contributions	198,621	45,959	68,051	-
Unrestricted investment earnings	142,318	275,773	533,762	1,141,111
Loss on Disposal of Capital Assets	-	-	-	(18,897)
Miscellaneous	298,337	302,349	848,945	358,647
Total governmental activities	11,704,318	12,219,892	15,186,671	16,886,218
Business-type activities:				
Wastewater collection and treatment	-	-	-	-
Total business-type activities	\$ -	\$ -	\$ -	\$ -
Total government	\$ 11,704,318	\$ 12,219,892	\$ 15,186,671	\$ 16,886,218
Change in Net Position:				
Governmental activities	\$ 199,858	\$ 2,798,940	\$ 8,350,957	\$ 3,230,240
Business-type activities	24,982	(87,397)	(67,171)	(83,102)
Total government program revenues	\$ 224,840	\$ 2,711,543	\$ 8,283,786	\$ 3,147,138

Source: County Records

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ (16,904,391)	\$ (13,794,965)	\$ (16,991,257)	\$ (16,580,885)	\$ (20,225,983)	\$ (17,775,752)
(91,170)	(66,554)	(66,753)	(71,741)	(69,985)	(62,426)
\$ (16,995,561)	\$ (13,861,519)	\$ (17,058,010)	\$ (16,652,626)	\$ (20,295,968)	\$ (17,838,178)

\$ 12,116,096	\$ 12,881,530	\$ 13,373,304	\$ 13,558,781	\$ 14,012,037	\$ 14,527,567
1,396,144	952,133	951,217	950,610	936,277	936,215
146,433	166,230	174,381	161,757	163,122	153,414
483,910	457,716	443,450	408,057	420,545	466,927
1,787,415	1,539,950	1,424,656	1,650,341	1,682,466	1,584,772
-	-	-	-	-	-
718,515	282,175	134,595	110,664	88,847	48,577
(24,774)	(19,063)	(582,918)	(16,798)	(34,141)	(13,888)
925,932	966,031	1,464,133	1,076,641	952,897	1,393,127
17,549,671	17,226,702	17,382,818	17,900,053	18,222,050	19,096,711

-	-	48	50	58	59
\$ -	\$ -	\$ 48	\$ 50	\$ 58	\$ 59
\$ 17,549,671	\$ 17,226,702	\$ 17,382,866	\$ 17,900,103	\$ 18,222,108	\$ 19,096,770

\$ 645,280	\$ 3,431,737	\$ 391,561	\$ 1,319,168	\$ (2,003,933)	\$ 1,320,959
(91,170)	(66,554)	(66,705)	(71,691)	(69,927)	(62,367)
\$ 554,110	\$ 3,365,183	\$ 324,856	\$ 1,247,477	\$ (2,073,860)	\$ 1,258,592

(Concluded)

# CERRO GORDO COUNTY, IOWA

## FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified accrual accounting)

(Unaudited)

	Fiscal Year			
	2004	2005	2006	2007
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	171,117	108,481	256,829	414,957
Committed				
Assigned	850,481	898,934	757,648	791,825
Unassigned	2,343,430	2,168,791	3,216,509	4,115,092
Total General Fund	<u>\$ 3,365,028</u>	<u>\$ 3,176,206</u>	<u>\$ 4,230,986</u>	<u>\$ 5,321,874</u>
All Other Governmental Funds				
Nonspendable	\$ 969,868	\$ 682,260	\$ 1,278,393	\$ 1,099,959
Restricted	4,740,949	3,883,143	3,998,814	11,137,918
Committed	-	-	-	-
Assigned	309,108	398,424	556,248	656,143
Unassigned	-	-	(588,497)	-
Total all other governmental funds	<u>\$ 6,019,925</u>	<u>\$ 4,963,827</u>	<u>\$ 5,244,958</u>	<u>\$ 12,894,020</u>
Total Fund Balance All Governmental Funds	<u>\$ 9,384,953</u>	<u>\$ 8,140,033</u>	<u>\$ 9,475,944</u>	<u>\$ 18,215,894</u>

Source: County Records

Fiscal Year						
2008	2009	2010	2011	2012	2013	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
611,152	792,804	1,062,596	591,110	162,622	48,546	
	-	-	-	-	-	
836,483	885,085	1,026,793	1,296,116	1,208,277	1,267,562	
4,263,906	4,285,163	4,207,065	4,550,586	4,976,088	5,295,536	
\$ 5,711,541	\$ 5,963,052	\$ 6,296,454	\$ 6,437,812	\$ 6,346,987	\$ 6,611,644	
\$ 1,480,937	\$ 1,062,380	\$ 1,203,806	\$ 1,384,730	\$ 1,273,866	\$ 1,097,904	
4,586,705	6,105,723	5,200,556	5,812,740	4,168,577	4,407,104	
	-	-	-	-	-	
635,649	721,725	893,266	871,341	704,823	774,065	
(254,172)	-	(20,262)	-	-	-	
\$ 6,449,119	\$ 7,889,828	\$ 7,277,366	\$ 8,068,811	\$ 6,147,266	\$ 6,279,073	
\$ 12,160,660	\$ 13,852,880	\$ 13,573,820	\$ 14,506,623	\$ 12,494,253	\$ 12,890,717	

# CERRO GORDO COUNTY, IOWA

## CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified accrual accounting)

(Unaudited)

	Fiscal Year			
	2004	2005	2006	2007
<b>Revenues:</b>				
Property and Other County Tax	\$ 10,570,374	\$ 11,061,423	\$ 13,118,367	\$ 14,782,265
Interest and Penalty on Property Tax	118,295	126,247	139,522	130,746
Intergovernmental	9,722,154	12,701,807	11,191,640	11,356,056
Licenses and Permits	270,476	297,721	324,776	327,967
Charges for Services	1,292,565	1,228,309	1,205,710	1,132,140
Use of Money and Property	228,181	374,870	637,056	1,246,172
Miscellaneous	1,215,451	950,043	1,203,546	867,131
<b>Total Revenues</b>	<b>23,417,496</b>	<b>26,740,420</b>	<b>27,820,617</b>	<b>29,842,477</b>
<b>Expenditures:</b>				
Public safety and legal services	4,251,143	4,541,026	4,808,056	5,565,965
Physical health and social services	3,913,976	4,006,819	4,251,999	4,725,534
Mental health	5,198,915	5,209,344	5,611,348	5,861,602
County environment and education	921,991	880,494	1,235,315	1,112,434
Roads and transportation	4,551,633	4,885,745	5,111,457	4,513,467
Government services to residents	742,415	803,724	827,433	830,775
Administration	1,902,524	1,841,707	1,872,576	2,157,767
Non-program	207,694	354,230	169,026	72,906
Debt service				-
Principal	60,000	425,000	640,000	1,160,000
Interest	18,738	37,012	33,630	435,718
Capital projects	2,281,067	5,027,808	3,267,852	7,893,520
<b>Total Expenditures</b>	<b>24,050,096</b>	<b>28,012,909</b>	<b>27,828,692</b>	<b>34,329,688</b>
Excess of revenues over (under) expenditures	(632,600)	(1,272,489)	(8,075)	(4,487,211)
<b>Other Financing Sources (Uses)</b>				
Proceeds from the sale of capital assets	8,000	11,400	204,378	21,910
Transfers in	2,158,917	2,095,971	2,372,050	2,461,511
Transfers out	(2,241,321)	(2,001,214)	(2,372,050)	(2,461,511)
Proceeds from drainage warrants	16,543	10,340	24,554	7,199
Issuance of crossover refunding capital loan notes				
Issuance of capital lease purchase agreement	-	-	24,394	-
Issuance of LOSST revenue bonds	-	-	-	-
Issuance of installment purchase contracts	-	-	-	-
General obligation notes issued	1,109,907	200,000	500,000	13,500,000
Discount on general obligation notes	-	(1,320)	(5,473)	(123,514)
<b>Total other financing sources (uses)</b>	<b>1,052,046</b>	<b>315,177</b>	<b>747,853</b>	<b>13,405,595</b>
<b>Net change in fund balances</b>	<b>\$ 419,446</b>	<b>\$ (957,312)</b>	<b>\$ 739,778</b>	<b>\$ 8,918,384</b>
Debt service as % of noncapital expenditures	0.36%	2.01%	2.74%	6.04%

Source: County Records

		Fiscal Year									
		2008	2009	2010	2011	2012	2013				
\$	15,308,353	\$	15,367,915	\$	15,746,255	\$	16,151,502	\$	16,630,974	\$	17,057,026
	146,433		166,230		174,381		161,757		163,122		153,414
	10,584,094		12,986,761		12,253,236		7,827,411		7,295,931		7,144,890
	414,152		397,960		413,794		126,934		125,044		120,712
	1,155,633		1,173,034		1,248,757		1,391,135		1,332,932		1,304,748
	902,907		439,098		311,405		277,433		283,542		250,226
	921,893		942,716		1,476,175		933,810		948,232		1,313,451
	29,433,465		31,473,714		31,624,003		26,869,982		26,779,777		27,344,467
	6,229,452		6,769,038		6,826,705		7,095,863		7,500,849		7,577,137
	4,866,227		5,150,211		4,656,497		5,095,095		4,639,871		4,845,164
	6,366,901		5,802,641		5,941,119		676,241		3,793,476		2,361,533
	1,631,652		1,661,836		1,302,316		1,181,451		1,233,631		1,106,735
	4,972,994		5,079,324		5,340,158		4,963,655		5,066,973		4,417,491
	928,523		939,846		970,387		988,933		1,052,040		1,048,894
	2,466,608		2,187,056		2,886,708		2,355,944		2,485,101		2,580,211
	50,342		276,787		167,932		114,044		84,682		27,405
	-		-		-		-		-		-
	955,000		964,252		861,763		2,541,936		9,607,704		564,368
	560,657		528,766		517,357		519,010		804,707		427,889
	6,858,012		1,224,944		3,022,467		2,628,619		1,769,644		1,850,331
	35,886,368		30,584,701		32,493,409		28,160,791		38,038,678		26,807,158
	(6,452,903)		889,013		(869,406)		(1,290,809)		(11,258,901)		537,309
	10,910		60,525		214,204		7,714		12,000		24,266
	2,600,826		2,738,466		2,860,798		3,227,450		3,241,067		3,352,612
	(2,600,826)		(2,738,466)		(2,860,798)		(3,227,450)		(3,241,067)		(3,352,612)
	5,781		18,985		45,287		34,974		31,737		10,851
	-		199,413		20,679		2,000,000		9,365,000		-
	-		300,000		168,750		-		-		-
	-		642,841		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	16,691		1,221,764		448,920		2,042,688		9,408,737		35,117
\$	(6,436,212)	\$	2,110,777	\$	(420,486)	\$	751,879	\$	(1,850,164)	\$	572,426
	5.22%		5.09%		4.39%		12.22%		29.22%		4.05%

# CERRO GORDO COUNTY, IOWA

## PROGRAM REVENUES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

(Accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2004	2005	2006	2007
Government activities:				
Public safety and legal services	\$ 871,914	\$ 993,783	\$ 1,005,372	\$ 1,537,752
Physical health and social services	2,541,021	2,713,092	2,972,838	3,210,734
Mental health	3,073,718	3,303,908	2,962,403	3,758,706
County environment and education	246,775	212,211	132,769	149,244
Roads and Transportation	3,815,417	6,342,834	9,247,719	4,027,815
Government services to residents	782,932	916,099	754,886	697,549
Administration or general government	171,105	107,919	317,768	258,451
Non-program	91,847	379,731	468,310	91,574
Capital Projects	177,793	-	-	-
Total Governmental activities program revenues	<u>11,772,522</u>	<u>14,969,577</u>	<u>17,862,065</u>	<u>13,731,825</u>
Business-type activities:				
Wastewater collection and treatment	151,408	160,923	70,251	60,990
Total business-type activities program revenues	<u>151,408</u>	<u>160,923</u>	<u>70,251</u>	<u>60,990</u>
Total government program revenues	<u>\$ 11,923,930</u>	<u>\$ 15,130,500</u>	<u>\$ 17,932,316</u>	<u>\$ 13,792,815</u>

Source: County Records

		Fiscal Year									
		2008	2009	2010	2011	2012	2013				
\$	1,480,436	\$	1,536,881	\$	1,561,615	\$	1,589,118	\$	1,548,358	\$	1,626,138
	3,025,728		2,917,504		2,975,874		2,915,052		2,394,545		2,490,087
	3,248,590		4,571,818		2,032,435		49,943		-		26
	114,371		586,783		128,474		121,681		137,477		98,434
	3,646,140		6,323,786		6,188,066		3,596,827		3,840,156		4,792,027
	724,823		642,216		694,771		674,408		728,731		714,103
	232,344		448,284		187,016		186,040		391,130		222,609
	89,556		153,355		2,375,121		182,654		204,314		173,985
	-		-		-		-		-		-
	12,561,988		17,180,627		16,143,372		9,315,723		9,244,711		10,117,409
	74,612		73,802		67,217		66,040		66,716		66,979
	74,612		73,802		67,217		66,040		66,716		66,979
\$	12,636,600	\$	17,254,429	\$	16,210,589	\$	9,381,763	\$	9,311,427	\$	10,184,388

# 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
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
2012	2,232,467,433	467,738,844	117,498,875	430,812,881
2013	2,258,003,711	487,676,744	102,684,643	532,611,206

Taxable Value of Property				
Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Agricultural Property
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
2012	1,059,415,029	467,738,844	117,498,875	296,510,611
2013	1,122,798,241	487,676,744	102,684,643	305,127,041

Source: Cerro Gordo County Auditor's Office

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

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

(3) Per \$1,000 of value

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

TIF Increment	(2) Other Property	Total Assessed Taxable Property	Less: Military Tax-Exempt Property	Net Assessed Taxable Property
\$ 63,650,574	\$ 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
125,306,712	729,052,147	4,102,876,892	6,115,677	4,096,761,215
130,243,719	769,636,251	4,280,856,274	5,926,400	4,274,929,874

**Taxable Value of Property**

TIF Increment	(2) Other Property	Total Taxable Property	Less: Military Tax-Exempt Property	Net Taxable Property	(3) Total Direct Tax Rate Urban
\$ 63,650,574	\$ 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
125,306,712	158,266,959	2,224,737,030	6,115,677	2,218,621,353	6.25
130,243,719	156,083,846	2,304,614,234	5,926,400	2,298,687,834	6.23

# 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			
	2004	2005	2006	2007
<b>County Direct Rates:</b>				
General Basic	3.21	3.50	3.50	3.50
General Supplemental	-	0.15	1.00	1.00
MH/DD Service	1.38	1.40	1.36	1.28
Debt Service	-	0.23	0.34	0.81
Total Urban County Rate	4.59	5.28	6.20	6.59
Rural Basic	3.13	3.42	3.51	3.51
Total Rural County Rate	7.73	8.69	9.71	10.11
<b>City and Town Rates:</b>				
Mason City	10.47	10.55	11.64	12.26
Clear Lake	8.41	8.98	9.36	10.05
Dougherty	14.53	16.65	17.24	17.77
Meservey	9.79	9.86	9.83	9.81
Plymouth	3.40	1.22	5.34	5.55
Rock Falls	6.74	6.84	6.84	6.50
Rockwell	8.10	8.10	8.10	8.10
Swaledale	17.95	16.64	16.64	16.15
Thornton	10.46	12.83	12.71	12.09
Ventura	7.34	7.41	7.26	3.00
Nora Springs	13.26	12.16	12.12	11.22
<b>Township Rates:</b>				
Bath	0.47	0.54	0.54	0.54
Clear Lake	0.26	0.33	0.29	0.28
Dougherty	0.31	0.35	0.35	0.35
Falls	0.53	0.59	0.62	0.62
Geneseo	0.41	0.47	0.47	0.47
Grant - Clear Lake	0.41	0.50	0.50	0.50
Grant - Forest City	0.41	0.50	0.50	0.50
Grant - Ventura	0.41	0.50	0.50	0.50
Gimes	0.73	0.82	0.82	0.76
Lake	0.20	0.27	0.18	0.10
Lime Creek	0.41	0.42	0.42	0.41
Lincoln	0.30	0.38	0.39	0.39
Mason	0.41	0.41	0.41	0.41
Mount Vernon	0.42	0.49	0.47	0.47
Owen	0.50	0.63	0.63	0.63
Pleasant Valley	0.47	0.51	0.51	0.51
Portland	0.31	0.34	0.38	0.38
Union	0.24	0.28	0.28	0.24

Source: Cerro Gordo County Auditors Office

Fiscal Year Taxes are Payable					
2008	2009	2010	2011	2012	2013
3.50	3.50	3.50	3.50	3.50	3.50
1.08	1.14	1.19	1.20	1.23	1.26
1.26	1.19	1.13	1.12	1.08	1.05
0.76	0.49	0.47	0.45	0.43	0.42
6.59	6.32	6.29	6.27	6.25	6.23
3.51	3.51	3.51	3.51	3.51	3.51
10.11	9.83	9.80	9.78	9.76	9.74
12.67	12.80	12.73	13.39	13.57	13.55
10.05	10.05	10.05	10.05	10.54	10.54
18.20	17.67	21.70	21.93	20.60	20.64
9.80	9.77	9.70	9.77	9.74	9.82
8.92	11.49	12.09	12.40	12.11	12.21
6.50	6.50	6.50	6.50	6.50	6.50
8.10	8.10	8.10	8.10	8.10	11.09
16.61	17.08	16.52	16.70	16.53	16.59
12.77	12.64	11.98	13.19	13.55	13.27
7.73	6.78	9.98	10.98	10.32	12.00
13.23	14.05	14.71	14.15	13.65	13.53
0.54	0.54	0.54	0.54	0.54	0.54
0.27	0.25	0.23	0.24	0.24	0.21
0.35	0.35	0.35	0.34	0.34	0.33
0.62	0.62	0.62	0.62	0.62	0.62
0.46	0.40	0.37	0.41	0.35	0.35
0.51	0.42	0.41	0.39	0.43	0.37
0.51	0.44	0.41	0.39	0.43	0.45
0.51	0.38	0.39	0.41	0.43	0.40
0.78	0.76	0.73	0.73	0.82	0.82
0.12	0.10	0.12	0.12	0.11	0.13
0.41	0.41	0.41	0.41	0.41	0.41
0.39	0.37	0.35	0.34	0.33	0.31
0.41	0.41	0.41	0.41	0.41	0.41
0.48	0.49	0.49	0.49	0.45	0.47
0.63	0.63	0.63	0.63	0.63	0.62
0.51	0.52	0.49	0.48	0.47	0.49
0.41	0.46	0.44	0.44	0.43	0.42
0.25	0.25	0.25	0.25	0.25	0.26

(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			
	2004	2005	2006	2007
<b>School District Rates:</b>				
Clear Lake	12.83	13.45	12.64	11.89
Forest City	14.77	14.97	15.36	14.56
Mason City	13.65	14.12	14.72	14.10
Meservey-Thornton (1)	9.02	10.85	11.63	10.05
Central Springs - Nora Springs-Rock Falls (2)	16.27	16.86	16.74	16.62
Central Springs - North Central (2)	13.97	14.82	14.37	13.31
Rockwell-Swaledale (1)	11.90	13.80	13.55	13.74
Rudd-Rockford-Marble Rock	13.17	15.19	15.96	15.79
Sheffield-Chapin (1)	12.90	14.50	14.23	14.25
Ventura	11.72	10.97	10.99	10.40
West Fork (1)				
<b>Other Taxing Authority Rates:</b>				
County Assessor	0.40	0.41	0.40	0.41
City Assessor	0.23	0.21	0.22	0.20
North Iowa Area Community College	0.61	0.63	0.62	0.62
Ag. Extension	0.11	0.12	0.12	0.11
State	0.00	0.00	0.00	0.00
Clear Lake Sanitary Sewer	1.70	1.67	1.67	1.67
Falls - Rock Falls Cemetery	0.07	0.07	0.07	0.07

(1) In 2012, West Fork School District was formed by combining Meservey-Thornton School District, Rockwell-Swaledale School District, and Sheffield-Chapin School District.

(2) Beginning in 2012, Nora Springs-Rock Falls School District and North Central School District consolidated. However, each school has its own property tax rate.

Source: Cerro Gordo County Auditors Office

Fiscal Year Taxes are Payable					
2008	2009	2010	2011	2012	2013
11.90	11.88	11.88	12.94	12.92	12.92
14.64	15.01	15.43	16.74	16.27	15.75
14.08	13.67	13.62	15.12	15.11	13.32
10.27	10.77	11.32	11.68	-	-
16.75	16.46	16.85	16.41	14.11	12.11
14.20	13.47	14.31	14.48	14.60	13.58
14.37	14.26	13.78	13.77	-	-
15.79	16.24	14.01	14.02	14.00	14.00
12.59	12.85	13.29	13.59	-	-
10.10	9.61	10.39	10.57	9.92	8.94
				10.99	12.01
0.49	0.56	0.55	0.52	0.43	0.43
0.23	0.26	0.23	0.23	0.25	0.23
0.66	0.66	0.62	0.66	0.66	0.66
0.11	0.10	0.11	0.11	0.11	0.11
0.00	0.00	0.00	0.00	0.00	0.00
1.66	1.59	1.49	1.46	1.35	1.31
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 2013			Fiscal Year 2004		
	Net Taxable Value	Rank	Percent of Total Taxable Value	Net Taxable Value	Rank	Percent of Total Taxable Value
Interstate Power & Light Co	\$ 71,373,512	1	3.10%	\$ 73,321,360	1	4.26%
Golden Grain Energy LLC	56,709,912	2	2.46%			
Union Pacific	23,177,435	3	1.01%	15,697,665	3	0.91%
Five Star Cooperative	20,793,539	4	0.90%			
Lehigh Portland Cement Co	18,223,592	5	0.79%	19,635,844	2	1.14%
Ag Processing Inc.	17,437,883	6	0.76%			
Hawkeye Power Partners LLC	12,791,561	7	0.56%			
Mills Properties Inc	12,305,168	8	0.53%			
Qwest Corp	11,677,159	9	0.51%	15,504,145	5	0.90%
Wal-Mart Real Estate Business Trust	11,599,630	10	0.50%			
Holnam Inc/Northwestern States Portland Cement Co.				15,594,756	4	0.91%
AADG Inc (Curries Company)				14,282,012	6	0.83%
Northern Border Pipeline				12,440,097	7	0.72%
Mall Associates LLC				12,082,830	8	0.70%
Mason City Shopping Center				9,947,570	9	0.58%
Clear Lake Independent Telephone Company				9,806,649	10	0.57%
	<u>\$ 256,089,391</u>		<u>11.11%</u>	<u>\$ 198,312,928</u>		<u>11.53%</u>

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

Source: Cerro Gordo County Auditor's Office

# CERRO GORDO COUNTY, IOWA

## PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

(Unaudited)

Fiscal Year Ended June 30	Property Taxes Levied for the Fiscal Year	Property Taxes Collected Within the Fiscal Year of the Levy		Property Tax Collections in Subsequent Years	Property Taxes Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2012	67,300,914	65,466,374	97.27%	-6,788	65,459,586	97.26%
2013	67,840,071	65,795,178	96.99%	37,696	65,832,874	97.04%

Total tax collections solely for Cerro Gordo County were:

<u>Fiscal Year</u>	<u>Amount</u>
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
2012	14,678,427
2013	15,239,651

Source: Cerro Gordo County Treasurer's Office

# CERRO GORDO COUNTY, IOWA

## RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Governmental Activities				Business-Type Activities		Total Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Capital Loan Notes	Capital Lease Purchases	Revenue Bonds	Sewer Revenue Capital Loan Notes				
2004	\$ 340,000	\$ 1,120,000	\$ 325,408	\$ -	\$ 569,463	\$ 2,354,871	0.19%	\$ 51.94	
2005	280,000	955,000	165,886	-	611,268	2,012,154	0.15%	44.60	
2006	215,000	880,000	20,698	-	603,750	1,719,448	0.12%	38.19	
2007	145,000	13,290,000	15,393	-	595,379	14,045,772	0.98%	313.27	
2008	75,000	12,405,000	9,621	-	586,635	13,076,256	0.88%	294.62	
2009	-	11,945,000	469,623	253,000	577,497	13,245,120	0.87%	300.92	
2010	-	11,470,000	117,605	401,750	567,946	12,557,301	0.78%	287.09	
2011	-	11,000,000	65,669	381,750	557,967	12,005,386	0.73%	271.38	
2012	-	10,835,000	10,351	361,750	547,538	11,754,639	0.69%	266.50	
2013	-	10,295,000	5,984	341,750	536,642	11,179,376	0.62%	254.44	

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

Source: Cerro Gordo County Auditor's Office

# CERRO GORDO COUNTY, IOWA

## RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	General Bonded Debt Outstanding		Percentage Net Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Total		
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%	0
2010	0	0	0.00%	0
2011	0	0	0.00%	0
2012	0	0	0.00%	0
2013	0	0	0.00%	0

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, 2013

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
County direct debt	\$ 10,636,750	100.00%	\$ <u>10,636,750</u>
City debt:			
Clear Lake	\$ 4,929,500	100.00%	\$ 4,929,500
Mason City	29,116,997	100.00%	29,116,997
Nora Springs	892,000	4.75%	42,407
Rockwell	1,054,619	100.00%	1,054,619
Thornton	115,000	100.00%	115,000
Ventura	3,442,019	100.00%	<u>3,442,019</u>
Subtotal, City debt			<u>38,700,542</u>
School Districts:			
Central Springs (North Central)	\$ 1,050,000	25.00%	262,508
Clear Lake	8,845,000	100.00%	8,845,000
Forest City	1,365,000	3.23%	44,038
Mason City	36,623,417	100.00%	36,623,417
Rudd-Rockford-Marble Rock	92,257	7.18%	6,626
Ventura	1,490,000	72.27%	1,076,881
West Fork	770,000	63.20%	<u>486,622</u>
Subtotal, School District debt			<u>47,345,092</u>
Other Districts:			
Clear Lake Sanitary District	\$ 3,635,000	100.00%	3,635,000
North Iowa Area Community College	10,930,000	35.33%	<u>3,861,605</u>
Subtotal, Other District debt			<u>7,496,605</u>
<b>Total overlapping debt</b>			<u>93,542,240</u>
<b>Total direct and overlapping debt</b>			<u>\$ 104,178,990</u>

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 valuation of each taxing jurisdiction.

# CERRO GORDO COUNTY, IOWA

## LEGAL DEBT MARGIN INFORMATION Last Ten Fiscal Years (Unaudited)

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	2004	2005	2006	2007
Debt Limit, 5% of Assessed Value	122,439,191	127,853,370	141,685,630	162,396,162
Total net debt applicable to limit	1,460,000	1,235,000	1,115,698	13,450,393
Legal Debt Margin	\$ 120,979,191	\$ 126,618,370	\$ 140,569,932	\$ 148,945,769
Total net debt applicable to the limit as a percentage of debt limit	1.19%	0.97%	0.79%	8.28%

Source: County records

Legal Debt Margin Calculation for Fiscal Year 2013

Net Assessed Value	\$	4,274,929,874
Debt Limit (5% of assessed value)		213,746,494
Debt applicable to limit:		
General obligation capital loan notes		10,295,000
LOS&ST Revenue Bonds		341,750
Capital leases		5,984
Total net debt applicable to limit		<u>10,642,734</u>
Legal debt margin	\$	<u><u>203,103,760</u></u>

2008	2009	2010	2011	2012	2013
167,274,316	178,275,045	184,784,677	197,192,614	204,838,061	213,746,494
12,489,621	12,667,623	11,989,355	11,447,419	11,427,102	10,642,734
<u>\$ 154,784,695</u>	<u>\$ 165,607,422</u>	<u>\$ 172,795,322</u>	<u>\$ 185,745,195</u>	<u>\$ 193,410,959</u>	<u>\$ 203,103,760</u>
7.47%	7.11%	6.49%	5.81%	5.58%	4.98%

# 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)
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	44,239	1,640,574	37,084	620	6,526	6.70%
2010	44,107	1,692,205	38,366	621	6,411	6.90%
2011	43,938	1,811,347	41,225	620	6,359	6.40%
2012	43,788	1,992,213	45,497	622	6,398	5.70%

(1) U.S. Census Bureau.

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

(3) Iowa Department of Education.

(4) Iowa Workforce Development

# CERRO GORDO COUNTY, IOWA

## PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

(Unaudited)

	2013			2004		
	Employees	Rank	Percent of Total County Employment	Employees (1)	Rank	Percent of Total County Employment (1)
Mercy Medical Center North Iowa	2,650	1	10.74%	-	1	-
Curries Graham	673	2	2.73%	-	2	-
Hy-Vee Food Stores	562	3	2.28%	-	5	-
Mason City Community School District	555	4	2.25%	-	-	-
Opportunity Village	460	5	1.86%	-	7	-
Principal Financial Group	448	6	1.82%	-	4	-
Wal-Mart Stores	400	7	1.62%	-	6	-
Good Shepherd Geriatrics Center	325	8	1.32%	-	10	-
Kraft Foods	278	9	1.13%	-	-	-
City of Mason City	262	10	1.06%	-	-	-
Staff Management	-	-	-	-	3	-
Woodharbor Doors and Cabinetry, Inc.	-	-	-	-	9	-
Cole Sewell Corporation	-	-	-	-	8	-
	<u>\$ 6,613</u>		<u>26.79%</u>	<u>\$ 0</u>		<u>0.00%</u>

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

(1) Information not available.

# CERRO GORDO COUNTY, IOWA

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

Last Ten Fiscal Years

(Unaudited)

Function/Program	Fiscal Year			
	2004	2005	2006	2007
<b>Public Safety and Legal Services:</b>				
Sheriff	53.00	53.00	51.00	61.00
Attorney	11.00	11.00	10.00	11.00
Child Support Recovery	7.00	7.00	7.00	7.00
<b>Physical Health and Social Services:</b>				
Health Department	49.00	49.00	49.00	51.00
General Relief	1.25	1.35	1.35	1.35
Veteran Affairs	1.75	1.65	1.65	1.65
<b>Mental Health:</b>				
CPC	1.50	1.50	1.50	1.50
Case Management	7.00	9.00	10.00	9.00
<b>County Environment and Education:</b>				
Conservation	6.50	6.50	6.00	6.00
Planning and Zoning:	1.00	1.00	1.00	1.00
<b>Roads and Transportation:</b>				
Engineer	43.00	43.00	43.00	40.00
Roadsides	3.00	3.00	3.00	3.00
<b>Governmental Services to Residents:</b>				
Treasurer, motor vehicles	6.60	6.60	6.60	6.60
Recorder	5.00	5.00	5.00	5.00
Auditor, elections	3.00	3.00	3.00	3.00
<b>Administration:</b>				
Board of Supervisors	3.50	3.50	3.50	3.50
Auditor	5.50	5.50	5.50	6.50
Treasurer, tax	2.40	2.40	2.40	2.40
MIS	6.00	7.00	7.00	7.00
Courthouse Maintenance	2.50	2.50	2.50	2.50
Safety	0.50	0.50	0.50	0.50
Personnel	0.50	0.50	0.50	0.50
<b>Total</b>	<b>221</b>	<b>224</b>	<b>221</b>	<b>231</b>

Source: County Records

Fiscal Year					
2008	2009	2010	2011	2012	2013
71.00	72.00	72.00	73.00	73.00	73.00
11.00	11.00	11.00	11.00	11.00	12.00
7.00	7.00	7.00	7.00	6.00	6.00
49.00	50.00	51.00	48.00	50.00	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	2.20	2.20	3.20	3.20	3.20
9.00	9.00	9.00	9.00	9.00	9.00
6.00	6.00	6.50	6.50	7.00	6.50
1.00	1.00	1.00	1.00	1.00	1.00
40.00	39.00	38.00	39.00	39.00	38.00
3.00	3.00	3.00	3.00	2.00	3.00
6.60	6.45	5.75	5.75	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
6.50	6.50	6.50	6.50	6.50	6.50
2.40	1.55	2.25	2.25	2.25	2.25
7.00	7.00	6.00	6.00	6.00	7.00
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
239	240	239	239	240	239

# CERRO GORDO COUNTY, IOWA

## OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

(Unaudited)

Function/Program	Fiscal Year			
	2004	2005	2006	2007
Public Safety and Legal Services:				
Sheriff:				
Weapon permits issued	285	304	320	338
Number of Jail bookings	3,111	2,864	3,361	3,652
Civil Papers Served	5,593	4,972	4,304	4,289
Service Calls	7,098	5,419	5,568	5,519
Number of Arrests	530	412	434	1,005
Citations and Warnings issued	4,272	4,742	4,008	4,507
Attorney:				
Number Cases Filed:				
Felony	455	432	412	404
Indictable Misdemeanor	1,252	1,347	1,294	1,225
Juvenile	233	229	265	177
Physical Health and Social Services:				
Health Department:				
Number of Immunizations	6,578	3,834	5,036	5,685
Number of Nursing Clients	370	352	372	354
Number of Nursing Visits	5,864	5,844	5,854	5,968
Number of Home Care Aide Clients	259	238	222	247
Number Home Care Aide service hours	13,858	14,573	13,879	13,206
Number of Food Inspections	2,469	2,572	2,305	3,067
County Environment and Education:				
Conservation:				
Number of camper nights	4,285	4,715	3,800	4,097
Conservation programs presented	271	218	252	297
People attending programs	11,225	9,102	9,156	9,985
Planning and Zoning:				
Zoning Permits issued	145	126	122	105
Board of Adjustment cases	32	39	37	37
Roads and Transportation:				
Engineer: Miles maintained	965	970	970	970
Governmental Services to Residents:				
Treasurer: Titles issued	17,012	17,186	17,142	19,917
Recorder: Documents recorded	16,437	12,807	11,664	11,026
Auditor:				
Registered voters	31,290	33,239	32,171	31,470
Absentee ballots requested	3,064	9,505	1,992	5,370

Source: County Records

Fiscal Year					
2008	2009	2010	2011	2012	2013
343	394	495	1,149	673	679
3,497	3,542	3,431	2,998	3,130	3,024
4,068	4,911	4,743	4,647	4,627	4,650
5,151	7,953	8,634	8,876	7,554	7,316
344	1,604	2,423	2,572	2,546	2,073
4,354	2,677	2,764	4,029	2,755	2,482
347	277	218	283	234	297
1,229	1,049	984	1,036	871	919
215	203	174	151	165	185
6,255	7,006	5,516	5,081	4,978	5,463
314	341	324	358	378	411
5,516	5,649	6,443	6,320	6,376	6,380
223	148	144	296	145	141
12,176	13,066	13,527	12,175	12,365	10,987
2,998	3,209	2,664	840	386	971
4,583	4,017	4,359	4,209	4,173	3,895
273	238	251	274	271	309
9,295	10,727	10,451	11,169	10,487	10,227
153	105	92	96	103	71
36	34	26	28	37	28
970	970	970	970	970	970
13,704	12,874	14,989	13,791	14,812	15,363
10,806	10,094	9,961	9,495	9,137	9,899
32,089	32,200	32,114	32,158	32,449	31,975
3,067	10,145	1,731	5,872	1,530	9,865

# CERRO GORDO COUNTY, IOWA

## CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

(Unaudited)

Function/Program	Fiscal Year			
	2004	2005	2006	2007
Public Safety and Legal Services:				
Sheriff:				
Number of vehicles	22	21	22	24
Physical Health and Social Services:				
Health Department:				
Number of vehicles	7	8	9	8
County Environment and Education:				
Conservation:				
Number of park areas	30	30	30	30
Total acres managed	3,024	3,024	3,024	3,024
Number of vehicles	15	15	15	15
Roads and Transportation:				
Engineer:				
Number of vehicles	21	22	23	23
Number of buildings	6	6	6	6
Governmental Services to Residents:				
Auditor, elections:				
Number of voting machines	32	29	59	59

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					
2008	2009	2010	2011	2012	2013
26	26	26	28	28	29
8	9	9	9	9	9
30	31	31	31	31	31
3,024	3,284	3,284	3,284	3,284	3,284
15	15	15	15	15	15
23	44*	44*	44*	46*	46*
6	6	6	6	6	6
59	59	59	59	59	62

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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			
	2013	2012	2011	2010
<b>Revenues:</b>				
Property and Other County Tax	\$ 17,057,026	\$ 16,630,974	\$ 16,151,502	\$ 15,746,255
Interest and Penalty on Property Tax	153,414	163,122	161,757	174,381
Intergovernmental	7,144,890	7,295,931	7,827,411	12,253,236
Licenses and Permits	120,712	125,044	126,934	413,794
Charges for Services	1,304,748	1,332,932	1,391,135	1,248,757
Use of Money and Property	250,226	283,542	277,433	311,405
Fines, Forfeitures, and Defaults	28,995	58,479	9,465	42,893
Miscellaneous	1,284,456	889,753	924,345	1,433,282
<b>Total</b>	<b>\$ 27,344,467</b>	<b>\$ 26,779,777</b>	<b>\$ 26,869,982</b>	<b>\$ 31,624,003</b>
<b>Expenditures:</b>				
<b>Operating:</b>				
Public Safety and Legal Services	\$ 7,577,137	\$ 7,500,849	\$ 7,095,863	\$ 6,826,705
Physical Health and Social Services	4,845,164	4,639,871	5,095,095	4,656,497
Mental Health	2,361,533	3,793,476	676,241	5,941,119
County Environment and Education	1,106,735	1,233,631	1,181,451	1,302,316
Roads and Transportation	4,417,491	5,066,973	4,963,655	5,340,158
Governmental Services to Residents	1,048,894	1,052,040	988,933	970,387
Administrative Services	2,580,211	2,485,101	2,355,944	2,886,708
Non-program	27,405	84,682	114,044	167,932
Debt Service	992,257	10,412,411	3,060,946	1,379,120
Capital Projects	1,850,331	1,769,644	2,628,619	3,022,467
<b>Total</b>	<b>\$ 26,807,158</b>	<b>\$ 38,038,678</b>	<b>\$ 28,160,791</b>	<b>\$ 32,493,409</b>

See Accompanying Independent Auditors' Report.

Modified Accrual Basis					
2009	2008	2007	2006	2005	2004
\$ 15,367,915	\$ 15,308,353	\$ 14,782,265	\$ 13,118,367	\$ 11,061,423	\$ 10,570,374
166,230	146,433	130,746	139,522	126,247	118,275
12,986,761	10,584,094	11,356,056	11,191,640	12,701,807	9,722,154
397,960	414,152	327,967	324,776	297,721	270,476
1,173,034	1,155,633	1,132,140	1,205,710	1,228,309	1,292,565
439,098	902,907	1,246,172	637,056	374,870	228,181
48,814	25,305	31,316	61,612	-	-
893,902	896,588	835,815	1,141,934	950,043	1,215,451
<u>\$ 31,473,714</u>	<u>\$ 29,433,465</u>	<u>\$ 29,842,477</u>	<u>\$ 27,820,617</u>	<u>\$ 26,740,420</u>	<u>\$ 23,417,476</u>
\$ 6,769,038	\$ 6,229,452	\$ 5,565,965	\$ 4,808,056	\$ 4,541,026	\$ 4,251,143
5,150,211	4,866,227	4,725,534	4,251,999	4,006,819	3,913,976
5,802,641	6,366,901	5,861,602	5,611,348	5,209,344	5,198,915
1,661,836	1,631,652	1,112,434	1,203,407	880,494	921,991
5,079,324	4,972,994	4,513,467	5,111,457	4,885,745	4,551,633
939,846	928,523	830,775	827,433	803,724	742,415
2,187,056	2,466,608	2,157,767	1,872,576	1,841,707	1,902,524
276,787	50,342	72,906	169,026	354,230	207,694
1,493,018	1,515,657	1,595,718	673,630	462,012	78,738
1,224,944	6,858,012	7,893,520	3,299,760	5,027,808	2,281,067
<u>\$ 30,584,701</u>	<u>\$ 35,886,368</u>	<u>\$ 34,329,688</u>	<u>\$ 27,828,692</u>	<u>\$ 28,012,909</u>	<u>\$ 24,050,096</u>

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**SINGLE AUDIT SECTION**

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**CERRO GORDO COUNTY, IOWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2013**

Grantor/Program	CFDA Number	Agency or Pass-Through Number	Program Expenditures
<b>Direct:</b>			
U.S. Department of Health and Human Services Centers for Disease Control and Prevention Environmental Public Health and Emergency Response	93.070	5UE2EH000726-03	<u>\$117,507</u>
Total Direct			<u><u>\$117,507</u></u>
<b>Indirect:</b>			
U.S. Department of Agriculture Iowa Department of Human Services Human Services Administrative Reimbursements State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		<u>\$47,259</u>
U.S. Department of Housing and Urban Development Iowa Department of Economic Development Community Development Block Grant -- State's Program Jumpstart Disaster Recovery Housing Program	14.228	08-DRH-202	866,078
Disaster Recovery Housing Program	14.228	08-DRH-002	250,100
Disaster Business Rental Assistance Program	14.228	08-DRB-208	<u>6,912</u>
			<u>1,123,090</u>
U.S. Department of Justice Iowa Department of Justice Violence Against Women	16.588	VW-13-53	<u>819</u>
Iowa Office of Drug Control Policy ARRA -- Byrne Memorial Justice Assistance Grant	16.803	09JAG/ARRA-3344B	<u>112,739</u>
National Highway Traffic Safety Administration Iowa Department of Transportation Traffic Safety Bureau Alcohol Incentive Grant Intoxicated Persons Program	20.605	PAP 12-410,Task 15	<u>6,412</u>
U.S. Department of Health and Human Services Iowa Department of Public Health Public Health Emergency Preparedness and Response	93.069	5882BT17/5883BT17	<u>57,507</u>
Environmental Public Health and Emergency Response	93.070		<u>1,577</u>
Affordable Care Act Personal Responsibility Education Program	93.092		<u>62,853</u>
Immunization Cooperative Agreements	93.268	5880I414/5882I414	<u>14,630</u>
Adult Viral Hepatitis Prevention and Control	93.270		<u>156</u>
Breast and Cervical Cancer Prevention	93.283	5881NB07/5882NB07	<u>18,040</u>
Community Transformation Grant	93.531		<u>107,657</u>
Prevention and Public Health Fund	93.539		<u>6,276</u>
HIV Prevention Activities	93.940	5881AP04/5882AP04	<u>8,156</u>

**CERRO GORDO COUNTY, IOWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2013 (Continued)**

Grantor/Program	CFDA Number	Agency or Pass-Through Number	Program Expenditures
Iowa Department of Human Services			
Human Services Administrative Reimbursement			
Child Care Mandatory and Matching Funds of the Child Care And Development Fund	93.596		10,917
Foster Care Title IV-E	93.658		16,507
Adoption Assistance	93.659		4,604
Refugee and Entrant Assistance	93.566		212
Medical Assistance Program	93.778		46,954
Children's Health Insurance Program	93.767		178
Social Services Block Grant	93.667		14,372
Child Care and Development Block Grant	93.575		88,957
U.S. Department of Homeland Security			
Iowa Homeland Security and Emergency Management Division			
Emergency Management Performance Grant	97.042	EMPG-13-PT-17	26,914
Homeland Security Grant Program	97.067	2010-SS-T00031	64,457
Homeland Security Grant Program	97.067	2010-SS-T00031-06	178,204
Homeland Security Grant Program	97.067	EMW-2012-SS-00028-17	7,422
			250,083
Total Indirect			\$2,026,869
Total for County			\$2,055,419
Total for Empowerment			88,957
Grand Total			\$2,144,376

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 Auditor's Report.

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**Gardiner Thomsen**  
Certified Public Accountants

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

To the Officials of Cerro Gordo County  
Mason City, Iowa

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Cerro Gordo County, Iowa, as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise the Cerro Gordo County, Iowa's basic financial statements and have issued our report thereon dated December 18, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cerro Gordo County, Iowa's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cerro Gordo County, Iowa's internal control. Accordingly, we do not express an opinion on the effectiveness of Cerro Gordo County, Iowa's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and 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 that a material misstatement of the County's financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in Part II of the accompanying Schedule of Finding and Questioned Costs as item II-A-13 to be a material weakness.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in Part II of the accompanying Schedule of Findings and Questioned Costs as items II-B-13 and II-C-13 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cerro Gordo County, Iowa's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the 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 or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of non-compliance or other matters that are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2013 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

#### Cerro Gordo County, Iowa's Responses to Findings

Cerro Gordo County, Iowa's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Cerro Gordo County, Iowa's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Gardiner Thomsen, P.C.*

Charles City, Iowa

December 18, 2013



**Gardiner Thomsen**  
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Officials of Cerro Gordo County  
Mason City, Iowa

Report on Compliance for Each Major Federal Program

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 each of Cerro Gordo County, Iowa's major federal programs for the year ended June 30, 2013. Cerro Gordo County, Iowa's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Cerro Gordo County, Iowa's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, 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, Iowa'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 on compliance for each major federal program. However, our audit does not provide a legal determination on Cerro Gordo County, Iowa's compliance.

Opinion on Each Major Federal Program

In our opinion, Cerro Gordo County, Iowa, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of Cerro Gordo County, Iowa is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cerro Gordo County, Iowa's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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, Iowa's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our 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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Caroline Thompson, P.C.*

Charles City, Iowa

December 18, 2013

# CERRO GORDO COUNTY, IOWA

## Schedule of Findings and Questioned Costs Year Ended June 30, 2013

### Part I: Summary of the Independent Auditor's Results:

- a. Unmodified 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 unmodified 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 program was CFDA Number 14.228 – Community Development Block Grants/State's Program - Jumpstart Disaster Recovery Housing Program, Disaster Recovery Housing Program and Disaster Business Rental Assistance Program.
- g. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- h. Cerro Gordo County did not qualify as a low-risk auditee.

# CERRO GORDO COUNTY, IOWA

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2013

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

### INTERNAL CONTROL DEFICIENCIES:

#### II-A-13 Segregation of Duties

**Finding**—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. We noted that various functions of the County are performed by the same person.

**Criteria** – A good internal control contemplates an adequate segregation of duties so that no one individual handles a transactions from its inception to its completion.

**Condition** – Various functions of the Auditor, Treasurer, Recorder and Sheriff's Offices are performed by the same person.

**Effect** – Transaction errors could occur and not be detected in a timely manner.

**Cause** – Limited staff available to segregate duties.

**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 and Corrective Action Planned**—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.

#### II-B-13 Financial Reporting

**Finding** — During the audit, we identified material amounts of accounts payable not recorded on the County's financial statements.

**Criteria** – A good financial reporting system to record accounts payable.

**Condition** – Disbursements following year end were not always coded as a disbursement for goods or services received prior to June 30 to be included in the accounts payable listing.

**Effect** – The accounts payable listing was understated.

**Cause** – Limited staff.

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

**Response and Corrective Action Planned**—We will adjust our financial statements to properly include these amounts and will revise our current procedures to ensure the proper amounts are recorded in the financial statements in the future.

# CERRO GORDO COUNTY, IOWA

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2013

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

### II-C-13 Undeposited Collections from the Public Health Department

**Finding** – The Public Health Department provides immunization clinics for the citizens of the County. The County charges for these immunizations, and the related fees are collected by the Public Health employees conducting the immunization clinic. A worksheet is prepared detailing the names of the citizens receiving the immunizations and the amounts collected for each immunization, along with a breakdown of what fees were paid by cash and what fees were paid by check. The worksheet, along with the fees collected, are turned into the Public Health department to be recorded and remitted to the County Treasurer.

The fees collected are recorded by the Public Health Department in a software program which tracks the type of fee collected for each public health service provided. The reports generated from this system are remitted to the County Treasurer with the fees and the County Treasurer records the receipts on the County's financial system. The original worksheet prepared at the immunization clinic, the report generated by the Public Health software and the miscellaneous receipt issued by the County Treasurer are maintained for documentation of the deposit.

By comparing the worksheets prepared by the employee conducting the immunization client to the report generated by the Public Health Department software, it was noted that not all fees collected were recorded or remitted to the County Treasurer.

**Criteria** – A good internal control contemplates an adequate segregation of duties so that no one individual handles a transactions from its inception to its completion.

**Condition** – Not all of the fees collected for immunization services were remitted to the County Treasurer to be recorded and deposited.

**Effect** – The receipts for the immunization clinics were understated.

**Cause** – The Public Health Department did not have anyone verifying the original immunization clinic worksheets to the reports generated by the Public Health software or the Treasurer's miscellaneous receipt.

**Recommendation**—The Public Health Department should implement procedures to ensure all fees collected are remitted to the County Treasurer to be recorded on the County's financial system and deposited.

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

### **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, 2013

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

IV-A-13 **Certified Budget** – Disbursements during the year ended June 30, 2013 did not exceed the amounts budgeted.

IV-B-13 **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-13 **Travel Expense** – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

IV-D-13 **Business Transactions** – The following business transactions between the County and County officials or employees were noted:

<u>Name, Title and Business Connection</u>	<u>Transaction</u>	<u>Amount</u>
<b>Tracie Siemers, Auditor's Office</b>		
Steve Siemers, Spouse	Snow Removal	\$ 655
Linda Weatherwax, Tracie's Mother	Election Worker	309
<b>Barb Sowder, Auditor's Office</b>		
Terri Gretillat, Sister	Election Worker	603

In accordance with Chapter 331.342 of the Code of Iowa, the transactions with Steve Siemers, Linda Weatherwax and Terri Gretillat do not appear to represent conflicts of interest since total transactions were less than \$1,500 during the fiscal year.

IV-E-13 **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-13 **Board Minutes** – No transactions were found that we believe should have been approved in the Board minutes but were not.

IV-G-13 **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-13 **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-13 **Economic Development** – During the year ended June 30, 2013, the County paid \$70,600 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-13 **Grant Activity** – The County complied with grant regulations; no violations were noted.

# CERRO GORDO COUNTY, IOWA

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2013

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

IV-K-13 **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, 2013, did not exceed the amount budgeted.

IV-L-13 **Early Childhood Iowa Area Board** – Cerro Gordo County is the fiscal agent for the Cerro Gordo, Hancock, Worth Early Childhood Iowa Area Board, an organization formed pursuant to the provisions of Chapter 256I of the Code of Iowa. Financial transactions of the Area Board are included in the County's financial statements as part of the Other Agency Funds because of the County's fiduciary relationship with the organization.

IV-M-13 **Emergency Management Budget** – Emergency Management disbursements exceeded the amounts budgeted during the fiscal year ended June 30, 2013.

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

**Response** – We will amend the budget when required.

**Conclusion** – Response accepted.