



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

June 27, 2011

Dear City Clerk:

Enclosed are two copies of the City Annual Financial Report (AFR) for the year ending June 30, 2011. This report is required by Chapter 384.22 of the *Code of Iowa* and is to be filed with the Office of Auditor of State by **December 1, 2011**. A pre-addressed return envelope is enclosed for your convenience in returning the AFR to this Office. Please note, pursuant to Chapter 384.22 of the *Code of Iowa*, cities which do not file the AFR timely will have 5 cents per capita of Chapter 425 (homestead tax credit) funds withheld until the AFR is filed with this Office. In addition, Chapter 384.16 of the *Code of Iowa* requires certain information included in the AFR be used in preparing the fiscal year 2013 annual certified budget. Property taxes will not be levied for fiscal year 2013 if a city fails to comply with statutory budgeting requirements and **all state funds will be withheld** until the city complies with these statutory requirements.

The Department of Management will no longer be offering an Excel spreadsheet for the AFR. Instead, the Excel spreadsheet for the AFR for the year ending June 30, 2011 will be available in mid-July on the website for this Office, which is located at <http://auditor.iowa.gov>. The spreadsheet, AFR2011.xls, and instructions for downloading the file will be available under the FAQs tab on the website. Instructions for completing the spreadsheet will be the first tab in the Excel file. If you have any questions or problems with the Excel spreadsheet, please contact us at 515-281-5834.

Please return one completed and signed copy of the fiscal 2011 AFR to this Office on or before December 1, 2011. If your city has a population of more than 200, the first page must be published before the report is returned to this Office. If the city's population is 200 or less, the report is to be posted in at least three places. Please be sure to indicate on the first page whether the report was published or posted. Also, if you were required to publish the report, please be sure to include the proof of publication (affidavit or newspaper clipping including the publication date) when you return the report to this Office. Chapter 618 of the *Code of Iowa* provides guidance regarding publication and posting notices. Section 618.17 states, "A publication required by law shall be printed in type no smaller than six point." There is no statutory requirement for the Council to approve the AFR or pass a resolution prior to publication and filing. However, when possible, Council review and approval of this official document is recommended.

Your cooperation in completing this report is certainly appreciated. If you have any questions regarding completion of the report, please contact the Financial Audit Division within this Office at 515-281-5834.

Sincerely,

David A. Vaudt

DAV/gjp

Enclosure