

CITY OF ASBURY

CITY OF ASBURY

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CITY OF ASBURY OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Richard Anderson	Mayor	January 2008
Robert Blok	Mayor Pro tem	January 2010
Deborah Roth	Council Member	January 2010
Robert Reisch	Council Member	January 2010
Jim Adams	Council Member	January 2008
Craig Miller	Council Member	January 2008
Elizabeth Bonz	City Administrator and Treasurer	Appointed
Sara Burke	City Clerk	Appointed
Peggy Thill	Office Assistant	Appointed
Stephen Juergens	Attorney	Appointed



CPAs & BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Asbury, Iowa, as of and for the year ended June 30, 2007, which collectively comprise the City's basic financial statements listed in the table of contents. These financial statements are the responsibility of the management of the City of Asbury. Our responsibility is to express opinions on these financial statements based on our audit.

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

As described in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Asbury as of June 30, 2007, and the respective changes in cash basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2007, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 4 through 10 and budgetary comparison information on pages 21 and 22 are not required parts of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2006, (which are not presented herein) and expressed unqualified opinions on those financial statements which were prepared in conformity with an other comprehensive basis of accounting. Other supplementary information included in Schedules 1 through 4 and the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the typed name and date.

Dubuque, Iowa
September 14, 2007

CITY OF ASBURY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007

The City of Asbury 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, 2007. We encourage readers to consider this information in conjunction with the City's financial statements, which follow.

This discussion and analysis is intended to be an easily readable analysis of the City's financial activities based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the audited financial statements.

2007 Financial Highlights

Receipts of the City's governmental activities increased 46.8%, or approximately \$1,055,000, from fiscal year 2006 to fiscal year 2007. The City received general obligation bond proceeds in the amount of \$800,000 for street improvements and revenue bond proceeds in the amount of \$1,977,054. Property tax and tax increment financing increased approximately \$68,000. Interest earned on cash balances increased approximately \$72,000.

Disbursements of the City's governmental activities increased 1.9%, or approximately \$34,000, from fiscal year 2006 to fiscal year 2007. Debt Service related to capital projects increased approximately \$144,000. Disbursements relating to Public Works decreased approximately \$92,000 for disbursements relating to snow removal and street maintenance. General Government disbursements decreased approximately \$53,000 for consulting and legal services. The increase in Capital Projects disbursements were for engineering expenses related to future projects including sidewalks, park expansion, and a new public works garage in the amount of approximately \$54,000. Disbursements for Business-type activities decreased approximately \$509,000 because of the completion of well improvements in 2006.

The City's total cash basis net assets increased 43.8%, or approximately \$1,808,000, from June 2006 to June 2007. Of this amount, the assets of the governmental activities increased approximately \$1,520,000, and the assets of the business-type activities increased approximately \$288,000.

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 City's financial activities.

The Government-wide Financial Statement consists of a Statement of Activities and Net Assets. This statement provides information about the activities of the City as a whole and presents an overall view of the City's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the City's operations in more detail than the government-wide statement by providing information about the most significant funds.

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

Required Supplementary Information further explains and supports the financial statements with a comparison of the City's budget for the year.

Other Supplementary Information provides detailed information about the nonmajor governmental funds.

Basis of Accounting

The City maintains its financial statements on a cash basis of accounting. The cash basis of accounting is a basis other than accounting principles generally accepted in the United States of America. The cash basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues, expenses, and their related assets and liabilities. Under the City's cash basis of accounting, revenues and expenses are recorded when they result from cash transactions. As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and accrued revenues) and certain liabilities and their related expenses (such as accounts payable and accrued expenses) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

Statement of Financial Activities

The Statement of Activities and Net Assets presents the City's net assets. Over time, increases or decreases in the City's net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

Governmental funds account for most of the City's basic services and are funded primarily through tax revenues. The City's proprietary funds account for the enterprise funds. Enterprise funds are used to report business-type activities.

The Statement of Activities and Net Assets is divided into two kinds of activities - Governmental Activities and Business-type (Proprietary) Activities.

Governmental Activities include:

Public Safety – includes police operations, civil service, emergency management, fire protection, ambulance service and building inspections.

Public Works – includes roads, sidewalks, equipment replacement, street lighting, traffic safety and snow removal.

Culture and Recreation – includes library services, parks and recreation.

Community and Economic Development – includes community betterment, economic development and planning and zoning.

General Government – includes mayor, city council, city administrator, city clerk, legal services, city hall, insurance and general administration.

Debt Service – includes general obligation and TIF debt.

Capital Projects – includes sidewalks, Asbury intersection, and park expansion projects.

The required financial statement for governmental funds include a statement of cash receipts, disbursements, and changes in cash balances.

Business-type (Proprietary) Activities include the water utility, sewer utility and solid waste utility.

The required financial statement for proprietary funds include a statement of cash receipts, disbursements, and changes in cash balances.

Governmental Activities

For the year ended June 30, 2007, the City's governmental activities were funded as follows:

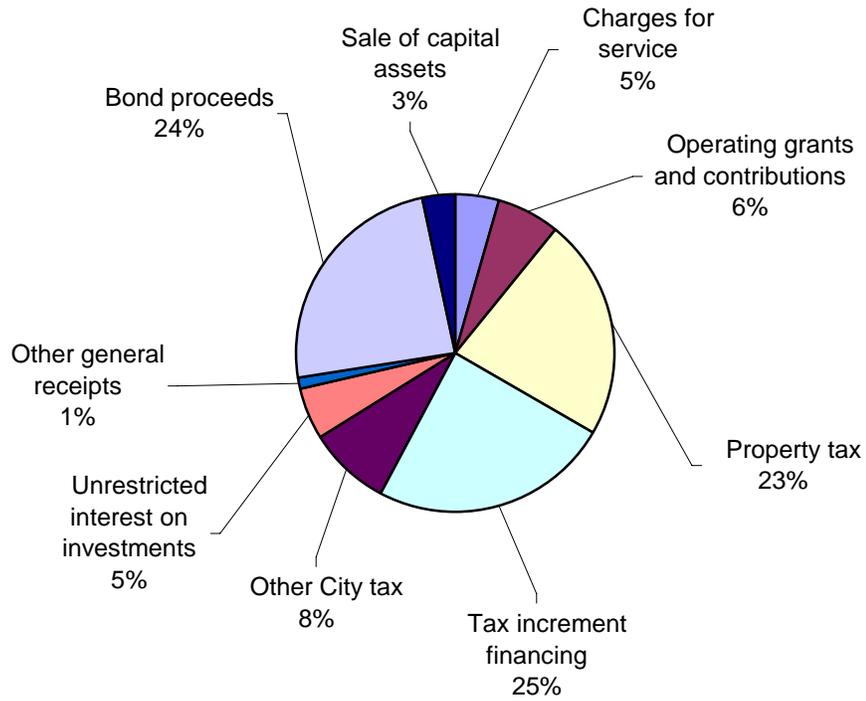
Receipts of the City's governmental activities increased 46.8%, or approximately \$1,055,000, from fiscal year 2006 to fiscal year 2007. The City received bond proceeds in the amount of \$800,000 for street improvements and received proceeds from the sale of land in the amount of \$108,000. Property tax and tax increment financing increased approximately \$68,000 because property valuations rose \$9,614,285.

Disbursements of the City's governmental activities increased 1.9%, or approximately \$34,000, from fiscal year 2006 to fiscal year 2007. Debt Service related to capital projects increased approximately \$144,000. Disbursements relating to Public Works decreased approximately \$92,000 for disbursements relating to snow removal and street maintenance. Culture and Recreation disbursements decreased approximately \$16,800 for future park planning. General Government disbursements decreased approximately \$53,000 for consulting and legal services. The increase in Capital Projects disbursements was for engineering expenses related to future projects including sidewalks, park expansion, and a new public works garage in the amount of approximately \$54,000.

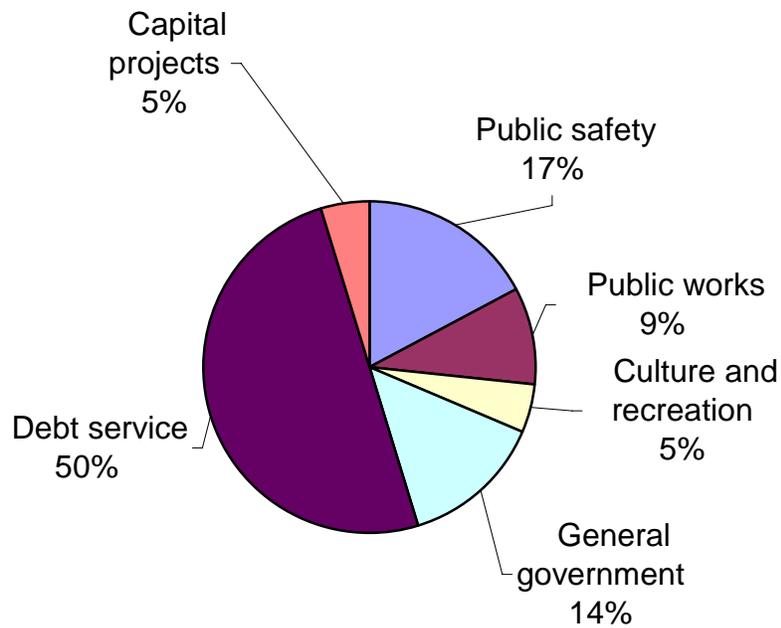
Changes in Cash Basis Net Assets of Governmental Activities

	<u>Year Ended June 30,</u>	
	<u>2007</u>	<u>2006</u>
Program receipts:		
Charges for service	\$ 149,429	\$ 159,451
Operating grants and contributions	204,196	205,127
Capital grants and contributions	11,180	25,000
General receipts:		
Property tax	749,292	698,113
Tax increment financing	798,308	781,591
Other City tax	279,948	260,615
Unrestricted interest on investments	172,745	100,468
Other general receipts	36,476	24,065
Bond proceeds	800,000	-
Sale of capital assets	107,950	-
Total receipts	<u>3,309,524</u>	<u>2,254,430</u>
Program disbursements:		
Public safety	311,126	322,405
Public works	167,845	260,239
Culture and recreation	84,965	101,733
Community and economic development	12,245	2,597
General government	254,068	306,853
Debt service	896,999	753,351
Capital projects	86,979	33,391
Total disbursements	<u>1,814,227</u>	<u>1,780,569</u>
Increase in cash basis net assets before transfers	1,495,297	473,861
Transfers, net	<u>25,000</u>	<u>(128,304)</u>
Increase in cash basis net assets	1,520,297	345,557
Cash basis net assets beginning of year	<u>2,119,834</u>	<u>1,774,277</u>
Cash basis net assets end of year	<u>\$ 3,640,131</u>	<u>\$ 2,119,834</u>

Receipts by Source



Disbursements by Function



Business-type Activities

For the year ended June 30, 2007, the City's business-type activities receipts and disbursements were as follows:

Changes in Cash Basis Net Assets of Business-type Activities

	Year Ended June 30,	
	2007	2006
Receipts:		
Program receipts:		
Charges for service:		
Sewer utility	\$ 579,316	\$ 571,652
Solid waste	149,970	136,716
Water	560,621	543,575
Operating grants and contributions	16	23,674
General receipts:		
Unrestricted interest on investments	116,914	78,771
Bond proceeds	<u>1,977,055</u>	<u>2,584,942</u>
Total receipts	<u>3,383,892</u>	<u>3,939,330</u>
Program disbursements:		
Sewer utility	2,426,048	2,119,704
Solid waste	124,790	124,249
Water	<u>520,369</u>	<u>1,336,260</u>
Total disbursements	<u>3,071,207</u>	<u>3,580,213</u>
Increase in cash basis net assets before transfers	312,685	359,117
Transfers, net	<u>(25,000)</u>	<u>128,304</u>
Increase in cash basis net assets	287,685	487,421
Cash basis net assets beginning of year	<u>2,007,195</u>	<u>1,519,774</u>
Cash basis net assets end of year	<u>\$ 2,294,880</u>	<u>\$ 2,007,195</u>

Receipts of the City's business-type activities decreased 14.1%, or approximately \$555,000, from fiscal year 2006 to fiscal year 2007. Bond proceeds decreased 23.5%, or approximately \$608,000 for the completion of water utility improvements.

Disbursements for business-type activities decreased 14.2%, or approximately \$509,000. The wastewater treatment plant improvements were completed and accepted on July 24, 2007. Improvements for this project in the FY 2007 were \$1,847,507. Prior year improvements included the completion of the Wedgewood and Colonial Estates Wells and Hales Mill Lift Station.

Individual Major Fund Analysis

As of June 30, 2007, the City had cash balances on hand of \$3,640,131 in governmental fund types and \$2,294,880 in business-type funds. The governmental fund type increased \$1,520,297, and business fund types increased \$287,685, respectively, during fiscal year 2006-2007. The increase in governmental funds on hand is for bond proceeds received due to street projects that were budgeted and not completed in the fiscal year.

Budgetary Highlights

City Council approved one budget amendment during the year. The amendment was for receipts received exceeding budgeted amounts for bond proceeds, interest income, and water and sewer charges. Disbursements were increased for the transfer of funds.

For the year ended June 30, 2007, total actual receipts were \$114,873 over the final budget while total actual disbursements were \$2,125,670 under the final budget. Total other financing sources and uses were \$1,148,379 under budget. The large difference for budgeted and actual expenditures is due to capital projects not completed prior to the end of the fiscal year.

Debt Outstanding

As of year end, the City had \$9,078,000 debt outstanding compared to \$7,156,946 in 2006.

Outstanding Debt at Year-End

	June 30,	
	2007	2006
General obligation notes		
Street improvements	\$ 105,000	\$ 155,000
Park expansion	140,000	165,000
City hall	77,000	99,000
Street improvements	285,000	335,000
Water improvements	526,000	559,000
Water improvements	1,520,000	1,593,000
Sewer improvements	885,000	1,090,000
Water improvements	535,000	568,000
Sewer improvements	1,609,000	1,700,000
Sewer improvements	800,000	-
Total general obligation notes	<u>6,482,000</u>	<u>6,264,000</u>
Revenue notes		
Water improvements	540,000	600,000
Water improvements	85,000	170,000
Sewer improvements	<u>1,971,000</u>	<u>122,946</u>
Total revenue notes	<u>2,596,000</u>	<u>892,946</u>
Total general obligation and revenue notes	<u>\$ 9,078,000</u>	<u>\$ 7,156,946</u>

There was \$1,977,055 in new debt that was issued for sewer improvements. The City as of June 30, 2007 is at 71.77% of its bonding capacity. The City's outstanding general obligation debt limit was \$9,902,783.

Economic Factors

While property taxes are important to the City, they represent less than 21% of revenue sources excluding other financing sources. TIF revenues comprise 51.6% of property tax revenues. Charges for services comprise 37.8% of total revenues. The City continues to grow and add residential housing at a robust pace. This has added to the property tax base and increased the number of utility users in the community.

Next Year's Budget and Rates

For the year ending June 30, 2007, the trail system for the City continues to be a priority to link neighborhoods and provide a method of safe pedestrian travel within the community. The walking/biking trail along Asbury Road is budgeted to be funded with a combination of public and private funds. The City has also appropriated funds to new park development. Capital projects budgeted for next year include the purchase of a new dump truck for snow removal, a new tractor for street maintenance, the construction of a new City garage for vehicles and equipment, reconstruction of the Radford Road Lift Station and an extension of sanitary sewer lines to a new residential development. These projects will be financed with a combination of general obligation debt and reserves for equipment replacement. The City also plans to reconstruct Burr Oak, which will be financed with a combination of general obligation and special assessment debt. While the City had a corporate tax levy of \$10.23 in 2007, the fiscal year 2008 total corporate tax levy will be \$10.30.

Financial Contact

The City's financial statements are designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the City's Administrator at 5080 Asbury Road, Asbury, IA 52002 or telephone 563-556-7106.

Elizabeth Bonz
City Administrator

BASIC FINANCIAL STATEMENTS

CITY OF ASBURY

CITY OF ASBURY
STATEMENT OF ACTIVITIES AND NET ASSETS – CASH BASIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2007

	Disbursements	Program Receipts		
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions
Functions / Programs:				
Governmental activities:				
Public safety	\$ 311,126	\$ 110,157	\$ -	\$ -
Public works	167,845	-	204,196	-
Culture and recreation	84,965	6,944	-	-
Community and economic development	12,245	-	-	-
General government	254,068	32,328	-	-
Debt service	896,999	-	-	-
Capital projects	86,979	-	-	11,180
Total governmental activities	<u>1,814,227</u>	<u>149,429</u>	<u>204,196</u>	<u>11,180</u>
Business-type activities:				
Sewer utility	2,426,048	579,316	-	-
Solid waste	124,790	149,970	-	-
Water	520,369	560,621	16	-
Total business-type activities	<u>3,071,207</u>	<u>1,289,907</u>	<u>16</u>	<u>-</u>
Total	<u>\$ 4,885,434</u>	<u>\$ 1,439,336</u>	<u>\$ 204,212</u>	<u>\$ 11,180</u>

General Receipts:

Property tax levied for:
General purposes
Tax increment financing
Debt service
Other City tax
Unrestricted interest on investments
Bond proceeds
Miscellaneous
Sale of capital assets
Transfers
Total general receipts and transfers

Change in cash basis net assets
Cash basis net assets beginning of year

Cash basis net assets end of year

Cash Basis Net Assets

Restricted:
Streets
Capital projects
Debt service
Other purposes
Urban renewal purposes
Unrestricted

Total cash basis net assets

See notes to financial statements.

Net (Disbursements) Receipts and Changes in Cash Basis Net Assets		
Governmental Activities	Business-type Activities	Total
\$ (200,969)	\$ -	\$ (200,969)
36,351	-	36,351
(78,021)	-	(78,021)
(12,245)	-	(12,245)
(221,740)	-	(221,740)
(896,999)	-	(896,999)
(75,799)	-	(75,799)
<u>(1,449,422)</u>	<u>-</u>	<u>(1,449,422)</u>
-	(1,846,732)	(1,846,732)
-	25,180	25,180
-	40,268	40,268
<u>-</u>	<u>(1,781,284)</u>	<u>(1,781,284)</u>
<u>(1,449,422)</u>	<u>(1,781,284)</u>	<u>(3,230,706)</u>
629,550	-	629,550
798,308	-	798,308
119,742	-	119,742
279,948	-	279,948
172,745	116,914	289,659
800,000	1,977,055	2,777,055
36,476	-	36,476
107,950	-	107,950
25,000	(25,000)	-
<u>2,969,719</u>	<u>2,068,969</u>	<u>5,038,688</u>
1,520,297	287,685	1,807,982
<u>2,119,834</u>	<u>2,007,195</u>	<u>4,127,029</u>
<u>\$ 3,640,131</u>	<u>\$ 2,294,880</u>	<u>\$ 5,935,011</u>
\$ 578,481	\$ -	\$ 578,481
1,065,366	290,599	1,355,965
14,540	-	14,540
259,430	-	259,430
45,652	-	45,652
<u>1,676,662</u>	<u>2,004,281</u>	<u>3,680,943</u>
<u>\$ 3,640,131</u>	<u>\$ 2,294,880</u>	<u>\$ 5,935,011</u>

CITY OF ASBURY
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BALANCES
GOVERNMENTAL FUNDS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2007

	General	Special Revenue		
		Road Use Tax	Local Option Sales Tax	Tax Increment Financing
Receipts:				
Property tax	\$ 568,335	\$ -	\$ -	\$ -
Tax increment financing	-	-	-	798,308
Other City tax	-	-	279,948	-
Licenses and permits	127,193	-	-	-
Use of money and property	98,969	-	14,446	20,788
Intergovernmental	-	204,196	-	-
Charges for service	6,944	-	-	-
Miscellaneous	51,768	-	-	-
Total receipts	<u>853,209</u>	<u>204,196</u>	<u>294,394</u>	<u>819,096</u>
Disbursements:				
Operating:				
Public safety	311,126	-	-	-
Public works	75,022	92,823	-	-
Culture and recreation	84,965	-	-	-
Community and economic development	12,245	-	-	-
General government	254,068	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Total disbursements	<u>737,426</u>	<u>92,823</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over (under) disbursements	<u>115,783</u>	<u>111,373</u>	<u>294,394</u>	<u>819,096</u>
Other financing sources (uses):				
Bond proceeds	-	-	-	-
Sale of capital assets	107,950	-	-	-
Transfers in	215,872	-	-	-
Transfers out	-	-	(221,303)	(854,839)
Total other financing sources (uses)	<u>323,822</u>	<u>-</u>	<u>(221,303)</u>	<u>(854,839)</u>
Net change in cash balances	439,605	111,373	73,091	(35,743)
Cash balances beginning of year	<u>1,074,961</u>	<u>467,108</u>	<u>183,435</u>	<u>81,395</u>
Cash balances end of year	<u>\$ 1,514,566</u>	<u>\$ 578,481</u>	<u>\$ 256,526</u>	<u>\$ 45,652</u>
Cash Basis Fund Balances				
Reserved:				
Debt service	\$ -	\$ -	\$ -	\$ -
Unreserved, designated:				
Equipment purchases	333,763	179,637	93,993	-
Unreserved, undesignated:				
General fund	1,180,803	-	-	-
Special revenue funds	-	398,844	162,533	45,652
Capital projects fund	-	-	-	-
Total cash basis fund balances	<u>\$ 1,514,566</u>	<u>\$ 578,481</u>	<u>\$ 256,526</u>	<u>\$ 45,652</u>

See notes to financial statements.

<u>Capital Projects</u>		Other	
Asbury Walking Trail	Debt Service	Nonmajor Governmental Funds	Total
\$ -	\$ 119,742	\$ 61,215	\$ 749,292
-	-	-	798,308
-	-	-	279,948
-	-	-	127,193
10,777	2,256	25,509	172,745
10,000	-	1,180	215,376
-	-	-	6,944
-	-	-	51,768
<u>20,777</u>	<u>121,998</u>	<u>87,904</u>	<u>2,401,574</u>
-	-	-	311,126
-	-	-	167,845
-	-	-	84,965
-	-	-	12,245
-	-	-	254,068
-	896,999	-	896,999
65,634	-	21,345	86,979
<u>65,634</u>	<u>896,999</u>	<u>21,345</u>	<u>1,814,227</u>
<u>(44,857)</u>	<u>(775,001)</u>	<u>66,559</u>	<u>587,347</u>
500,000	-	300,000	800,000
-	-	-	107,950
-	760,653	185,016	1,161,541
-	-	(60,399)	(1,136,541)
<u>500,000</u>	<u>760,653</u>	<u>424,617</u>	<u>932,950</u>
455,143	(14,348)	491,176	1,520,297
<u>(8,301)</u>	<u>28,888</u>	<u>292,348</u>	<u>2,119,834</u>
<u>\$ 446,842</u>	<u>\$ 14,540</u>	<u>\$ 783,524</u>	<u>\$ 3,640,131</u>
\$ -	\$ 14,540	\$ -	\$ 14,540
-	-	-	607,393
-	-	-	1,180,803
-	-	165,000	772,029
<u>446,842</u>	<u>-</u>	<u>618,524</u>	<u>1,065,366</u>
<u>\$ 446,842</u>	<u>\$ 14,540</u>	<u>\$ 783,524</u>	<u>\$ 3,640,131</u>

CITY OF ASBURY

Exhibit C

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BALANCES
 PROPRIETARY FUNDS
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2007**

	Enterprise Funds			Total
	Sewer Utility	Water	Nonmajor Solid Waste	
Operating receipts:				
Use of money and property	\$ 82,831	\$ 30,846	\$ 3,237	\$ 116,914
Charges for service	579,316	560,621	149,970	1,289,907
Miscellaneous	-	16	-	16
Total operating receipts	<u>662,147</u>	<u>591,483</u>	<u>153,207</u>	<u>1,406,837</u>
Operating disbursements:				
Business-type activities:				
Salaries and wages	72,287	70,540	11,890	154,717
Employee benefits and costs	23,065	21,791	3,635	48,491
Staff development	1,600	1,801	-	3,401
Repair, maintenance, and utilities	75,696	64,082	-	139,778
Contractual services	45,769	99,687	106,737	252,193
Commodities	9,318	20,186	2,528	32,032
Capital outlay	1,982,349	151,458	-	2,133,807
Total operating disbursements	<u>2,210,084</u>	<u>429,545</u>	<u>124,790</u>	<u>2,764,419</u>
Excess (deficiency) of operating receipts over (under) operating disbursements	<u>(1,547,937)</u>	<u>161,938</u>	<u>28,417</u>	<u>(1,357,582)</u>
Non-operating receipts (disbursements):				
Bond proceeds	1,975,055	2,000	-	1,977,055
Debt service	(215,965)	(90,823)	-	(306,788)
Net non-operating receipts (disbursements)	<u>1,759,090</u>	<u>(88,823)</u>	<u>-</u>	<u>1,670,267</u>
Excess of receipts over disbursements	211,153	73,115	28,417	312,685
Transfers out	<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>(25,000)</u>
Net change in cash balances	186,153	73,115	28,417	287,685
Cash balances beginning of year	<u>1,409,369</u>	<u>544,549</u>	<u>53,277</u>	<u>2,007,195</u>
Cash balances end of year	<u>\$ 1,595,522</u>	<u>\$ 617,664</u>	<u>\$ 81,694</u>	<u>\$ 2,294,880</u>
Cash Basis Fund Balances				
Reserved for capital projects	\$ 271,599	\$ 19,000	\$ -	\$ 290,599
Unreserved	<u>1,323,923</u>	<u>598,664</u>	<u>81,694</u>	<u>2,004,281</u>
Total cash basis fund balances	<u>\$ 1,595,522</u>	<u>\$ 617,664</u>	<u>\$ 81,694</u>	<u>\$ 2,294,880</u>

See notes to financial statements.

CITY OF ASBURY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Asbury is a political subdivision of the State of Iowa located in Dubuque County. It was first incorporated in 1933 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis. The City provides numerous services to citizens, including public safety, public works, culture and recreation, community and economic development, and general government services. The City also provides water and sewer utilities for its citizens.

Reporting Entity

For financial reporting purposes, the City of Asbury has included all funds, organizations, agencies, boards, commissions, and authorities. The City 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 City are such that exclusion would cause the City'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 City 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 City. The City has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations

The City participates in several jointly governed organizations that provide goods or services to the citizenry of the City but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. City officials are members of the following boards and commissions: Dubuque County Joint E911 Service Board, the Dubuque County REAP Board, the Dubuque County Empowerment Board, DMATS Policy Committee, and the Iowa League of Cities Executive Board.

Basis of Presentation

Government-wide Financial Statement

The Statement of Activities and Net Assets reports information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from this statement. Governmental activities, which are supported by tax and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for service.

The Statement of Activities and Net Assets presents the City's nonfiduciary net assets. Net assets are reported in two categories:

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 preceding category. Unrestricted net assets often have constraints on resources imposed by management, which can be removed or modified.

NOTES TO FINANCIAL STATEMENTS

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

Fund Financial Statements

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. All general tax receipts and other receipts 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 disbursements, the fixed charges, and the capital improvement costs that are not paid from other funds.

Special Revenue

The Road Use Tax Fund is used to account for road construction and maintenance.

The Local Option Sales Tax Fund is used to account for the payment of police and fire protection, street lighting, snow and ice control, insurance, and street maintenance funded by the local option sales tax.

The Tax Increment Financing Fund is used to account for projects financed by tax increment financing.

Capital Projects

The Asbury Walking Trail Fund is used to account for a multi-phase project with the goals of providing safe travel for non-motorized pedestrian traffic along Asbury Road and to connect to existing recreational trails in the community.

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

The City reports the following major proprietary funds:

The Sewer Utility Fund accounts for the operation and maintenance of the City's waste water treatment and sanitary sewer system.

The Water Fund accounts for the operation and maintenance of the City's water system.

NOTES TO FINANCIAL STATEMENTS

Measurement Focus and Basis of Accounting

The City of Asbury maintains its financial records on the basis of cash receipts and disbursements, and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable, and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with accounting principles generally accepted in the United States of America.

Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2007, no disbursements exceeded the amounts budgeted in the general government and business-type activities functions.

Property Tax Receipts

Property taxes are levied as of July 1 on property values assessed as of January 1 of the previous year. The tax levy is divided into two billings. The first billing is mailed on July 1 and the second billing is mailed on January 1. The billings are considered due upon receipt by the taxpayer; however, the actual due date is based on a period ending three months after the tax bill mailing. On these dates (September 30 and March 31), the bill becomes delinquent, and penalties and interest may be assessed by the government.

NOTE 2 – CASH AND INVESTMENTS

The City's deposits in banks at June 30, 2007, 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 City 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 City Council; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The City had no investments during the year ended June 30, 2007.

Interest Rate Risk

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

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – NOTES PAYABLE

Annual debt service requirements to maturity for the City’s indebtedness are as follows:

Year Ending June 30,	General Obligation Notes		Revenue Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 626,000	\$ 225,948	\$ 275,000	\$ 96,143	\$ 901,000	\$ 322,091
2009	665,000	193,133	192,000	86,430	857,000	279,563
2010	635,000	167,815	194,000	78,570	829,000	246,385
2011	624,000	143,606	196,000	70,650	820,000	214,256
2012	408,000	119,784	198,000	62,670	606,000	182,454
2013	325,000	102,998	200,000	54,630	525,000	157,628
2014	334,000	93,918	203,000	46,530	537,000	140,448
2015	347,000	84,548	205,000	38,340	552,000	122,888
2016	356,000	74,736	207,000	30,090	563,000	104,826
2017	370,000	64,684	149,000	21,780	519,000	86,464
2018	379,000	54,155	151,000	17,310	530,000	71,465
2019	388,000	43,355	154,000	12,780	542,000	56,135
2020	404,000	32,285	156,000	8,160	560,000	40,445
2021	319,000	20,695	116,000	3,480	435,000	24,175
2022	184,000	10,110	-	-	184,000	10,110
2023	118,000	3,540	-	-	118,000	3,540
	<u>\$ 6,482,000</u>	<u>\$ 1,435,310</u>	<u>\$ 2,596,000</u>	<u>\$ 627,563</u>	<u>\$ 9,078,000</u>	<u>\$ 2,062,873</u>

The Code of Iowa requires principal and interest on general obligation notes be paid from the Debt Service Fund.

NOTE 4 – DEFICIT BALANCES

At June 30, 2007, funds with deficit balances were as follows:

Capital projects, Sidewalk Assessment	\$ 7,896
Capital projects, Burr Oak Reconstruction	52

These deficit balances are the result of capital projects where permanent financing is not in place. The deficits will be eliminated upon collection of bond proceeds in future periods.

NOTE 5 – PENSION AND RETIREMENT BENEFITS

The City 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.

NOTES TO FINANCIAL STATEMENTS

Most regular plan members are required to contribute 3.70% of their annual covered salary, and the City is required to contribute 5.75% of covered salary. Certain employees in special risk occupations and the City contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The City's contributions to IPERS for the years ended June 30, 2007, 2006, and 2005, were \$24,504, \$23,238, and \$22,002, respectively, equal to the required contributions for each year.

NOTE 6 – COMPENSATED ABSENCES

City employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, retirement, or death. These accumulations are not recognized as disbursements by the City until used or paid. The City's approximate liability for earned compensated absences payable to employees at June 30, 2007, primarily relating to the General Fund, is as follows:

<u>Type of Benefit</u>	<u>Amount</u>
Vacation	\$ <u>3,816</u>

Upon termination, retirement, or death, City employees are not paid for unused sick leave.

This liability has been computed based on rates of pay in effect at June 30, 2007.

NOTE 7 – INTERFUND TRANSFERS

The detail of interfund transfers for the year ended June 30, 2007, is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
General	Special Revenue:	
	Local Option Sales Tax	\$ 155,473
	Nonmajor Governmental Funds	<u>60,399</u>
		<u>215,872</u>
Special Revenue:	Special Revenue:	
Low Moderate Income	TIF	<u>160,016</u>
Debt Service	Special Revenue:	
	TIF	694,823
	Local Option Sales Tax	<u>65,830</u>
		<u>760,653</u>
Capital Projects:		
Public works garage	Sewer Utility	<u>25,000</u>
Total		<u>\$ 1,161,541</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – RISK MANAGEMENT

The City of Asbury is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by the purchase of commercial insurance. The City assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 9 – COMMITMENTS AND CONTINGENCY

The City has active construction projects as of June 30, 2007. The projects include the construction of storm water, water, and waste water improvements. At year end the City's commitments with contractors are as follows:

<u>Project</u>	<u>Total Contract</u>	<u>Payments- to-Date</u>	<u>Remaining Commitment</u>
Waste Water Treatment Plant	\$ 3,131,988	\$ 3,043,230	\$ 88,758
Maple Hills	346,644	329,312	17,332
Well Capping Project	63,303	49,556	13,747
	<u>\$ 3,541,935</u>	<u>\$ 3,422,098</u>	<u>\$ 119,837</u>

NOTE 10 – CONDUIT DEBT

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2007, there were three series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$6,922,756.

NOTE 11 – LITIGATION

The City is a defendant in several claims and lawsuits. In the opinion of management, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

NOTE 12 – PROSPECTIVE ACCOUNTING CHANGE

The Governmental Accounting Standards Board (GASB) has issued four statements not yet implemented by the City of Asbury. The statements, which might impact the City of Asbury, are as follows:

NOTES TO FINANCIAL STATEMENTS

Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, issued April 2004, will be effective for the City for the fiscal year ending June 30, 2009. This Statement establishes uniform financial reporting standards for other postemployment benefit (OPEB) plans and supersedes the interim guidance included in Statement No. 26. This Statement affects reporting by administrators or trustees of OPEB plan assets or by employers or sponsors that include OPEB plan assets as trust or agency funds in their financial reports.

Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, issued June 2004, will be effective for the City for the fiscal year ending June 30, 2010. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.

Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, issued September 2006, will be effective for the City for the fiscal year ending June 30, 2008. This Statement establishes standards for transactions in which a government receives, or is entitled to, resources in exchange for future cash flows generated by collecting specific receivables or specific future revenues. It also establishes standards that apply to all intra-entity transfers of assets and future revenues.

Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, issued November 2006, will be effective for the City for the fiscal year ending June 30, 2009. This Statement establishes standards for accounting and financial reporting for obligations to address the current or potential detrimental effects of existing pollution.

The City's management has not yet determined the effect these statements will have on the City's financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ASBURY

CITY OF ASBURY
BUDGETARY COMPARISON SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN BALANCES – BUDGET AND ACTUAL (CASH BASIS) – ALL
GOVERNMENTAL FUNDS AND PROPRIETARY FUNDS
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2007

	Governmental Funds <u>Actual</u>	Proprietary Funds <u>Actual</u>	Total <u>Actual</u>
Receipts:			
Property tax	\$ 749,292	\$ -	\$ 749,292
Tax increment financing	798,308	-	798,308
Other City tax	279,948	-	279,948
Licenses and permits	127,193	-	127,193
Use of money and property	172,745	116,914	289,659
Intergovernmental	215,376	-	215,376
Charges for service	6,944	1,289,907	1,296,851
Special assessments	-	-	-
Miscellaneous	51,768	16	51,784
Total receipts	<u>2,401,574</u>	<u>1,406,837</u>	<u>3,808,411</u>
Disbursements:			
Public safety	311,126	-	311,126
Public works	167,845	-	167,845
Culture and recreation	84,965	-	84,965
Community and economic development	12,245	-	12,245
General government	254,068	-	254,068
Debt service	896,999	-	896,999
Capital projects	86,979	-	86,979
Business-type activities	-	3,071,208	3,071,208
Total disbursements	<u>1,814,227</u>	<u>3,071,208</u>	<u>4,885,435</u>
Excess (deficiency) of receipts over (under) disbursements	587,347	(1,664,371)	(1,077,024)
Other financing sources, net	<u>932,950</u>	<u>1,952,056</u>	<u>2,885,006</u>
Excess of receipts and other financing sources over disbursements and other financing uses	1,520,297	287,685	1,807,982
Balances beginning of year	<u>2,119,834</u>	<u>2,007,195</u>	<u>4,127,029</u>
Balances end of year	<u>\$ 3,640,131</u>	<u>\$ 2,294,880</u>	<u>\$ 5,935,011</u>

<u>Budgeted Amounts</u>		Final to Actual Variance- Positive (Negative)
<u>Original</u>	<u>Final</u>	
\$ 734,921	\$ 734,921	\$ 14,371
778,979	778,979	19,329
245,533	275,533	4,415
111,303	118,303	8,890
33,350	214,150	75,509
448,060	448,060	(232,684)
1,149,647	1,219,647	77,204
84,611	84,611	(84,611)
31,900	49,080	2,704
<u>3,618,304</u>	<u>3,923,284</u>	<u>(114,873)</u>
341,694	341,694	30,568
282,986	282,986	115,141
112,656	112,656	27,691
88,766	18,325	6,080
276,789	300,789	46,721
899,233	899,233	2,234
1,067,448	1,107,448	1,020,469
<u>3,902,974</u>	<u>3,947,974</u>	<u>876,766</u>
<u>6,972,546</u>	<u>7,011,105</u>	<u>2,125,670</u>
(3,354,242)	(3,087,821)	2,010,797
<u>3,475,435</u>	<u>4,033,385</u>	<u>(1,148,379)</u>
121,193	945,564	862,418
<u>3,269,952</u>	<u>4,127,029</u>	<u>-</u>
<u>\$ 3,391,145</u>	<u>\$ 5,072,593</u>	<u>\$ 862,418</u>

CITY OF ASBURY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY
REPORTING
JUNE 30, 2007

The budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the City Council annually adopts a budget on the cash basis following required public notice and hearing for all funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon ten major classes of disbursements known as functions, not by fund or fund type. These ten functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects, business-type activities and non-program. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds, and Proprietary Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year, one budget amendment increased budgeted disbursements by \$38,559. This budget amendment is reflected in the final budgeted amounts.

During the year ended June 30, 2007, disbursements did not exceed the amounts budgeted.

CITY OF ASBURY

CITY OF ASBURY
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BALANCES
NONMAJOR GOVERNMENTAL FUNDS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2007

	Capital Projects				
	Seippel Road Project	Asbury Intersection Project	Burr Oak Reconstruction	Park Expansion Project	Intersection Improvement Fund
Receipts:					
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -
Use of money and property	4,634	4,910	-	6,749	7,136
Intergovernmental	-	-	-	1,180	-
Total receipts	4,634	4,910	-	7,929	7,136
Disbursements:					
Capital projects	-	-	-	3,671	8,304
Excess (deficiency) of receipts over (under) disbursements	4,634	4,910	-	4,258	(1,168)
Other financing sources (uses):					
Bond proceeds	-	-	-	-	300,000
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	300,000
Net change in cash balances	4,634	4,910	-	4,258	298,832
Cash balances beginning of year	80,892	90,004	(52)	119,416	-
Cash balances end of year	\$ 85,526	\$ 94,914	\$ (52)	\$ 123,674	\$ 298,832
Cash Basis Fund Balances					
Unreserved:					
Special revenue funds	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects fund	85,526	94,914	(52)	123,674	298,832
Total cash basis fund balances	\$ 85,526	\$ 94,914	\$ (52)	\$ 123,674	\$ 298,832

Capital Projects (Cont.)		Special Revenue				
Sidewalk Assessment Fund	Public Works Garage	Special Levies	Trail Contribution	Low Moderate Income	Total	
\$ -	\$ -	\$ 61,215	\$ -	\$ -	\$ 61,215	
-	-	-	-	2,080	25,509	
-	-	-	-	-	1,180	
-	-	61,215	-	2,080	87,904	
7,896	1,474	-	-	-	21,345	
(7,896)	(1,474)	61,215	-	2,080	66,559	
-	-	-	-	-	300,000	
-	25,000	-	-	160,016	185,016	
-	-	(60,399)	-	-	(60,399)	
-	25,000	(60,399)	-	160,016	424,617	
(7,896)	23,526	816	-	162,096	491,176	
-	-	859	1,229	-	292,348	
<u>\$ (7,896)</u>	<u>\$ 23,526</u>	<u>\$ 1,675</u>	<u>\$ 1,229</u>	<u>\$ 162,096</u>	<u>\$ 783,524</u>	
\$ -	\$ -	\$ 1,675	\$ 1,229	\$ 162,096	\$ 165,000	
(7,896)	23,526	-	-	-	618,524	
<u>\$ (7,896)</u>	<u>\$ 23,526</u>	<u>\$ 1,675</u>	<u>\$ 1,229</u>	<u>\$ 162,096</u>	<u>\$ 783,524</u>	

CITY OF ASBURY
SCHEDULE OF INDEBTEDNESS
YEAR ENDED JUNE 30, 2007

Obligation	Date of Issue	Interest Rates	Amount Originally Issued
General Obligation Notes:			
1999 Street Improvements	6/1/1999	4.80-4.90%	\$ 430,000
2000 Park expansion	4/1/2000	5.50-5.80	280,000
2000 City hall	8/15/2000	6.50	207,000
2001 Street improvements	7/1/2001	4.50-4.90	515,000
2002 Water improvements	10/1/2002	3.00	681,000
2004 Water improvements	1/9/2004	3.00	1,800,000
2004 Sewer improvements	9/1/2004	2.80-3.45	1,290,000
2005 Water improvements	6/7/2005	3.00	600,000
2005 Sewer improvements	6/7/2005	3.00	1,700,000
2007 Sewer improvements	2/15/2007	3.85-4.50	800,000
Total General Obligation Notes			
Revenue Notes:			
2001 Water improvements	5/1/2001	6.25	900,000
2005 Water improvements	11/3/2005	4.50	170,000
2006 Sewer improvements	6/1/2006	3.00	2,100,000
Total Revenue Notes			
Total General Obligation and Revenue Notes			

Schedule 2

<u>Balance Beginning of Year</u>	<u>Issued During Year</u>	<u>Redeemed During Year</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>	<u>Interest Due and Unpaid</u>
\$ 155,000	\$ -	\$ 50,000	\$ 105,000	\$ 7,445	\$ -
165,000	-	25,000	140,000	9,270	-
99,000	-	22,000	77,000	4,950	-
335,000	-	50,000	285,000	15,630	-
559,000	-	33,000	526,000	16,770	-
1,593,000	-	73,000	1,520,000	47,790	-
1,090,000	-	205,000	885,000	32,962	-
568,000	-	33,000	535,000	17,040	-
1,700,000	-	91,000	1,609,000	51,000	-
<u>-</u>	<u>800,000</u>	<u>-</u>	<u>800,000</u>	<u>-</u>	<u>-</u>
<u>6,264,000</u>	<u>800,000</u>	<u>582,000</u>	<u>6,482,000</u>	<u>202,857</u>	<u>-</u>
600,000	-	60,000	540,000	39,000	-
170,000	-	85,000	85,000	5,738	-
<u>122,946</u>	<u>1,977,054</u>	<u>129,000</u>	<u>1,971,000</u>	<u>47,250</u>	<u>-</u>
<u>892,946</u>	<u>1,977,054</u>	<u>274,000</u>	<u>2,596,000</u>	<u>91,988</u>	<u>-</u>
<u>\$ 7,156,946</u>	<u>\$2,777,054</u>	<u>\$ 856,000</u>	<u>\$ 9,078,000</u>	<u>\$ 294,845</u>	<u>\$ -</u>

CITY OF ASBURY
NOTE MATURITIES
JUNE 30, 2007

Schedule 3

General Obligation Notes						
Year Ending June 30,	Street Improvement Note		Park Expansion Note		City Hall Note	
	Issued June 1, 1999		Issued April 1, 2000		Issued August 15, 2000	
	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount
2008	4.80%	\$ 50,000	5.50%	\$ 25,000	6.50%	\$ 24,000
2009	4.90	55,000	5.55	25,000	6.50	25,000
2010	-	-	5.65	30,000	6.50	28,000
2011	-	-	5.70	30,000	-	-
2012	-	-	5.80	30,000	-	-
		<u>\$ 105,000</u>		<u>\$ 140,000</u>		<u>\$ 77,000</u>

General Obligation Notes						
Year Ending June 30,	Street Improvement Note		Water Improvement Note		Water Improvement Note	
	Issued July 1, 2001		Issued October 1, 2002		Issued January 9, 2004	
	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount
2008	4.50%	\$ 50,000	3.00%	\$ 34,000	3.00%	\$ 75,000
2009	4.60	55,000	3.00	35,000	3.00	78,000
2010	4.70	55,000	3.00	36,000	3.00	80,000
2011	4.80	60,000	3.00	37,000	3.00	82,000
2012	4.90	65,000	3.00	38,000	3.00	85,000
2013	-	-	3.00	39,000	3.00	87,000
2014	-	-	3.00	40,000	3.00	90,000
2015	-	-	3.00	41,000	3.00	93,000
2016	-	-	3.00	43,000	3.00	96,000
2017	-	-	3.00	44,000	3.00	98,000
2018	-	-	3.00	45,000	3.00	101,000
2019	-	-	3.00	46,000	3.00	104,000
2020	-	-	3.00	48,000	3.00	108,000
2021	-	-	-	-	3.00	111,000
2022	-	-	-	-	3.00	114,000
2023	-	-	-	-	3.00	118,000
		<u>\$ 285,000</u>		<u>\$ 526,000</u>		<u>\$ 1,520,000</u>

(continued)

CITY OF ASBURY
NOTE MATURITIES
JUNE 30, 2007

Schedule 3
(continued)

General Obligation Notes						
Year Ending June 30,	Sewer Improvement Note		Water Improvement Note		Sewer Improvement Note	
	Issued September 1, 2004		Issued June 7, 2005		Issued June 7, 2005	
	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount
2008	2.80%	\$ 210,000	3.00%	\$ 34,000	3.00%	\$ 94,000
2009	3.05	220,000	3.00	35,000	3.00	97,000
2010	3.25	225,000	3.00	36,000	3.00	100,000
2011	3.45	230,000	3.00	37,000	3.00	103,000
2012	-	-	3.00	39,000	3.00	106,000
2013	-	-	3.00	40,000	3.00	109,000
2014	-	-	3.00	41,000	3.00	113,000
2015	-	-	3.00	42,000	3.00	116,000
2016	-	-	3.00	43,000	3.00	119,000
2017	-	-	3.00	45,000	3.00	123,000
2018	-	-	3.00	46,000	3.00	127,000
2019	-	-	3.00	48,000	3.00	130,000
2020	-	-	3.00	49,000	3.00	134,000
2021	-	-	-	-	3.00	138,000
		<u>\$ 885,000</u>		<u>\$ 535,000</u>		<u>\$ 1,609,000</u>

General Obligation Notes			
Year Ending June 30,	Street Improvement Note		Total
	Issued February 15, 2007		
	Interest Rates	Amount	
2008	3.85%	\$ 30,000	\$ 626,000
2009	3.85	40,000	665,000
2010	3.85	45,000	635,000
2011	3.90	45,000	624,000
2012	3.95	45,000	408,000
2013	4.00	50,000	325,000
2014	4.10	50,000	334,000
2015	4.15	55,000	347,000
2016	4.20	55,000	356,000
2017	4.25	60,000	370,000
2018	4.30	60,000	379,000
2019	4.35	60,000	388,000
2020	4.40	65,000	404,000
2021	4.45	70,000	319,000
2022	4.50	70,000	184,000
2023		-	118,000
		<u>\$ 800,000</u>	<u>\$ 6,482,000</u>

(continued)
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CITY OF ASBURY
NOTE MATURITIES
JUNE 30, 2007

Schedule 3
(continued)

Revenue Notes						
Year Ending June 30,	Water Improvement Note Issued May 1, 2001		Water Improvement Note Issued November 3, 2005		Sewer Improvement Note Issued June 1, 2006	
	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount
2008	6.25%	\$ 60,000	4.50%	\$ 85,000	3.00%	\$ 130,000
2009	6.25	60,000	-	-	3.00	132,000
2010	6.25	60,000	-	-	3.00	134,000
2011	6.25	60,000	-	-	3.00	136,000
2012	6.25	60,000	-	-	3.00	138,000
2013	6.25	60,000	-	-	3.00	140,000
2014	6.25	60,000	-	-	3.00	143,000
2015	6.25	60,000	-	-	3.00	145,000
2016	6.25	60,000	-	-	3.00	147,000
2017	-	-	-	-	3.00	149,000
2018	-	-	-	-	3.00	151,000
2019	-	-	-	-	3.00	154,000
2020	-	-	-	-	3.00	156,000
2021	-	-	-	-	3.00	116,000
		<u>\$ 540,000</u>		<u>\$ 85,000</u>		<u>\$ 1,971,000</u>

Year Ending June 30,	Total
2008	\$ 275,000
2009	192,000
2010	194,000
2011	196,000
2012	198,000
2013	200,000
2014	203,000
2015	205,000
2016	207,000
2017	149,000
2018	151,000
2019	154,000
2020	156,000
2021	116,000
	<u>\$ 2,596,000</u>

CITY OF ASBURY
SCHEDULE OF RECEIPTS BY SOURCE AND DISBURSEMENTS BY FUNCTION
ALL GOVERNMENTAL FUNDS
FOR THE LAST FOUR YEARS

Schedule 4

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004(1)</u>
Receipts:				
Property tax	\$ 749,292	\$ 698,113	\$ 640,926	\$ 532,391
Tax increment financing collections	798,308	781,591	643,685	373,198
Other City tax	279,948	260,615	252,359	262,832
Licenses and permits	127,193	139,115	137,426	126,610
Use of money and property	172,745	100,468	42,971	27,890
Intergovernmental	215,376	205,127	216,003	239,081
Charges for service	6,944	9,129	9,011	8,161
Special assessments	-	-	-	9,873
Miscellaneous	51,768	60,272	48,962	46,394
Total receipts	<u>\$ 2,401,574</u>	<u>\$ 2,254,430</u>	<u>\$ 1,991,343</u>	<u>\$ 1,626,430</u>
Disbursements:				
Operating:				
Public safety	\$ 311,126	\$ 322,405	\$ 277,912	\$ 272,199
Public works	167,845	260,239	152,003	243,126
Culture and recreation	84,965	101,733	73,876	71,435
Community and economic development	12,245	2,597	4,501	4,948
General government	254,068	306,853	287,928	287,549
Debt service	896,999	753,351	492,174	425,181
Capital projects	86,979	33,391	-	736,904
Total disbursements	<u>\$ 1,814,227</u>	<u>\$ 1,780,569</u>	<u>\$ 1,288,394</u>	<u>\$ 2,041,342</u>

(1) Fiscal year 2004 was the first year of reporting the City's operations under GASB 34 and by function.



CPAs & BUSINESS ADVISORS

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

To the Honorable Mayor and
Members of the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Asbury, Iowa, as of and for the year ended June 30, 2007, which collectively comprise the City's basic financial statements listed in the table of contents and have issued our report thereon dated September 14, 2007. Our report expressed unqualified opinions on the financial statements which were prepared in conformity with an other comprehensive basis of accounting. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies and other deficiencies we consider to be material weaknesses.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with an other comprehensive basis of accounting such that there is more than a remote likelihood a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control. We consider the deficiencies in internal control described in Part II of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

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

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Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we believe item II-A-07 is a material weakness.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2007, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City and are reported in Part IV of the accompanying Schedule of Findings and Questioned Costs. 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.

We also noted certain additional matters that we reported to management of the City of Asbury in a separate letter dated September 14, 2007.

The City's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the City's responses, we did not audit the City's responses and, accordingly, we express no opinion on them.

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

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the City of Asbury 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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Dubuque, Iowa
September 14, 2007



CPAs & BUSINESS ADVISORS

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO ITS MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable Mayor and
Members of the City Council:

Compliance

We have audited the compliance of the City of Asbury, Iowa, with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2007. The City's major federal program is identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grant agreements applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City of Asbury complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2007.

Internal Control Over Compliance

The management of the City of Asbury is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grant agreements applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the City's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency.

A control deficiency in the City's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect non-compliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a federal program such that there is more than a remote likelihood non-compliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the City's internal control. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item III-A-07 to be a significant deficiency.

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

The City's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the City's responses, we did not audit the City's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of the City of Asbury and other parties to whom the City of Asbury 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.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in dark ink and is positioned above the typed name and date.

Dubuque, Iowa
September 14, 2007

CITY OF ASBURY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2007

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Expenditures</u>
Indirect:			
Environmental Protection Agency:			
Iowa Department of Natural			
Resources:			
Capitalization Grants for Clean			
Water State Revolving Funds	66.458	CS192274 02	\$ <u>1,520,394</u>

CITY OF ASBURY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2007

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Asbury and is presented in conformity with an other comprehensive 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.

CITY OF ASBURY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2007

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

- (a) Unqualified opinions were issued on the financial statements which were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.
- (b) Significant deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements, including a material weakness.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) A significant deficiency in internal control over the major program was disclosed by the audit of the financial statements, but was not considered a material weakness.
- (e) An unqualified opinion was issued on compliance with requirements applicable to the major program.
- (f) The audit disclosed an audit finding which is required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) The major program was CFDA Number 66.458 – Capitalization Grants for Clean Water State Revolving Funds.
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) The City of Asbury did not qualify as a low-risk auditee.

Part II: Findings Related to the Financial Statements:

SIGNIFICANT DEFICIENCY/MATERIAL WEAKNESS

II-A-07 Preparation of Financial Statements –The City does not have an internal control system designed to provide for the preparation of the financial statements in accordance with generally accepted accounting principles. Therefore, as auditors, we were requested to draft the financial statements and accompanying notes to the financial statements. This circumstance is not unusual for a governmental entity similar to the City of Asbury. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Recommendation – We recognize that with a limited number of office employees, preparation of the financial statements is difficult. However, we recommend that City officials continue reviewing operating procedures in order to obtain the maximum internal control possible under the circumstances.

Response – The City will continue to review operating procedures and segregate employee duties to the extent financially feasible to maximize internal control. There will be no change until it is fiscally responsible to add additional staff.

Conclusion – Response accepted.

**CITY OF ASBURY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2007**

SIGNIFICANT DEFICIENCY

II-B-07 Segregation of Duties –During our review of internal controls, the existing procedures are evaluated in order to determine that incompatible duties, from a control standpoint, are not performed by the same employee. Over the past years, the City has implemented various procedures to enhance their internal controls. However, due to time and staffing constraints, the City is still unable to fully segregate receipt and posting functions, disbursement preparation and posting functions and reconciliation function from receipt and disbursement functions.

Recommendation – We recognize that with a limited number of office employees, segregation of duties is difficult. However, we recommend that City officials continue reviewing operating procedures in order to obtain the maximum internal control possible under the circumstances.

Response – The City will continue to review operating procedures and segregate employee duties to the extent financially feasible to maximize internal control. There will be no change until it is fiscally responsible to add additional staff.

Conclusion – Response accepted.

Part III: Findings and Questioned Costs for Federal Awards:

SIGNIFICANT DEFICIENCY

**CFDA Number: 66.458 – Capitalization Grants for Clean Water State Revolving Funds
Environmental Protection Agency
Passed Through the Iowa Department of Natural Resources
Grant Number: CS192274 02**

III-A-07 Segregation of Duties – Due to time and staffing constraints, the City is unable to fully segregate receipt and posting functions, disbursement preparation and posting functions and reconciliation function from receipt and disbursement functions. See Item II-B-07.

Part IV: Other Findings Related to Statutory Reporting:

IV-A-07 Certified Budget - Disbursements did not exceed budget for the year ended June 30, 2007, which is in compliance with Chapter 384.20 of the Code of Iowa.

IV-B-07 Questionable Disbursements - We noted no disbursements that fail to meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979.

IV-C-07 Travel Expense - No disbursements of City money for travel expenses of spouses of City officials or employees were noted.

CITY OF ASBURY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2007

Part IV: Other Findings Related to Statutory Reporting: (continued)

IV-D-07 Business Transactions - Business transactions between the City and City officials or employees are detailed as follows:

<u>Name, Title, and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Rick Anderson, Mayor, Owner of Car Wash	Use of Car Wash for City Vehicles	\$ 60

In accordance with Chapter 362.5(10) of the Code of Iowa, the transactions with the Mayor do not appear to represent a conflict of interest since total transactions were less than \$1,500 during the fiscal year.

IV-E-07 Bond Coverage - Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.

IV-F-07 Council Minutes – No transactions were found that we believe should have been approved in the Council minutes but were not.

IV-G-07 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City’s investment policy were noted.

IV-H-07 Economic Development – We noted no instances of non-compliance relating to appropriate expenditure of public funds in accordance with Chapter 15A of the Code of Iowa and an Attorney General’s opinion dated August 28, 1986.