

# **CERRO GORDO COUNTY, IOWA**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2003**

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

# CERRO GORDO COUNTY, IOWA

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# CERRO GORDO COUNTY, IOWA

OFFICIALS  
June 30, 2003

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## Board of Supervisors

<u>Name</u>	<u>Term Expires</u>	<u>Address</u>
Robert Amosson	January 2007	Rockwell, Iowa
Phillip Dougherty	January 2005	Dougherty, Iowa
Jay Urdahl	January 2005	Mason City, Iowa

## Officers

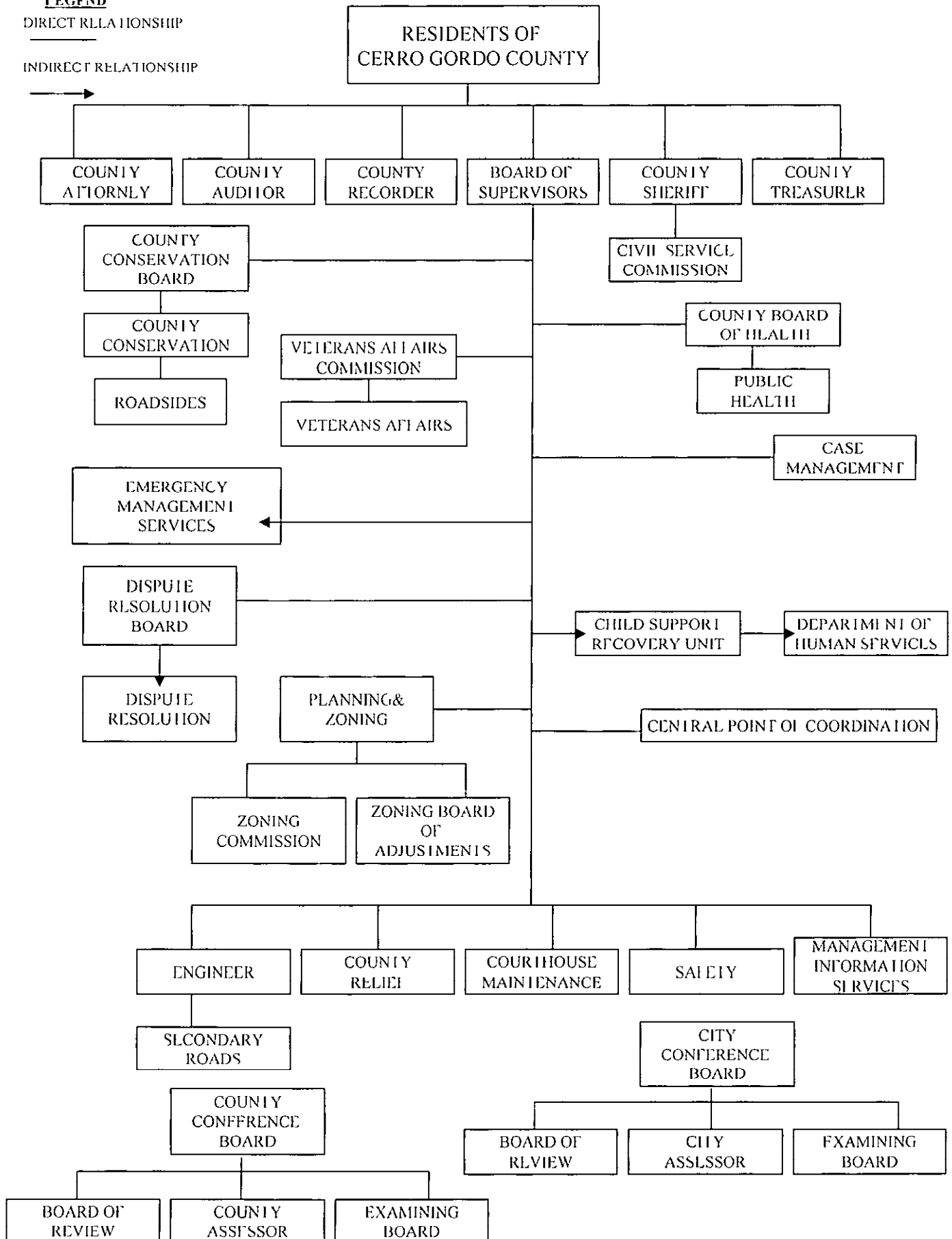
<u>Name</u>	<u>Term Expires</u>	<u>Title</u>
Kenneth Kline	January 2005	Auditor
Michael J Grandon	January 2007	Treasurer
Colleen Pearce	January 2007	Recorder
Kevin Pals	January 2005	Sheriff
John Boedeker	Appointed	County Assessor
Robert Zinnel	Appointed	City Assessor
Paul Martin	January 2007	County Attorney

# CERRO GORDO COUNTY ORGANIZATIONAL CHART

## LEGEND

DIRECT RELATIONSHIP

INDIRECT RELATIONSHIP



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cerro Gordo County,  
Iowa

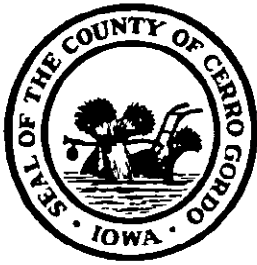
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2002

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



President

Executive Director



## **County Auditor**

### **Cerro Gordo County**

220 North Washington

Ken Kline, County Auditor

Mason City, Iowa 50401

(515) 421-3027

FAX (515) 421-3139

December 19, 2003

County Board of Supervisors and Citizens  
Cerro Gordo County, Iowa

The Comprehensive Annual Financial Report of Cerro Gordo County, Iowa for the fiscal year ended June 30 2003 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

The Comprehensive Annual Financial Report is presented in five (5) sections: introductory, financial, information required by the State Auditor, statistical and single audit. The introductory section includes this transmittal letter, the County's organizational chart, and a list of principal officials. The financial section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the independent auditor's report on the financial statements and schedules. The information required by the State Auditor section includes the comparison of taxes and intergovernmental receipts schedule. The statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis. The single audit section includes the supplementary schedule of expenditures of federal awards and numerous independent auditor's reports on various requirements.

The financial reporting entity includes all funds and account groups of the County. Various potential component units were examined to determine whether the County was financially responsible for the entity or whether the nature and significance of the relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The components discussed in Note 1 are included in the County's reporting entity.

Cerro Gordo County, which is governed by an elected three-member board, 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.



## **Economic Condition and Outlook**

Cerro Gordo County, with the Cities of Mason City, Clear Lake, and eight smaller cities, is the eleventh largest 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 low rate of unemployment and the lack of a single, dominant employer, the economy of the area is dynamic, robust, and broad-based. The City of Mason City is the largest city in Cerro Gordo County, with about two-thirds of the County's 46,000 population.

Tourism is an important industry in Cerro Gordo County, largely due to Clear Lake, which, at 3,865 acres, is the third largest natural lake in Iowa, and is the namesake of the surrounding city. According to figures from the Travel Industry Association of America, Cerro Gordo County ranked 11th in the State of Iowa in tourism spending with \$107.9 million of revenues during 2002, up from \$105.2 million in 2001.

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 Hamilton College, which offers AAS and BA degrees.

Cerro Gordo County serves as a regional hub for transportation with an airport, three railroad branch lines, and Interstate 35, which runs north-south the length of the County. In November 1999 the Iowa Department of Transportation opened the "Avenue of the Saints", (the link between Interstates 35 and 80). With the completion of this major transportation artery, Cerro Gordo County is poised for future economic growth.

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 affiliations with nine rural hospitals. The 350-bed health center employed more than 2,600 people during the fiscal year and had supporting services from more than 200 physicians, physician assistants, and nurse practitioners. As the premier health care delivery network in northern Iowa and southern Minnesota, Mercy Health Network - North Iowa spans 23 counties in northern Iowa and consists of a secondary referral medical center, Mercy Medical Center - North Iowa, Mercy Clinics, a primary and specialty physician network, a home health agency, a hospice, a senior services agency, a regional referral laboratory, regional rehabilitation and diagnostic technology services, an emergency services network, pharmacies, and a variety of other health care services.

For the second year in a row, Mercy Medical Center - North Iowa was named one of the nation's 100 top hospitals, achieving excellence in teaching, quality of care, efficiency of operations, and sustainability of overall performance. And for the third consecutive year it also was named one of the nation's 100 top cardiovascular hospitals. Both rankings were made by Solucient, an Evanston, Illinois-based health care information company.

Retail news during the fiscal year included the opening of the new Wal-Mart Supercenter on July 17, 2002. Located on the west edge of Mason City, the store is on a 310-acre site approved for a mix of commercial and industrial zoning. The owner of the development, Indianhead Farms, has said that they anticipate a strip mall and industrial park to be developed over the next few years. Also, IC Systems announced a \$1.9 million, 20,000 square-foot expansion. The company said it expects to expand its Mason City workforce by 150 to 350 employees over the next five years.

One negative sign in the retail business area was the announcement at the end of the fiscal year of the closing of Latham Furniture. The company has been in business for 18 years, and will close its 30,000 square-foot showroom in downtown Mason City.

In October 2002 Alliant Energy and its subsidiary, Interstate Power and Light Company, broke ground on a new \$400 million, natural gas-fired power plant. Company officials said the project will take two years, and will employ 400 to 500 people during construction. Once completed, the plant will employ about 20 full-time salaried people, and will generate more than \$1 million in new tax revenues annually, as well as enough power to supply 150,000 homes. This is the first such new power plant built in the State of Iowa in the past 19 years, and is a direct result of legislation passed in 2001 encouraging new investment in energy production.

Industrial economic news during the fiscal year also included the announcement of a plan to construct a \$56.4 million ethanol production plant on a site just south of Mason City. Golden Grain Energy LLC said the 67,000 square foot plant will employ 32 people with an annual payroll of more than \$1.5 million. The plant will use 15 million bushels of corn and produce 40 million gallons of ethanol annually. Representatives of the company cited the proximity of a main line of the Union Pacific Railroad, the supply of area corn, and the construction of the new Alliant Energy power plant as determining factors in the selection of the Cerro Gordo County site.

In other positive industrial news, Pella Storm Doors Division in Clear Lake announced a \$1.7 million expansion that will add 50 new jobs over a two-year period. The company moved to Clear Lake in 1997, and it currently employs 400 persons and manufactures more than 40 types of doors. Also, Kraft Foods broke ground on a new refrigerated 108,000 square-foot warehouse east of the existing facility located on 12th Street NW in Mason City.

### **Major Initiatives**

Recruiting the \$56 million ethanol production plant was a major County initiative during the fiscal year. In private negotiations with Mason City officials, company representatives, and the Mason City Economic Development Corporation, the county supervisors say that they have agreed to the following economic development incentives: to pay \$300,000 toward the land costs, to rebate the first ten years of property taxes, and to pave 240th Street west from Highway 65 to the Union Pacific tracks. To offset the estimated \$1.3 million paving cost, the County applied for and received a RISE grant of \$750,000. The Revitalize Iowa Sound Economy (RISE) grant is administered by the Iowa Department of Transportation.

Another major initiative during the fiscal year was negotiations with and assistance offered to Alliant Energy in resolving a problem with proximity to the Mason City Airport and regulations of the Federal Aviation Authority (FAA). Representatives from Alliant said that when they talked to FAA officials prior to selection of the site of the power plant they were told that there were no special requirements, but that now the FAA was requiring installation of special equipment due to the height of the power plant. The board of supervisors voted to pay the cost of the special equipment up to an amount of \$773,000. Funding would be limited to the General Basic portion of the additional excise taxes generated by the new Alliant plant. At an estimated amount of \$186,000 per year, the full cost would be paid in about five years after the new plant becomes operational.

The County saw an explosive growth in its website during the fiscal year. In addition to providing general information about the various benefits and services provided by individual offices and departments, the website included ordinances, board supervisors' agendas and minutes, public notices, and employment opportunities. One popular feature called "property look-up" allows the public to research real estate assessment and ownership information. Document Indexing Inquiry, another valuable component, permits the review of digitally scanned real estate documents from the County Recorder's office. Introduction of an intranet for the dissemination of information to County employees was also initiated. Employee handbooks, directories,

calendars, newsletters, and other information were made available on this internal website. Both internet and intranet websites had powerful search capabilities.

During the fiscal year the County accepted completion of the work for Contracts I and II of the Meservey Wastewater Collection and Treatment Facility project. These contracts consisted of construction of a 3-celled controlled discharge lagoon treatment facility and gravity sanitary sewer service connections to 140 residences and businesses. The final phase of the project will include individual user hookups, and construction is now expected to be completed in the spring of 2004.

On the issue of overcrowded conditions in the county jail, Plepla and Associates, Inc. presented a report at a joint meeting of supervisors and Mason City council members proposing a \$12.6 million Joint Law Enforcement Center and County Jail. At the January 15, 2003 meeting the consultants said that the two departments would benefit in the sharing of common costs and in better law enforcement activities and crime prevention. At the conclusion of the meeting both policy making bodies said they would need to study the proposals further. In additional action in May 2003, the supervisors appointed individuals to two committees for the Joint Law Enforcement Center and County Jail, an architectural selection committee and a jail steering committee.

During the fiscal year Aerial Services, Inc. completed the second phase of the County's geographic information systems (GIS) project. The second phase included the digitizing and ortho-rectification of new countywide color aerial photographs, and the creation of a three-dimensional digital terrain model (DTM). Cerro Gordo County will be the first in the State of Iowa to have digitized color aerial photography.

The third and final stage of the GIS project will include correction of the County's cadastral maps (tax maps) based upon the more accurate digital orthophotos, and the creation of parcel topology, in which a parcel can exist in a GIS system as an entity, as opposed to a series of lines. The benefit of parcel topology is the ability to do "spatial analysis" by relating the GIS system to various databases. It is expected that a true GIS system will have multiple uses for a variety of departments in County government, as well as applications for other governments, surveyors, abstractors, appraisers, and development officials, and that a specific project with timelines, costs, and recommended vendors can be presented to the board of supervisors in the next fiscal year. This phase of the GIS project was contracted to The Sidwell Company of Chicago, Illinois, and completion is expected by the end of calendar year 2003.

### **Financial Information**

Management of the County requires the establishment and maintenance of an internal control structure designed to ensure that the assets of the County are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of the general purpose financial statements in conformity with general accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management.

#### **Single Audit**

As a recipient of federal financial assistance, the County is responsible for ensuring that an adequate internal control structure is in place to comply with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation.

As a part of the County's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine

that the County has complied with applicable laws and regulations. The results of the County's single audit for the fiscal year ended June 30, 2003 reported no instances of material weaknesses in the internal control structure and no significant violations of applicable laws and regulations.

### **Budgetary Controls**

The County maintains budgetary controls to ensure compliance with legal provisions in the administration of its annual appropriated budget approved by the County Board of Supervisors.

The State of Iowa requires the adoption of an annual budget with total County operating expenditures listed by major program service area. Activities of the general fund, special revenue funds, capital projects funds, and debt service fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the total program service area level. In addition, individual County officials' expenditures cannot exceed the amounts appropriated by the Board.

### **Cash Management**

The County's investment policy is to ensure the safety of public funds by minimizing credit and market risk while maintaining a competitive yield on its portfolio. Idle funds during the year were invested in those investments authorized by law and included certificates of deposit and interest bearing bank accounts. Interest revenue on all governmental fund investments for the fiscal year was \$319,036, down \$326,363, a 50.6% decrease from the prior fiscal year.

### **Risk Management**

Cerro Gordo County is self-insured for employee health insurance. The Safety Department manages other types of insurance, including worker's compensation, general liability, property, fleet, law enforcement professionals, public officials, and tort. The Safety Department has developed a risk management program which includes physicals and return-to-work exams, a case management program administered by the County's insurance carrier, deductibles of \$500 on worker's compensation claims, \$5,000 on buildings, \$250 on inland marine, \$5,000 on crime, \$25,000 on law enforcement, \$10,000 on public officials, and \$500 to \$5,000 on motor vehicles, and, the retention of a doctor to deal with occupational medicine and to administer the required drug testing. The County has also developed programs including Bloodborne Pathogens, Tuberculosis, and Right to Know. Periodic training is offered in Defensive Driving and in the use of fire extinguishers. Annual hearing tests are provided for certain required employees.

## **Other Information**

### **Independent Audit**

The Code of Iowa, Chapter 11, requires an annual audit of the County's financial statements by the Auditor of State or by a certified public accountant. The County contracted with Gardiner & Co., P.C. to conduct the independent audit. Their opinion is included in the financial statements. In addition to meeting the requirements of the State statutes, the audit also met the requirements of OMB Circular A-133. This report can be found under the Single Audit section.

### **Awards**

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, 2002. This was the seventh 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.

### **Acknowledgments**

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

Respectfully submitted,

A handwritten signature in black ink that reads "Heather R Mathre". The signature is written in a cursive, flowing style.

Heather R. Mathre, CPA  
Finance Assistant  
Office of the County Auditor  
Cerro Gordo County, Iowa

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# Gardiner Thomsen

Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

To the Officials of Cerro Gordo County  
Mason City, Iowa

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cerro Gordo County, Iowa, as of and for the year ended June 30, 2003, which collectively comprise the County's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of Cerro Gordo County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Cerro Gordo County at June 30, 2003, and the results of its operations and the cash flows of the proprietary fund types for the year then ended in conformity with U.S. generally accepted accounting principles.

As discussed in Note 18 to the financial statements, during the year ended June 30, 2003, Cerro Gordo County adopted Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, Statement No. 37, *Basic Financial Statements - and Management Discussion and Analysis - for State and Local Government Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures* and Statement No. 41, *Budgetary Comparison Schedule - Perspective Differences*.

In accordance with *Government Auditing Standards*, we have issued our reports dated December 19, 2003 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 11 through 19 and 47 through 57 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Cerro Gordo County's basic financial statements. The combining and individual fund and account group financial statements and schedules including the Schedule of Expenditures of Federal Awards required by the U.S. Office of Management and Budget (OMB) Circular A-133 and the Financial Information Required by the State Auditor, listed in the foregoing table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements of the County. These financial statements, schedules, and Financial Information Required by the State Auditor are also the responsibility of the management of the County. Such additional information for the three years ended June 30, 2002, has been subjected to the auditing procedures applied in our audits of the aforementioned financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

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

December 19, 2003

*Gardiner Thomsen, P.C.*

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Cerro Gordo County provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2003. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

Because Cerro Gordo County is implementing new reporting standards for this fiscal year with significant changes in content and structure, much of the information is not easily comparable to prior years. However, in future years, comparisons will be more meaningful and will go further in explaining the County's financial position and results of operations.

### **FINANCIAL HIGHLIGHTS**

- ◆ Cerro Gordo County governmental fund revenues increased 7.1% or \$1,484,097 from fiscal year 2002 (FY02). Property taxes increased \$150,716 and intergovernmental revenues increased \$1,064,714 from FY02.
- ◆ Cerro Gordo County governmental fund expenditures for FY03 were \$22,809,970, an increase of \$2,152,130 from FY02.
- ◆ Cerro Gordo County's net assets increased 10.8% or approximately \$1,793,419 at June 30, 2003.
- ◆ Cerro Gordo County's governmental funds reported combined ending fund balances of \$9,164,753, an increase of \$80,297 in comparison with the prior year. Approximately 86% of the total amount, \$7,857,893 is available for spending at the government's discretion (unreserved fund balance).
- ◆ Cerro Gordo County's general long-term debt, excluding compensated absences and claims payable, increased by \$710,685 during the fiscal year. This increase was due to additional capital lease and installment purchase agreements for Secondary Road equipment.

### **USING THIS ANNUAL REPORT**

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

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

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

The Fund Financial Statements (starting on page 23) tell how government services were financed in the short term as well as what remains for future spending. Fund financial statements report Cerro Gordo County's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Cerro Gordo County acts solely as an agent or custodian for the benefit of those outside of the government.

The Financial Statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary



information that further explains and supports the financial statements with a comparison of the County's budget for the year

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

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

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

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

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting and the economic resources measurement focus. This is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

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

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

### **Fund Financial Statements**

The fund financial statements begin on page 23 and provide detailed information about individual, significant funds, not the County as a whole. Some funds are required to be established by Iowa law or by bond covenants. However, the County establishes many other funds to help it control and manage money for particular purposes.

Cerro Gordo County has three kinds of funds:

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

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

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

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

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

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

#### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements The notes to the financial statements can be found beginning on page 34

#### Supplemental Information

The supplemental information begins on page 59 and provides detailed information about the non-major governmental funds and the individual fiduciary funds In addition, the Single Audit Section provides details of the various Federal awards received by the County

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position Cerro Gordo County's net assets increased \$1,793,419, from \$16,592,877 to \$18,386,296 The analysis below focuses on the net assets and changes in net assets of our government and business-type activities

**Cerro Gordo County's Net Assets**  
**June 30, 2003**

	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 20,540,085	\$ 56,202	\$ 20,596,287
Capital assets	9,334,855	2,483,382	11,818,237
<b>Total assets</b>	<b>29,874,940</b>	<b>2,539,584</b>	<b>32,414,524</b>
Long-term debt outstanding	1,924,760	576,348	2,501,108
Other liabilities	10,598,477	19,226	10,617,703
<b>Total liabilities</b>	<b>12,523,237</b>	<b>595,574</b>	<b>13,118,811</b>
<b>Net assets</b>			
Invested in capital assets, net of debt	8,363,575	460,966	8,824,541
Restricted	4,630,537	576,348	5,206,885
Unrestricted	4,357,591	906,696	5,264,287
<b>Total net assets</b>	<b>\$ 17,351,703</b>	<b>\$ 1,944,010</b>	<b>\$ 19,295,713</b>

The largest portion of the County's net assets is the Invested in Capital Assets (e.g., land, infrastructure, buildings, and equipment), less the related debt. The debt related to the Investment in Capital Assets is liquidated with sources other than capital assets. A restricted portion of the County's net assets (27%) represent resources that are subject to external restrictions, constitution provisions, or enabling legislation on how they can be used. The remaining balance of unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – is \$5,264,287.

The County's net assets increased by \$1,793,419 during the current fiscal year. The governmental-type activities increased by \$1,484,603 and the business-type activities increased \$308,816. This was due to controlled spending and the self-supporting ability of the business-type activities to cover their expenses of the program with revenues generated through user charges.

**Cerro Gordo County's Changes in Net Assets  
June 30, 2003**

	Governmental Activities	Business-Type Activities	Total
<b>Revenues:</b>			
Program revenues			
Charges for service and sales	\$ 3,589,532	\$ 35,815	\$ 3,625,347
Operating grants and contributions	6,266,218	0	6,266,218
Capital grants and contributions	792,603	332,525	1,125,128
General Revenues			
Property taxes	8,722,459	0	8,722,459
Penalty & Interest on Property Tax	117,361	0	117,361
State Tax Credits	965,074	0	965,074
Local Option Sales & Service Tax	1,454,813	0	1,454,813
Grants and contributions not restricted to specific purposes	23,202	0	23,202
Unrestricted Investment earnings	278,751	0	278,751
Miscellaneous	283,284	12,353	295,637
<b>Total revenues</b>	<b>22,493,297</b>	<b>380,693</b>	<b>22,873,990</b>
<b>Expenses</b>			
Public safety and legal services	4,308,699	0	4,308,699
Physical health and social services	3,683,099	0	3,683,099
Mental Health	5,003,380	0	5,003,380
County environment and education	888,743	0	888,743
Roads and Transportation	3,633,925	0	3,633,925
Government services to residents	751,404	0	751,404
Administration or general government	1,970,255	0	1,970,255
Non-program	341,615	71,877	413,492
Interest on long-term debt	29,262	0	29,262
Capital Projects	398,312	0	398,312
<b>Total expenses</b>	<b>21,008,694</b>	<b>71,877</b>	<b>21,080,571</b>
<b>Increase (decrease) in net assets</b>	<b>1,484,603</b>	<b>308,816</b>	<b>1,793,419</b>
Net assets July 1, 2002	15,867,100	725,777	16,592,877
<b>Net assets June 30, 2003</b>	<b>\$ 17,351,703</b>	<b>\$ 1,034,593</b>	<b>\$ 18,386,296</b>

**Governmental Activities**

Revenues for governmental activities increased by 7.5%, or \$1,568,500 over the prior year. Reasons for the increases include additional property tax dollars of \$150,716, additional Secondary Road intergovernmental revenues of \$1,045,406 and additional local option sales tax dollars of \$90,247. The total cost of all programs and services increased \$350,854, or 1.7%.

The cost of all governmental activities this year was \$21,008,694. However, as shown in the Statement of Activities on page 21-22, the amount the taxpayers ultimately financed for these activities through County taxes was only \$10,360,341 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.

Cerro Gordo County's tax levy rates – both the countywide and rural rates – were unchanged from FY02, after both rates had decreased in each of the two prior years. Although the tax levy rates were unchanged, they were

applied against higher assessed property values – increases of \$18,860,590 and \$10,249,695 for the countywide and rural valuations, respectively – which resulted in increased property tax dollars of \$88,266 for general purposes and \$32,113 for rural purposes

### **Business-Type Activities**

Revenues for the County's business-type activities decreased by 55.7%, or \$463,581. This was due to less intergovernmental revenues with the Meservey Wastewater Collection & Treatment Facility project nearing completion. Operating expenses remained fairly constant for the year.

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

As Cerro Gordo County completed the year, its governmental funds reported a combined fund balance of \$9,164,753, which is an increase of \$80,297 over the combined fund balance for FY02. The following are the major reasons for the changes in fund balances from the prior year:

- ◆ The General Fund, as the chief operating fund for Cerro Gordo County, ended FY03 with a 50.4% ending fund balance totaling \$4,035,231. This is a \$779,467 decrease from the prior year's \$4,814,698 fund balance. Several factors contributed to the decline including constant tax rates, decrease in interest income, the ongoing geographical information system project, and the increase of health insurance expenditures.
- ◆ Cerro Gordo County has continued to look for ways to effectively manage the cost of mental health services. For the year, expenditures totaled \$5,003,304, an increase of 4.4% over last year's expenditures of \$4,790,348. The Mental Health Fund balance increased from \$231,956 to \$500,077 in FY03, a 10.0% fund balance.
- ◆ The Rural Services Fund ended FY03 with a fund balance of \$100,724 compared to the prior year ending balance of \$289,955. Even with the increase of expenditures, property tax rates have declined or stayed constant in the last four years, with the FY99 rate of 3.57752 per \$1,000 of valuation to the FY03 rate of 3.13322.
- ◆ The Secondary Roads Fund expenditures increased by \$945,765 over the prior year. This was largely in part due to a \$600,986 capital lease purchase agreement for secondary road equipment. Additional roadway construction was the remaining increase as the County continues to upgrade the condition of the County roadway system. The Secondary Road Fund balance increased \$607,213, from \$1,892,339 in FY02 to \$2,499,552 in FY03. This was due to additional intergovernmental revenues.
- ◆ The Public Health Fund ended FY03 with a \$277,252 fund balance, a \$120,888 decrease over the prior year's balance of \$398,140. Expenditures increased \$373,166, or 19.6% over the prior year. This was a result of computer and technology upgrades, a new epidemiologist position, and a new Mosquito Surveillance Program due to the West Nile Virus. Revenues increased 52.8%, or \$42,475 due to the addition of two new grants.

### **Budgetary Highlights**

Over the course of the year, Cerro Gordo County amended the General Fund budget once. The amendment was made in May 2003 and resulted in the following:

- ◆ The total original revenue budget of \$7,625,082 was increased to \$7,989,520 (an increase of \$364,438) due to expected increases in intergovernmental revenues, licenses and permits, charges for services, and miscellaneous revenues
- ◆ The total original expenditure budget of \$8,460,939 was increased to \$8,794,909 (an increase of \$333,970) mainly for expected expenditures in the service areas of County Environment and Education, Administration, Capital Projects, and Nonprogram Current
- ◆ The total original budget for net transfers out of \$614,935 was unchanged

During the year, however, revenues were \$31,246 more than budgetary revenues and expenditures were \$796,964 less than budgetary expenditures, resulting in \$828,210 less of a deficit for the General Fund balance

None of the amendments made during the 2003 fiscal year should have any impact on the 2004 fiscal year budget

## **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, 2003 was \$18,990,269. This investment in capital assets includes land, construction in process, buildings, improvements other than buildings, machinery & equipment, vehicles, and infrastructure. The total increase in capital assets was \$2,257,004 from FY02.

Major capital asset additions during the current fiscal year included construction work on the Meservey Wastewater Collection & Treatment Facility, infrastructure, and Secondary Road equipment purchases.

### **Cerro Gordo County's Capital Assets FYE 2003**

	Governmental Activities	Business-Type Activities	Total
Land	\$ 1,666,892	\$ 62,300	\$ 1,729,192
Construction-in-Process	0	1,446,068	1,446,068
Buildings	4,248,474	0	4,248,474
Improvements other than Buildings	417,751	1,164,417	1,582,168
Machinery & Equipment	5,866,920	0	5,866,920
Vehicles	2,910,762	0	2,910,762
Infrastructure	1,169,386	0	1,169,386
<b>Total</b>	<b>\$ 16,280,185</b>	<b>\$ 2,672,785</b>	<b>\$ 18,952,970</b>

For governmental activities, Cerro Gordo County had depreciation expense of \$813,181 and total accumulated depreciation of \$6,945,331 for the year ended June 30, 2003. For business-type activities, depreciation expense was \$36,481 and total accumulated depreciation was \$189,402 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, 2003, Cerro Gordo County had general obligation bonds outstanding totaling \$400,000 and sewer revenue capital loan notes (Business-Type Activities) outstanding totaling \$576,348. In the current year, the County paid \$235,000 in principal and \$30,192 in interest on outstanding debt. Business-Type Activities paid \$3,477 in principal and \$29,365 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 \$108 million.

### Cerro Gordo County's Outstanding Debt June 30, 2003

	2003	2002
Governmental Activities		
General Obligation Bonds	\$ 400,000	\$ 635,000
Capital Lease Purchase Agreements	477,468	25,596
Installment Purchase Agreements	493,813	0
Drainage Warrants	86,155	221,607
Compensated Absences	467,324	416,516
<b>Total</b>	<b>\$ 1,924,760</b>	<b>\$ 1,298,719</b>
Business-Type Activities		
Sewer Revenue Bonds	\$ 576,348	\$ 579,825

Outstanding debt increased as a result of the capital lease and installment purchase agreements entered into for Administration's new postage machine and Secondary Road's equipment. 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 2003 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 3.93% versus 3.73% a year ago. This compares with the State unemployment rate of 4.2% and the national rate of 5.9%.

Inflation in the State continues to be somewhat lower than the national Consumer Price Index increase. The State's CPI increase was 3.2% for fiscal year 2003 compared with the national rate of 3.4%. However, the State's modest financial condition and relatively flat revenue projection continue.

- ◆ For the budget year ending June 30, 2004, Cerro Gordo County decreased the countywide levy by 2.3% to \$4,594.18 per thousand of taxable valuation and maintained the rural county levy at the prior year's rate of \$3,133.22 per thousand of taxable valuation
- ◆ The tax base for Cerro Gordo County increased 3.4% over the prior year
- ◆ Health care costs and personnel costs, which make up a significant portion of the County's operating costs, continue to rise. Three of the four County bargaining unit contracts are currently under various agreements that expire June 30, 2005
- ◆ The County continues to work towards a solution for the ongoing problem of overcrowded conditions in the county jail

All these factors were considered in preparing the Cerro Gordo County budget for the June 30, 2004 fiscal year

### **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

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



# CERRO GORDO COUNTY, IOWA

## GOVERNMENT-WIDE STATEMENT OF NET ASSETS

June 30, 2003

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Pooled Investments	\$9,041,944	49,953	\$9,091,897
Receivables			
Property Tax			
Delinquent	60,699		\$60,699
Succeeding year	8,709,542		\$8,709,542
Interest and Penalty on Property Tax	58		\$58
Accounts	496,005		\$496,005
Accrued Interest	12,723		\$12,723
Drainage Assessments	88,150		\$88,150
Due From Other Governments	1,021,850	6,249	\$1,028,099
Inventories	1,109,114		\$1,109,114
Capital Assets	16,280,185	1,226,717	\$17,506,902
Less Accumulated Depreciation	6,945,330	189,403	\$7,134,733
Construction in Progress		1,446,068	\$1,446,068
<b>Total Assets</b>	<b>29,874,940</b>	<b>2,539,584</b>	<b>32,414,524</b>
<b>Liabilities</b>			
Accounts Payable	1,223,240	19,056	\$1,242,296
Accrued Interest Payable	1,536		\$1,536
Salaries and Benefits Payable	378,571		\$378,571
Due to Other Governments	272,275	170	\$272,445
Deferred Revenue			
Succeeding Year Property Tax	8,709,542		\$8,709,542
Other	13,313		\$13,313
Long-Term Liabilities (note 7)			
Portion Due or Payable Within One Year			
Capital Lease Purchase Agreements	152,060		\$152,060
Installment Purchase Agreement	156,642		\$156,642
General Obligation Bonds/Revenue Notes	60,000	3,634	\$63,634
Compensated Absences	467,324		\$467,324
Portion Due or Payable After One Year			
Capital Lease Purchase Agreements	325,408		\$325,408
Installment Purchase Agreement	337,171		\$337,171
General Obligation Bonds/Revenue Notes	340,000	572,714	\$912,714
Drainage District Warrants Payable	86,155		\$86,155
<b>Total Liabilities</b>	<b>12,523,237</b>	<b>595,574</b>	<b>13,118,811</b>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	8,363,575	460,966	\$8,824,541
Restricted For			
Mental Health Purposes	493,758		\$493,758
Secondary Roads Purposes	2,372,646		\$2,372,646
Debt Service	77,622	576,348	\$653,970
Other Purposes	1,686,511		\$1,686,511
Unrestricted	4,357,591	906,696	\$5,264,287
<b>Total Net Assets</b>	<b>\$17,351,703</b>	<b>1,944,010</b>	<b>\$19,295,713</b>

See Notes to Financial Statements

# CERRO GORDO COUNTY, IOWA

## GOVERNMENT-WIDE STATEMENT OF ACTIVITIES Year Ended June 30, 2003

	Expenses	Charges for Service
<b>FUNCTIONS</b>		
Governmental Activities		
Public Safety and Legal Services	\$4 308 699	432 584
Physical Health and Social Services	3 683 099	691 980
Mental Health	5 003 380	410 470
County Environment and Education	888 743	75 748
Roads and Transportation	3 633 925	90 634
Governmental Services to Residents	751,404	753 603
Administrative Services	1 970 255	94 347
Non-Program	341 615	559 631
Interest on Long Term Debt	29,262	0
Capital Projects	398 312	480 535
Total	<u>\$21 008 694</u>	<u>3 589 532</u>

### GENERAL REVENUES

Property and Other County Tax Levied For  
    General Purposes  
    Debt Service  
Penalty and Interest on Property Tax  
State Tax Credits  
Local Option Sales and Service Tax  
Grants and Contributions Not Restricted to Specific Purpose  
Unrestricted Investment Earnings  
Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year As Restated (note 18)

Net Assets End of Year

See Notes to Financial Statements

Program Revenues				
Operating Grants, Contributions and Restricted Interest	Capital Grants Contributions and Restricted Interest	Net (Expense) Revenue and Changes in Net Assets		Total
		Governmental Activities	Business-Type Activities	
395 679	31 595	(3 448 841)		(3 448 841)
1 604,499	0	(1 386 620)		(1 386 620)
2 278 613	0	(2 314 297)		(2 314 297)
90 973	368	(721 654)		(721,654)
1 830 463	640 849	(1 071 979)		(1 071 979)
24 991	0	27 190		27,190
41 000	0	(1 834,908)		(1 834 908)
	119 791	337 807	322 555	660 362
		(29 262)	(26 092)	(55 354)
		82 223		82 223
6 266,218	792 603	(10 360,341)	296,463	(10 063 878)

8 551 715		8 551 715
170 744		170 744
117 361		117 361
965 074		965 074
1 454 813		1 454 813
23 202		23,202
278 751		278 751
283 284	12 353	295 637
11 844 944	12 353	11 857,297
1 484 603	308 816	1,793 419
15 867 100	725 777	16 592 877
17 351 703	1 034 593	\$18 386 296

# CERRO GORDO COUNTY, IOWA

## BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2003

	Special Revenue		
	General	Mental Health	Rural Services
<b>ASSETS</b>			
Cash And Pooled Investments	\$4 196 926	\$1 100 647	\$129 057
Receivables			
Property Tax			
Delinquent	32 155	14 480	12 975
Succeeding Year	5,044,523	2,162 992	1 502 027
Interest and Penalty on Property Tax	58	0	0
Accounts	175 969	76 059	0
Accrued Interest	12 557	0	0
Drainage Assessments	0	0	0
Due From Other Funds	5 862	0	0
Due From Other Governments	188 242	1 186	0
Inventories	0	0	0
<b>Total Assets</b>	<b>\$9 656 292</b>	<b>\$3 355 364</b>	<b>\$1 644 059</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts Payable	\$310 746	\$399 272	\$23,095
Salaries and Benefits Payable	205 715	14 978	5 271
Due To Other Funds	1 787	1 023	0
Due To Other Governments	1 357	262 596	0
Deferred Revenue			
Succeeding Year Property Tax	5 044 523	2 162 992	1 502 027
Other	56 933	14,426	12,942
<b>Total Liabilities</b>	<b>5 621 061</b>	<b>2 855 287</b>	<b>1 543 335</b>
Fund Balances			
Reserved For			
Inventories	0	0	0
Endowment	0	0	0
Trust	0	0	0
Debt Service	0	0	0
Unreserved Reported In			
General Fund	4 035 231	0	0
Special Revenue Funds	0	500 077	100 724
Capital Projects Fund	0	0	0
<b>Total Fund Balances</b>	<b>4 035,231</b>	<b>500 077</b>	<b>100 724</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$9 656 292</b>	<b>\$3 355 364</b>	<b>\$1 644 059</b>

See Notes To Financial Statements

Special Revenue					
Secondary Roads	Public Health	Debt Service	Capital Projects	Nonmajor Special Revenue	Total
\$1 061 017	\$188 037	\$78 070	\$24 145	\$1 430 418	\$8 208 317
0	0	1,089	0	0	60,699
0	0	0	0	0	8 709 542
0	0	0	0	0	58
11 039	199 140	0	0	33 798	496 005
0	0	0	0	166	12 723
0	0	0	0	88 150	88 150
0	0	0	0	0	5 862
539 333	133 789	0	13,572	145 706	1 021,828
1 109 114	0	0	0	0	1 109 114
\$2 720 503	\$520 966	\$79 159	\$37 717	\$1 698 238	\$19 712 298
\$145 524	\$165 059	\$0	\$2 004	\$49 427	\$1 095 127
73 892	68 107	0	0	10 608	378 571
1 268	2 562	0	0	0	6 640
267	7 986	0	0	69	272 275
0	0	0	0	0	8 709 542
0	0	1 089	0	0	85 390
220 951	243 714	1 089	2 004	60 104	10 547 545
1 109 114	0	0	0	0	1 109 114
0	0	0	0	59 676	59 676
0	0	0	0	60 000	60 000
0	0	78 070	0	0	78,070
0	0	0	0	0	4 035 231
1 390 438	277 252	0	0	1 518 458	3 786 949
0	0	0	35 713	0	35 713
2 499 552	277 252	78 070	35 713	1 638 134	9 164 753
\$2 720 503	\$520,966	\$79 159	\$37 717	\$1 698 238	\$19 712 298

# CERRO GORDO COUNTY, IOWA

## RECONCILIATION OF THE BALANCE SHEET GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS June 30, 2003

<b>Total Governmental Fund Balances (page 24)</b>	9,164,753
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Amounts reported for governmental activities in the statement of net assets that are different because

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. The cost of assets is \$16,280,185 and the accumulated depreciation is \$6,945,330	9,334,855
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Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds	72,076
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The Internal Service Fund is used by management to charge the costs of self funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets	706,315
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Long-term liabilities, including bonds payable, accrued interest payable and compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the funds	<u>(1,926,296)</u>
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<b>Net assets of governmental activities</b>	<u><u>17,351,703</u></u>
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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, 2003

	General	Mental Health	Rural Service
<b>REVENUES</b>			
Property and Other County Tax	\$4 985 579	\$2 177 882	\$1 509 520
Interest and Penalty on Property Tax	110 045	0	0
Intergovernmental	1 423 273	2 925 215	121 664
Licenses and Permits	12 155	0	0
Charges for Service	964 818	142 250	0
Use of Money and Property	234 433	0	0
Miscellaneous	290 463	26 078	174
<b>Total Revenues</b>	<b>8,020 766</b>	<b>5 271 425</b>	<b>1 631 358</b>
<b>EXPENDITURES</b>			
Current			
Public Safety and Legal Services	4 093,919	0	20 360
Physical Health and Social Services	687 432	0	0
Mental Health	0	5 003 304	0
County Environment and Education	420,231	0	92 102
Roads and Transportation	0	0	408 277
Governmental Services to Residents	726,119	0	0
Administration	1 689 511	0	0
Non-Program	47 767	0	0
Debt Service	0	0	0
Capital Projects	332 966	0	0
<b>Total Expenditures</b>	<b>7 997 945</b>	<b>5 003 304</b>	<b>520 739</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	22 821	268 121	1 110 619
Other Financing Sources (Uses)			
Sale of Capital Assets	0	0	150
Proceeds From Drainage Warrants	0	0	0
Capital Lease Purchase Agreement	0	0	0
Operating Transfers In	0	0	0
Operating Transfers Out	(802 288)	0	(1 300 000)
<b>Total Other Financing Sources (Uses)</b>	<b>(802 288)</b>	<b>0</b>	<b>(1 299 850)</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(779 467)	268 121	(189 231)
Fund Balances Beginning of Year As Restated (Note )	4,814 698	231,956	289 955
Decrease in Reserve For Inventories	0	0	0
<b>Fund Balances End of Year</b>	<b>\$4 035 231</b>	<b>\$500 077</b>	<b>\$100 724</b>

See Notes to Financial Statements



Secondary Roads	Public Health	Debt Service	Capital Projects	Nonmajor Special Revenue	Total
\$800 147	\$0	\$170 312	\$0	\$509 185	\$10 152 625
0	0	0	0	0	110 045
3 004 629	1 226 187	9 393	68 921	435 702	9 214 984
3 965	7 085	0	0	232 461	255 666
0	185 927	0	0	244 171	1 537 166
3 510	0	0	0	36 980	274 923
162 619	117 470	70 078	0	196 603	863 485
3 974 870	1 536 669	249 783	68 921	1 655 102	22 408 894
0	0	0	0	108 500	4 222 779
0	2 272 492	0	0	655 433	3 615 357
0	0	0	0	0	5 003 304
0	0	0	0	343 149	855 482
4 088 242	0	0	0	0	4 496 519
0	0	0	0	3 575	729 694
0	0	0	0	30 290	1 719 801
0	0	0	0	248 974	296 741
0	0	265 192	0	0	265 192
1 159 176	0	0	65 346	47 613	1 605 101
5 247 418	2 272 492	265 192	65 346	1 437 534	22 809 970
(1 272 548)	(735 823)	(15 409)	3 575	217 568	(401 076)
0	0	0	0	0	150
0	0	0	0	1 659	1 659
600 986	0	0	0	0	600 986
1 336 549	614 935	0	0	2,000	1 953 484
0	0	0	0	(38 549)	(2 140 837)
1 937 535	614 935	0	0	(34 890)	415 442
664 987	(120 888)	(15 409)	3 575	182 678	14 366
1 892 339	398 140	93 479	32 138	1 455 456	9 208 161
(57 774)	0	0	0	0	(57 774)
\$2 499 552	\$277 252	\$78 070	\$35 713	\$1 638 134	\$9 164 753

# 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, 2003

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Net change in fund balances - Total governmental funds (page 27) 14,366

Amounts reported for governmental activities in the statement of activities are different because

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capital outlays exceeded depreciation expense in the current year as follows

Expenditures for capital assets	3,150,582	
Depreciation expense	<u>(813,181)</u>	2,337,401

In the Statement of Activities, the loss on the disposition of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources (79,020)

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

Property tax	17,331	
Other	<u>6,469</u>	23,800

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Current year debt issues exceeded debt repayments as follows

Bonds, leases, and loans issued	(1,277,790)	
Principal payments	<u>600,658</u>	(677,132)

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	(50,808)	
Interest on long-term debt	<u>930</u>	(49,878)

Inventories in the governmental funds have been recorded as expenditures when paid. However, the statement of activities will report these items as expenditures in the period that the corresponding net assets is exhausted.

57,774

The Internal Service Fund is used by management to charge the costs of employee health benefits to individual funds. The net revenue of the Internal Service Fund is reported with governmental activities.

(142,708)

**Change in net assets of governmental activities**

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**1,484,603**

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See Notes to Financial Statements

# CERRO GORDO COUNTY, IOWA

## COMBINED STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

June 30, 2003

	Enterprise			Total (Memorandum Only)
	Internal Service	Meservey Wastewater Collection & Treatment Facility	Swaledale Wastewater Collection & Treatment Facility	
<b>ASSETS</b>				
Cash and Pooled Investments	\$831,566	\$7,783	\$42,170	\$881,519
Accounts Receivable	0	0	0	0
Due From Other Funds				
General	1,788	0	0	1,788
Mental Health	66	0	0	66
Secondary Road	838	0	0	838
Public Health	0	0	0	0
County Assessor	78	0	0	78
City Assessor	43	0	0	43
Dispute Resolution	27	0	0	27
Due From Other Governments	22	1,315	4,934	6,271
Capital Assets	0	37,300	1,189,417	1,226,717
Less Accumulated Depreciation	0	0	(189,403)	(189,403)
Construction in Progress	0	1,446,068	0	1,446,068
<b>Total Assets</b>	<b>\$834,428</b>	<b>\$1,492,466</b>	<b>\$1,047,118</b>	<b>\$3,374,012</b>
<b>LIABILITIES</b>				
Accounts Payable	\$128,113	\$18,953	\$103	\$147,169
Due To Other Governments	0	0	170	170
Long-Term Liabilities				
Portion Due Within One Year				
Note Payable	0	0	3,634	3,634
Portion Due After One Year				
Note Payable	0	312,300	260,414	572,714
<b>Total Liabilities</b>	<b>\$128,113</b>	<b>\$331,253</b>	<b>\$264,321</b>	<b>\$723,687</b>
<b>NET ASSETS</b>				
Unrestricted	\$706,315	\$1,161,213	\$782,797	\$2,650,325

See Notes To Financial Statements

# CERRO GORDO COUNTY, IOWA

## COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS

Year Ended June 30, 2003

	Enterprise			
	Internal	Meservey Wastewater Collection & Treatment Facility	Swaledale Wastewater Collection & Treatment Facility	Total
	Service			
<b>OPERATING REVENUES</b>				
Reimbursements From Operating Funds	\$711,907	\$0	\$0	\$711,907
Reimbursements From Employees	78,870	0	0	78,870
Miscellaneous	0	337,556	30,784	368,340
<b>Total Operating Revenues</b>	<b>790,777</b>	<b>337,556</b>	<b>30,784</b>	<b>1,159,117</b>
<b>OPERATING EXPENSES</b>				
Health Insurance				
Medical Claims Paid	734,711	0	0	734,711
Insurance Premiums	122,926	0	0	122,926
Administrative Fees	41,769	0	0	41,769
Miscellaneous	11,736	0	0	11,736
Central Services				
Telephone	30,425	0	0	30,425
Insurance	175,237	0	0	175,237
Waste Water Treatment Facility				
Depreciation	0	0	36,481	36,481
Miscellaneous	0	2,088	7,216	9,304
<b>Total Operating Expenses</b>	<b>1,116,804</b>	<b>2,088</b>	<b>43,697</b>	<b>1,162,589</b>
Operating Income (Loss)	(326,027)	335,468	(12,913)	(3,472)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest	8,319	(14,053)	(12,039)	(17,773)
Other Financing Sources				
Operating Transfers In				
General Fund	175,000	12,353	0	187,353
Net Income	(142,708)	333,768	(24,952)	166,108
Net assets beginning of year	849,023	827,445	807,749	2,484,217
Net assets end of year	\$706,315	\$1,161,213	\$782,797	\$2,650,325

See Notes To Financial Statements

# CERRO GORDO COUNTY, IOWA

## COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

Year Ended June 30, 2003

	Internal Service	Enterprise		Total
		Meservey Wastewater Collection & Treatment Facility	Swaledale Wastewater Collection & Treatment Facility	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating Income (Loss)	(\$326 027)	\$335 468	(\$12 913)	(\$3 472)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Depreciation	0	0	36,481	36 481
Decrease in Receivables	1 596	106 685	405	108 686
Increase (Decrease) in Payables	55 420	(88 495)	(3 462)	(36 537)
Net Cash Provided by (Used in) Operating Activities	(269 011)	353 658	20 511	105 158
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Transfer From General Fund	175 000	12 353	0	187 353
Increase in Construction in Progress	0	(357 986)	0	(357 986)
Interest Expense	0	(14 054)	(12 039)	(26 093)
Net Cash Provided by (Used in) Capital and Related Financing Activities	175 000	(359 687)	(12 039)	(196 726)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Income	8 320	0	0	8 320
Net Increase (Decrease) in Cash	(85 691)	(6 029)	8 472	(83 248)
Cash - Beginning of Year	917 257	13 812	33 698	964 767
Cash - End of Year	\$831 566	\$7 783	\$42,170	\$881 519

# CERRO GORDO COUNTY, IOWA

## STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS

June 30, 2003

### ASSETS

Cash and Pooled Investments	
County Treasurer	\$2,395,305
Other County Officials	178,424
Receivables	
Property Tax	
Delinquent	826
Succeeding Year	35,479,482
Accounts	47,567
Assessments	315,866
Due From Other Governments	3,886
<b>Total Assets</b>	<b>38,421,356</b>

### LIABILITIES

Accounts Payable	10,941
Salaries and Benefits Payable	19,203
Due To Other Funds	2,162
Due To Other Governments	38,207,259
Trusts Payable	177,114
Compensated Absences	4,677
<b>Total Liabilities</b>	<b>38,421,356</b>

<b>NET ASSETS</b>	<b>\$0</b>
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See Notes to Financial Statements

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2003

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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, and general administrative services.

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

#### A REPORTING ENTITY

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

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

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

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

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

#### B BASIS OF PRESENTATION

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

The statement of net assets presents the County's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

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



# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2003

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

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are 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 receipts that are 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 expenses, the fixed charges and the capital improvement costs that are not paid from other funds.

#### Special Revenue

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

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

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

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

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

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

Additionally, the County reports the following major proprietary funds:

Internal Service funds are utilized to account for the financing of goods or services purchased by one department of the County and provided to other departments or agencies on a cost reimbursement basis.

The Enterprise Funds account for operations that are financed and operated in a manner 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.

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.

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2003

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

#### C MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using 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 judgments and compensated absences are recorded as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long term debt and acquisitions under capital leases are reported as other financing sources.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 nonoperating revenues and expenses.

#### D ASSETS, LIABILITIES AND FUND EQUITY

The following accounting policies are followed in preparing the combined balance sheet:

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

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

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 and will not be recognized as revenue until the year for which it is levied.

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2003

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

#### E ASSETS, LIABILITIES AND FUND EQUITY (Continued)

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, 2001 assessed property valuations, is for the tax accrual period July 1, 2002 through June 30, 2003 and reflects the tax asking contained in the budget certified by the County board of Supervisors in March 2002

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 due and payable but have not been collected

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, 2003, balances of interfund amounts receivable or payable have been recorded in the financial statements

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

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

Capital Assets - Capital assets, which include property, equipment and vehicles and infrastructure assets (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the government), are reported in the governmental activities column in the government-wide statement of net assets. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years

Infrastructure	\$ 50,000
Land, buildings and improvements	25,000
Equipment and vehicles	5,000

Property and equipment of the County is depreciated 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
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

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2003

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

#### E ASSETS, LIABILITIES AND FUND EQUITY (Continued)

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

Deferred revenue on the statement of net assets consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied and unspent grant proceeds.

Compensated Absences - County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use payable to employees. A liability is recorded when incurred in the government-wide, proprietary and fiduciary fund financial statements. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2003. 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 type statement of net assets. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

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

#### F BUDGETS AND BUDGETARY ACCOUNTING

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2003, disbursements exceeded the amounts budgeted in the Roads and Transportation function and disbursements in certain departments exceeded the amounts appropriated.

### Note 2 Cash and Pooled Investments

The County's deposits in banks at June 30, 2003 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.

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS June 30, 2003

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

The detail of interfund receivables and payables at June 30, 2003, is as follows

Receivable Fund	Payable Fund	Amount
Central Services	General	\$1,151
	MH/DD Services	65
	County Assessor	78
	City Assessor	42
	Dispute Resolution	27
General	MH/DD Services	957
	Secondary Road	430
	Public Health	2,562
	County Assessor	958
	City Assessor	649
	Dispute Resolution	306
Health Insurance	General	638
	Secondary Road	838
		<u>\$8,701</u>

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

### Note 4 Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2003 is as follows

Transfer To	Transfer From	Amount
Health Insurance	General Fund	\$ 175,000
Meservey Operations & Maintenance	General Fund	12,353
Public Health	General Fund	614,935
Secondary Roads	Rural Services	1,300,000
Secondary Roads	County Government Assistance	36,549
Ingebretson Park	Rural County Betterment	<u>2,000</u>
Total		<u>\$2,140,837</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, 2003

### Note 5 Capital Assets

Capital assets activity for the year ended June 30, 2003 was as follows

	Balance Beginning of Year (as restated, note 13)	Increases	Decreases	Balance End of Year
<b>Governmental activities</b>				
Capital assets not being depreciated				
Land	\$ 1,598,917	67,975	-	1,666,892
Construction in progress	-	-	-	-
Total capital assets not being depreciated	1,598,917	67,975	-	1,666,892
Capital assets being depreciated				
Buildings	4,248,474	-	-	4,248,474
Improvements other than buildings	417,751	-	-	417,751
Machinery and equipment	5,303,638	1,227,557	(664,275)	5,866,920
Vehicles	2,454,401	685,664	(229,303)	2,910,762
Infrastructure	-	1,169,386	-	1,169,386
Total capital assets being depreciation	12,424,264	3,082,607	(893,578)	14,613,293
Less accumulated depreciation for				
Buildings	1,684,859	84,649	-	1,769,508
Improvements other than buildings	383,350	7,283	-	390,633
Machinery and equipment	3,296,956	444,738	(601,182)	3,140,512
Vehicles	1,581,393	266,630	(213,226)	1,634,797
Infrastructure, road network	-	9,881	-	9,881
Total accumulated depreciation	6,946,558	813,181	(814,408)	6,945,331
Total capital assets being depreciated, net	5,477,706	2,269,426	(79,170)	7,667,962
Governmental activities capital assets, net	\$ 7,076,623	2,337,401	(79,170)	9,334,854

Depreciation expense was charged to functions of the primary government as follows

Governmental activities	\$ 98,941
Public safety and legal services	36,206
Physical health and social services	4,644
Mental health	63,011
County environment and education	438,393
Roads and transportation	16,314
Governmental services to residents	155,672
Administrative services	813,181
Total depreciation expense – governmental activities	\$ 813,181

The following is a summary of Enterprise Fund fixed assets, net of accumulated depreciation, at June 30, 2003

	Meservey Waste Water Collection & Treatment Facility	Swaledale Waste Water Collection & Treatment Facility	Total
Land and Improvements	\$ 37,300	\$1,189,417	\$1,226,717
Total Fixed Assets	1,446,068	0	1,446,068
Construction in Progress	0	189,402	189,402
Less Accumulated Depreciation			
Net Fixed Assets	\$1,483,368	\$1,000,015	\$2,483,383

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS June 30, 2003

### Note 6 Due to Other Governments

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

Fund	Description	Amount
General	Services	\$ 1,355
Special Revenue		
Secondary Road		267
Mental Health		262,596
Public Health		7,986
Public Health Inspections		69
Enterprise		
Wastewater Collection & Treatment Services		170
Trust & Agency	Collections	
County Special Appraisal		247,717
Schools		20,980,802
City Assessor		190,734
Corporations		12,467,648
Auto License & Use Tax		830,516
City Special Appraisal		142,475
County Assessor		353,936
E911 Operations		549,460
City Special Assessments		349,478
All Others		2,058,594
		<u>\$ 38,443,803</u>

### Note 7 Changes in Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2003, is as follows:

	Sewer Revenue Capital Loan Notes	Capital Loan Obligation Bonds	Capital Loan Notes & General Lease Obligations	Compensated Absences
Balance – Beginning of Year	\$579,825	\$635,000	\$ 25,596	\$416,516
Additions	0	0	600,986	50,808
Reductions	3,477	235,000	149,114	0
Balance – End of Year	<u>\$576,348</u>	<u>\$400,000</u>	<u>\$477,468</u>	<u>\$467,324</u>
Due within one year	<u>\$ 3,634</u>	<u>\$ 60,000</u>	<u>\$152,060</u>	<u>\$467,324</u>
	Installment Purchase	Drainage Warrants	Total	
Balance – Beginning of Year	\$ 0	\$221,607	\$1,878,544	
Additions	675,145	1,659	1,328,598	
Reductions	181,332	137,111	706,034	
Balance – End of Year	<u>\$493,813</u>	<u>\$86,155</u>	<u>\$2,501,108</u>	
Due within one year	<u>\$156,642</u>	<u>\$ 0</u>	<u>\$ 769,543</u>	

# CERROGORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2003

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

The County has entered into capital lease purchase agreements for the Administration's postage machine and Secondary Roads' motorgraders and trucks. The following is a schedule of the future minimum lease payments, including interest ranging from 8.25% to 9.36% per annum, and the present value of net minimum lease payments under the agreements.

Minimum future obligations on the capital lease obligations in effect at June 30, 2003 are as follows:

Year Ending June 30,	Postage Machine	Motor Graders	Trucks	Total
2004	\$5,904	\$37,689	\$131,654	\$175,247
2005	5,904	37,689	131,654	175,247
2006	4,428	37,689	131,654	173,771
	16,236	113,067	394,962	524,265
Less: Amount Representing Interest	2,065	8,970	35,762	46,797
	\$14,171	\$104,097	\$359,200	\$477,468

Payments under capital lease purchase agreements for year ended June 30, 2003, totaled to \$149,114.

In September of 2002 the County entered into an installment purchase agreement for four motor graders. Payments of \$181,332 are required annually from September 1, 2002 through September 1, 2005.

Future obligations on the installment purchase in effect at June 30, 2003 are as follows:

Year Ending June 30,	Principal	Interest	Total
2004	\$156,642	\$24,690	\$181,332
2005	164,474	16,858	181,332
2006	172,697	8,635	181,332
	\$493,813	\$50,183	\$543,996

### Note 9 General Obligation Capital Loan Note and Bonds

The County has issued \$620,000 and \$505,000 in general obligation bonds to fund the costs of construction of a sanitary sewer project, and building and data processing improvements, respectively. The notes are payable from a continuing annual levy of taxes on all of the taxable property in the County. The County redeemed the remaining principal (\$175,000) balance for the building and data processing improvements general obligation bonds during the year. Details of the outstanding bonds are as follows:

Year Ending June 30,	Interest Rate	1999 \$620,000 Issue	
		Principal	Interest
2004	4.40%	\$ 60,000	\$ 18,437
2005	4.50%	60,000	15,797
2006	4.60%	65,000	13,097
2007	4.65%	70,000	10,107
2008	4.70%	70,000	6,854
2009	4.75%	75,000	3,563
		\$ 400,000	\$ 67,855



# CERROGORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2003

### Note 10 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.

Drainage improvement certificates payable represent amounts due to purchasers of drainage improvement certificates. Drainage improvement certificates are waivers that provide for a landowner to pay an improvement assessment in installment payments over a designated number of years with interest at a designated interest rate. The improvement certificates representing those assessments or installments due from the landowner are sold for cash as interest-bearing certificates. Funds received from the sale of certificates are used to pay outstanding registered warrants issued to contractors who perform work on drainage district improvements and registered warrants issued for other related costs. Drainage improvement certificates are redeemed and interest paid to the bearer of the certificate upon receipt of the installment payment plus interest, from the landowner.

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

### Note 11 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
2004	\$ 3,633	\$ 11,882
2005	3,797	11,719
2006	3,968	11,548
2007	4,147	11,369
2008 and thereafter	248,502	201,124
	<u>\$264,047</u>	<u>\$247,642</u>

The Company has also issued \$59,100 and \$253,200 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 begin on July 1, 2002, principal payments begin on July 1, 2004. The capital loan notes have an interest rate of 4.5% with final payment due on July 1, 2041. Details of the sewer revenue capital loan notes are as follows:

Year Ending June 30,	\$59,100 Note		\$253,200 Note		Principal	Interest
	Principal	Interest	Principal	Interest	Total	Total
2004	\$ 0	\$ 2,659	\$ 0	\$ 11,394	\$ 0	\$ 14,053
2005	616	2,659	2,636	11,394	3,252	14,053
2006	643	2,632	2,755	11,275	3,398	13,907
2007	672	2,603	2,878	11,152	3,550	13,755
2008 & Thereafter	57,169	59,383	244,931	245,899	302,100	303,282
	<u>\$59,100</u>	<u>\$67,936</u>	<u>\$253,200</u>	<u>\$291,114</u>	<u>\$312,300</u>	<u>\$359,050</u>

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2003

### Note 12 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. The County has implemented GASB statement 27, Accounting for Pensions by State and local governments.

Plan members are required to contribute 3.7% of their annual covered salary and the County is required to contribute 5.75% of annual covered payroll except for law enforcement employees, in which case the percentages are 5.37% and 8.05%, respectively. Contribution requirements are established by State statute. The County contribution to IPERS for the years ended June 30, 2003, 2002, and 2001 were \$450,698, \$426,509, and \$411,427, respectively, equal to the required contributions for each year.

### Note 13 Risk Management

The County purchases commercial insurance to provide coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property and inland marine, property coverage, workers compensation coverage and employee blanket bond. The County assumes liability for any deductibles and claims in excess of coverage limitations. The County assumes responsibility for claims in excess of the following limits:

Type	Limit
Property	\$12,203,000
General Liability	2,000,000
Employee Benefit Liability	1,000,000
Law Enforcement Liability	2,000,000
Professional Officials Liability	2,000,000
Automobile Liability	1,000,000
Workers Compensation	500,000
Umbrella	10,000,000
Inland Marine	1,116,529
Public Official and Employees Liability	2,000,000

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

### Note 14 Employee Health Insurance Plan

The Cerro Gordo County 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 is administered through a service agreement with Wellmark Blue Cross and Blue Shield of Iowa. The agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop-loss limitation of \$125,000. Claims in excess of coverage are insured through purchase of stop-loss insurance.

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 service fees and claims processed are paid to Wellmark Blue Cross and Blue Shield of Iowa from the Cerro Gordo County Health Insurance Fund. The County records the plan assets and related liabilities of the Cerro Gordo County Health Insurance Fund as an Internal Service Fund. The County's contribution to the fund for the year ended June 30, 2003 was \$665,488.

Amounts payable from the Health Insurance Fund at June 30, 2003 total \$125,519 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 \$672,265 at June 30, 2003 and is reported as a designation of the Health Insurance Fund retained earnings. A liability has been established based on the requirements of Government Accounting Standards Board Statement Number 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. Information on the reconciliation of changes in the aggregate liabilities for claims for the current year and prior year is as follows:

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2003

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### Note 14 Employee Health Insurance Plan (Continued)

	Balance as of July 1	Current Year Claims	Claim Payments	Balance as of June 30
2001-2002	\$58,103	\$765,201	\$754,381	\$68,923
2002-2003	\$68,923	\$540,269	\$734,711	\$125,519

### Note 15 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, 2003, the County did not anticipate any additional assessments for closure and postclosure care costs.

### Note 16 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 contracts were made upon competitive bid in writing, publicly invited and opened.

### Note 17 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.

# CERRO GORDO COUNTY, IOWA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2003

### Note 18 Accounting Change

Governmental Accounting Standards Board Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements was implemented during the year ended June 30, 2003. The interpretation modifies when compensated absence liabilities are recorded under the modified accrual basis of accounting.

Governmental Accounting Standards Board has issued Statement Number 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, Statement Number 37, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments Omnibus*, Statement Number 38, *Certain Financial Statement Note Disclosures* and Statement No. 41, *Budgetary Comparison Schedule – Perspective Differences* were implemented during fiscal year 2003. The statements create new basic financial statements for reporting the County's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor special revenue funds are presented in total in one column.

The government-wide financial statements report the County's governmental activities. Beginning net assets for governmental activities has been restated to include capital assets, the Internal Service Fund and the changes in assets and liabilities at July 1, 2002 resulting from conversion to the accrual basis of accounting.

	<u>Total</u>
Net assets, June 30, 2002 as previously reported	\$ 9,208,161
GASB 34 adjustments	
Capital assets, net of accumulated depreciation	
Of \$6,946,557	7,076,624
Internal Service Fund	849,023
Change in Long Term Liabilities	(1,301,185)
Change in deferral of Long-term Assets	<u>34,477</u>
Net assets, July 1, 2002 as restated	<u>\$ 15,867,100</u>

### Note 19 Deficit Balance

A retained earnings deficit of 126,620 was noted in the Enterprise Fund, Swaledale Wastewater Collection & Treatment Facility Account.

### Note 20 Operating Transfers

The difference between the operating transfers in and out on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds is due to operating transfers to the Internal Service Fund – Health Insurance and the Enterprise Fund - Meservey Wastewater Collection & Treatment Facility.

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# CERRO GORDO COUNTY, IOWA

## BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN BALANCE - BUDGET AND ACTUAL - GENERAL FUND REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30, 2003

General Fund					
		Budgeted Amounts		Final to Actual Variance - Positive (Negative)	Actual as % of Amended Budget
	Actual	Original	Final		
<b>REVENUES</b>					
Property and Other County Tax	\$4,985,579	\$4,960,192	\$4,960,192	\$25,387	100.51%
Interest and Penalty on Property Tax	110,045	120,000	120,000	(9,955)	91.70%
Intergovernmental	1,423,273	1,386,815	1,649,559	(226,286)	86.28%
Licenses and Permits	12,155	4,700	7,200	4,955	168.82%
Charges for Service	964,818	711,450	858,750	106,068	112.35%
Use of Money and Property	234,433	332,776	257,776	(23,343)	90.94%
Miscellaneous	290,463	109,149	136,043	154,420	213.51%
<b>Total Revenues</b>	<b>8,020,766</b>	<b>7,625,082</b>	<b>7,989,520</b>	<b>31,246</b>	<b>100.39%</b>
<b>EXPENDITURES</b>					
Public Safety and Legal Services	4,093,919	4,217,194	4,188,819	94,900	97.73%
Physical Health and Education	687,432	816,079	806,079	118,647	85.28%
County Environment and Education Services	420,231	433,793	445,463	25,232	94.34%
Governmental Services to Residents	726,119	771,923	765,923	39,804	94.80%
Administrative Services	1,689,511	1,793,092	2,099,767	410,256	80.46%
Non-Program	47,767	30,000	60,000	12,233	79.61%
Capital Projects	332,966	398,858	428,858	95,892	77.64%
<b>Total Expenditures</b>	<b>7,997,945</b>	<b>8,460,939</b>	<b>8,794,909</b>	<b>796,964</b>	<b>90.94%</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	22,821	(835,857)	(805,389)	828,210	
Other Financing Uses, Net	(802,288)	(581,935)	(581,935)	(220,353)	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(779,467)	(1,417,792)	(1,387,324)	607,857	
Balance - Beginning of Year	4,814,698	3,986,902	4,752,335	62,363	
Balance - End of Year	\$4,035,231	\$2,569,110	\$3,365,011	\$670,220	

See Accompanying Independent Auditors' Report

(Continued)

# CERRO GORDO COUNTY, IOWA

## BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN BALANCE - BUDGET AND ACTUAL - MENTAL HEALTH FUND REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30, 2003

	Mental Health				Actual as % of Amended Budget
	Actual	Budgeted Amounts		Final to Actual Variance - Positive (Negative)	
		Original	Final		
<b>REVENUES</b>					
Property and Other County Tax	\$2,177,882	\$2,176,294	\$2,176,294	\$1,588	100.07%
Intergovernmental	2,925,215	2,961,238	3,052,970	(127,755)	95.82%
Charges For Services	142,250	0	0	142,250	0.00%
Miscellaneous	26,078	10,000	30,000	(3,922)	86.93%
<b>Total Revenues</b>	<b>5,271,425</b>	<b>5,147,532</b>	<b>5,259,264</b>	<b>12,161</b>	<b>100.23%</b>
<b>EXPENDITURES</b>					
Mental Health	5,003,304	5,100,000	5,100,000	96,696	98.10%
<b>Total Expenditures</b>	<b>5,003,304</b>	<b>5,100,000</b>	<b>5,100,000</b>	<b>96,696</b>	<b>98.10%</b>
Excess of Revenues Over Expenditures	268,121	47,532	159,264	108,857	
Balance - Beginning of Year	231,956	54,108	225,495	6,461	
Balance - End of Year	\$500,077	\$101,640	\$384,759	\$115,318	

See Accompanying Independent Auditors' Report

(Continued)

# CERRO GORDO COUNTY, IOWA

## BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN BALANCE - BUDGET AND ACTUAL - RURAL SERVICES REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30, 2003

Year Ended June 30, 2003

	Rural Services				
		Budgeted Amounts		Final to Actual	Actual as %
	Actual	Original	Final	Variance - Positive (Negative)	of Amended Budget
<b>REVENUES</b>					
Property and Other County Tax	\$1,509,520	\$1,508,793	\$1,508,793	\$727	100.05%
Intergovernmental	121,664	134,160	134,160	(12,496)	90.69%
Miscellaneous	174	0	0	174	0.00%
<b>Total Revenues</b>	<b>1,631,358</b>	<b>1,642,953</b>	<b>1,642,953</b>	<b>(11,595)</b>	<b>99.29%</b>
<b>EXPENDITURES</b>					
Public Safety and Legal Services	20,360	20,803	20,803	443	97.87%
County Environment and Education Services	92,102	77,619	92,619	517	99.44%
Roads and Transportation	408,277	440,300	413,800	5,523	98.67%
<b>Total Expenditures</b>	<b>520,739</b>	<b>538,722</b>	<b>527,222</b>	<b>6,483</b>	<b>98.77%</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,110,619	1,104,231	1,115,731	(5,112)	
Other Financing Uses, Net	(1,299,850)	(1,300,000)	(1,300,000)	150	
Deficiency of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(189,231)	(195,769)	(184,269)	(4,962)	
Balance - Beginning of Year	289,955	284,072	289,077	878	
Balance - End of Year	\$100,724	\$88,303	\$104,808	(\$4,084)	

See Accompanying Independent Auditors' Report

(Continued)



# CERRO GORDO COUNTY, IOWA

## BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN BALANCE - BUDGET AND ACTUAL - SECONDARY ROADS REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30, 2003

Year Ended June 30, 2003

	Secondary Roads				
		Budgeted Amounts		Final to Actual	
	Actual	Original	Final	Variance - Positive (Negative)	Actual as % of Amended Budget
<b>REVENUES</b>					
Property and Other County Tax	\$800,147	\$687,500	\$687,500	\$112,647	116.39%
Intergovernmental	3,004,629	1,770,000	2,750,000	254,629	109.26%
Licenses and Permits	3,965	0	0	3,965	0.00%
Use of Money and Property	3,510	0	0	3,510	0.00%
Miscellaneous	162,619	200,000	329,400	(166,781)	49.37%
<b>Total Revenues</b>	<b>3,974,870</b>	<b>2,657,500</b>	<b>3,766,900</b>	<b>207,970</b>	<b>105.52%</b>
<b>EXPENDITURES</b>					
Roads and Transportation	4,088,242	3,615,808	3,615,808	(472,434)	113.07%
Capital Projects	1,159,176	500,000	1,500,000	340,824	77.28%
<b>Total Expenditures</b>	<b>5,247,418</b>	<b>4,115,808</b>	<b>5,115,808</b>	<b>(131,610)</b>	<b>102.57%</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,272,548)	(1,458,308)	(1,348,908)	76,360	
Other Financing Sources, Net	1,937,535	1,340,000	1,340,000	597,535	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	664,987	(118,308)	(8,908)	673,895	
Balance - Beginning of Year	1,892,339	1,963,642	1,858,935	33,404	
Balance - End of Year	\$2,557,326	\$1,845,334	\$1,850,027	\$707,299	

See Accompanying Independent Auditors' Report

(Continued)

# CERRO GORDO COUNTY, IOWA

## BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN BALANCE - BUDGET AND ACTUAL - PUBLIC HEALTH REQUIRED SUPPLEMENTARY INFORMATION Year Ended June 30, 2003

	Public Health				
	Actual	Budgeted Amounts		Final to Actual Variance - Positive (Negative)	Actual as % of Amended Budget
		Original	Final		
<b>REVENUES</b>					
Intergovernmental	\$1,226,187	\$1,146,917	\$1,124,842	\$101,345	109.01%
Licenses and Permits	7,085	7,775	7,775	(690)	91.13%
Charges for Service	185,927	157,020	188,810	(2,883)	98.47%
Miscellaneous	117,470	225,653	185,059	(67,589)	63.48%
<b>Total Revenues</b>	<b>1,536,669</b>	<b>1,537,365</b>	<b>1,506,486</b>	<b>30,183</b>	<b>102.00%</b>
<b>EXPENDITURES</b>					
Physical Health and Education	2,272,492	2,215,375	2,305,268	32,776	98.58%
<b>Total Expenditures</b>	<b>2,272,492</b>	<b>2,215,375</b>	<b>2,305,268</b>	<b>32,776</b>	<b>98.58%</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(735,823)	(678,010)	(798,782)	62,959	
Other Financing Sources, Net	614,935	614,935	614,935	0	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(120,888)	(63,075)	(183,847)	62,959	
Balance - Beginning of Year	398,140	180,376	380,676	17,464	
Balance - End of Year	\$277,252	\$117,301	\$196,829	\$80,423	

See Accompanying Independent Auditors' Report

(Continued)

# CERRO GORDO COUNTY, IOWA

## BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30, 2003

	Debt Service				
	Actual	Budgeted Amounts		Final to Actual Variance - Positive (Negative)	Actual as % of Amended Budget
		Original	Final		
<b>REVENUES.</b>					
Property and Other County Tax	\$170,312	\$170,625	\$170,625	(\$313)	99.82%
Intergovernmental	9,393	8,600	8,600	793	109.22%
Miscellaneous	70,078	104,855	66,784	3,294	104.93%
<b>Total Revenues</b>	<b>249,783</b>	<b>284,080</b>	<b>246,009</b>	<b>3,774</b>	<b>101.53%</b>
<b>EXPENDITURES</b>					
Debt Service	265,192	264,593	265,793	601	99.77%
<b>Total Expenditures</b>	<b>265,192</b>	<b>264,593</b>	<b>265,793</b>	<b>601</b>	<b>99.77%</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,409)	19,487	(19,784)	4,375	
Balance - Beginning of Year	93,479	97,317	93,479	0	
Balance - End of Year	\$78,070	\$116,804	\$73,695	\$4,375	

See Accompanying Independent Auditors' Report

(Continued)

# CERRO GORDO COUNTY, IOWA

## BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUNDS REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30, 2003

	Capital Projects				
	Actual	Budgeted Amounts		Final to Actual Variance - Positive (Negative)	Actual as % of Amended Budget
		Original	Final		
<b>REVENUES</b>					
Intergovernmental	\$68,921	\$205,000	\$75,000	(\$6,079)	91.89%
<b>Total Revenues</b>	<u>68,921</u>	<u>205,000</u>	<u>75,000</u>	<u>(6,079)</u>	<u>91.89%</u>
<b>EXPENDITURES</b>					
Capital Projects	65,346	225,000	90,000	24,654	72.61%
<b>Total Expenditures</b>	<u>65,346</u>	<u>225,000</u>	<u>90,000</u>	<u>24,654</u>	<u>72.61%</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,575	(20,000)	(15,000)	18,575	
Balance - Beginning of Year	<u>32,138</u>	<u>23,713</u>	<u>32,138</u>	<u>0</u>	
Balance - End of Year	<u>\$35,713</u>	<u>\$3,713</u>	<u>\$17,138</u>	<u>\$18,575</u>	

See Accompanying Independent Auditors' Report

(Continued)

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# CERRO GORDO COUNTY, IOWA

## BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN BALANCE - BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS REQUIRED SUPPLEMENTARY INFORMATION Year Ended June 30, 2003

	Nonmajor Special Revenue		
	Actual	Less Funds Not Required To Be Budgeted	Net
<b>REVENUES</b>			
Property and Other County Tax	\$509,185	\$0	\$509,185
Intergovernmental	435,702	0	435,702
Licenses and Permits	232,461	0	232,461
Charges for Service	244,171	190,174	53,997
Use of Money and Property	36,980	3,934	33,046
Miscellaneous	196,603	82,182	114,421
<b>Total Revenues</b>	<b>1,655,102</b>	<b>276,290</b>	<b>1,378,812</b>
<b>EXPENDITURES</b>			
Public Safety and Legal Services	108,500	0	108,500
Physical Health and Education	655,433	0	655,433
County Environment and Education Services	343,149	0	343,149
Governmental Services to Residents	3,575	0	3,575
Administrative Services	30,290	0	30,290
Non-Program	248,974	248,974	0
Capital Projects	47,613	0	47,613
<b>Total Expenditures</b>	<b>1,437,534</b>	<b>248,974</b>	<b>1,188,560</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	217,568	27,316	190,252
Other Financing Sources (Uses), Net	(34,890)	1,659	(36,549)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	182,678	28,975	153,703
Balance - Beginning of Year	1,455,456	200,455	1,255,001
Balance - End of Year	\$1,638,134	\$229,430	\$1,408,704

See Accompanying Independent Auditors' Report

Nonmajor Special Revenue				
Budgeted Amounts		Final to Actual Variance - Positive (Negative)	Actual as % of Amended Budget	
Original	Final			
\$437,500	\$437,500	\$71,685		116.39%
280,750	455,872	(20,170)		95.58%
240,890	240,890	(8,429)		96.50%
42,100	45,100	8,897		541.40%
11,500	36,821	(3,775)		100.43%
27,325	71,464	42,957		275.11%
1,040,065	1,287,647	91,165		128.54%
108,000	108,500	0		100.00%
547,404	694,881	39,448		94.32%
324,549	432,597	89,448		79.32%
1,000	1,000	(2,575)		357.50%
30,191	30,191	(99)		100.33%
0	0	0		0.00%
0	47,614	1		100.00%
1,011,144	1,314,783	126,223		109.34%
28,921	(27,136)	217,388		
(40,000)	(40,000)	3,451		
(11,079)	(67,136)	220,839		
1,047,058	1,251,584	3,417		
\$1,035,979	\$1,184,448	\$224,256		

(Continued)

# CERRO GORDO COUNTY, IOWA

## BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN BALANCE - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30, 2003

	Governmental Fund Types		
	Actual	Less Funds Not Required To Be Budgeted	Net
<b>REVENUES:</b>			
Property and Other County Tax	\$10,152,625	\$0	\$10,152,625
Interest and Penalty on Property Tax	110,045	0	110,045
Intergovernmental	9,214,984	0	9,214,984
Licenses and Permits	251,701	0	251,701
Charges for Service	1,394,916	190,174	1,204,742
Use of Money and Property	271,413	3,934	267,479
Miscellaneous	863,311	82,182	781,129
<b>Total Revenues</b>	<b>22,258,995</b>	<b>276,290</b>	<b>21,982,705</b>
<b>EXPENDITURES:</b>			
Public Safety and Legal Services	4,222,779	0	4,222,779
Physical Health and Education	3,615,357	0	3,615,357
Mental Health	5,003,304	0	5,003,304
County Environment and Education Services	855,482	0	855,482
Roads and Transportation	4,496,519	0	4,496,519
Governmental Services to Residents	729,694	0	729,694
Administrative Services	1,737,124	0	1,737,124
Non-Program Current	47,767	0	47,767
Debt Service	265,192	0	265,192
Capital Projects	1,557,488	0	1,557,488
<b>Total Expenditures</b>	<b>22,530,706</b>	<b>0</b>	<b>22,530,706</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(271,711)	276,290	(548,001)
Other Financing Sources, Net	415,442	1,659	413,783
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	143,731	277,949	(134,218)
Balance - Beginning of Year	9,208,161	200,455	9,007,706
Balance - End of Year	\$9,351,892	\$478,404	\$8,873,488

See Accompanying Independent Auditors' Report



Governmental Fund Types			
Budgeted Amounts		Final to Actual Variance - Positive (Negative)	Actual as % of Amended Budget
Original	Final		
\$9,940,904	\$9,940,904	\$211,721	102 13%
120,000	120,000	(9,955)	91 70%
7,893,480	9,251,003	(36,019)	99 61%
253,365	255,865	(4,164)	98 37%
910,570	1,092,660	112,082	127 66%
344,276	294,597	(27,118)	92 13%
676 982	818,750	(37,621)	105 44%
20 139,577	21,773,779	208,926	102 23%
4,345,997	4,318,122	95,343	97 79%
3,578,858	3,806 228	190,871	94 99%
5,100,000	5,100 000	96,696	98 10%
835,961	970,679	115,197	88 13%
4 056,108	4 029 608	(466,911)	111 59%
772,923	766,923	37,229	95 15%
1,823,283	2,129,958	392,834	81 56%
30,000	60,000	12,233	79 61%
264,593	265,793	601	99 77%
1 123 858	2 066,472	508,984	75 37%
21,931,581	23,513,783	983,077	95 82%
(1,792,004)	(1,740,004)	1,192 003	
33,000	33 000	380,783	
(1,759,004)	(1 707,004)	1,572,786	
7,637,188	8,883,719	123 987	
\$5,878,184	\$7,176,715	\$1,696,773	

(Concluded)

### **Other Supplementary Information**

# CERRO GORDO COUNTY, IOWA

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING

June 30, 2003

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In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget following required public notice and hearing for all funds, except blended component units, drainage districts, 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 10 major classes of expenditures known as functions, not by fund or fund type. These 10 functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administrative services, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the general fund, special revenue funds, debt service fund, capital projects funds and expendable trust funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not at the fund or fund type level. Legal budgetary control is also based upon the appropriation to each office or department. During the year, a budget amendment increased budgeted revenues and disbursements by \$1,634,202 and \$1,582,202, 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, 2003, disbursements exceeded the amounts budgeted in the Roads and Transportation function and disbursements in certain departments exceeded the amounts appropriated.

# CERRO GORDO COUNTY, IOWA

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND Year Ended June 30, 2003

### REVENUES

Property and Other County Tax		
Property Tax	\$4,602,941	
Local Option Sales Tax	145,481	
Utility Tax Replacement Excise Tax	229,440	
Other County Tax	7,717	\$4,985,579
Interest and Penalty on Property Tax		110,045
Intergovernmental		
State Shared Revenues		
Franchise Tax	57,750	
Other	13,940	71,690
State Tax Replacements		
State Tax Credits	275,932	
State Allocation	153,505	429,437
State and Federal Pass-Thru Revenues		
Human Services Administration Reimbursement	76,260	
Other	357,762	434,022
Contributions From Other Intergovernmental Units		351,698
State Grants and Entitlements		136,018
Federal Grants and Entitlements		408
Licenses and Permits		12,155
Charges for Service		
Office Fees and Collections		
County Auditor	3,888	
County Recorder	453,802	
County Sheriff	64,908	
Auto License, Use Tax and Postage	297,884	
Miscellaneous	144,336	964,818
Use of Money and Property		
Interest on Investments	178,028	
Miscellaneous	56,405	234,433
Miscellaneous		
Reimbursements	189,086	
Assessments	67,179	
Miscellaneous	34,198	290,463
<b>Total Revenues</b>		<b>8,020,766</b>

(Continued)

# CERRO GORDO COUNTY, IOWA

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND Year Ended June 30, 2003

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### EXPENDITURES

Operating		
Public Safety and Legal Services		\$4 093 919
Physical Health and Social Services		687 432
County Environment and Education		420 231
Governmental Services to Residents		726 119
Administration		1 689 511
Non-Program		47 767
Capital Projects		332 966
<b>Total Expenditures</b>		<u>7 997 945</u>
Excess of Revenues Over Expenditures		22 821
Other Financing Uses		
Operating Transfers Out		
Public Health	(614 935)	
Meservey Operations and Maintenance	(12 353)	
Health Insurance	<u>(175 000)</u>	(802 288)
Deficiency of Revenues Under Expenditures and Other Financing Uses		(779 467)
Fund Balance - Beginning of Year		4 814 698
Fund Balance - End of Year		<u><u>\$4 035 231</u></u>

See Accompanying Independent Auditors' Report

# CERRO GORDO COUNTY, IOWA

## SCHEDULE OF EXPENDITURES - GENERAL FUND Year Ended June 30, 2003

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### Public Safety and Legal Services

#### Law Enforcement

Uniformed Patrol Services	\$1 039 052
Investigations	540
Law Enforcement Communications	37 232
Adult Correctional Services	1 460 881
Administration	288 029
	<u>2 825 734</u>

#### Legal Services

Criminal Prosecution	606 010
Medical Examinations	90 185
Child Support Recovery	294 543
	<u>990 738</u>

#### Emergency Services

Emergency Management	<u>27 868</u>
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#### Assistance to District Court System

Physical Operations	1 872
Research and Other Assistance	5 000
	<u>6 872</u>

#### Court Proceeding Program

Juries and Witnesses	24 237
Detention Services	9 030
Court Costs	983
Service of Civil Papers	86 501
	<u>120 751</u>

#### Juvenile Justice Administration

Juvenile Victim Restitution	29 713
Juvenile Representation Services	5 156
Court-Appointed Attorneys and Court Costs for Juveniles	87 087
	<u>121 956</u>

#### Total Public Safety and Legal Services

\$4 093,919

(Continued)

# CERRO GORDO COUNTY, IOWA

## SCHEDULE OF EXPENDITURES - GENERAL FUND Year Ended June 30, 2003

### Physical Health and Social Services

Services to the Poor	
Administration	\$237,581
General Welfare Services	20 311
	<u>257 892</u>

Services to Military Veterans	
Administration	87 474
General Services to Veterans	36 771
	<u>124 245</u>

Children's and Family Services	
Youth Guidance	<u>189 771</u>

Chemical Dependency	
Treatment Services	72 586
Preventive Services	42 938
	<u>115 524</u>

#### Total Physical Health and Social Services

\$687 432

### County Environment and Education

Environmental Quality	
Environmental Restoration	<u>1 200</u>

Conservation and Recreation Services	
Administration	276 990
Maintenance and Operations	96 924
	<u>373 914</u>

Animal Control	
Animal Shelter	5 700
Animal Bounties and State Apiarist Expense	328
	<u>6 028</u>

County Development	
Land Use and Building Controls	<u>39 089</u>

#### Total County Environment and Education

420 231

(Continued)

# CERRO GORDO COUNTY, IOWA

## SCHEDULE OF EXPENDITURES - GENERAL FUND

Year Ended June 30, 2003

### Governmental Services to Residents

#### Representation Services

Elections Administration	\$188,298
Local Elections	22,649
Township Officials	3,376
	<u>214,323</u>

#### State Administrative Services

Motor Vehicle Registrations and Licensing	282,548
Recording of Public Documents	229,248
	<u>511,796</u>

#### Total Governmental Services to Residents

\$726,119

### Administration

#### Policy and Administration

General County Management	274,086
Administrative Management Services	283,143
Treasury Management Services	143,944
Other Policy and Administration	25,337
	<u>726,510</u>

#### Central Services

General Services	412,046
Data Processing	417,547
	<u>829,593</u>

#### Risk Management Services

Tort Liability	20,000
Safety of Workplace	95,923
Fidelity of Public Officers	2,006
Unemployment Compensation	15,479
	<u>133,408</u>

#### Total Administration

1,689,511

### Non-Program

Other Non-Program Current	47,767
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### Capital Projects

Other Capital Projects	<u>332,966</u>
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#### Total Expenditures

7,997,945

(Concluded)

See Accompanying Independent Auditors' Report



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# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MAJOR SPECIAL REVENUE FUNDS Year Ended June 30, 2003

	Mental Health	Rural Services	Secondary Roads	Public Health	Total
<b>REVENUES</b>					
<b>Property and Other County Tax</b>					
Property Tax	\$2 069 165	\$1 382 931	\$0	\$0	\$3 452 096
Local Option Sales Tax	0	0	800 147	0	800 147
Utility Tax Replacement Excise Tax	105 180	124 814	0	0	229,994
Other	3,537	1,775	0	0	5 312
	<u>2 177 882</u>	<u>1 509 520</u>	<u>800 147</u>	<u>0</u>	<u>4 487 549</u>
<b>Intergovernmental</b>					
State Shared Revenues					
Road Use Tax	0	0	1 793 593	0	1 793 593
State Tax Replacements					
State Tax Credits	124 239	68 059	0	0	192,298
State Allocation	280 340	53 605	0	0	333,945
Mental Health Property Tax Relief	1 468 217	0	0	0	1 468,217
Other	618 544	0	0	0	618 544
	<u>2 491 340</u>	<u>121 664</u>	<u>0</u>	<u>0</u>	<u>2 613 004</u>
State and Federal Pass-Thru Revenues					
Social Services Block Grant	191 852	0	0	0	191 852
Other	0	0	7 000	89 427	96 427
	<u>191 852</u>	<u>0</u>	<u>7 000</u>	<u>89 427</u>	<u>288 279</u>
Contributions from Other Intergovernmental Units	0	0	1 204 036	0	1 204 036
State Grants and Entitlements	242 023	0	0	947 589	1 189 612
Federal Grants and Entitlements	0	0	0	189 171	189 171
<b>Total Intergovernmental</b>	<u>2 925 215</u>	<u>121 664</u>	<u>3 004 629</u>	<u>1 226 187</u>	<u>7 277 695</u>
<b>Licenses and Permits</b>	<u>0</u>	<u>0</u>	<u>3 965</u>	<u>7 085</u>	<u>11 050</u>
<b>Charges For Services</b>					
Nursing Services	0	0	0	84 964	84,964
Rehabilitation Services	0	0	0	100 918	100 918
Miscellaneous	142 250	0	0	45	142 295
<b>Total Charges For Services</b>	<u>142 250</u>	<u>0</u>	<u>0</u>	<u>185 927</u>	<u>328 177</u>

(Continued)

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MAJOR SPECIAL REVENUE FUNDS Year Ended June 30, 2003

	Mental Health	Rural Services	Secondary Roads	Public Health	Total
<b>Use of Money and Property</b>					
Land and Building Rent	\$0	\$0	\$3 510	\$0	\$3 510
<b>Total Use of Money and Property</b>	0	0	3 510	0	3 510
<b>Miscellaneous</b>					
Donations	0	0	0	61 348	61 348
Sale of Materials	0	0	2 288	0	2 288
Miscellaneous	26 078	174	160 331	56 122	242 705
<b>Total Miscellaneous</b>	26 078	174	162 619	117,470	306 341
<b>Total Revenues</b>	5 271 425	1 631 358	3 974 870	1 536 669	12 414 322

(Continued)

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MAJOR SPECIAL REVENUE FUNDS Year Ended June 30, 2003

	Mental Health	Rural Services	Secondary Roads	Public Health	Total
<b>Expenditures</b>					
Operating					
<b>Public Safety and Legal Services</b>					
Law Enforcement					
Investigations	\$0	\$4 557	\$0	\$0	\$4 557
Emergency Services					
Emergency Management	0	15 803	0	0	15 803
<b>Total Public Safety and             Legal Services</b>	0	20 360	0	0	20 360
<b>Physical Health and Social Services</b>					
Physical Health Services					
Personal & Family Health Services	0	0	0	680 339	680 339
Communicable Disease Prevention & Control	0	0	0	239 203	239 203
Sanitation	0	0	0	133 359	133 359
Health Administration	0	0	0	804,664	804 664
	0	0	0	1 857 565	1 857 565
Services to the Poor					
General Welfare Services	0	0	0	14 433	14 433
Children's and Family Services					
Family Protective Services	0	0	0	59 707	59 707
Services to Other Adults					
Services to the Elderly	0	0	0	340 787	340 787
<b>Total Physical Health and             Social Services</b>	0	0	0	2 272 492	2 272 492
<b>Mental Health</b>					
Persons With Mental Health Problems - Mental Illness					
Information & Education Services	2 058	0	0	0	2 058
General Administration	85 667	0	0	0	85 667
Personal & Environmental Support	6 699	0	0	0	6 699
Treatment Services	171 102	0	0	0	171 102
Licensed/Certified Living Institutional/Hospital and Commitment Services	3 897	0	0	0	3 897
	74 977	0	0	0	74 977
	344 400	0	0	0	344 400

(Continued)

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MAJOR SPECIAL REVENUE FUNDS Year Ended June 30, 2003

	Mental Health	Rural Services	Secondary Roads	Public Health	Total
<b>Mental Health</b>					
Persons With Chronic Mental Illness					
General Administration	\$82	\$0	\$0	\$0	\$82
Coordination Services	353 381	0	0	0	353 381
Personal & Environmental Support	65 328	0	0	0	65 328
Treatment Services	200 678	0	0	0	200 678
Vocational & Day Services	140 554	0	0	0	140 554
Licensed/Certified Living	529 964	0	0	0	529 964
Institutional/Hospital and Commitment Services	165 817	0	0	0	165 817
	<u>1 455 804</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,455 804</u>
Persons With Mental Retardation					
Coordination Services	29 324	0	0	0	29 324
Personal & Environmental Support	32 305	0	0	0	32 305
Treatment Services	5 574	0	0	0	5,574
Vocational & Day Services	851 084	0	0	0	851 084
Licensed/Certified Living	1 968,415	0	0	0	1 968 415
Institutional/Hospital and Commitment Services	216 880	0	0	0	216 880
	<u>3 103 582</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3 103 582</u>
Persons With Other Developmental Disabilities					
Coordination Services	2 021	0	0	0	2 021
Personal & Environmental Support	13 447	0	0	0	13 447
Treatment Services	533	0	0	0	533
Vocational & Day Services	29 732	0	0	0	29 732
Licensed/Certified Living	53 641	0	0	0	53 641
Institutional/Hospital and Commitment Services	144	0	0	0	144
	<u>99 518</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>99 518</u>
<b>Total Mental Health</b>	<u>5 003 304</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5 003 304</u>
<b>County Environment and Education</b>					
Environmental Quality					
Natural Resources Conservation	0	50 000	0	0	50 000
Solid Waste Disposal	0	8 003	0	0	8 003
	<u>0</u>	<u>58 003</u>	<u>0</u>	<u>0</u>	<u>58 003</u>
Educational Services					
Libraries	0	34 099	0	0	34 099
<b>Total County Environment and Education</b>	<u>0</u>	<u>92,102</u>	<u>0</u>	<u>0</u>	<u>92,102</u>

(Continued)

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MAJOR SPECIAL REVENUE FUNDS Year Ended June 30, 2003

	Mental Health	Rural Services	Secondary Roads	Public Health	Total
<b>Roads and Transportation</b>					
Secondary Roads Administration and Engineering					
Administration	\$0	\$5 029	\$113 763	\$0	\$118 792
Engineering	0	8 556	261 983	0	270 539
	0	13 585	375 746	0	389 331
Roadway Maintenance					
Bridges and Culverts	0	30	7 906	0	7 936
Roads	0	22 054	1 194 479	0	1 216 533
Snow and Ice Control	0	11 192	144 065	0	155,257
Traffic Controls	0	31 369	146 954	0	178 323
Road Clearing	0	292 834	35 263	0	328 097
	0	357 479	1 528 667	0	1 886 146
General Roadway					
New Equipment	0	20	928 347	0	928 367
Equipment Operations	0	35 882	1 122 886	0	1 158,768
Tools Materials and Supplies	0	0	68 048	0	68 048
Real Estate and Buildings	0	1 311	64 548	0	65 859
	0	37 213	2 183 829	0	2 221 042
<b>Total Roads and         Transportation</b>	0	408 277	4 088 242	0	4 496 519
<b>Capital Projects</b>					
Roadway Construction	0	0	1 159 176	0	1 159 176
<b>Total Expenditures</b>	5 003 304	520 739	5 247 418	2 272 492	13 043 953
Excess (Deficiency) of Revenues Over (Under) Expenditures	268 121	1 110 619	(1 272 548)	(735 823)	(629 631)
<b>Other Financing Sources (Uses)</b>					
Proceeds From Sale of Capital Assets	0	150	0	0	150
Capital Lease Purchase Agreement	0	0	600 986	0	600 986
Operating Transfers In (Out)					
General Fund	0	0	0	614 935	614 935
Special Revenue					
Rural Services	0	0	1 300 000	0	1 300 000
Secondary Roads	0	(1 300 000)	0		(1,300 000)
County Government Assistance	0	0	36 549	0	36 549
<b>Total Other Financing         Sources (Uses)</b>	0	(1 299 850)	1 937 535	614 935	1 252 620
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	268 121	(189 231)	664 987	(120 888)	622 989
Fund Balance - Beginning of Year	231 956	289 955	1 892 339	398 140	2 812 390
Decrease in Reserve for Inventories	0	0	(57 774)	0	(57 774)
Fund Balance - End of Year	\$500 077	\$100 724	\$2 499 552	\$277 252	\$3 377 605

(Concluded)

See Accompanying Independent Auditors' Report

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# CERRO GORDO COUNTY, IOWA

## COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2003

	Resource Enhancement and Protection	Recorder's Records Management	General County Betterment	Nature Center	Conservation Parks
<b>ASSETS</b>					
Cash and Pooled Investments	\$1,832	\$51,016	\$17,773	\$250,405	\$20,142
Receivables					
Accounts	0	4,606	0	13,929	15,043
Accrued Interest	0	0	0	113	0
Drainage Assessments	0	0	0	0	0
Due From Other Governments	0	0	19,942	0	0
<b>Total Assets</b>	<b>\$1,832</b>	<b>\$55,622</b>	<b>\$37,715</b>	<b>\$264,447</b>	<b>\$35,185</b>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>Liabilities</b>					
Accounts Payable	\$0	\$3,575	\$0	\$558	\$1,937
Salaries and Benefits Payable	0	0	0	758	1,249
Due To Other Governments	0	0	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>3,575</b>	<b>0</b>	<b>1,316</b>	<b>3,186</b>
<b>Fund Equity</b>					
Reserved for Endowment	0	0	0	59,676	0
Reserved for Trust	0	0	0	0	0
Unreserved	1,832	52,047	37,715	203,455	31,999
<b>Total Fund Equity</b>	<b>1,832</b>	<b>52,047</b>	<b>37,715</b>	<b>263,131</b>	<b>31,999</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$1,832</b>	<b>\$55,622</b>	<b>\$37,715</b>	<b>\$264,447</b>	<b>\$35,185</b>

See Accompanying Independent Auditors' Report



Rural County Betterment	Economic Development	Drainage	Public Health Inspections	Empowerment	Strand Estate Trust	Conservation Land Acquisition Trust	Total
\$56 957	\$498 035	\$152 901	\$77 599	\$219 999	\$80 331	\$3 428	\$1 430 418
0	0	0	40	0	0	180	33 798
0	0	0	0	0	53	0	166
0	0	88 150	0	0	0	0	88 150
79 768	39 884	0	6 112	0	0	0	145 706
<u>\$136 725</u>	<u>\$537 919</u>	<u>\$241 051</u>	<u>\$83 751</u>	<u>\$219 999</u>	<u>\$80 384</u>	<u>\$3 608</u>	<u>\$1 698 238</u>
\$3 339	\$0	\$11 621	\$1 783	\$26 362	\$252	\$0	\$49 427
0	0	0	8 601	0	0	0	10 608
0	0	0	69	0	0	0	69
<u>3 339</u>	<u>0</u>	<u>11 621</u>	<u>10 453</u>	<u>26 362</u>	<u>252</u>	<u>0</u>	<u>60 104</u>
0	0	0	0	0	0	0	59 676
0	0	0	0	0	60 000	0	60 000
133 386	537 919	229 430	73 298	193 637	20 132	3 608	1 518 458
<u>133 386</u>	<u>537 919</u>	<u>229 430</u>	<u>73 298</u>	<u>193 637</u>	<u>80 132</u>	<u>3 608</u>	<u>1 638 134</u>
<u>\$136 725</u>	<u>\$537 919</u>	<u>\$241 051</u>	<u>\$83 751</u>	<u>\$219 999</u>	<u>\$80 384</u>	<u>\$3 608</u>	<u>\$1 698 238</u>

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS Year Ended June 30, 2003

	Resource Enhancement and Protection	Recorder's Records Management	General County Betterment	Nature Center	County Government Assistance	Conservation Parks
<b>REVENUES</b>						
<b>Property and Other County Tax</b>						
Local Option Sales Tax	\$0	\$0	\$72,741	\$0	\$0	\$0
<b>Intergovernmental</b>						
State and Federal Pass-Thru Revenues						
Other	0	0	0	0	0	0
Contributions from Other Intergovernmental Units	0	0	0	0	36,549	0
State Grants and Entitlements	368	0	0	0	0	0
<b>Total Intergovernmental</b>	<b>368</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>36,549</b>	<b>0</b>
<b>Licenses and Permits</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Charges for Services</b>						
Camping Fees	0	0	0	0	0	35,780
Miscellaneous	0	15,512	0	0	0	0
<b>Total Charges for Services</b>	<b>0</b>	<b>15,512</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>35,780</b>
<b>Use of Money and Property</b>						
Interest on Investments	70	425	0	1,800	0	0
Other	0	0	0	0	0	0
<b>Total Use of Money and Property</b>	<b>70</b>	<b>425</b>	<b>0</b>	<b>1,800</b>	<b>0</b>	<b>0</b>
<b>Miscellaneous</b>						
Donations	0	0	0	102,267	0	0
Drainage Assessments	0	0	0	0	0	0
Miscellaneous	0	0	0	35	0	0
<b>Total Miscellaneous</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>102,302</b>	<b>0</b>	<b>0</b>
<b>Total Revenues</b>	<b>438</b>	<b>15,937</b>	<b>72,741</b>	<b>104,102</b>	<b>36,549</b>	<b>35,780</b>

Rural County Betterment	Economic Development	Drainage	Public Health Inspections	Empowerment	Strand Estate Grant	Conservation Land Acquisition Trust	Total
\$290 963	\$145 481	\$0	\$0	\$0	\$0	\$0	\$509 185
0	0	0	23 663	375 122	0	0	398,785
0	0	0	0	0	0	0	36 549
0	0	0	0	0	0	0	368
0	0	0	23 663	375 122	0	0	435 702
0	0	0	232 461	0	0	0	232 461
0	0	0	0	0	0	0	35 780
0	0	190 174	2 705	0	0	0	208 391
0	0	190 174	2 705	0	0	0	244 171
0	0	3 934	0	2 575	1 182	0	9 986
0	0	0	0	0	0	26 994	26,994
0	0	3 934	0	2 575	1 182	26 994	36 980
0	0	0	0	0	0	0	102 267
0	0	82 182	0	0	0	0	82 182
0	0	0	4 812	7 307	0	0	12 154
0	0	82 182	4 812	7 307	0	0	196 603
290 963	145 481	276 290	263 641	385 004	1,182	26 994	1 655 102

(Continued)

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS Year Ended June 30, 2003

	Resource Enhancement and Protection	Recorder's Records Management	General County Butterment	Nature Center	County Government Assistance	Conservation Parks
<b>EXPENDITURES</b>						
Operating						
Public Safety and Legal Services						
Law Enforcement						
Uniformed Patrol Services	\$0	\$0	\$0	\$0	\$0	\$0
Emergency Services						
Emergency Management	0	0	0	0	0	0
Assistance to District Court System						
Research and Other Assistance	0	0	5 000	0	0	0
Total Public Safety and Legal Services	0	0	5 000	0	0	0
Physical Health and Social Services						
Physical Health						
Sanitation	0	0	0	0	0	0
Services to the Poor						
General Welfare Services	0	0	6 000	0	0	0
Children and Family Services						
Youth Guidance	0	0	3 402	0	0	0
Family Protective Services	0	0	3 000	0	0	0
	0	0	6 402	0	0	0
Services to Other Adults						
Services to the Elderly	0	0	23 844	0	0	0
Other Social Services	0	0	9 500	0	0	0
	0	0	33 344	0	0	0
Total Physical Health and Social Services	0	0	45 746	0	0	0
County Environment and Education						
Environmental Quality						
Environmental Restoration	0	0	0	0	0	0
Conservation and Recreation Services						
Administration	6 579	0	0	91,939	0	0
Maintenance and Operations	20,362	0	0	0	0	27 493
	26 941	0	0	91 939	0	27 493
County Development Program						
Economic Development	0	0	0	0	0	0
Educational Services						
Libraries	0	0	0	0	0	0
Historic Preservation	0	0	1 500	0	0	0
Fair & 4-H Clubs	0	0	0	0	0	0
Parkgrounds	0	0	0	0	0	0
	0	0	1,500	0	0	0
Total County Environment and Education	26 941	0	1 500	91 939	0	27 493

Rural County Betterment	Economic Development	Drainage	Public Health Inspections	Empowerment	Strand Estate Grant	Conservation Land Acquisition Trust	Total
\$103,000	\$0	\$0	\$0	\$0	\$0	\$0	\$103,000
500	0	0	0	0	0	0	500
0	0	0	0	0	0	0	5,000
103,500	0	0	0	0	0	0	108,500
0	0	0	270,460	0	0	0	270,460
0	0	0	0	0	0	0	6,000
4,000	0	0	0	0	0	0	7,402
0	0	0	0	335,227	0	0	338,227
4,000	0	0	0	335,227	0	0	345,629
0	0	0	0	0	0	0	23,844
0	0	0	0	0	0	0	9,500
0	0	0	0	0	0	0	33,344
4,000	0	0	270,460	335,227	0	0	655,433
6,090	0	0	0	0	0	0	6,090
0	0	0	0	0	0	0	98,518
17,164	0	0	0	0	1,327	0	66,346
17,164	0	0	0	0	1,327	0	164,864
0	32,302	0	0	0	0	0	32,302
95,893	0	0	0	0	0	0	95,893
0	0	0	0	0	0	0	1,500
19,125	0	0	0	0	0	0	19,125
23,375	0	0	0	0	0	0	23,375
138,393	0	0	0	0	0	0	139,893
161,647	32,302	0	0	0	1,327	0	343,149

(Continued)

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS Year Ended June 30, 2003

	Resource Enhancement and Protection	Recorder's Records Management	General County Betterment	Nature Center	County Government Assistance	Conservation Parks
<b>Governmental Services to Residents</b>						
State Administrative Services						
Recording of Public Documents	\$0	\$3,575	\$0	\$0	\$0	\$0
<b>Administration</b>						
Policy and Administration						
General County Management	0	0	0	0	0	0
Central Services						
General Services	0	0	26,337	0	0	0
<b>Total Administration</b>	<b>0</b>	<b>0</b>	<b>26,337</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Non-Program</b>						
Drainage District Construction and Repair	0	0	0	0	0	0
<b>Capital Projects</b>						
Conservation Land Acquisition and Development	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>26,941</b>	<b>3,575</b>	<b>78,583</b>	<b>91,939</b>	<b>0</b>	<b>27,493</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,503)	12,362	(5,842)	12,163	36,549	8,287
<b>Other Financing Sources (Uses)</b>						
Proceeds From Drainage Warrants	0	0	0	0	0	0
Operating Transfers In (Out)						
Special Revenue						
Secondary Roads	0	0	0	0	(36,549)	0
Conservation Parks	0	0	0	0	0	0
Rural County Betterment	0	0	0	0	0	2,000
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(36,549)</b>	<b>2,000</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(26,503)	12,362	(5,842)	12,163	0	10,287
Fund Balance - Beginning of Year	28,335	39,685	43,557	250,968	0	21,712
Fund Balance - End of Year	\$1,832	\$52,047	\$37,715	\$263,131	\$0	\$31,999

See Accompanying Independent Auditors' Report

Rural County Buttermilk	Economic Development	Drainage	Public Health Inspections	Empowerment	Strand Estate Grant	Conservation Land Acquisition Trust	Total
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,575
0	100	0	0	0	0	0	100
3,853	0	0	0	0	0	0	30,190
3,853	100	0	0	0	0	0	30,290
0	0	248,974	0	0	0	0	248,974
0	0	0	0	0	0	47,613	47,613
273,000	32,402	248,974	270,460	335,227	1,327	47,613	1,437,534
17,963	113,079	27,316	(6,819)	49,777	(145)	(20,619)	217,568
0	0	1,659	0	0	0	0	1,659
0	0	0	0	0	0	0	(36,549)
(2,000)	0	0	0	0	0	0	(2,000)
0	0	0	0	0	0	0	2,000
(2,000)	0	1,659	0	0	0	0	(34,890)
15,963	113,079	28,975	(6,819)	49,777	(145)	(20,619)	182,678
117,423	424,840	200,455	80,117	143,860	80,277	24,227	1,455,456
\$133,386	\$537,919	\$229,430	\$73,298	\$193,637	\$80,132	\$3,608	\$1,638,134

(Concluded)

# CERRO GORDO COUNTY, IOWA

## BALANCE SHEET - DEBT SERVICE FUND

June 30, 2003

### ASSETS

Cash and Pooled Investments	\$78,070
Receivables	
Property Tax	
Delinquent	1,089
<b>Total Assets</b>	<b><u><u>\$79,159</u></u></b>

### LIABILITIES AND FUND EQUITY

#### Liabilities

Deferred Revenue	
Other	<u>\$1,089</u>
<b>Total Liabilities</b>	<b><u>1,089</u></b>

#### Fund Equity

Reserved for Debt Service	<u>78,070</u>
<b>Total Liabilities and Fund Equity</b>	<b><u><u>\$79,159</u></u></b>

See Accompanying Independent Auditors' Report



# CERRO GORDO COUNTY, IOWA

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - DEBT SERVICE FUND

Year Ended June 30, 2003

### REVENUES

Property and Other County Tax	\$170,312
Intergovernmental	
State Tax Replacements	
State Tax Credits	9,393
Assessments	<u>70,078</u>
<b>Total Revenues</b>	<u><u>249,783</u></u>

### EXPENDITURES

Debt Service	
Principal	235,000
Interest	<u>30,192</u>
<b>Total Expenditures</b>	<u><u>265,192</u></u>

Deficiency of Revenues Under Expenditures	(15,409)
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Fund Balance - Beginning of Year	<u>93,479</u>
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Fund Balance - End of Year	<u><u>\$78,070</u></u>
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See Accompanying Independent Auditors' Report

# CERRO GORDO COUNTY, IOWA

## COMBINING BALANCE SHEET - CAPITAL PROJECTS FUNDS

June 30, 2003

	Public Health Improvements	Community Development Project	Essential County Purpose	Total
<b>ASSETS</b>				
Cash and Pooled Investments	\$21,208	\$933	\$2,004	\$24,145
Due From Other Governments	0	13,572	0	13,572
<b>Total Assets</b>	<b>\$21,208</b>	<b>\$14,505</b>	<b>\$2,004</b>	<b>\$37,717</b>
<b>LIABILITIES AND FUND EQUITY</b>				
Liabilities				
Accounts Payable	\$0	\$0	\$2,004	\$2,004
Fund Equity				
Unreserved Fund Balance	21,208	14,505	0	35,713
<b>Total Liabilities and Fund Equity</b>	<b>\$21,208</b>	<b>\$14,505</b>	<b>\$2,004</b>	<b>\$37,717</b>

See Accompanying Independent Auditors' Report

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUNDS

Year Ended June 30, 2003

	Public Health	Community Development Project	Essential County Purpose	Total
<b>REVENUES</b>				
Intergovernmental				
State Grants and Entitlements	\$0	\$68,921	\$0	\$68,921
<b>EXPENDITURES</b>				
Capital Projects				
Other Capital Projects	7,993	55,349	2,004	65,346
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,993)	13,572	(2,004)	3,575
Fund Balance - Beginning of Year	29,201	933	2,004	32,138
Fund Balance - End of Year	\$21,208	\$14,505	\$0	\$35,713

See Accompanying Independent Auditors' Report

# CERRO GORDO COUNTY, IOWA

## COMBINING BALANCE SHEET - INTERNAL SERVICE FUNDS

June 30, 2003

	Central Services	Health Insurance	Total
<b>ASSETS</b>			
Cash and Pooled Investments	\$35,258	\$796,308	\$831,566
Due From Other Funds	1,364	1,476	2,840
Due From Other Governments	22	0	22
<b>Total Assets</b>	<b>\$36,644</b>	<b>\$797,784</b>	<b>\$834,428</b>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>Liabilities</b>			
Accounts Payable	\$2,594	\$125,519	\$128,113
<b>Fund Equity</b>			
Retained Earnings	34,050	672,265	706,315
<b>Total Liabilities and Fund Equity</b>	<b>\$36,644</b>	<b>\$797,784</b>	<b>\$834,428</b>

See Accompanying Independent Auditors' Report

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS - INTERNAL SERVICE FUNDS

Year Ended June 30, 2003

	Central Services	Health Insurance	Total
<b>OPERATING REVENUES</b>			
Reimbursements from Operating Funds	\$221,419	\$490,488	\$711,907
Reimbursements from Employees	0	78,870	78,870
Miscellaneous	0	0	0
<b>Total Operating Revenues</b>	<u>221,419</u>	<u>569,358</u>	<u>790,777</u>
<b>OPERATING EXPENSES</b>			
Health Insurance			
Medical Claims Paid	0	734,711	734,711
Insurance Premiums	0	122,926	122,926
Administrative Fees	0	41,769	41,769
Miscellaneous	0	11,736	11,736
Central Services			
Telephone	30,425	0	30,425
Insurance	175,237	0	175,237
<b>Total Operating Expenses</b>	<u>205,662</u>	<u>911,142</u>	<u>1,116,804</u>
Operating Income (Loss)	15,757	(341,784)	(326,027)
<b>NON-OPERATING REVENUES</b>			
Interest	0	8,319	8,319
Other Financing Sources			
Operating Transfer In			
General Fund	0	175,000	175,000
Net Income (Loss)	15,757	(158,465)	(142,708)
Retained Earnings - Beginning of Year	18,293	830,730	849,023
Retained Earnings - End of Year	<u>\$34,050</u>	<u>\$672,265</u>	<u>\$706,315</u>

See Accompanying Independent Auditors' Report

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF CASH FLOWS - INTERNAL SERVICE FUNDS

Year Ended June 30, 2003

	Central Services	Health Insurance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$15,757	(\$341,784)	(\$326,027)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Decrease in Receivables	1,061	535	1,596
Increase (Decrease) in Payables	(1,175)	56,595	55,420
Net Cash Provided by (Used in) Operating Activities	15,643	(284,654)	(269,011)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Transfer From General Fund	0	175,000	175,000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Income	0	8,320	8,320
Net Increase (Decrease) in Cash	15,643	(101,334)	(85,691)
Cash - Beginning of Year	19,615	897,642	917,257
Cash - End of Year	\$35,258	\$796,308	\$831,566

See Accompanying Independent Auditors' Report

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# CERRO GORDO COUNTY, IOWA

## COMBINING BALANCE SHEET - ENTERPRISE FUNDS

June 30, 2003

	Meservey Wastewater Collection & Treatment Facility	Swaledale Wastewater Collection & Treatment Facility	Total
<b>ASSETS</b>			
Current Assets			
Cash and Pooled Investments	\$7,783	\$42,170	\$49,953
Due From Other Governments	1,315	4,934	6,249
Total Current Assets	9,098	47,104	56,202
Capital Assets	37,300	1,189,417	1,226,717
Less Accumulated Depreciation	0	189,403	189,403
Construction in Progress	1,446,068	0	1,446,068
	1,483,368	1,000,014	2,483,382
<b>Total Assets</b>	<b>\$1,492,466</b>	<b>\$1,047,118</b>	<b>\$2,539,584</b>
<b>LIABILITIES AND FUND EQUITY</b>			
Liabilities			
Accounts Payable	\$18,953	\$103	\$19,056
Due To Other Governments	0	170	170
Long-Term Liabilities			
Portion Due Within One Year			
Note Payable	0	3,634	3,634
Portion Due After One Year			
Note Payable	312,300	260,414	572,714
Total Liabilities	331,253	264,321	595,574
Fund Equity			
Contributed Capital	0	909,417	909,417
Retained Earnings (Accumulated Deficit)	1,161,213	(126,620)	1,034,593
Total Fund Equity	1,161,213	782,797	1,944,010
<b>Total Liabilities and Fund Equity</b>	<b>\$1,492,466</b>	<b>\$1,047,118</b>	<b>\$2,539,584</b>

See Accompanying Independent Auditors' Report



# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (ACCUMULATED DEFICIT) - ENTERPRISE FUNDS Year Ended June 30, 2003

	Meservey Wastewater Collection & Treatment Facility	Swaledale Wastewater Collection & Treatment Facility	Total
<b>OPERATING REVENUES</b>			
Intergovernmental			
Contributions and Reimbursements From Other			
Intergovernmental Units	\$337,556	\$30,784	\$368,340
<b>OPERATING EXPENSES</b>			
Wastewater Collection & Treatment Facility			
Depreciation	0	36,481	36,481
Operations and Maintenance	2,088	7,216	9,304
<b>Total Operating Expenses</b>	<b>2,088</b>	<b>43,697</b>	<b>45,785</b>
Operating Income (Loss)	335,468	(12,913)	322,555
<b>NON-OPERATING EXPENSES</b>			
Interest	(14,053)	(12,039)	(26,092)
Other Financing Sources			
Operating Transfer In			
General Fund	12,353	0	12,353
Net Income (Loss)	333,768	(24,952)	308,816
Retained Earnings (Accumulated Deficit) - Beginning of Year	827,445	(101,668)	725,777
Retained Earnings (Accumulated Deficit) - End of Year	\$1,161,213	(\$126,620)	\$1,034,593

See Accompanying Independent Auditors' Report

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF CASH FLOWS - ENTERPRISE FUNDS

Year Ended June 30, 2003

	Meservey Wastewater Collection & Treatment Facility	Swaledale Wastewater Collection & Treatment Facility	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$335,468	(\$12,913)	\$322,555
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities			
Depreciation	0	36,481	36,481
Decrease in Receivables	106,685	405	107,090
Decrease in Payables	(88,495)	(3,462)	(91,957)
Net Cash Provided by Operating Activities	353,658	20,511	374,169
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Transfer From General Fund	12,353	0	12,353
Increase in Construction in Progress	(357,986)	0	(357,986)
Interest Expense	(14,054)	(12,039)	(26,093)
Net Cash Used in Capital and Related Financing Activities	(359,687)	(12,039)	(371,726)
Net Increase (Decrease) in Cash	(6,029)	8,472	2,443
Cash - Beginning of Year	13,812	33,698	47,510
Cash - End of Year	\$7,783	\$42,170	\$49,953

See Accompanying Independent Auditors' Report

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# CERRO GORDO COUNTY, IOWA

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

June 30, 2003

	Elected Officials	Other	Total
<b>ASSETS</b>			
Cash and Pooled Investments			
County Treasurer	\$0	\$2,395,305	\$2,395,305
Other County Officials	178,424	0	178,424
Receivables			
Property Tax			
Delinquent	0	826	826
Succeeding Year	0	35,479,482	35,479,482
Accounts	240	47,327	47,567
Assessments	0	315,866	315,866
Due From Other Governments	0	3,886	3,886
<b>Total Assets</b>	<b>\$178,664</b>	<b>\$38,242,692</b>	<b>\$38,421,356</b>
<b>LIABILITIES</b>			
Accounts Payable	\$0	\$10,941	\$10,941
Salaries and Benefits Payable	0	19,203	19,203
Due to Other Funds	100	2,062	2,162
Due to Other Governments	35,899	38,171,360	38,207,259
Trusts Payable	142,665	34,449	177,114
Compensated Absences	0	4,677	4,677
<b>Total Liabilities</b>	<b>\$178,664</b>	<b>\$38,242,692</b>	<b>\$38,421,356</b>

See Accompanying Independent Auditors' Report

# CERRO GORDO COUNTY, IOWA

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

June 30, 2003

	Board of Supervisors Conservators	Veterans Affairs	Recorder	Sheriff	Total
<b>ASSETS</b>					
Cash and Pooled Investments					
Other County Officials	\$32,601	\$1,012	\$35,759	\$109,052	\$178,424
Receivables					
Accounts	0	0	240	0	240
<b>Total Assets</b>	<b>\$32,601</b>	<b>\$1,012</b>	<b>\$35,999</b>	<b>\$109,052</b>	<b>\$178,664</b>
<b>LIABILITIES</b>					
Due to County Funds	\$0	\$0	\$100	\$0	\$100
Due to Other Governments	0	0	35,899	0	35,899
Trusts Payable	32,601	1,012	0	109,052	142,665
<b>Total Liabilities</b>	<b>\$32,601</b>	<b>\$1,012</b>	<b>\$35,999</b>	<b>\$109,052</b>	<b>\$178,664</b>

See Accompanying Independent Auditors' Report

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES - OTHER AGENCY FUNDS

June 30, 2003

	Agricultural Extension Education	County Assessor	County Special Appraisal	City Assessor
<b>ASSETS</b>				
Cash and Pooled Investments				
County Treasurer	\$2,161	\$117,566	\$175,628	\$62,219
Receivables				
Property Tax				
Delinquent	4	12	3	0
Succeeding Year	171,357	249,955	79,639	136,626
Accounts	0	1,835	0	55
Assessments	0	0	0	0
Due From Other Governments	0	0	0	0
<b>Total Assets</b>	<b>\$173,522</b>	<b>\$369,368</b>	<b>\$255,270</b>	<b>\$198,900</b>
<b>LIABILITIES</b>				
Accounts Payable	\$0	\$1,466	\$7,553	\$484
Salaries and Benefits Payable	0	10,257	0	5,400
Due to Other Funds	0	1,037	0	692
Due to Other Governments	173,522	353,936	247,717	190,734
Trusts Payable	0	0	0	0
Compensated Absences	0	2,672	0	1,590
<b>Total Liabilities</b>	<b>\$173,522</b>	<b>\$369,368</b>	<b>\$255,270</b>	<b>\$198,900</b>

City Special Appraisal	Schools	Area Schools	Corporations	Townships	City Special Assessments
\$109,823	\$278,477	\$11,847	\$138,637	\$2,247	\$33,612
0	500	24	234	4	0
32,652	20,701,825	961,418	12,328,777	182,322	0
0	0	0	0	0	0
0	0	0	0	0	315,866
0	0	0	0	0	0
\$142,475	\$20,980,802	\$973,289	\$12,467,648	\$184,573	\$349,478
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
142,475	20,980,802	973,289	12,467,648	184,573	349,478
0	0	0	0	0	0
0	0	0	0	0	0
\$142,475	\$20,980,802	\$973,289	\$12,467,648	\$184,573	\$349,478

(Continued)

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES - OTHER AGENCY FUNDS

June 30, 2003

	Auto License and Use Tax	Brucellosis and Tuberculosis Eradication	Joint Disaster Services	Clear Lake Sanitary
<b>ASSETS</b>				
Cash and Pooled Investments				
County Treasurer	\$830,516	\$80	\$1,407	\$16,881
Receivables				
Property Tax				
Delinquent	0	0	0	45
Succeeding Year	0	6,273	0	628,638
Accounts	0	0	3,616	0
Assessments	0	0	0	0
Due From Other Governments	0	0	3,886	0
<b>Total Assets</b>	<b>\$830,516</b>	<b>\$6,353</b>	<b>\$8,909</b>	<b>\$645,564</b>
<b>LIABILITIES</b>				
Accounts Payable	\$0	\$0	\$1,095	\$0
Salaries and Benefits Payable	0	0	1,329	0
Due to Other Funds	0	0	0	0
Due to Other Governments	830,516	6,353	6,485	645,564
Trusts Payable	0	0	0	0
Compensated Absences	0	0	0	0
<b>Total Liabilities</b>	<b>\$830,516</b>	<b>\$6,353</b>	<b>\$8,909</b>	<b>\$645,564</b>

See Accompanying Independent Auditors' Report



Advance Tax	Cash Long/Short	Dispute Resolution	E911 Operations	Advanced Law Enforcement Investigative and Administrative System	Employee Benefits	Total
\$27,861	\$478	\$45,091	\$515,391	\$18,795	\$6,588	\$2,395,305
0	0	0	0	0	0	826
0	0	0	0	0	0	35,479,482
0	17	7,735	34,069	0	0	47,327
0	0	0	0	0	0	315,866
0	0	0	0	0	0	3,886
\$27,861	\$495	\$52,826	\$549,460	\$18,795	\$6,588	\$38,242,692
\$0	\$0	\$343	\$0	\$0	\$0	\$10,941
0	0	2,217	0	0	0	19,203
0	0	333	0	0	0	2,062
0	495	49,518	549,460	18,795	0	38,171,360
27,861	0	0	0	0	6,588	34,449
0	0	415	0	0	0	4,677
\$27,861	\$495	\$52,826	\$549,460	\$18,795	\$6,588	\$38,242,692

(Concluded)

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - ALL AGENCY FUNDS Year Ended June 30, 2003

	Elected Officials		
	Balance July 1, 2002	Additions	Balance June 30, 2003
<b>ASSETS</b>			
Cash and Pooled Investments			
Other County Officials	\$121,050	\$1,959,887	\$1,902,513
Receivables			
Accounts	243	240	243
<b>Total Assets</b>	<b>\$121,293</b>	<b>\$1,960,127</b>	<b>\$1,902,756</b>
<b>LIABILITIES</b>			
Due to County Funds	\$125	\$100	\$125
Due to Other Governments	22,062	1,817,362	1,803,525
Trusts Payable	99,106	142,665	99,106
<b>Total Liabilities</b>	<b>\$121,293</b>	<b>\$1,960,127</b>	<b>\$1,902,756</b>

	Other Agency Funds		
	Balance July 1, 2002	Additions	Balance June 30, 2003
<b>ASSETS</b>			
Cash and Pooled Investments			
County Treasurer	\$2,098,454	\$12,904,127	\$12,607,276
Receivables			
Property Tax			
Delinquent	531	826	531
Succeeding Year	35,381,036	35,479,482	35,381,036
Accounts	40,976	47,327	40,976
Due From Other Funds	0	0	0
Due From Other Governments	0	3,886	0
Assessments	324,235	315,866	324,235
<b>Total Assets</b>	<b>\$37,845,232</b>	<b>\$48,751,514</b>	<b>\$48,354,054</b>
<b>LIABILITIES</b>			
Accounts Payable	\$11,240	\$10,941	\$11,240
Salaries and Benefits Payable	15,233	19,203	15,233
Due to County Funds	2,105	2,062	2,105
Due to Other Governments	37,774,549	48,680,182	48,283,371
Trusts Payable	35,475	34,449	35,475
Compensated Absences	6,630	4,677	6,630
<b>Total Liabilities</b>	<b>\$37,845,232</b>	<b>\$48,751,514</b>	<b>\$48,354,054</b>

See Accompanying Independent Auditors' Report

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - ELECTED OFFICIALS

Year Ended June 30, 2003

	Board of Supervisors Conservators	Veterans Affairs	Auditor	Recorder	Sheriff	Total
<b>ASSETS AND LIABILITIES</b>						
Balance - Beginning of Year	\$28,598	\$1,011	\$125	\$22,062	\$69,497	\$121,293
<b>Additions</b>						
Office Fees and Collections	0	0	3,763	453,802	620,150	1,077,715
Trusts	267,331	1	0	370,008	245,072	882,412
<b>Total Additions</b>	<b>267,331</b>	<b>1</b>	<b>3,763</b>	<b>823,810</b>	<b>865,222</b>	<b>1,960,127</b>
<b>Deductions</b>						
Agency Remittances						
To County Funds	0	0	3,888	453,802	64,908	522,598
To Other Governments	0	0	0	356,060	966	357,026
Trusts Paid Out	263,328	0	0	11	759,793	1,023,132
<b>Total Deductions</b>	<b>263,328</b>	<b>0</b>	<b>3,888</b>	<b>809,873</b>	<b>825,667</b>	<b>1,902,756</b>
Balance - End of Year	\$32,601	\$1,012	\$0	\$35,999	\$109,052	\$178,664

See Accompanying Independent Auditors' Report

# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - OTHER AGENCY FUNDS

Year Ended June 30, 2003

	Agricultural Extension Education	County Assessor	County Special Appraisal	City Assessor
<b>ASSETS AND LIABILITIES</b>				
Balance - Beginning of Year	\$166,285	\$348,923	\$219,395	\$187,820
<b>Additions</b>				
Property and Other County Tax	172,857	255,362	81,429	135,893
E911 Surcharge	0	0	0	0
State Tax Credits	9,461	11,107	3,679	9,283
State Allocation	0	2,176	1,710	1,971
Auto Licenses, Use Tax and Postage	0	0	0	0
Assessments	0	0	0	0
Trusts	0	0	0	0
Miscellaneous	0	9,964	0	4,872
<b>Total Additions</b>	<b>182,318</b>	<b>278,609</b>	<b>86,818</b>	<b>152,019</b>
<b>Deductions</b>				
Agency Remittances				
To Other Governments	175,081	258,164	50,943	140,939
Trusts Paid Out	0	0	0	0
<b>Total Deductions</b>	<b>175,081</b>	<b>258,164</b>	<b>50,943</b>	<b>140,939</b>
Balance - End of Year	\$173,522	\$369,368	\$255,270	\$198,900

City Special Appraisal	Schools	Area Schools	Corporations	Townships	City Special Assessments	Auto License and Use Tax
\$131,386	\$21,497,310	\$910,605	\$11,904,504	\$177,344	\$343,120	\$714,417
32,442	20,904,997	969,646	12,268,912	190,086	0	0
0	0	0	0	0	0	0
2,671	1,238,957	51,868	647,045	8,560	0	0
1,548	0	0	0	0	0	0
0	0	0	0	0	0	9,385,149
0	0	0	0	0	439,801	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
36,661	22,143,954	1,021,514	12,915,957	198,646	439,801	9,385,149
25,572	22,660,462	958,830	12,352,813	191,417	433,443	9,269,050
0	0	0	0	0	0	0
25,572	22,660,462	958,830	12,352,813	191,417	433,443	9,269,050
\$142,475	\$20,980,802	\$973,289	\$12,467,648	\$184,573	\$349,478	\$830,516

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# CERRO GORDO COUNTY, IOWA

## COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - OTHER AGENCY FUNDS

Year Ended June 30, 2003

	Brucellosis and Tuberculosis Eradication	Joint Disaster Services	Clear Lake Sanitary	Advance Tax
<b>ASSETS AND LIABILITIES</b>				
Balance - Beginning of Year	\$6,144	\$1,271	\$628,815	\$35,384
<b>Additions</b>				
Property and Other County Tax	12,685	0	626,363	0
E911 Surcharge	0	0	0	0
State Tax Credits	348	0	20,835	0
State Allocation	0	0	0	0
Auto Licenses, Use Tax and Postage	0	0	0	0
Assessments	0	0	73,165	0
Trusts	0	0	0	0
Miscellaneous	0	55,060	0	0
<b>Total Additions</b>	<b>13,033</b>	<b>55,060</b>	<b>720,363</b>	<b>0</b>
<b>Deductions</b>				
Agency Remittances				
To Other Governments	12,824	47,422	703,614	0
Trusts Paid Out	0	0	0	7,523
<b>Total Deductions</b>	<b>12,824</b>	<b>47,422</b>	<b>703,614</b>	<b>7,523</b>
Balance - End of Year	\$6,353	\$8,909	\$645,564	\$27,861

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Cash Long/Short	Tax Sale Redemption	Dispute Resolution	E911 Operations	Advanced Law Enforcement Investigative and Administrative System	Employee Benefits	Total
\$591	\$0	\$49,085	\$500,821	\$21,921	\$91	\$37,845,232
0	0	0	0	0	0	35,650,672
0	0	0	156,895	0	0	156,895
0	0	0	0	0	0	2,003,814
0	0	0	0	0	0	7,405
0	0	0	0	0	0	9,385,149
0	0	0	0	0	0	512,966
0	679,467	0	0	0	0	679,467
72	0	60,284	54,991	39,750	130,153	355,146
72	679,467	60,284	211,886	39,750	130,153	48,751,514
168	0	56,543	163,247	42,876	0	47,543,408
0	679,467	0	0	0	123,656	810,646
168	679,467	56,543	163,247	42,876	123,656	48,354,054
\$495	\$0	\$52,826	\$549,460	\$18,795	\$6,588	\$38,242,692

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# CERRO GORDO COUNTY, IOWA

## SCHEDULE OF CAPITAL ASSETS BY FUNDING SOURCE

Year Ended June 30, 2003

	Balance June 30, 2002	Additions	Deletions	Balance June 30, 2003
<b>ASSETS</b>				
Land	\$ 1,598,917	\$ 67,975	\$ -	\$ 1,666,892
Construction in Process	-	-	-	-
Buildings and Structures	4,248,474	-	-	4,248,474
Improvements other than Buildings	417,751	-	-	417,751
Machinery and Equipment	5,303,638	1,227,557	664,275	5,866,920
Licensed Vehicles	2,454,401	685,664	229,303	2,910,762
Infrastructure	-	1,169,386	-	1,169,386
	<u>\$ 14,023,181</u>	<u>\$ 3,150,582</u>	<u>\$ 893,578</u>	<u>\$ 16,280,185</u>

## FUNDING SOURCE

General Fund	\$ 6,254,598	\$ 9,176	\$ 147,612	\$ 6,116,162
Special Revenue Funds	6,821,351	3,141,406	745,966	9,216,791
Capital Project Fund	947,232	-	-	947,232
	<u>\$ 14,023,181</u>	<u>\$ 3,150,582</u>	<u>\$ 893,578</u>	<u>\$ 16,280,185</u>

# CERRO GORDO COUNTY, IOWA

## SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY AS OF JUNE 30, 2003

	Land	Construction in Process	Buildings and Structures
Public Safety and Legal Services			
Law Enforcement	\$ -	-	610,931
Legal Services	-	-	-
<b>Total Public Safety and Legal Services</b>	<b>-</b>	<b>-</b>	<b>610,931</b>
Physical Health and Social Services			
Physical Health Services	-	-	-
Services to Poor	-	-	-
Services to Military Veterans	-	-	-
<b>Total Physical Health and Social Services</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mental Health			
Persons with Chronic Mental Illness	-	-	-
<b>Total Mental Health</b>	<b>-</b>	<b>-</b>	<b>-</b>
County Environment and Education			
Environmental Quality Program	-	-	-
Conservation and Recreation Services	150,798	-	490,292
County Development	-	-	-
<b>Total County Environment and Education</b>	<b>150,798</b>	<b>-</b>	<b>490,292</b>
Roads and Transportation			
Secondary Roads Administration and Engineering	-	-	325,259
Roadway Maintenance	-	-	-
General Roadway Expenditures	-	-	229,970
<b>Total Roads and Transportation</b>	<b>-</b>	<b>-</b>	<b>555,229</b>
State and Local Government Services			
Representation Services	-	-	-
State Administration Services	-	-	-
<b>Total State and Local Government Services</b>	<b>-</b>	<b>-</b>	<b>-</b>
Interprogram Services			
Policy and Administration	-	-	273,715
Central Services	1,516,094	-	2,318,307
<b>Total Interprogram Services</b>	<b>1,516,094</b>	<b>-</b>	<b>2,592,022</b>
<b>Total Capital Assets</b>	<b>\$ 1,666,892</b>	<b>-</b>	<b>\$ 4,248,474</b>

Improvements other than Buildings	Machinery and Equipment	Licensed Vehicles	Infrastructure	Total
-	363,535	467,505	-	\$ 1,441,971
-	28,165	-	-	28,165
-	391,700	467,505	-	1,470,136
-	237,626	71,530	-	309,156
-	6,371	-	-	6,371
-	-	-	-	-
-	243,997	71,530	-	315,527
-	23,260	21,271	-	44,531
-	23,260	21,271	-	44,531
-	-	-	-	-
44,974	254,318	184,413	-	1,124,795
-	5,157	-	-	5,157
44,974	259,475	184,413	-	1,129,952
31,151	58,225	51,827	-	466,462
-	40,019	107,837	1,169,386	1,317,242
-	4,038,915	1,995,229	-	6,264,114
31,151	4,137,159	2,154,893	1,169,386	8,047,818
-	94,737	-	-	94,737
-	37,318	-	-	37,318
-	132,055	-	-	132,055
-	42,276	-	-	315,991
341,626	636,998	11,150	-	4,824,175
341,626	679,274	11,150	-	5,140,166
417,751	\$ 5,866,920	\$ 2,910,762	\$ 1,169,386	16,280,185

# CERRO GORDO COUNTY, IOWA

## SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY Year Ended June 30, 2003

	Balance June 30, 2002	Additions	Deletions	Transfers	Balance June 30, 2003
Public Safety and Legal Services					
Law Enforcement	\$ 1,424,843	\$ 98,654	\$ 80,203	\$ (1,323)	\$ 1,441,971
Legal Services	38,082	-	-	(9,917)	28,165
<b>Total Public Safety and Legal Services</b>	<b>1,462,925</b>	<b>98,654</b>	<b>80,203</b>	<b>(11,240)</b>	<b>1,470,136</b>
Physical Health and Social Services					
Physical Health Services	288,091	27,065	6,000		309,156
Services to Poor	6,371	-	-		6,371
Services to Military Veterans	-	-	-		-
<b>Total Physical Health and Social Services</b>	<b>294,462</b>	<b>27,065</b>	<b>6,000</b>	<b>-</b>	<b>315,527</b>
Mental Health					
Persons with Chronic Mental Illness	35,545	6,810	6,774	8,950	44,531
<b>Total Mental Health</b>	<b>35,545</b>	<b>6,810</b>	<b>6,774</b>	<b>8,950</b>	<b>44,531</b>
County Environment and Education					
Environmental Quality Program	-	-	-		-
Conservation and Recreation Services	1,086,337	67,975	29,517		1,124,795
County Development	5,157	-	-		5,157
<b>Total County Environment and Education</b>	<b>1,091,494</b>	<b>67,975</b>	<b>29,517</b>	<b>-</b>	<b>1,129,952</b>
Roads and Transportation					
Secondary Roads Administration and Engineering	452,756	18,267	13,201	8,640	466,462
Roadway Maintenance	244,276	1,210,433	-	(137,467)	1,317,242
General Roadway Expenditures	5,136,876	1,712,202	713,791	128,827	6,264,114
<b>Total Roads and Transportation</b>	<b>5,833,908</b>	<b>2,940,902</b>	<b>726,992</b>	<b>-</b>	<b>8,047,818</b>
Government Services to Residents					
Representation Services	94,737	-	-		94,737
State Administration Services	35,028	-	-	2,290	37,318
<b>Total Government Services to Residents</b>	<b>129,765</b>	<b>-</b>	<b>-</b>	<b>2,290</b>	<b>132,055</b>
Administration					
Policy and Administration	306,815	9,176	-		315,991
Central Services	4,868,267	-	44,092		4,824,175
<b>Total Administration</b>	<b>5,175,082</b>	<b>9,176</b>	<b>44,092</b>	<b>-</b>	<b>5,140,166</b>
<b>Total Capital Assets</b>	<b>\$ 14,023,181</b>	<b>\$ 3,150,582</b>	<b>\$ 893,578</b>	<b>-</b>	<b>16,280,185</b>

# CERRO GORDO COUNTY, IOWA

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

		Modified Accrual Basis			
		2003	2002	2001	2000
<b>Revenues</b>					
Property and other County Tax	\$	10,152,625	9,928,084	9,963,952	9,681,668
Interest and Penalty on property tax		110,045	128,449	113,886	109,952
Intergovernmental		9,214,984	8,150,270	7,642,241	7,531,032
Licenses and permits		255,666	17,870	25,682	16,856
Charges for services		1,537,166	1,607,381	1,232,500	1,168,535
Use of money and property		274,923	405,278	705,077	676,919
Fines, forfeitures, and defaults		-	2,369	1,928	2,721
Miscellaneous		863,485	679,024	784,551	644,793
Total		22,408,894	20,918,725	20,469,817	19,832,476
<b>Expenditures</b>					
Current					
Public safety and legal services	\$	4,222,779	3,838,927	3,644,249	3,278,743
Physical health and social services		3,615,357	3,494,239	3,038,370	2,843,920
Mental Health		5,003,304	4,790,348	5,263,698	5,007,406
County environment and education services		855,482	591,227	578,945	531,926
Roads and transportation		4,496,519	4,577,949	4,328,377	3,546,455
Governmental services to residents		729,694	754,305	612,996	589,493
Administrative services		1,719,801	1,626,570	1,652,354	1,625,355
Non-program		296,741	31,871	34,299	88,137
Debt service		265,192	339,763	662,871	535,583
Capital projects		1,605,101	611,437	1,230,675	1,966,240
Total		22,809,970	20,656,636	21,046,834	20,013,258

See accompanying independent auditor's report

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# CERRO GORDO COUNTY, IOWA

## GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1) LAST TEN FISCAL YEARS

Fiscal Year	Public Safety & Legal Services (2)	Physical Health & Education (2)	Physical Health & Social Services (2)	Mental Health	Social Services (2)	County Environment (2)	County Environment & Education (2)
1993-1994	\$ 1,952,106	\$ 1,069,026	\$	\$ 4,158,278	\$ 681,506	\$ 398,146	\$
1994-1995	2,127,578	1,217,138		4,526,452	772,222	391,933	
1995-1996	2,239,238	1,365,671		4,699,294	806,870	399,864	
1996-1997	2,381,446	1,337,328		4,480,179	806,790	398,715	
1997-1998	2,734,446	1,466,007		4,556,624	956,140	507,873	
1998-1999	2,939,989	1,640,437		5,016,103	1,059,042	652,852	
1999-2000	3,278,743	1,763,585		5,007,406	1,080,335	531,926	
2000-2001	3,644,249	1,910,286		5,263,698	1,128,084	578,945	
2001-2002	3,838,927	2,021,633		4,790,348	1,472,606	591,227	
2002-2003	4,222,779		3,615,357	5,003,304			855,482

(1) General governmental expenditures include expenditures of the General, Special Revenue, Capital Projects, and Debt Service fund types only

(2) Beginning with fiscal year 2003, the following changes were implemented according to the Iowa Uniform Chart of Account Codes: Public Safety and Legal Services were combined into one function, Social Services were combined with Physical Health, Education was combined with County Environment, State & Local Government Services is now called Government Services to Residents, and Interprogram Services is now referred to as Administration

Source: Cerro Gordo County Auditor's Office



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Roads and Transportation	Government Services to Residents (2)	Administration (2)	Nonprogram Services	Capital Projects	Debt Service	Total
\$ 3,196,153	\$ 338,916	\$ 1,478,795	\$ 52,047	\$ 1,284,838	\$ 145,968	\$ 14,755,779
2,975,130	426,214	1,155,500	173,097	1,826,928	328,157	15,920,349
3,261,170	429,679	1,597,704	18,784	797,608	508,962	16,124,844
3,799,441	460,082	1,810,102	36,543	1,385,394	505,900	17,401,920
3,675,686	520,785	1,673,415	47,556	1,524,879	557,505	18,220,916
3,630,491	577,648	1,620,502	69,611	2,161,535	138,655	19,506,865
3,546,455	589,493	1,625,355	88 137	1,966,240	535,583	20,013,258
4,328,377	612,996	1,652,354	34,299	1,230,675	662,871	21,046,834
4,577,949	754,305	1,626,570	31,871	611,437	339,763	20,656,636
4,496,519	729,694	1,719,801	296,741	1,605,101	265,192	22,809,970

# CERRO GORDO COUNTY, IOWA

## GENERAL GOVERNMENTAL REVENUES BY SOURCE (1) LAST TEN FISCAL YEARS

Fiscal Year	(2) Taxes	Interest and Penalties on Delinquent Taxes	Intergovernmental	Licenses and Permits
1993-1994	\$ 8,180,609	\$ 125,406	\$ 4,749,143	\$ 12,585
1994-1995	8,875,328	100,443	4,994,645	14,050
1995-1996	8,419,972	119,943	5,547,370	20,157
1996-1997	8,808,411	98,128	6,528,872	20,745
1997-1998	8,534,454	114,008	6,483,887	20,378
1998-1999	9,085,059	150,527	6,898,244	23,438
1999-2000	9,681,668	109,952	7,531,032	16,856
2000-2001	9,963,952	113,886	7,642,241	25,682
2001-2002	9,928,084	128,449	8,150,270	17,870
2002-2003	10,152,625	110,045	9,214,984	255,666

(1) General governmental revenues include revenues of the General, Special Revenue, Capital Projects, and Debt Service fund types only

(2) Taxes include net current property taxes, delinquent property tax revenue, and other County taxes

(3) The County began reporting Proceeds from Fixed Asset Sales with Other Financing Sources (Uses) on the Statement of Revenues, Expenditures and Changes in Fund Balance after the fiscal year ended June 30, 1995

(4) The County began reporting Fines, Forfeitures & Defaults separately beginning with fiscal year 1997-1998. In prior years, Fines, Forfeitures & Defaults were classified as Miscellaneous revenue. Beginning with fiscal year 2002-2003, the county resumed reporting Fines, Forfeitures & Defaults as Miscellaneous revenue to comply with the Iowa Uniform Chart of Account Code changes.

Source: Cerro Gordo County Auditor's Office

Charges for Services	Use of Money and Property	(3) Proceeds from Fixed Asset Sales	(4) Fines, Forfeitures & Defaults	Miscellaneous	Total
\$ 879,431	\$ 340,832	\$ 75,031	\$	\$ 946,699	\$ 15,309,736
874,504	489,307	18,400		988,226	16,354,903
934,322	562,311			485,821	16,089,896
997,916	557,444			514,842	17,526,358
1,155,324	591,580		496	470,524	17,370,651
1,193,928	524,289		1,627	859,981	18,737,093
1,168,535	676,919		2,721	644,793	19,832,476
1,232,500	705,077		1,928	784,551	20,469,817
1,607,381	405,278		2,369	679,024	20,918,725
1,537,166	274,923			863,485	22,408,894

# CERRO GORDO COUNTY, IOWA

## PROPERTY TAX LEVY AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections
1993-1994	\$ 33,684,846	\$ 33,441,819	99.28%	\$ 20,718
1994-1995	33,635,664	33,415,855	99.35%	23,034
1995-1996	34,462,372	34,203,452	99.25%	19,412
1996-1997	33,653,254	33,029,933	98.15%	47,140
1997-1998	35,904,786	35,763,919	99.61%	24,056
1998-1999	38,974,766	38,912,357	99.84%	69,769
1999-2000	39,957,583	39,870,744	99.78%	7,310
2000-2001	39,666,372	39,603,479	99.84%	8,684
2001-2002	42,976,436	42,543,086	98.99%	18,382
2002-2003	44,383,926	44,169,153	99.52%	8,059

Source: Cerro Gordo County Treasurer's Office

(1) Total tax collections solely for Cerro Gordo County were

<u>Fiscal Year</u>	<u>Amount</u>
1993-1994	\$7,379,825
1994-1995	\$7,741,141
1995-1996	\$7,349,693
1996-1997	\$7,246,784
1997-1998	\$7,319,823
1998-1999	\$7,830,349
1999-2000	\$8,433,188
2000-2001	\$8,311,186
2001-2002	\$9,016,960
2002-2003	\$9,175,330

Total Tax Collections (1)	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
\$ 33,462,537	99.34%	\$ 132,942	0.39%
33,438,889	99.41%	232,380	0.69%
34,222,864	99.31%	148,330	0.43%
33,077,073	98.29%	132,548	0.39%
35,787,975	99.67%	106,223	0.30%
38,982,126	100.02%	106,584	0.27%
39,878,054	99.80%	140,451	0.35%
39,612,163	99.86%	71,893	0.18%
42,561,468	99.03%	87,249	0.20%
44,177,212	99.53%	151,658	0.34%

# CERRO GORDO COUNTY, IOWA

## ASSESSED AND TAXABLE VALUES OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

Fiscal Year	Real Property		Taxable Utilities/Railroads	
	Taxable Value	Assessed Value (1)	Taxable Value	Assessed Value (1)
1993-1994	\$ 1,168,858,103	\$ 1,394,969,565	\$ 126,726,590	\$ 126,726,590
1994-1995	1,137,294,973	1,406,613,726	111,112,707	111,112,707
1995-1996	1,169,289,308	1,449,622,420	116,641,022	119,989,940
1996-1997	1,139,660,095	1,491,584,224	120,960,484	121,463,334
1997-1998	1,158,767,216	1,562,868,784	134,081,125	134,081,125
1998-1999	1,229,489,646	1,766,820,130	135,374,288	135,791,817
1999-2000	1,293,292,051	1,813,263,085	134,648,246	134,648,246
2000-2001	1,364,701,922	1,967,451,453	66,377,054	66,549,007
2001-2002	1,438,189,521	2,049,297,607	71,812,595	71,812,595
2002-2003	1,452,765,606	2,167,995,784	74,784,573	75,142,038

Source Cerro Gordo County Auditor's Office

(1) Assessed value equals estimated actual value

(2) Values for property classed as gas & electric utilities are no longer taxed as real estate, but through an excise tax. They are, however, still included in budget valuations for calculation of tax levy rates.

Gas & Electric Utilities (2)		Total		Ratio of Assessed to	Tax Increment Financing District Values
Taxable Value	Assessed Value (1)	Taxable Value	Assessed Value (1)	Total Estimated Actual Value	
\$ 0	\$ 0	\$ 1,295,584,693	\$ 1,521,696,155	85.1%	\$ 62,464,167
0	0	1,248,407,680	1,517,726,433	82.3%	61,265,569
0	0	1,285,930,330	1,569,612,360	81.9%	57,038,094
0	0	1,260,620,579	1,613,047,558	78.2%	65,528,984
0	0	1,292,848,341	1,696,949,909	76.2%	64,613,275
0	0	1,364,863,934	1,902,611,947	71.7%	65,462,038
0	0	1,427,940,297	1,947,911,208	73.3%	64,944,208
68,442,172	68,442,172	1,499,521,148	2,102,442,632	71.3%	63,173,024
73,009,862	73,009,862	1,583,011,978	2,194,120,064	72.1%	66,247,060
74,322,389	74,322,389	1,601,872,568	2,317,460,211	69.1%	63,909,159

# CERRO GORDO COUNTY, IOWA

## PROPERTY TAX RATES PER \$1000 TAXABLE VALUATION- DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN FISCAL YEARS

Fiscal Year	Taxing Body	City of Mason City	City of Clear Lake		City of Dougherty
			Clear Lake Schools	Ventura Schools	
1993-1994	City	\$ 9 17537	\$ 10 35473	\$ 10 35473	\$ 9 12795
	School	13 60980	11 85698	10 13339	11 86973
	North Iowa Area Community College	0 50309	0 50309	0 50309	0 50309
	County	5 16620	5 16620	5 16620	5 16620
	Assessor	0 19739	0 33980	0 33980	0 33980
	Other (1)	0 07447	0 60009	0 60009	0 07447
	Total Levy	<u>28 72632</u>	<u>28 82089</u>	<u>27 09730</u>	<u>27 08124</u>
Percent of Cerro Gordo County to totals		<u>17 98%</u>	<u>17 93%</u>	<u>19 07%</u>	<u>19 08%</u>
1994-1995	City	\$ 8 82595	\$ 10 95315	\$ 10 95315	\$ 9 12700
	School	14 51470	12 68335	9 87121	12 06577
	North Iowa Area Community College	0 50080	0 50080	0 50080	0 50080
	County	5 60740	5 60740	5 60740	5 60740
	Assessor	0 19102	0 41012	0 41012	0 41012
	Other (1)	0 07709	0 61709	0 61709	0 07709
	Total Levy	<u>29 71696</u>	<u>30 77191</u>	<u>27 95977</u>	<u>27 78818</u>
Percent of Cerro Gordo County to totals		<u>18 87%</u>	<u>18 22%</u>	<u>20 06%</u>	<u>20 18%</u>
1995-1996	City	\$ 9 35175	\$ 9 48608	\$ 9 48608	\$ 13 55611
	School	14 47985	12 79274	9 76576	12 06746
	North Iowa Area Community College	0 49509	0 49509	0 49509	0 49509
	County	5 11407	5 11407	5 11407	5 11407
	Assessor	0 29119	0 40575	0 40575	0 40575
	Other (1)	0 09210	1 82641	1 82641	0 09210
	Total Levy	<u>29 82405</u>	<u>30 12014</u>	<u>27 09316</u>	<u>31 73058</u>
Percent of Cerro Gordo County to totals		<u>17 15%</u>	<u>16 98%</u>	<u>18 88%</u>	<u>16 12%</u>
1996-1997	City	\$ 9 73944	\$ 9 48608	\$ 9 48608	\$ 16 75204
	School	13 82872	11 98784	9 48265	11 28389
	North Iowa Area Community College	0 48565	0 48565	0 48565	0 48565
	County	5 12506	5 12506	5 12506	5 12506
	Assessor	0 20094	0 44186	0 44186	0 44186
	Other (1)	0 10638	1 84069	1 84069	0 10638
	Total Levy	<u>29 48619</u>	<u>29 36718</u>	<u>26 86199</u>	<u>34 19488</u>
Percent of Cerro Gordo County to totals		<u>17 38%</u>	<u>17 45%</u>	<u>19 08%</u>	<u>14 99%</u>



City of McCurvey	City of Plymouth	City of Rock Falls	City of Rockwell	City of Swaledale	City of Thornton	City of Ventura
\$ 7 79379	\$ 6 35548	\$ 4 46060	\$ 10 49190	\$ 18 66961	\$ 9 50012	\$ 6 91350
9 85622	12 16876	14 11353	11 84396	11 84396	9 85622	10 13339
0 50309	0 50309	0 50309	0 50309	0 50309	0 50309	0 50309
5 16620	5 16620	5 16620	5 16620	5 16620	5 16620	5 16620
0 33980	0 33980	0 33980	0 33980	0 33980	0 33980	0 33980
0 07447	0 07447	0 07447	0 07447	0 07447	0 07447	0 60009
<u>23 73357</u>	<u>24 60780</u>	<u>24 65769</u>	<u>28 41942</u>	<u>36 59713</u>	<u>25 43990</u>	<u>23 65607</u>
<u>21 77%</u>	<u>20 99%</u>	<u>20 95%</u>	<u>18 18%</u>	<u>14 12%</u>	<u>20 31%</u>	<u>21 84%</u>
\$ 7 98139	\$ 5 01832	\$ 4 70645	\$ 10 62284	\$ 18 78676	\$ 10 29160	\$ 9 36892
9 82510	12 08750	14 62241	10 30422	10 30422	9 82510	9 87121
0 50080	0 50080	0 50080	0 50080	0 50080	0 50080	0 50080
5 60740	5 60740	5 60740	5 60740	5 60740	5 60740	5 60740
0 41012	0 41012	0 41012	0 41012	0 41012	0 41012	0 41012
0 07709	0 07709	0 14459	0 07709	0 07709	0 07709	0 61709
<u>24 40190</u>	<u>23 70123</u>	<u>25 99177</u>	<u>27 52247</u>	<u>35 68639</u>	<u>26 71211</u>	<u>26 37554</u>
<u>22 98%</u>	<u>23 66%</u>	<u>21 57%</u>	<u>20 37%</u>	<u>15 71%</u>	<u>20 99%</u>	<u>21 26%</u>
\$ 7 98137	\$ 2 96522	\$ 5 62536	\$ 11 99551	\$ 25 52791	\$ 10 58832	\$ 8 69930
10 18953	11 58140	14 78042	10 54360	10 54360	10 18953	9 76576
0 49509	0 49509	0 49509	0 49509	0 49509	0 49509	0 49509
5 11407	5 11407	5 11407	5 11407	5 11407	5 11407	5 11407
0 40575	0 40575	0 40575	0 40575	0 40575	0 40575	0 40575
0 09210	0 09210	0 15960	0 09210	0 09210	0 09210	1 82641
<u>24 27791</u>	<u>20 65363</u>	<u>26 58029</u>	<u>28 64612</u>	<u>42 17852</u>	<u>26 88486</u>	<u>26 30638</u>
<u>21 06%</u>	<u>24 76%</u>	<u>19 24%</u>	<u>17 85%</u>	<u>12 12%</u>	<u>19 02%</u>	<u>19 44%</u>
(Continued)						
\$ 8 10000	\$ 2 17020	\$ 5 62563	\$ 12 24156	\$ 13 77264	\$ 10 64551	\$ 9 56607
9 91413	10 73167	14 06352	10 20883	10 20883	9 91413	9 48265
0 48565	0 48565	0 48565	0 48565	0 48565	0 48565	0 48565
5 12506	5 12506	5 12506	5 12506	5 12506	5 12506	5 12506
0 44186	0 44186	0 44186	0 44186	0 44186	0 44186	0 44186
0 10638	0 10638	0 17388	0 10638	0 10638	0 10638	1 84069
<u>24 17308</u>	<u>19 06082</u>	<u>25 91560</u>	<u>28 60934</u>	<u>30 14042</u>	<u>26 71859</u>	<u>26 94198</u>
<u>21 20%</u>	<u>26 89%</u>	<u>19 78%</u>	<u>17 91%</u>	<u>17 00%</u>	<u>19 18%</u>	<u>19 02%</u>
(Continued)						

# CERRO GORDO COUNTY, IOWA

## PROPERTY TAX RATES PER \$1000 TAXABLE VALUATION- DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN FISCAL YEARS

Fiscal Year	Taxing Body	City of Mason City	City of Clear Lake		City of Dougherty
			Clear Lake Schools	Ventura Schools	
1997-1998	City	\$ 10 17958	\$ 9 48702	\$ 9 48702	\$ 14 27599
	School	14 41913	13 93380	11 32911	11 24634
	North Iowa Area Community College	0 50619	0 50619	0 50619	0 50619
	County	4 93858	4 93858	4 93858	4 93858
	Assessor	0 23978	0 43716	0 43716	0 43716
	Other (1)	0 11097	1 91843	1 91843	0 11097
	Total Levy	<u>30 39423</u>	<u>31 22118</u>	<u>28 61649</u>	<u>31 51523</u>
Percent of Cerro Gordo County to totals		<u>16 25%</u>	<u>15 82%</u>	<u>17 26%</u>	<u>15 67%</u>
1998-1999	City	\$ 10 43269	\$ 8 32973	\$ 8 32973	\$ 13 87222
	School	15 87631	13 83670	11 28793	13 76158
	North Iowa Area Community College	0 50619	0 50619	0 50619	0 50619
	County	4 93858	4 93858	4 93858	4 93858
	Assessor	0 25255	0 42749	0 42749	0 42749
	Other (1)	0 11197	1 93018	1 93018	0 11197
	Total Levy	<u>32 11829</u>	<u>29 96887</u>	<u>27 42010</u>	<u>33 61803</u>
Percent of Cerro Gordo County to totals		<u>15 38%</u>	<u>16 48%</u>	<u>18 01%</u>	<u>14 69%</u>
1999-2000	City	\$ 10 08216	\$ 8 10782	\$ 8 10782	\$ 14 25469
	School	14 93590	13 21620	11 59822	13 36669
	North Iowa Area Community College	0 53536	0 53536	0 53536	0 53536
	County	5 15524	5 15524	5 15524	5 15524
	Assessor	0 27839	0 42358	0 42358	0 42358
	Other (1)	0 11215	1 93605	1 93605	0 11215
	Total Levy	<u>31 09920</u>	<u>29 37425</u>	<u>27 75627</u>	<u>33 84771</u>
Percent of Cerro Gordo County to totals		<u>16 58%</u>	<u>17 55%</u>	<u>18 57%</u>	<u>15 23%</u>
2000-2001	City	\$ 10 11793	\$ 8 10782	\$ 8 10782	\$ 13 64253
	School	14 49999	13 33615	11 61854	13 09529
	North Iowa Area Community College	0 53329	0 53329	0 53329	0 53329
	County	5 14422	5 14422	5 14422	5 14422
	Assessor	0 31438	0 48496	0 48496	0 48496
	Other (1)	0 11170	1 91904	1 91904	0 11170
	Total Levy	<u>30 72151</u>	<u>29 52548</u>	<u>27 80787</u>	<u>33 01199</u>
Percent of Cerro Gordo County to totals		<u>16 74%</u>	<u>17 42%</u>	<u>18 50%</u>	<u>15 58%</u>

City of Meservey	City of Plymouth	City of Rock Falls	City of Rockwell	City of Swaledale	City of Thornton	City of Ventura
\$ 8 10000	\$ 1 66589	\$ 6 12568	\$ 8 10000	\$ 23 14525	\$ 10 67118	\$ 8 73660
9 74858	13 69412	15 00006	10 78486	10 78486	9 74858	11 32911
0 50619	0 50619	0 50619	0 50619	0 50619	0 50619	0 50619
4 93858	4 93858	4 93858	4 93858	4 93858	4 93858	4 93858
0 43716	0 43716	0 43716	0 43716	0 43716	0 43716	0 43716
0 11097	0 11097	0 17847	0 11097	0 11097	0 11097	1 91843
<u>23 84148</u>	<u>21 35291</u>	<u>27 18614</u>	<u>24 87776</u>	<u>39 92301</u>	<u>26 41266</u>	<u>27 86607</u>
<u>20 71%</u>	<u>23 13%</u>	<u>18 17%</u>	<u>19 85%</u>	<u>12 37%</u>	<u>18 70%</u>	<u>17 72%</u>
\$ 7 88507	\$ 1 50618	\$ 6 62565	\$ 8 10000	\$ 26 34119	\$ 10 40305	\$ 8 22400
9 93471	13 43712	15 20852	10 58491	10 58491	9 93471	11 28793
0 50619	0 50619	0 50619	0 50619	0 50619	0 50619	0 50619
4 93858	4 93858	4 93858	4 93858	4 93858	4 93858	4 93858
0 42749	0 42749	0 42749	0 42749	0 42749	0 42749	0 42749
0 11197	0 11197	0 17947	0 11197	0 11197	0 11197	1 93018
<u>23 80401</u>	<u>20 92753</u>	<u>27 88590</u>	<u>24 66914</u>	<u>42 91033</u>	<u>26 32199</u>	<u>27 31437</u>
<u>20 75%</u>	<u>23 60%</u>	<u>17 71%</u>	<u>20 02%</u>	<u>11 51%</u>	<u>18 76%</u>	<u>18 08%</u>
\$ 7 99474	\$ 1 92648	\$ 6 57256	\$ 8 09995	\$ 25 07823	\$ 10 26151	\$ 8 68209
9 73511	13 99011	14 52902	11 08636	11 08636	9 73511	11 59822
0 53536	0 53536	0 53536	0 53536	0 53536	0 53536	0 53536
5 15524	5 15524	5 15524	5 15524	5 15524	5 15524	5 15524
0 42358	0 42358	0 42358	0 42358	0 42358	0 42358	0 42358
0 11215	0 11215	0 17965	0 11215	0 11215	0 11215	1 93605
<u>23 95618</u>	<u>22 14292</u>	<u>27 39541</u>	<u>25 41264</u>	<u>42 39092</u>	<u>26 22295</u>	<u>28 33054</u>
<u>21 52%</u>	<u>23 28%</u>	<u>18 82%</u>	<u>20 29%</u>	<u>12 16%</u>	<u>19 66%</u>	<u>18 20%</u>
\$ 8 10000	\$ 2 42652	\$ 6 54969	\$ 8 10000	\$ 20 31488	\$ 10 36119	\$ 7 40352
10 76966	13 43595	14 67755	10 81268	10 81268	10 76966	11 61854
0 53329	0 53329	0 53329	0 53329	0 53329	0 53329	0 53329
5 14422	5 14422	5 14422	5 14422	5 14422	5 14422	5 14422
0 48496	0 48496	0 48496	0 48496	0 48496	0 48496	0 48496
0 11170	0 11170	0 17920	0 11170	0 11170	0 11170	1 91904
<u>25 14383</u>	<u>22 13664</u>	<u>27 56891</u>	<u>25 18685</u>	<u>37 40173</u>	<u>27 40502</u>	<u>27 10357</u>
<u>20 46%</u>	<u>23 24%</u>	<u>18 66%</u>	<u>20 42%</u>	<u>13 75%</u>	<u>18 77%</u>	<u>18 98%</u>

(Continued)

# CERRO GORDO COUNTY, IOWA

## PROPERTY TAX RATES PER \$1000 TAXABLE VALUATION- DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN FISCAL YEARS

Fiscal Year	Taxing Body	City of Mason City	City of Clear Lake		City of Dougherty
			Clear Lake Schools	Ventura Schools	
2001-2002	City	\$ 10 09507	\$ 7 82587	\$ 7 82587	\$ 14 77826
	School	14 38998	12 85907	11 56408	12 79336
	North Iowa Area Community College	0 52425	0 52425	0 52425	0 52425
	County	4 70156	4 70156	4 70156	4 70156
	Assessor	0 28817	0 47343	0 47343	0 47343
	Other (1)	0 11050	1 91864	1 91864	0 11050
	Total Levy	<u>30 10953</u>	<u>28 30282</u>	<u>27 00783</u>	<u>33 38136</u>
Percent of Cerro Gordo County to totals		<u>15 61%</u>	<u>16 61%</u>	<u>17 41%</u>	<u>14 08%</u>
2002-2003	City	\$ 10 24691	\$ 8 23096	\$ 8 23096	\$ 14 85957
	School	15 10747	12 94453	11 58402	12 94041
	North Iowa Area Community College	0 59547	0 59547	0 59547	0 59547
	County	4 70156	4 70156	4 70156	4 70156
	Assessor	0 23647	0 40448	0 40448	0 40448
	Other (1)	0 11262	1 86993	1 86993	0 11262
	Total Levy	<u>31 00050</u>	<u>28 74693</u>	<u>27 38642</u>	<u>33 61411</u>
Percent of Cerro Gordo County to totals		<u>15 17%</u>	<u>16 35%</u>	<u>17 17%</u>	<u>13 99%</u>

Source: Cerro Gordo County Auditor's Office

(1) County Agricultural Extension levy, State levy, Sanitary District levy, and Cemetery levy

Not shown are the Rural Services Fund of the County and 16 townships over and above the cities and towns listed

City of Meservcy	City of Plymouth	City of Rock Falls	City of Rockwell	City of Swaledale	City of Thornton	City of Ventura
\$ 8 10000	\$ 2 97462	\$ 6 54956	\$ 8 10000	\$ 20 91731	\$ 10 39334	\$ 6 22365
10 19321	13 02753	14 72708	10 75622	10 75622	10 19321	11 56408
0 52425	0 52425	0 52425	0 52425	0 52425	0 52425	0 52425
4 70156	4 70156	4 70156	4 70156	4 70156	4 70156	4 70156
0 47343	0 47343	0 47343	0 47343	0 47343	0 47343	0 47343
0 11050	0 11050	0 17800	0 11050	0 11050	0 11050	1 91864
<u>24 10295</u>	<u>21 81189</u>	<u>27 15388</u>	<u>24 66596</u>	<u>37 48327</u>	<u>26 39629</u>	<u>25 40561</u>
<u>19 51%</u>	<u>21 56%</u>	<u>17 31%</u>	<u>19 06%</u>	<u>12 54%</u>	<u>17 81%</u>	<u>18 51%</u>
\$ 9 75095	\$ 3 15246	\$ 6 74136	\$ 8 10000	\$ 19 51574	\$ 10 46965	\$ 6 52280
9 82561	14 34289	16 16114	11 68277	11 68277	9 82561	11 58402
0 59547	0 59547	0 59547	0 59547	0 59547	0 59547	0 59547
4 70156	4 70156	4 70156	4 70156	4 70156	4 70156	4 70156
0 40448	0 40448	0 40448	0 40448	0 40448	0 40448	0 40448
0 11262	0 11262	0 17988	0 11262	0 11262	0 11262	1 86993
<u>25 39069</u>	<u>23 30948</u>	<u>28 78389</u>	<u>25 59690</u>	<u>37 01264</u>	<u>26 10939</u>	<u>25 67826</u>
<u>18 52%</u>	<u>20 17%</u>	<u>16 33%</u>	<u>18 37%</u>	<u>12 70%</u>	<u>18 01%</u>	<u>18 31%</u>

(Concluded)

# CERRO GORDO COUNTY, IOWA

## RATIO OF OUTSTANDING GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUES AND DEBT PER CAPITA LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonded Debt Outstanding (2)	Assessed Value	Percent of Debt to Assessed Value	Population (1)	Debt Per Capita
1993-1994	\$ 1,280,000	\$ 1,521,696,155	0.08%	46,585	\$ 27.48
1994-1995	1,375,000	1,517,726,433	0.09%	46,518	29.56
1995-1996	940,000	1,569,612,360	0.06%	46,633	20.16
1996-1997	885,000	1,613,047,558	0.05%	46,584	19.00
1997-1998	375,000	1,696,949,909	0.02%	46,371	8.09
1998-1999	1,480,000	1,902,611,947	0.08%	46,159	32.06
1999-2000	1,520,000	1,947,911,208	0.08%	45,669	33.28
2000-2001	930,000	2,102,442,632	0.04%	46,447	20.02
2001-2002	635,000	2,194,120,064	0.03%	45,638	13.91
2002-2003	400,000	2,167,995,784	0.02%	45,339	8.82

(1) U.S. Bureau of the Census - Actual decennial counts for FY 2000-2001, all other years are estimates of the U.S. Bureau of the Census

(2) The fund balance of the debt service fund has been excluded due to the immateriality of such balances

# CERRO GORDO COUNTY, IOWA

## COMPUTATION OF LEGAL DEBT MARGIN

June 30, 2003

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Assessed valuation, at 100% of actual valuation	\$ 2,167,995,784
Multiply by 5%	<u>0.05</u>
Debt Limit	108,399,789
Less Outstanding General Obligation Debt	<u>400,000</u>
Legal Debt Margin	<u><u>\$ 107,999,789</u></u>

Source: Cerro Gordo County Auditor's Office

# CERRO GORDO COUNTY, IOWA

## COMPUTATION OF DIRECT AND OVERLAPPING DEBT

JUNE 30, 2003

Jurisdiction	Net General Obligation Debt	Applicable to Cerro Gordo County	
		Percent	Amount
Cerro Gordo County	\$ 400,000	100.00%	\$ 400,000
Cities and Towns			
Clear Lake	4,090,000	100.00%	4,090,000
Mason City	14,145,000	100.00%	14,145,000
Nora Springs	650,000	7.51%	48,837
Ventura	163,000	100.00%	163,000
School Districts			
Clear Lake	5,770,000	100.00%	5,770,000
Forest City	3,500,000	3.71%	129,966
Mason City	6,900,000	100.00%	6,900,000
Meservcy-Thornton	290,000	66.79%	193,702
Nora Springs-Rock Falls	840,000	48.56%	407,917
North Central	2,980,000	31.70%	944,541
Rudd-Rockford-Marble Rock	1,260,000	7.62%	95,972
Sheffield-Chapin	2,180,000	22.85%	498,084
Ventura	1,298,695	70.42%	914,498
Other Districts			
Clear Lake Sanitary District	8,409,000	100.00%	<u>8,409,000</u>
<b>Total overlapping debt</b>			<b>\$ <u>42,710,518</u></b>
<b>Total direct and overlapping debt</b>			<b>\$ <u>43,110,518</u></b>

Source: Cerro Gordo County Auditor's Office



# CERRO GORDO COUNTY, IOWA

## RATIO OF ANNUAL DEBT SERVICE EXPENDITURES TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest	Total Debt Service Expenditures	Total Governmental Expenditures	Percent of General Debt Service Expenditures To Total Governmental Expenditures
1993-1994	\$ 95,000	\$ 50,968	\$ 145,968	\$ 14,755,779	0.99%
1994-1995	261,599	66,558	328,157	15,920,349	2.06%
1995-1996	435,000	73,962	508,962	16,124,844	3.16%
1996-1997	455,000	50,900	505,900	17,401,920	2.91%
1997-1998	510,000	47,505	557,505	18,220,916	3.06%
1998-1999	115,000	23,655	138,655	19,506,865	0.71%
1999-2000	465,000	70,583	535,583	20,013,258	2.68%
2000-2001	590,000	72,871	662,871	21,046,834	3.15%
2001-2002	295,000	44,763	339,763	20,656,636	1.64%
2002-2003	235,000	30,192	265,192	22,809,970	1.16%

Source: Cerro Gordo County Auditor's Office

# CERRO GORDO COUNTY, IOWA

## DEMOGRAPHIC STATISTICS LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Per Capita Income (2)	Median Age (3)	Unemployment Rate (4)	School Enrollment (5)
1993-1994	46,585	\$ 20,120	36.88	4.93%	7,704
1994-1995	46,518	19,537	37.12	3.84%	7,765
1995-1996	46,633	20,448	37.56	3.75%	7,781
1996-1997	46,584	22,833 (3)	37.84	3.35%	7,521
1997-1998	46,408	23,169 (3)	38.25	2.83%	7,970
1998-1999	46,159	23,637 (3)	38.04	2.70%	7,886
1999-2000	45,669	25,647 (3)	39.16	2.59%	7,894
2000-2001	46,447	28,024 (3)	39.30	2.82%	7,769
2001-2002	45,638	29,176 (3)	39.95	3.73%	7,764
2002-2003	45,339	29,530 (3)	40.30	3.93%	7,475

Source (1) U. S. Bureau of the Census Actual decennial counts for FY 2000-2001, all other years are estimates  
 (2) U. S. Bureau of Economic Analysis  
 (3) Woods & Poole Economics, Inc.  
 (4) Research and Information Services Division, Labor Market Information Bureau  
 (5) Northern Trails Area Education Agency

# CERRO GORDO COUNTY, IOWA

## PROPERTY VALUE CONSTRUCTION AND BANK DEPOSITS LAST TEN FISCAL YEARS

Fiscal Year	Assessed Value	<u>Commercial Construction (1)</u>		<u>Residential Construction (1)</u>		Bank Deposits (2)
		Number of Units	Value	Number of Units	Value	
1993-1994	\$ 1,394,969,565	212	\$ 20,490,572	513	\$ 8,924,478	\$ 493,289,000
1994-1995	1,406,613,726	212	25,894,556	642	11,768,884	564,328,000
1995-1996	1,449,622,420	(3)	(3)	64	6,436,563	590,437,000
1996-1997	1,491,584,224	(3)	(3)	150	12,354,060	710,789,000
1997-1998	1,562,868,784	(3)	(3)	110	12,412,234	683,764,000
1998-1999	1,766,820,130	(3)	(3)	174	16,001,147	769,110,000
1999-2000	1,813,263,085	(3)	(3)	80	9,948,155	725,000,000
2000-2001	1,967,451,453	(3)	(3)	80	9,994,006	733,000,000
2001-2002	2,049,297,607	(3)	(3)	79	10,199,309	775,000,000
2002-2003	2,167,995,784	(3)	(3)	100	14,972,017	810,000,000

Source (1) Bureau of the Census, Building Permits Branch - Construction Statistics Division

(2) Federal Deposit Insurance Corporation

(3) Information for commercial construction units and value are no longer available

# CERRO GORDO COUNTY, IOWA

## TEN PRINCIPAL TAXPAYERS JUNE 30, 2003

	Taxable Value	Percent of Total Taxable Value
Interstate Power Company	\$ 69,585,257	4.34%
Lehigh Portland Cement Company	21,393,839	1.34%
Holnam Inc / Northwestern States Portland Cement Company	17,355,152	1.08%
Union Pacific	14,459,152	0.90%
Curries Company	14,335,943	0.89%
QWEST Corporation	14,113,067	0.88%
Mall Associates LLC	11,813,395	0.74%
Northern Border Pipeline	11,490,215	0.72%
Mason City Shopping Center	9,528,791	0.59%
Principal Mutual Life	8,586,907	0.54%
	<u>192,661,718</u>	<u>12.03%</u>

Source: Cerro Gordo County Auditor's Office, City Assessor's Office and County Assessor's Office

# CERRO GORDO COUNTY, IOWA

## SALARIES OF PRINCIPAL OFFICERS

June 30, 2003

Official Title	Name of Official	2002-2003 Salary
Board of Supervisors	Robert Amosson	\$ 35,000
	Phillip Dougherty	35,000
	Jay Urdahl	35,000
County Attorney	Paul Martin	78,500
County Auditor	Ken Kline	48,500
County Recorder	Colleen Pearce	47,750
County Sheriff	Kevin Pals	66,000
County Treasurer	Michael Grandon	48,500
Conservation Director	Fred Heinz	46,566
County Engineer	Jim Witt	81,700
Public Health Director	Ronald Osterholm	69,622
County Relief Director	Elaine Merrill	37,462
Veterans Affairs Director	Rosetta Waychus	36,500
Care Management Director	MaryBeth Nelson	49,275
Management Information Systems Director	Jim Rice	67,275

Source: Cerro Gordo County Auditor's Office

2

# CERRO GORDO COUNTY, IOWA

## MISCELLANEOUS STATISTICS

June 30, 2003

Date of Incorporation January 15, 1851

Form of Government County Board

County Seat Mason City

Median Age 40.30

Land Area 576 square miles

Miles of roads and streets

Interstate highways 24

State highways 95

County roads 943

City street 254

**Total miles** 1,316

Farming acres 324,200

Number of Farms 840

County employees

Board members 3

Elected officials 5

Full and Part-time 229

**Total Employees** 237

Elections

Last general election

Registered voters 31,413

Votes cast 16,343

Percent 52.0%

Last municipal election

Registered voters 26,760

Votes cast 7,278

Percent 27.2%

Public Safety

County Sheriff department 1

City police department 4

Fire Department

Full-time 1

Volunteer 8

Recreation

Parks

County Parks 30

Number of acres 3,016

City Parks 58

Number of acres 582

Snowmobile trails, total miles 144

Number of lakes 5

Total acres 3,740

Number of boat launches 8

Number of beaches 4

Number of public swimming pools 3

Number of golf courses 9

Schools within the County

Public schools

Elementary 12

Junior High 6

Senior High 5

**Total students** 6768

Nonpublic schools

Elementary 2

Junior High 2

Senior High 1

**Total students** 707

Higher Education (students)

1 University 214

1 Junior college 2777

1 Business college 385

**Total students** 3376

Single Audit  
Section -



**Gardiner Thomsen**  
Certified Public Accountants

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

To the Officials of Cerro Gordo County  
Mason City, Iowa

We have audited the financial statements of Cerro Gordo County, Iowa as of and for the year ended June 30, 2003, and have issued our report thereon dated December 19, 2003. These financial statements are the responsibility of Cerro Gordo County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the financial statements of the County taken as a whole. The accompanying Schedule of Expenditures of Federal Awards, which is also the responsibility of the County's management, is presented for purposes of additional analysis and is not a required part of the financial statements. The information in that schedule has been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the financial statements taken as a whole.

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

December 19, 2003

*Gardiner Thomsen, P.C.*



# CERRO GORDO COUNTY, IOWA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended June 30, 2003

Grantor/Program	CFDA Number	Agency or Pass-Through Number	Program Expenditures
<b>Direct</b>			
U S Department of Justice Community Oriented Policing Services	16 710		8,500
U S Department of Agriculture Water and Waste Disposal System for Rural Communities	10 760		201,000
Total Direct			209,500
<b>Indirect</b>			
U S Department of Agriculture Iowa Department of Human Services Human Services Administrative Reimbursements State Administrative Matching Grants for Food Stamp Program	10 561		17 296
U S Department of Housing & Urban Development Community Development Block Grant/ State's Program	14 228	00-WS-050	117,205
U S Department of Justice Iowa Office of Justice STOP Violence Against Women	16 588	VW02-0215B	31,719
Iowa Department of Justice Crime Victim Assistance	16 575	VA-03-47	22,500
Federal Emergency Management Agency Iowa Emergency Management Agency Emergency Management Performance Grant	83 522		12,041
U S Department of Health and Human Services Iowa Department of Public Health Childhood Lead Poisoning Prevention Immunization Action Plan Breast & Cervical Cancer Prevention Community Based Cardiovascular Risk Reduction Program HIV Counseling, Testing & Referral Wisewoman Cardiovascular Study	93 197 93 268 93 919 93 991 93 940 93 283	5883LP03 5883I410 5882NB07 5882RR01 5882AP16 5883WW22	38,414 22,578 60,792 7,284 41,608 10,531
Iowa Department of Human Services Human Services Administrative Reimbursement Temporary Assistance to Needy Families Refugee & Entrant Assistance – State Administered Programs Child Care Mandatory & Matching Funds of the Child Care & Development Fund Foster Care Title IV-E Adoption Assistance Medical Assistance Program Social Services Block Grant Social Services Block Grant	93 558 93 566 93 596 93 658 93 659 93 778 93 667 93 667		25,546 129 4,875 8,731 2,893 24,854 16,840 191,852 208,692

# CERRO GORDO COUNTY, IOWA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2003

Grantor/Program	CFDA Number	Agency or Pass-Through Number	Expenditures
<b>Indirect (Continued)</b>			
Iowa Department of Elder Affairs			
Retired Area Agency on Aging			
Special Programs for the Aging – Title III			
Part B – Grants for Supportive Services & Senior Centers	93 044		48,231
Special Programs for the Aging – Title III			
Part D – Medication Management	93 043		11,500
National Highway Traffic Safety Administration			
Iowa Department of Public Safety			
Traffic Safety Bureau			
Alcohol Grant (Equipment)	20 600		6,688
Alcohol Incentive Grants	20 601		6,405
Total Indirect			730,512
Total			940,012

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

See accompanying independent auditors' report.

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**Gardiner Thomsen**  
Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

To the Officials of Cerro Gordo County  
Mason City, Iowa

We have audited the financial statements of Cerro Gordo County, Iowa, as of and for the year ended June 30, 2003, and have issued our report thereon dated December 19, 2003. We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Cerro Gordo County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance 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, 2003 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. Prior year statutory comments have been resolved except for item IV-B-03, IV-M-03, and IV-N-03.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Cerro Gordo County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect Cerro Gordo County's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in Part II of the accompanying Schedule of Findings and Questioned Costs.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we believe item II-A-03 is a material weakness. Prior year reportable conditions have been resolved except for item II-A-03.

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

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

December 19, 2003

*Gardiner Thomson, P.C.*



**Gardiner Thomsen**  
Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR  
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE**

To the Officials of Cerro Gordo County  
Mason City, Iowa

Compliance

We have audited the compliance of Cerro Gordo County, Iowa, with the types of compliance requirements described in the U S Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2003. Cerro Gordo County's major federal programs are identified in Part 1 of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Cerro Gordo County's management. Our responsibility is to express an opinion on Cerro Gordo County's compliance based on our audit.

We conducted our audit of compliance in accordance with U S generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cerro Gordo County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Cerro Gordo County's compliance with those requirements.

In our opinion Cerro Gordo County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003.

Internal Control Over Compliance

The management of Cerro Gordo County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Cerro Gordo County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgement, could adversely affect Cerro Gordo County's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that non-compliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

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

December 19, 2003

*Gardner Thomson, P.C.*

# CERRO GORDO COUNTY, IOWA

## Schedule of Findings and Questioned Costs Year Ended June 30, 2003

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

- a An unqualified opinion was issued on the financial statements
- b Reportable conditions 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 No reportable conditions in internal control over major programs were noted
- e An unqualified opinion was issued on compliance with requirements applicable to each major program
- f 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)
- g Major programs were as follows
  - CFDA Number 10 760 – Water & Waste Disposal Systems for Rural Communities
  - CFDA Number 14 228 – Community Development Block Grant – State's Program
  - CFDA Number 93 667 – Social Services Block Grant – Local Purchases
- h The dollar threshold used to distinguish between Type A and Type B programs was \$300,000
- i 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, 2003

### Part II Findings Related to the General Purpose Financial Statements

#### INSTANCES OF NON-COMPLIANCE

No matters were reported

#### REPORTABLE CONDITIONS

II-A-03 **Segregation of Duties**—During our review of internal control, the existing procedures are evaluated in order to determine that incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and, therefore, maximizes the accuracy of the County's financial statements.

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

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

**Conclusion**—Responses accepted.

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

#### INSTANCES OF NON-COMPLIANCE

No matters were reported

#### REPORTABLE CONDITIONS

No matters were reported

# CERRO GORDO COUNTY, IOWA

## Schedule of Findings and Questioned Costs Year Ended June 30, 2003

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

IV-A-03 **Official Depositories** – A resolution naming official depositories has been adopted by the Board of Supervisors. The maximum deposit amounts stated in the resolution were not exceeded during the year ended June 30, 2003.

IV-B-03 **Certified Budget** – Disbursements during the year ended June 30, 2003 exceeded the amount budgeted in the Roads and Transportation function. Disbursements in certain departments exceeded the amounts appropriated.

**Recommendation** – The budget should have been amended in accordance with Chapter 331.435 of the Code of Iowa before disbursements were allowed to exceed the budget. Chapter 331.434 (6) of the Code of Iowa authorizes the Board of Supervisors, by resolution, to increase or decrease appropriations of one office or department by increasing or decreasing the appropriation of another office or department as long as the service area budget is not increased. Such increases or decreases should be made before disbursements are allowed to exceed the appropriation.

**Response** – We will amend the budgets when required and award appropriations before disbursements exceed appropriations.

**Conclusion** – Response accepted.

IV-C-03 **Questionable Expenditures** – We noted no expenditures that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

IV-D-03 **Travel Expense** – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

IV-E-03 **Business Transactions** – Business transactions between the County and County officials or employees are detailed as follows:

<u>Name &amp; Title</u>	<u>Transaction</u>	<u>Amount</u>
John Bakehouse, spouse of Penny Bakehouse	Janitorial Service	\$12,475

The transactions with John Bakehouse may not be authorized in accordance with Chapter 331.342 of the Code of Iowa.

**Response** – John Bakehouse. The Cerro Gordo County Department of Public Health seeks annual bids from at least three (3) cleaning companies. Bid requests including cleaning specifications are mailed out around March/April time period. The contract is from July (fiscal year beginning) to June (fiscal year ending). Each year the health department's attorney reviews the contract procedures and awarding.

**Conclusion** – Response accepted.

# CERRO GORDO COUNTY, IOWA

## Schedule of Findings and Questioned Costs Year Ended June 30, 2003

- IV-F-03 **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-G-03 **Board Minutes** – No transactions were found that we believe should have been approved in the Board minutes but were not.
- IV-H-03 **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-I-03 **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-J-03 **Economic Development** – During the year ended June 30, 2003, the County paid \$32,402 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-K-03 **Grant Activity** – The County complied with grant regulations, no violations were noted.
- IV-L-03 **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, 2003, did not exceed the amount budgeted.
- IV-M-03 **Disbursements** – It was noted that not all invoices were cancelled and that the County Treasurer did not sign the warrants list prior to issuance.

**Recommendation** – All invoices should be cancelled to prevent reuse. Chapter 331.506 states that the County Auditor shall not issue a warrant to a drawee until the County Treasurer approves and signs the detailed list of warrants to be issued.

**Response** – We will comply immediately.

**Conclusion** – Response accepted.

- IV-N-03 **Deficit Balance** – We noted a deficit balance in the Retained Earnings of the Enterprise Fund – Swaledale Wastewater Collection & Treatment Facility Account.

**Recommendation** – The County should determine a method to eliminate the deficit balance in the Swaledale Wastewater Collection & Treatment Facility Account.

**Response** – User fee revenues were only intended to cover operational expenses and debt service, not depreciation expenses. We recognize there will be a deficit balance in the Retained Earnings of the Swaledale Wastewater Collection & Treatment Facility Account.

**Conclusion** – Response acknowledged.