

FINANCIAL STATEMENTS
JUNE 30, 2008

CITY OF ASBURY

CITY OF ASBURY

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CITY OF ASBURY OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Jim Adams	Mayor	January 2012
Deborah Roth	Mayor Pro tem	January 2010
Robert Reisch	Council Member	January 2010
Kate Perrin	Council Member	January 2010
Jamie Nedved	Council Member	January 2012
Andrew Kindle	Council Member	January 2012
Elizabeth Bonz	City Administrator, Clerk and Treasurer	Appointed
Doug Hummel	Deputy 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, 2008, 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, 2008, 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 November 26, 2008, 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 the Governmental Accounting Standards Board. 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 four years ended June 30, 2007, (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 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.

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

Dubuque, Iowa
November 26, 2008

**CITY OF ASBURY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008**

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, 2008. 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.

2008 Financial Highlights

Receipts of the City decreased 41.5%, or approximately \$2,776,000, from fiscal year 2007 to fiscal year 2008. The City received general obligation bond proceeds in the amount of \$800,000 for street improvements and revenue bond proceeds in the amount of \$1,977,055 in 2007. Property tax and tax increment financing increased approximately \$55,000.

Disbursements of the City's activities decreased 17.7%, or approximately \$870,000, from fiscal year 2007 to fiscal year 2008. Debt Service related to capital projects increased approximately \$64,000 related to streetscape improvements for the Asbury Road Sidewalk Project. Disbursements relating to Public Safety increased approximately \$103,000 for disbursements for the addition of a full time police officer and the purchase of two police vehicles. Public Works increased approximately \$118,500 for disbursements relating to snow removal and street maintenance. Culture and Recreation expenditures increased approximately \$40,000 for the purchase of land for recreational use. Governmental disbursements decreased approximately \$60,500 for legal services and wages. The increase in Capital Projects disbursements of approximately \$767,000 were for parking lot construction and grading for park expansion \$118,600; Asbury Sidewalk Project \$343,000; equipment purchases for new dump truck and tractor \$155,000; and expansion of the public works garage \$140,000. Disbursements for Business Type activities decreased approximately \$1,900,000 because of the completion of improvements to the wastewater treatment plant in 2007.

The City's total cash basis net assets decreased 1.7%, or approximately \$101,000, from June 2007 to June 2008. Of this amount, the assets of the governmental activities decreased approximately \$270,000, and the assets of the business-type activities increased approximately \$169,000.

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

Governmental Activities

For the year ended June 30, 2008, the City's governmental activities were funded as follows:

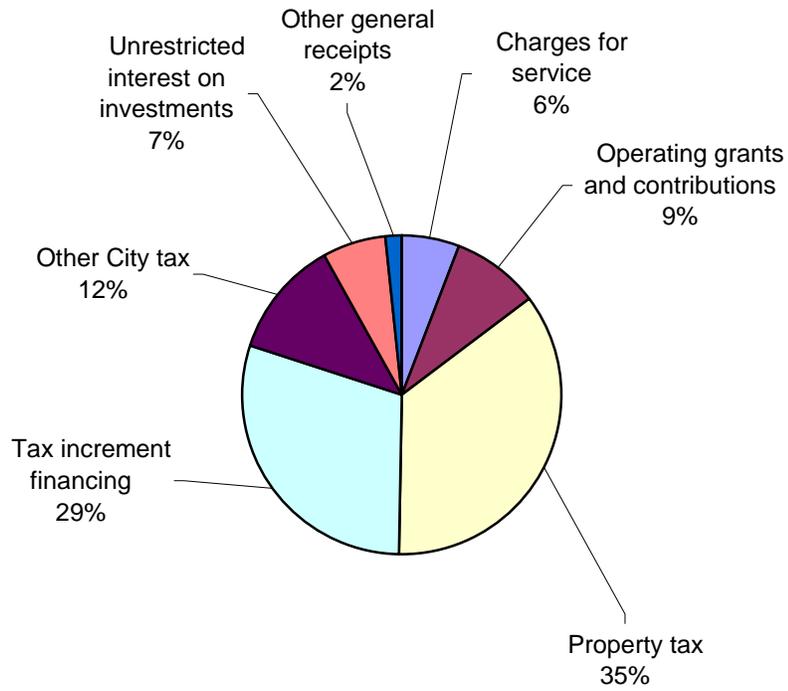
Receipts (including transfers) of the City's governmental activities decreased 22.51%, or approximately \$750,000, from fiscal year 2007 to fiscal year 2008. The City received bond proceeds in the amount of \$800,000 for street improvements and proceeds from the sale of property in the amount of \$108,000 in fiscal year 2007. Property tax and tax increment financing increased approximately \$55,000 because property valuations increased \$11,402,766.

Disbursements of the City's governmental activities increased 57.30%, or approximately \$1,040,000, from fiscal year 2007 to fiscal year 2008. Debt Service related to capital projects increased approximately \$64,000. Disbursements relating to Public Safety increased approximately \$103,000 for the hiring of an additional police officer and the purchase of two police vehicles. Public Works increased approximately \$118,500 for disbursements relating to snow removal and street maintenance. Culture and Recreation disbursements increased approximately \$40,000 for the purchase of additional park property. Governmental disbursements decreased approximately \$60,500 for legal services and wages. The increase in Capital Projects disbursements of approximately \$767,000 were for park expansion grading, entrance and parking lot \$118,600; Asbury Sidewalk Project \$343,000; equipment purchases of dump truck and tractor \$155,000; and the expansion of the public works garage \$140,000.

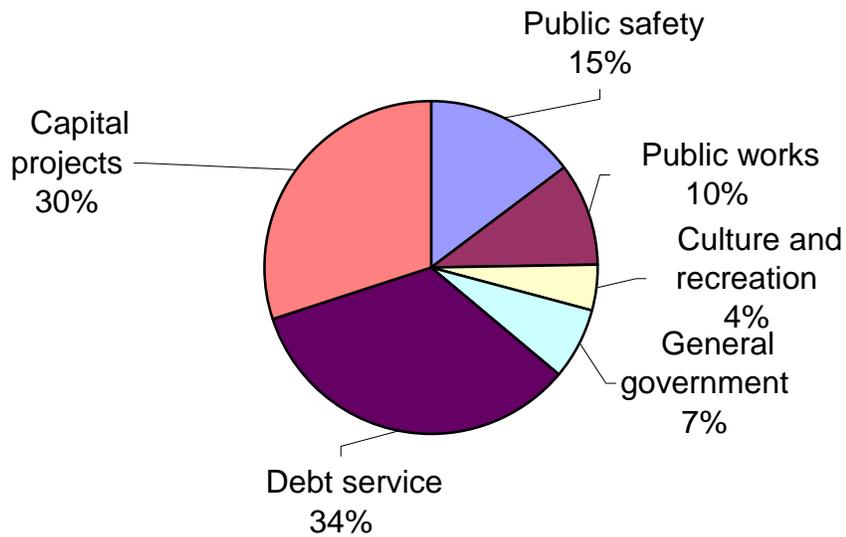
Changes in Cash Basis Net Assets of Governmental Activities

	Year Ended June 30,	
	2008	2007
Program receipts:		
Charges for service	\$ 144,152	\$ 149,429
Operating grants and contributions	215,712	204,196
Capital grants and contributions	1,976	11,180
General receipts:		
Property tax	874,744	749,292
Tax increment financing	727,701	798,308
Other City tax	287,944	279,948
Unrestricted interest on investments	160,180	172,745
Other general receipts	40,360	36,476
Bond proceeds	-	800,000
Sale of capital assets	-	107,950
Total receipts	<u>2,452,769</u>	<u>3,309,524</u>
Program disbursements:		
Public safety	413,991	311,126
Public works	286,422	167,845
Culture and recreation	127,492	84,965
Community and economic development	17,745	12,245
General government	193,480	254,068
Debt service	960,719	896,999
Capital projects	853,990	86,979
Total disbursements	<u>2,853,839</u>	<u>1,814,227</u>
Increase (decrease) in cash basis net assets before transfers	(401,070)	1,495,297
Transfers, net	131,209	25,000
Increase (decrease) in cash basis net assets	(269,861)	1,520,297
Cash basis net assets beginning of year	<u>3,640,131</u>	<u>2,119,834</u>
Cash basis net assets end of year	<u>\$ 3,370,270</u>	<u>\$ 3,640,131</u>

Receipts by Source



Disbursements by Function



Business-type Activities

For the year ended June 30, 2008, 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,	
	2008	2007
Receipts:		
Program receipts:		
Charges for service:		
Sewer utility	\$ 606,665	\$ 579,316
Solid waste	174,039	149,970
Water	583,686	560,621
Operating grants and contributions	3,412	16
General receipts:		
Unrestricted interest on investments	96,854	116,914
Bond proceeds	-	1,977,055
Total receipts	<u>1,464,656</u>	<u>3,383,892</u>
Program disbursements:		
Sewer utility	638,606	2,426,048
Solid waste	133,519	124,790
Water	<u>392,553</u>	<u>520,369</u>
Total disbursements	<u>1,164,678</u>	<u>3,071,207</u>
Increase in cash basis net assets before transfers	299,978	312,685
Transfers, net	<u>(131,209)</u>	<u>(25,000)</u>
Increase in cash basis net assets	168,769	287,685
Cash basis net assets beginning of year	<u>2,294,880</u>	<u>2,007,195</u>
Cash basis net assets end of year	<u>\$ 2,463,649</u>	<u>\$ 2,294,880</u>

Receipts of the City's business-type activities decreased 56.72%, or approximately \$1,920,000, from fiscal year 2007 to fiscal year 2008. Bond proceeds decreased 100.00%, or approximately \$1,980,000 for the completion of sewer utility improvements.

Disbursements for business-type activities decreased 62.08%, or approximately \$1,900,000. 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.

Individual Major Fund Analysis

As of June 30, 2008, the City had cash balances on hand of \$3,370,270 in governmental fund types and \$2,463,649 in business-type funds. The governmental fund type decreased \$269,861 and business fund types increased \$168,769, respectively, during fiscal year 2007-2008. The decrease in governmental funds on hand is for 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 projected for the purchase of The Meadows Golf Course and related operating revenue, interest income, and water and sewer charges. Disbursements were increased for the purchase of golf course property and operations.

For the year ended June 30, 2008, total actual receipts including other financing sources were \$4,213,000 under the final budget while total actual disbursements including other financing uses were \$5,068,000 under the final budget. The large difference for budgeted and actual expenditures occurred because the acquisition of the golf course property was delayed until a voter referendum could be held in July. The property was purchased in September 2008.

Debt Outstanding

As of year end, the City had \$8,177,000 debt outstanding compared to \$9,078,000 in 2007.

Outstanding Debt at Year-End

	June 30,	
	2008	2007
General obligation notes		
Street improvements	\$ 55,000	\$ 105,000
Park expansion	115,000	140,000
City hall	53,000	77,000
Street improvements	235,000	285,000
Water improvements	492,000	526,000
Water improvements	1,445,000	1,520,000
Sewer improvements	675,000	885,000
Water improvements	501,000	535,000
Sewer improvements	1,515,000	1,609,000
Sewer improvements	770,000	800,000
	<u>5,856,000</u>	<u>6,482,000</u>
Total general obligation notes		
Revenue notes		
Water improvements	480,000	540,000
Water improvements	-	85,000
Sewer improvements	1,841,000	1,971,000
Total revenue notes	<u>2,321,000</u>	<u>2,596,000</u>
Total general obligation and revenue notes	<u>\$ 8,177,000</u>	<u>\$ 9,078,000</u>

The City as of June 30, 2008 is at 58.2% of its bonding capacity. The City's outstanding general obligation debt limit was \$10,889,446.

Economic Factors

While property taxes are important to the City, they represent less than 41% of revenue sources excluding other financing sources. TIF revenues comprise 19% of property tax revenues. Charges for service comprise 34% 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, 2009, the City will expand recreational services which includes the purchase of an 18 hole golf course and clubhouse. 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 reappropriated funds to complete grading, entrance improvements and a parking lot for the new park development. Capital projects budgeted for next year include the land acquisition for right of way purchase, new equipment, and the continuation of sidewalk improvements along Asbury Road. Fiscal year 2008 improvements for Burr Oak, new city garage and equipment, reconstruction of the Radford Road Lift Station and an extension of sanitary sewer lines to a new residential development not completed in the prior year are reappropriated to 2009. These projects will be financed with a combination of general obligation debt and reserves for equipment replacement. While the City had a corporate tax levy of 10.30 in 2008 the Fiscal Year 2009 total corporate tax levy will again 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, 2008

	<u>Disbursements</u>	<u>Program Receipts</u>		
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Functions / Programs:				
Governmental activities:				
Public safety	\$ 413,991	\$ 90,916	\$ -	\$ -
Public works	286,422	-	209,898	-
Culture and recreation	127,492	7,280	5,814	-
Community and economic development	17,745	-	-	-
General government	193,480	45,956	-	-
Debt service	960,719	-	-	-
Capital projects	853,990	-	-	1,976
Total governmental activities	<u>2,853,839</u>	<u>144,152</u>	<u>215,712</u>	<u>1,976</u>
Business-type activities:				
Sewer utility	638,606	606,665	-	-
Solid waste	133,519	174,039	-	-
Water	392,553	583,686	3,412	-
Total business-type activities	<u>1,164,678</u>	<u>1,364,390</u>	<u>3,412</u>	<u>-</u>
Total	<u>\$ 4,018,517</u>	<u>\$ 1,508,542</u>	<u>\$ 219,124</u>	<u>\$ 1,976</u>

General Receipts:

Property tax levied for:
 General purposes
 Tax increment financing
 Debt service
 Other City tax
 Unrestricted interest on investments
 Miscellaneous
 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
 Unrestricted

Total cash basis net assets

See notes to financial statements

Net (Disbursements) Receipts and Changes in Cash Basis Net Assets		
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (323,075)	\$ -	\$ (323,075)
(76,524)	-	(76,524)
(114,398)	-	(114,398)
(17,745)	-	(17,745)
(147,524)	-	(147,524)
(960,719)	-	(960,719)
(852,014)	-	(852,014)
<u>(2,491,999)</u>	<u>-</u>	<u>(2,491,999)</u>
-	(31,941)	(31,941)
-	40,520	40,520
-	194,545	194,545
<u>-</u>	<u>203,124</u>	<u>203,124</u>
<u>(2,491,999)</u>	<u>203,124</u>	<u>(2,288,875)</u>
683,985	-	683,985
727,701	-	727,701
190,759	-	190,759
287,944	-	287,944
160,180	96,854	257,034
40,360	-	40,360
131,209	(131,209)	-
<u>2,222,138</u>	<u>(34,355)</u>	<u>2,187,783</u>
(269,861)	168,769	(101,092)
<u>3,640,131</u>	<u>2,294,880</u>	<u>5,935,011</u>
<u>\$ 3,370,270</u>	<u>\$ 2,463,649</u>	<u>\$ 5,833,919</u>
\$ 581,831	\$ -	\$ 581,831
850,971	93,671	944,642
17,364	-	17,364
314,763	-	314,763
<u>1,605,341</u>	<u>2,369,978</u>	<u>3,975,319</u>
<u>\$ 3,370,270</u>	<u>\$ 2,463,649</u>	<u>\$ 5,833,919</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, 2008

	General	Special Revenue		
		Road Use Tax	Local Option Sales Tax	Tax Increment Financing
Receipts:				
Property tax	\$ 654,829	\$ -	\$ -	\$ -
Tax increment financing	-	-	-	727,701
Other City tax	-	-	287,944	-
Licenses and permits	120,056	-	-	-
Use of money and property	81,785	-	13,432	12,370
Intergovernmental	1,089	209,898	-	-
Charges for service	7,280	-	-	-
Miscellaneous	57,176	-	-	-
Total receipts	<u>922,215</u>	<u>209,898</u>	<u>301,376</u>	<u>740,071</u>
Disbursements:				
Operating:				
Public safety	413,991	-	-	-
Public works	161,565	124,857	-	-
Culture and recreation	127,382	-	-	-
Community and economic development	15,365	-	-	-
General government	193,480	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Total disbursements	<u>911,783</u>	<u>124,857</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over (under) disbursements	<u>10,432</u>	<u>85,041</u>	<u>301,376</u>	<u>740,071</u>
Other financing sources (uses):				
Transfers in	166,000	-	-	-
Transfers out	(293,125)	(81,691)	(246,096)	(785,723)
Total other financing sources (uses)	<u>(127,125)</u>	<u>(81,691)</u>	<u>(246,096)</u>	<u>(785,723)</u>
Net change in cash balances	(116,693)	3,350	55,280	(45,652)
Cash balances beginning of year	<u>1,514,566</u>	<u>578,481</u>	<u>256,526</u>	<u>45,652</u>
Cash balances end of year	<u>\$ 1,397,873</u>	<u>\$ 581,831</u>	<u>\$ 311,806</u>	<u>\$ -</u>
Cash Basis Fund Balances				
Reserved:				
Debt service	\$ -	\$ -	\$ -	\$ -
Unreserved, designated:				
Equipment purchases	298,331	131,306	98,481	-
Unreserved, undesignated:				
General fund	1,099,542	-	-	-
Special revenue funds	-	450,525	213,325	-
Capital projects fund	-	-	-	-
Total cash basis fund balances	<u>\$ 1,397,873</u>	<u>\$ 581,831</u>	<u>\$ 311,806</u>	<u>\$ -</u>

See notes to financial statements.

<u>Capital Projects</u>		<u>Other</u>	
<u>Asbury</u>	<u>Debt</u>	<u>Nonmajor</u>	<u>Total</u>
<u>Walking</u>	<u>Service</u>	<u>Governmental</u>	
<u>Trail</u>		<u>Funds</u>	
\$ -	\$ 190,759	\$ 29,156	\$ 874,744
-	-	-	727,701
-	-	-	287,944
-	-	-	120,056
15,966	2,193	34,434	160,180
-	-	-	210,987
-	-	-	7,280
-	-	6,701	63,877
<u>15,966</u>	<u>192,952</u>	<u>70,291</u>	<u>2,452,769</u>
-	-	-	413,991
-	-	-	286,422
-	-	110	127,492
-	-	2,380	17,745
-	-	-	193,480
-	960,719	-	960,719
<u>267,965</u>	<u>-</u>	<u>586,025</u>	<u>853,990</u>
<u>267,965</u>	<u>960,719</u>	<u>588,515</u>	<u>2,853,839</u>
<u>(251,999)</u>	<u>(767,767)</u>	<u>(518,224)</u>	<u>(401,070)</u>
-	770,591	712,747	1,649,338
-	-	(111,494)	(1,518,129)
-	<u>770,591</u>	<u>601,253</u>	<u>131,209</u>
(251,999)	2,824	83,029	(269,861)
<u>446,842</u>	<u>14,540</u>	<u>783,524</u>	<u>3,640,131</u>
<u>\$ 194,843</u>	<u>\$ 17,364</u>	<u>\$ 866,553</u>	<u>\$ 3,370,270</u>
\$ -	\$ 17,364	\$ -	\$ 17,364
-	-	-	528,118
-	-	-	1,099,542
-	-	210,426	874,276
<u>194,843</u>	<u>-</u>	<u>656,127</u>	<u>850,970</u>
<u>\$ 194,843</u>	<u>\$ 17,364</u>	<u>\$ 866,553</u>	<u>\$ 3,370,270</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, 2008**

	Enterprise Funds			
	Sewer Utility	Water	Nonmajor Solid Waste	Total
Operating receipts:				
Use of money and property	\$ 65,475	\$ 28,200	\$ 3,179	\$ 96,854
Charges for service	606,664	583,686	174,040	1,364,390
Miscellaneous	-	3,412	-	3,412
Total operating receipts	<u>672,139</u>	<u>615,298</u>	<u>177,219</u>	<u>1,464,656</u>
Operating disbursements:				
Business-type activities:				
Salaries and wages	68,692	58,459	11,841	138,992
Employee benefits and costs	22,163	19,075	3,754	44,992
Staff development	399	2,496	-	2,895
Repair, maintenance, and utilities	105,510	52,433	-	157,943
Contractual services	30,492	87,548	115,486	233,526
Commodities	9,277	20,166	2,087	31,530
Capital outlay	208,045	65,432	351	273,828
Total operating disbursements	<u>444,578</u>	<u>305,609</u>	<u>133,519</u>	<u>883,706</u>
Excess of operating receipts over operating disbursements	227,561	309,689	43,700	580,950
Non-operating disbursements:				
Debt service	<u>(194,028)</u>	<u>(86,944)</u>	<u>-</u>	<u>(280,972)</u>
Excess of receipts over disbursements	<u>33,533</u>	<u>222,745</u>	<u>43,700</u>	<u>299,978</u>
Transfers in	42,630	-	-	42,630
Transfers out	<u>(100,371)</u>	<u>(73,000)</u>	<u>(468)</u>	<u>(173,839)</u>
Transfers, net	<u>(57,741)</u>	<u>(73,000)</u>	<u>(468)</u>	<u>(131,209)</u>
Net change in cash balances	(24,208)	149,745	43,232	168,769
Cash balances beginning of year	<u>1,595,522</u>	<u>617,664</u>	<u>81,694</u>	<u>2,294,880</u>
Cash balances end of year	<u>\$ 1,571,314</u>	<u>\$ 767,409</u>	<u>\$ 124,926</u>	<u>\$ 2,463,649</u>
Cash Basis Fund Balances				
Reserved for capital projects	\$ 366,328	\$ 116,452	\$ 7,484	\$ 490,264
Unreserved	<u>1,204,986</u>	<u>650,957</u>	<u>117,442</u>	<u>1,973,385</u>
Total cash basis fund balances	<u>\$ 1,571,314</u>	<u>\$ 767,409</u>	<u>\$ 124,926</u>	<u>\$ 2,463,649</u>

CITY OF ASBURY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

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, 2008, 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, 2008, 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, 2008.

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
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>\$ 5,856,000</u>	<u>\$ 1,209,362</u>	<u>\$ 2,321,000</u>	<u>\$ 531,420</u>	<u>\$ 8,177,000</u>	<u>\$ 1,740,782</u>

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

NOTE 4 – 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.

Most regular plan members are required to contribute 3.90% of their annual covered salary, and the City is required to contribute 6.05% 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, 2008, 2007, and 2006, were \$27,220 \$24,504, and \$23,238, respectively, equal to the required contributions for each year.

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – 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, 2008, primarily relating to the General Fund, is as follows:

<u>Type of Benefit</u>	<u>Amount</u>
Vacation	<u>\$ 4,230</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, 2008.

NOTE 6 – INTERFUND TRANSFERS

The detail of interfund transfers for the year ended June 30, 2008, is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
General	Special Revenue:	
	Local Option Sales Tax	\$ 137,007
	Nonmajor Governmental Funds	<u>28,993</u>
		<u>166,000</u>
Debt Service	Special Revenue:	
	Tax Increment Financing	706,761
	Local Option Sales Tax	<u>63,830</u>
		<u>770,591</u>
Nonmajor Governmental Funds	General	293,125
	Special Revenue:	
	Road Use Tax	81,691
	Local Option Sales Tax	45,259
	Tax Increment Financing	78,962
	Nonmajor Governmental Funds	39,871
	Enterprise:	
	Sewer Utility	100,371
	Water	73,000
	Nonmajor Enterprise Fund - Solid Waste	<u>468</u>
		<u>712,747</u>
Sewer Utility	Nonmajor Governmental Funds	<u>42,630</u>
Total		<u>\$ 1,691,968</u>

(continued on next page)

NOTES TO FINANCIAL STATEMENTS

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

NOTE 7 – 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 8 – COMMITMENTS AND CONTINGENCY

The City has active construction projects as of June 30, 2008. 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>
Burr Oak Street Improvement	\$ 436,494	\$ -	\$ 436,494
Asbury Road Sidewalk Project	472,925	201,831	271,094
Buechele Park Grading	103,110	47,470	55,640
Buechele Park Entrance	121,011	32,731	88,280
Maintenance Garage	163,048	139,263	23,785
Burdts Sanitary Sewer	26,560	20,832	5,728
Radford Road Lift Station	<u>204,291</u>	<u>20,668</u>	<u>183,623</u>
	<u>\$ 1,527,439</u>	<u>\$ 462,795</u>	<u>\$ 1,064,644</u>

NOTE 9 – 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, 2008, there were three series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$6,059,118.

NOTE 10 – 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.

(continued on next page)

NOTES TO FINANCIAL STATEMENTS

NOTE 11 – SUBSEQUENT EVENT

During fiscal year 2008, the City entered into a contract to purchase The Meadows Golf Course for a purchase price of \$2,950,000. The pending purchase was voted upon and passed, exceeding a 60% majority on July 15, 2008. On September 1, 2008, the government issued of \$3,100,000 million dollars of General Obligation bonds to finance the purchase. The interest rates on the bonds range from 3.5 to 4.9 percent, and the maturity date is June 1, 2028.

NOTE 12 – PROSPECTIVE ACCOUNTING CHANGE

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

Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, issued April 2004, will be effective 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 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 in the financial reports of state and local governmental employers.

Statement No. 47, *Accounting for Termination Benefits*, issued June 2005, establishes accounting standards for termination benefits. For termination benefits provided through an existing defined benefit OPEB plan, the provisions of this statement should be implemented simultaneously with the requirements of Statement No. 45. For all other termination benefits, this statement is effective for the fiscal year ended June 30, 2006.

Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, issued November 2006, will be effective 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.

Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, issued June 2007, will be effective for the fiscal year ending June 30, 2010. This Statement requires that all intangible assets not specifically excluded by its scope be classified as capital assets.

Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, issued November 2007, will be effective for the fiscal year ending June 30, 2009. This Statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities.

Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, issued June 2008, will be effective for the fiscal year ending June 30, 2010. This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments.

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, 2008

	Governmental Funds <u>Actual</u>	Proprietary Funds <u>Actual</u>	Total <u>Actual</u>
Receipts:			
Property tax	\$ 874,744	\$ -	\$ 874,744
Tax increment financing	727,701	-	727,701
Other City tax	287,944	-	287,944
Licenses and permits	120,056	-	120,056
Use of money and property	160,180	96,854	257,034
Intergovernmental	210,987	-	210,987
Charges for service	7,280	1,364,390	1,371,670
Special assessments	-	-	-
Miscellaneous	63,877	3,412	67,289
Total receipts	<u>2,452,769</u>	<u>1,464,656</u>	<u>3,917,425</u>
Disbursements:			
Public safety	413,991	-	413,991
Public works	286,422	-	286,422
Culture and recreation	127,492	-	127,492
Community and economic development	17,745	-	17,745
General government	193,480	-	193,480
Debt service	960,719	-	960,719
Capital projects	853,990	-	853,990
Business-type activities	-	1,164,678	1,164,678
Total disbursements	<u>2,853,839</u>	<u>1,164,678</u>	<u>4,018,517</u>
Excess (deficiency) of receipts over (under) disbursements	(401,070)	299,978	(101,092)
Total other financing sources (uses)	<u>131,209</u>	<u>(131,209)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(269,861)	168,769	(101,092)
Balances beginning of year	<u>3,640,131</u>	<u>2,294,880</u>	<u>5,935,011</u>
Balances end of year	<u>\$ 3,370,270</u>	<u>\$ 2,463,649</u>	<u>\$ 5,833,919</u>

<u>Budgeted Amounts</u>		Final to Actual Variance- Positive <u>(Negative)</u>
<u>Original</u>	<u>Final</u>	
\$ 867,266	\$ 867,266	\$ 7,478
787,689	787,689	(59,988)
255,356	255,356	32,588
110,703	110,703	9,353
100,200	100,200	156,834
676,360	676,360	(465,373)
1,211,357	1,302,657	69,013
84,611	84,611	(84,611)
25,000	25,000	42,289
<u>4,118,542</u>	<u>4,209,842</u>	<u>(292,417)</u>
483,684	483,684	69,693
304,151	373,746	87,324
129,055	260,355	132,863
8,725	20,878	3,133
300,986	250,986	57,506
963,352	963,352	2,633
1,996,148	5,248,023	4,394,033
<u>1,266,715</u>	<u>1,485,967</u>	<u>321,289</u>
<u>5,452,816</u>	<u>9,086,991</u>	<u>5,068,474</u>
(1,334,274)	(4,877,149)	4,776,057
<u>821,364</u>	<u>3,921,364</u>	<u>(3,921,364)</u>
(512,910)	(955,785)	854,693
<u>4,247,246</u>	<u>5,935,011</u>	<u>-</u>
<u>\$ 3,734,336</u>	<u>\$ 4,979,226</u>	<u>\$ 854,693</u>

CITY OF ASBURY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY
REPORTING
JUNE 30, 2008

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 Fund, 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 \$3,634,175. This budget amendment is reflected in the final budgeted amounts.

During the year ended June 30, 2008, 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, 2008

	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	2,612	4,334	-	6,617	11,837
Miscellaneous	-	-	-	1,976	-
Total receipts	<u>2,612</u>	<u>4,334</u>	<u>-</u>	<u>8,593</u>	<u>11,837</u>
Disbursements:					
Operating:					
Culture and recreation	-	-	-	-	-
Community and economic development	-	-	-	-	-
Capital projects	-	-	30,742	122,494	1,703
Total disbursements	<u>-</u>	<u>-</u>	<u>30,742</u>	<u>122,494</u>	<u>1,703</u>
Excess (deficiency) of receipts over (under) disbursements	<u>2,612</u>	<u>4,334</u>	<u>(30,742)</u>	<u>(113,901)</u>	<u>10,134</u>
Other financing sources (uses):					
Transfers in	-	-	30,794	140,000	-
Transfers out	-	(9,077)	-	-	(30,794)
Total other financing sources (uses)	<u>-</u>	<u>(9,077)</u>	<u>30,794</u>	<u>140,000</u>	<u>(30,794)</u>
Net change in cash balances	2,612	(4,743)	52	26,099	(20,660)
Cash balances beginning of year	<u>85,526</u>	<u>94,914</u>	<u>(52)</u>	<u>123,674</u>	<u>298,832</u>
Cash balances end of year	<u>\$ 88,138</u>	<u>\$ 90,171</u>	<u>\$ -</u>	<u>\$ 149,773</u>	<u>\$ 278,172</u>
Cash Basis Fund Balances					
Unreserved:					
Special revenue funds	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects fund	<u>88,138</u>	<u>90,171</u>	<u>-</u>	<u>149,773</u>	<u>278,172</u>
Total cash basis fund balances	<u>\$ 88,138</u>	<u>\$ 90,171</u>	<u>\$ -</u>	<u>\$ 149,773</u>	<u>\$ 278,172</u>

Capital Projects (Cont.)			Special Revenue					
Dump Truck Fund	Sidewalk Assessment Fund	Public Works Garage	Special Levies	Trail Contribution	Low Moderate Income	K-9 Fund	Total	
\$ -	\$ -	\$ -	\$ 29,156	\$ -	\$ -	\$ -	\$ 29,156	
-	-	2,338	-	-	6,696	-	34,434	
-	-	-	-	-	-	4,725	6,701	
-	-	2,338	29,156	-	6,696	4,725	70,291	
-	-	-	-	110	-	-	110	
-	-	-	-	-	2,380	-	2,380	
154,789	101,019	175,278	-	-	-	-	586,025	
154,789	101,019	175,278	-	110	2,380	-	588,515	
(154,789)	(101,019)	(172,940)	29,156	(110)	4,316	4,725	(518,224)	
154,789	109,202	199,000	-	-	78,962	-	712,747	
-	-	-	(28,993)	-	(42,630)	-	(111,494)	
154,789	109,202	199,000	(28,993)	-	36,332	-	601,253	
-	8,183	26,060	163	(110)	40,648	4,725	83,029	
-	(7,896)	23,526	1,675	1,229	162,096	-	783,524	
\$ -	\$ 287	\$ 49,586	\$ 1,838	\$ 1,119	\$ 202,744	\$ 4,725	\$ 866,553	
\$ -	\$ -	\$ -	\$ 1,838	\$ 1,119	\$ 202,744	\$ 4,725	\$ 210,426	
-	287	49,586	-	-	-	-	656,127	
\$ -	\$ 287	\$ 49,586	\$ 1,838	\$ 1,119	\$ 202,744	\$ 4,725	\$ 866,553	

CITY OF ASBURY
SCHEDULE OF INDEBTEDNESS
YEAR ENDED JUNE 30, 2008

Obligation	Date of Issue	Interest Rates	Amount Originally Issued
General Obligation Notes:			
1999 Street improvements	6/1/1999	4.90%	\$ 430,000
2000 Park expansion	4/1/2000	5.55-5.80	280,000
2000 City hall	8/15/2000	6.50	207,000
2001 Street improvements	7/1/2001	4.60-4.90	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	3.05-3.45	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>
\$ 105,000	\$ -	\$ 50,000	\$ 55,000	\$ 5,095	\$ -
140,000	-	25,000	115,000	7,908	-
77,000	-	24,000	53,000	3,850	-
285,000	-	50,000	235,000	13,430	-
526,000	-	34,000	492,000	15,780	-
1,520,000	-	75,000	1,445,000	45,600	-
885,000	-	210,000	675,000	27,838	-
535,000	-	34,000	501,000	16,050	-
1,609,000	-	94,000	1,515,000	48,270	-
<u>800,000</u>	<u>-</u>	<u>30,000</u>	<u>770,000</u>	<u>43,322</u>	<u>-</u>
<u>6,482,000</u>	<u>-</u>	<u>626,000</u>	<u>5,856,000</u>	<u>227,143</u>	<u>-</u>
540,000	-	60,000	480,000	35,100	-
85,000	-	85,000	-	1,913	-
<u>1,971,000</u>	<u>-</u>	<u>130,000</u>	<u>1,841,000</u>	<u>59,130</u>	<u>-</u>
<u>2,596,000</u>	<u>-</u>	<u>275,000</u>	<u>2,321,000</u>	<u>96,143</u>	<u>-</u>
<u>\$ 9,078,000</u>	<u>\$ -</u>	<u>\$ 901,000</u>	<u>\$ 8,177,000</u>	<u>\$ 323,286</u>	<u>\$ -</u>

CITY OF ASBURY
NOTE MATURITIES
JUNE 30, 2008

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
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>\$ 55,000</u>		<u>\$ 115,000</u>		<u>\$ 53,000</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
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>\$ 235,000</u>		<u>\$ 492,000</u>		<u>\$ 1,445,000</u>

(continued)

CITY OF ASBURY
NOTE MATURITIES
JUNE 30, 2008

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
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>\$ 675,000</u>		<u>\$ 501,000</u>		<u>\$ 1,515,000</u>

General Obligation Notes			
Year Ending June 30,	Street Improvement Note		Total
	Issued February 15, 2007		
	Interest Rates	Amount	
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>\$ 770,000</u>	<u>\$ 5,856,000</u>

(continued)

CITY OF ASBURY
NOTE MATURITIES
JUNE 30, 2008

Schedule 3
(continued)

Year Ending June 30,	Revenue Notes					Total
	Water Improvement Note		Sewer Improvement Note			
	Issued May 1, 2001		Issued June 1, 2006			
	Interest Rates	Amount	Interest Rates	Amount		
2009	6.25	\$ 60,000	3.00	\$ 132,000	\$ 192,000	
2010	6.25	60,000	3.00	134,000	194,000	
2011	6.25	60,000	3.00	136,000	196,000	
2012	6.25	60,000	3.00	138,000	198,000	
2013	6.25	60,000	3.00	140,000	200,000	
2014	6.25	60,000	3.00	143,000	203,000	
2015	6.25	60,000	3.00	145,000	205,000	
2016	6.25	60,000	3.00	147,000	207,000	
2017	-	-	3.00	149,000	149,000	
2018	-	-	3.00	151,000	151,000	
2019	-	-	3.00	154,000	154,000	
2020	-	-	3.00	156,000	156,000	
2021	-	-	3.00	116,000	116,000	
		<u>\$ 480,000</u>		<u>\$ 1,841,000</u>	<u>\$ 2,321,000</u>	

CITY OF ASBURY
SCHEDULE OF RECEIPTS BY SOURCE AND DISBURSEMENTS BY FUNCTION
ALL GOVERNMENTAL FUND TYPES
FOR THE LAST FIVE YEARS

Schedule 4

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004(1)</u>
Receipts:					
Property tax	\$ 874,744	\$ 749,292	\$ 698,113	\$ 640,926	\$ 532,391
Tax increment financing	727,701	798,308	781,591	643,685	373,198
Other City tax	287,944	279,948	260,615	252,359	262,832
Licenses and permits	120,056	127,193	139,115	137,426	126,610
Use of money and property	160,180	172,745	100,468	42,971	27,890
Intergovernmental	210,987	215,376	205,127	216,003	239,081
Charges for service	7,280	6,944	9,129	9,011	8,161
Special assessments	-	-	-	-	9,873
Miscellaneous	63,877	51,768	60,272	48,962	46,394
Total receipts	<u>\$ 2,452,769</u>	<u>\$ 2,401,574</u>	<u>\$ 2,254,430</u>	<u>\$ 1,991,343</u>	<u>\$ 1,626,430</u>
Disbursements:					
Operating:					
Public safety	\$ 413,991	\$ 311,126	\$ 322,405	\$ 277,912	\$ 272,199
Public works	286,422	167,845	260,239	152,003	243,126
Culture and recreation	127,492	84,965	101,733	73,876	71,435
Community and economic development	17,745	12,245	2,597	4,501	4,948
General government	193,480	254,068	306,853	287,928	287,549
Debt service	960,719	896,999	753,351	492,174	425,181
Capital projects	853,990	86,979	33,391	-	736,904
Total disbursements	<u>\$ 2,853,839</u>	<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, 2008, which collectively comprise the City's basic financial statements listed in the table of contents and have issued our report thereon dated November 26, 2008. 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 U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 another deficiency we consider to be a material weakness.

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 I of the accompanying Schedule of Findings and Responses 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.

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 I-A-08 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*. However, we noted a certain immaterial instance of non-compliance or other matters that is described in Part II of the accompanying Schedule of Findings and Responses.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2008, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. 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 November 26, 2008.

The City's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Responses. 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
November 26, 2008

CITY OF ASBURY
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2008

Part I: Findings Related to the Financial Statements:

MATERIAL WEAKNESS

I-A-08 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.

SIGNIFICANT DEFICIENCY

I-B-08 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.

CITY OF ASBURY
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2008

Part II: Other Findings Related to Statutory Reporting:

- II-A-08 Certified Budget – Disbursements during the year exceeded budget before an amendment was passed. Chapter 384.20 of the Code of Iowa states in part, “Public monies may not be expended or encumbered except under an annual or continuing appropriation.”
- Recommendation – The budget should have been amended in accordance with Chapter 384.18 of the Code of Iowa before disbursements were allowed to exceed the budget.
- Response – The budget will be amended in the future, if applicable.
- Conclusion – Response accepted.
- II-B-08 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.
- II-C-08 Travel Expense – No disbursements of City money for travel expenses of spouses of City officials or employees were noted.
- II-D-08 Business Transactions – No business transactions between the City and City officials or employees were noted.
- II-E-08 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.
- II-F-08 Council Minutes – No transactions were found that we believe should have been approved in the Council minutes but were not.
- II-G-08 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.
- II-H-08 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.



CPAs & BUSINESS ADVISORS

To the Honorable Mayor and
Members of the City Council
City of Asbury
Asbury, Iowa

We have audited the financial statements of the governmental activities, business type activities, each major fund, and the aggregate remaining fund information of the City of Asbury, Iowa, for the year ended June 30, 2008, and have issued our report thereon dated November 26, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibilities Under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter dated May 5, 2008, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the City of Asbury. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on May 19, 2008, in addition to our engagement letter.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Asbury, Iowa, are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year ended June 30, 2008. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

The disclosures in the financial statements are neutral, consistent, and clear.

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To the Honorable Mayor and
Members of the City Council
City of Asbury
Page 2

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We noted no such misstatements during the course of our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 26, 2008.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Comments

We have included additional comments regarding the financial statements and operations. These comments are not a result of in-depth study of any specific areas but are based on observations made during the course of our audit.

To the Honorable Mayor and
Members of the City Council
City of Asbury
Page 3

This information is intended solely for the use of the officials, employees, and citizens of the City of Asbury and is not intended to be and should not be used by anyone other than these specified parties.

As always, we will be happy to discuss these or any other topics at your convenience.

Sincerely,

EIDE BAILLY LLP
CPAs & Business Advisors

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

Dubuque, Iowa
November 26, 2008

CITY OF ASBURY

YEAR ENDED JUNE 30, 2008
OTHER COMMENTS

Journal Entry Procedures

Currently, there is no formal process for the preparation, approval, and posting of journal entries. We recommend that procedures be created that include the review and approval of journal entries by the City Administrator to ensure the proper recording of funds.

GASB 43

The Governmental Accounting Standards Board has issued statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, issued April 2004, will be effective 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.

GASB 45

The Governmental Accounting Standards Board has issued statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, issued June 2004, will be effective 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 in the financial reports of state and local governmental employers.

GASB 47

The Governmental Accounting Standards Board has issued statement No. 47, *Accounting for Termination Benefits*, issued June 2005, establishes accounting standards for termination benefits. For termination benefits provided through an existing defined benefit OPEB plan, the provisions of this statement should be implemented simultaneously with the requirements of Statement No. 45. For all other termination benefits, this statement is effective for the fiscal year ended June 30, 2006.

GASB 49

The Governmental Accounting Standards Board has issued statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, issued November 2006, will be effective 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.

GASB 51

The Governmental Accounting Standards Board has issued statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, issued June 2007, will be effective for the fiscal year ending June 30, 2010. This statement requires that all intangible assets not specifically excluded by its scope be classified as capital assets.

CITY OF ASBURY

YEAR ENDED JUNE 30, 2008
OTHER COMMENTS

GASB 52

The Governmental Accounting Standards Board has issued statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, issued November 2007, will be effective for the fiscal year ending June 30, 2009. This statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities.

GASB 53

The Governmental Accounting Standards Board has issued statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, issued June 2008, will be effective for the fiscal year ending June 30, 2010. This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments.