

CITY OF WILLIAMSBURG, IOWA  
INDEPENDENT AUDITOR'S REPORTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
SCHEDULE OF FINDINGS

JUNE 30, 2009

CITY OF WILLIAMSBURG, IOWA  
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CITY OF WILLIAMSBURG, IOWA  
OFFICIALS  
June 30, 2009

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Frank Murphy	Mayor	January, 2010
Don Kirkpatrick	Mayor Pro tem	January, 2012
Theresa Phillips	Council Member	January, 2012
Marcia Greiner	Council Member	January, 2010
Tom McAreavy	Council Member	January, 2010
Paul Lortz (Resigned July, 2008)	Council Member	
Adam Grier (Appointed August, 2008)	Council Member	January, 2012
Jenifer Mein	Clerk/Administration Treasurer	Appointed
Eric Tindal	Attorney	Appointed

# Gronewold, Bell, Kyhnn & Co. P.C.

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## 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 Williamsburg, Iowa, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements listed in the table of contents. These financial statements are the responsibility of city officials. Our responsibility is to express opinions on these financial statements based on our audit.

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

As explained in Note 1, the operating activity of one component unit is excluded from these financial statements. In our opinion, accounting principles generally accepted in the United States of America require that such entities be blended with these financial statements.

In our opinion, except for the effects of the exclusion of the component unit required to be included, as discussed in the preceding paragraph, 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 Williamsburg as of June 30, 2009, 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.

To the Honorable Mayor and  
Members of the City Council

In accordance with Government Auditing Standards, we have also issued our report dated December 23, 2009 on our consideration of the City of Williamsburg'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 and budgetary comparison information on pages 4 through 4f and 19 through 20 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise City of Williamsburg'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, 2008 (none of which are presented herein) and expressed qualified opinions on the 2008 and 2007 financial statements and unqualified opinions on the 2006 financial statements, which were prepared in conformity with an other comprehensive basis of accounting. The financial statements for the year ended June 30, 2005 (none of which are presented herein), were audited by other auditors whose reports expressed unqualified opinions on those financial statements which were prepared in conformity with an other comprehensive basis of accounting. The supplementary information included in Schedules 1 through 6, 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.

*Gammahl, Bell, Kyhan & Co., P.C.*

Atlantic, Iowa  
December 23, 2009

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# City of Williamsburg

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the City of Williamsburg's financial performance is an overview of the City's financial activities for the fiscal year, which ended June 30, 2009. Readers should consider this information in conjunction with the City's financial statements, which follow.

### **2009 FINANCIAL HIGHLIGHTS**

\*Revenues of the City increased approximately 1,164,000 from fiscal year 2008 to 2009.

The city received \$750,000 general obligation refunding bonds to pay off the 2001, 2002, and 2004 bonds. The city also received \$1,675,000 general obligation corporate purpose bonds for capital improvement projects. The city also received funds for storm damage.

\*Disbursements of the City increased approximately \$3,884,000 from fiscal year 2008 to 2009. The city had several capital improvement projects for fiscal year 2009: school utilities project, north Highland repaving, north trunk sewer project, and the child development center.

### **USING THIS ANNUAL REPORT**

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

Management's Discussion and Analysis shows basic financial statement and an overview of cash receipts and disbursements. The cash basis of accounting does not take into consideration accounts receivable or accounts payable.

The government-wide financial statement consists of a statement of activities and net assets. This statement includes 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 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 U.S. generally accepted accounting principles. 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.

## **REPORTING THE CITY'S FINANCIAL ACTIVITIES**

### *Government-wide Financial Statement*

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 declining.

The Statement of Activities and Net Assets is divided into two kinds of activities:

- ❖ Governmental Activities include public safety, public works, health and social services, culture and recreation, general government, debt service, and capital projects. These activities are financed mainly by property taxes and state/federal grants.
- ❖ Business Type Activities include the water system and the sanitary sewer system. Fees charged to the users finance these activities.

### *Fund Financial Statements*

The City has two kinds of funds:

1. Governmental funds account for most of the City's basic services. These focus on how money flows into and out of those funds, and the balances at year-end that are available for spending. The governmental funds include: 1) the General Fund, 2) the Special Revenue Funds, such as Road Use Tax, Local Option Sales Tax, and Urban Renewal Tax Increment, 3) the Debt Service Fund, and 4) the Capital Projects Fund. The governmental fund financial statements provide a detailed, short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

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

2. Proprietary funds account for the City's Enterprise Funds. Enterprise funds are used to report business type activities. The City maintains two Enterprise Funds to provide separate information for the water and sewer funds, considered to be major funds of the City.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of financial position. The city's cash balance for governmental activities decreased from \$4,910,564 to \$4,196,960 from a year ago. The Williamsburg Library Foundation was consolidated with the City for 2009. The Foundation's beginning cash balance was \$187,883. The analysis focuses on the changes in cash balances for governmental activities.

Changes in Cash Basis Net Assets of Governmental Activities

	<u>Year ended June 30,</u>	
	<u>2008</u>	<u>2009</u>
Receipts and transfers		
Program receipts		
Charges for services	\$ 543,457	\$ 300,475
Operating grants, contributions	616,907	364,242
Capital grants contributions	41,051	210,161
General receipts:		
Property tax	518,471	584,209
Local Option Sales tax	313,136	325,820
Hotel/Motel tax	92,919	96,226
TIF revenues	1,563,029	1,631,084
Debt service property tax	74,652	203,164
Bond proceeds	1,632,613	3,044,679
Other General receipts	461,978	282,792
Transfers	<u>2,826,080</u>	<u>2,725,203</u>
Total receipts and transfers	<u>8,684,293</u>	<u>9,768,055</u>
Disbursements and transfers		
Public safety	557,288	597,270
Public works	393,721	395,385
Health and social services	1,200	1,200
Culture and recreation	1,242,755	717,422
Community and economic development	93,870	107,631
General government	173,863	203,736
Debt service	1,350,466	2,938,235
Capital projects	343,686	3,009,992
Transfers	<u>2,798,693</u>	<u>2,698,668</u>
Total disbursements and transfers	<u>6,955,542</u>	<u>10,669,539</u>
Increase (decrease) in cash basis net assets	1,728,751	( 901,484)
Cash basis net assets beginning of the year	3,181,813	4,910,561
Library Foundation net assets	<u>--</u>	<u>187,883</u>
Cash basis net assets end of year	<u>\$ 4,910,564</u>	<u>\$ 4,196,960</u>

Changes in Cash Basis Net Assets of Business Type Activities

	<u>Year ended June 30,</u>	
	<u>2008</u>	<u>2009</u>
Receipts		
Program receipts		
Charges for services		
Water	\$ 283,660	\$ 286,046
Sewer	339,774	365,080
General receipts		
Other general receipts		
Water	36,956	29,672
Sewer	22,988	7,492
Transfers		
Sewer	--	75,000
Total receipts and transfers	<u>683,378</u>	<u>763,290</u>
Disbursement and transfers		
Water	271,692	307,973
Sewer	316,395	376,233
Transfers		
Water	25,016	24,229
Sewer	2,371	77,306
Total disbursements and transfers	<u>615,474</u>	<u>785,741</u>
Increase(decrease) in cash basis net assets	67,904	( 22,451)
Cash basis net assets beginning of year	<u>358,603</u>	<u>426,507</u>
Cash basis net assets end of year	<u>\$ 426,507</u>	<u>\$ 404,056</u>

**INDIVIDUAL MAJOR GOVERNMENT FUND ANALYSIS**

- ❖ The General Fund continues to be supported in part by the Local Option Sales Tax. There were expenses and revenues from storm damage during the year. Hotel/motel taxes collected in fiscal year 2009 were slightly more than fiscal year 2008.
- ❖ The Road Use Tax Fund revenue is based on per capita dollars from the state. The revenues for fiscal year 2009 were approximately \$7,000 less the fiscal year 2008.
- ❖ The Tax Increment Financing Fund revenues were slightly more than the prior fiscal year. The TIF fund continues to cover debt from capital improvement projects and development agreements. Funds are transferred to the debt service fund to cover the capital improvement projects.

- ❖ The Local Option Sales Tax Fund revenues increased approximately \$13,000 from the prior fiscal year. Transfers out continue to support the General Fund.
- ❖ The Capital Improvement Funds were the major reason for additional revenues and expenditures for this fiscal year. Projects during the year included: the North Highland Street overlay, North Trunk Sewer project, Child Development Center, High School utilities project, and a few smaller projects.
- ❖ The Debt Service Fund revenues and expenditures increased due to the bond for debt being incurred. The levy rate for fiscal year 2009 was more than fiscal year 2008 to pay off the necessary debt. There were more funds transferred from the TIF fund for bond payments. The 2001, 2002, 2004 bonds were paid in full.

### **INDIVIDUAL BUSINESS TYPE FUND ANALYSIS**

The Water Utility Fund and Sewer Utility Fund are self-supporting funds from the water and sewer rates set by the City Council.

The Sewer (Increase) Fund was established to set aside funds for future improvements for the wastewater facility. Because of increased costs in the Sewer (Operating) Fund for fiscal year 2009, \$75,000 was transferred from the (Increase) Fund to the (Operating) Fund.

The Sewer Sinking Fund was established in fiscal year 2006. This fund was established to pay for the bonds for the South Trunk Sewer project. Fiscal Year 2009 was the first year it had adequate funds to cover the payment of said bonds. The second SRF loan for the South Trunk Sewer project was paid in full in fiscal year 2009.

### **BUDGETARY HIGHLIGHTS**

The budget was amended in May 2009. Additional disbursements included an increase from storm damage/removal. There were several capital improvement projects started, continued or completed. Additional bonding was needed for continued or starting projects.

DEBT ADMINISTRATION

At June 30, 2009, the City had approximately \$9,152,000 bonds and other long-term debt, compared to approximately \$8,798,000 for fiscal year 2008, as shown below.

Outstanding Debt at Year-End

(Expressed in Thousands)

	<u>Year ended June 30,</u>	
	<u>2008</u>	<u>2009</u>
General Obligation Corporate Purpose bonds		
2001 State St, Lagoon, Water Plant projects	\$ 565	\$ --
2002 Franklin St project	400	--
2004 E State St & Welsh St projects	840	--
2005 Streets, Water, and Sewer	355	160
2006 North Street 149-Wilson	2,315	2,200
2007 Library site	335	240
2008 Projects	1,000	815
2009 Refunding Bonds (pay-off 2001,2002,2004)	--	750
2009 Refunding Bonds (continuing projects)	--	1,675
Revenue Bonds		
2005 SRF Sewer Revenue Bond	930	887
2006 SRF Sewer Revenue Bond	8	--
Childcare Facility Enterprise Revenue Note	<u>200</u>	<u>800</u>
	6,948	7,527
Lease		
Fire Station	<u>1,850</u>	<u>1,625</u>
Total	<u>\$ 8,798</u>	<u>\$ 9,152</u>

The constitution of the State of Iowa limits the amount of general obligation debt cities can issue to 5% of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt of \$7,465,000 is below its constitutional debt limit of approximately \$9,556,000.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The City of Williamsburg's elected and appointed officials consider factors such as tax rates and fees that will be charged for various City activities when they adopted the 2010 budget.

Projects being continued, completed or considered for fiscal year 2010 are:

- A new library
- Child Development Center
- North Trunk Sewer project
- Highland Street project
- High school parking lot water/sewer project

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

This financial report is designed to provide the citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for all money received. If you have questions about this report or need additional information, please contact Jenifer J Mein, City Clerk/Treasurer, 210 West State Street, PO Box 596, Williamsburg, Iowa 52361 or call 319-668-1133.

CITY OF WILLIAMSBURG, IOWA  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH BASIS

As of and for the year ended June 30, 2009

	<u>Disbursements</u>	<u>Charges for Service</u>	<u>Program Receipts</u> Operating Grants, Contributions, and Restricted Interest
Functions/Programs:			
Governmental activities:			
Public safety	\$ 597,270	\$ 2,728	\$ 7,958
Public works	395,385	5,929	249,542
Health and social services	1,200	--	--
Culture and recreation	717,422	286,410	106,742
Community and economic development	107,631	1,425	--
General government	203,736	3,983	--
Debt service	2,938,235	--	--
Capital projects	3,009,992	--	--
Total governmental activities	<u>7,970,871</u>	<u>300,475</u>	<u>364,242</u>
Business type activities:			
Water	307,973	286,046	--
Sewer	376,233	365,080	--
Total business type activities	<u>684,206</u>	<u>651,126</u>	<u>--</u>
Total	<u>\$ 8,655,077</u>	<u>\$ 951,601</u>	<u>\$ 364,242</u>
General Receipts:			
Property tax levied for:			
General purposes			
Debt service			
Tax increment financing			
Local option sales tax			
Other city taxes			
Unrestricted interest on investments			
Debt proceeds			
Miscellaneous			
Sale of 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			

(continued next page)

<u>Program Receipts</u> Capital Grants, Contributions, and Restricted Interest	<u>Net (Disbursements) Receipts and Changes in Cash Basis Net Assets</u>		
	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
\$ --	\$( 586,584)	\$ --	\$( 586,584)
--	( 139,914)	--	( 139,914)
--	( 1,200)	--	( 1,200)
--	( 324,270)	--	( 324,270)
--	( 106,206)	--	( 106,206)
--	( 199,753)	--	( 199,753)
964	( 2,937,271)	--	( 2,937,271)
<u>209,197</u>	<u>( 2,800,795)</u>	<u>--</u>	<u>( 2,800,795)</u>
<u>210,161</u>	<u>( 7,095,993)</u>	<u>--</u>	<u>( 7,095,993)</u>
--	--	( 21,927)	( 21,927)
<u>--</u>	<u>--</u>	<u>( 11,153)</u>	<u>( 11,153)</u>
--	--	( 33,080)	( 33,080)
<u>\$ 210,161</u>	<u>( 7,095,993)</u>	<u>( 33,080)</u>	<u>( 7,129,073)</u>
	584,209	--	584,209
	203,164	--	203,164
	1,631,084	--	1,631,084
	325,820	--	325,820
	98,168	--	98,168
	123,242	10,254	133,496
	3,044,679	--	3,044,679
	38,754	26,910	65,664
	118,854	--	118,854
	<u>26,535</u>	<u>( 26,535)</u>	<u>--</u>
	<u>6,194,509</u>	<u>10,629</u>	<u>6,205,138</u>
	( 901,484)	( 22,451)	( 923,935)
	<u>5,098,444</u>	<u>426,507</u>	<u>5,524,951</u>
	<u>\$ 4,196,960</u>	<u>\$ 404,056</u>	<u>\$ 4,601,016</u>

CITY OF WILLIAMSBURG, IOWA  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH BASIS - Continued

As of and for the year ended June 30, 2009

	<u>Charges for</u>	<u>Program Receipts</u>
<u>Disbursements</u>	<u>Service</u>	<u>Operating Grants, Contributions, and Restricted Interest</u>
Cash Basis Net Assets		
Restricted:		
Streets		
Urban renewal projects		
Debt service		
Capital projects		
Other purposes		
Unrestricted		
Total cash basis net assets		

The accompanying notes are an integral part of these statements.

<u>Program Receipts</u> Capital Grants, Contributions, and Restricted Interest	<u>Net (Disbursements) Receipts and            Changes in Cash Basis Net Assets</u>		
	<u>Governmental            Activities</u>	<u>Business Type            Activities</u>	<u>Total</u>
	\$ 19,776	\$ --	\$ 19,776
	196,740	--	196,740
	194,785	2,731	197,516
	1,382,078	--	1,382,078
	327,719	--	327,719
	<u>2,075,862</u>	<u>401,325</u>	<u>2,477,187</u>
	<u>\$ 4,196,960</u>	<u>\$ 404,056</u>	<u>\$ 4,601,016</u>

CITY OF WILLIAMSBURG, IOWA  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN CASH BALANCES  
GOVERNMENTAL FUNDS

As of and for the year ended June 30, 2009

	General	Special Revenue Urban Renewal Tax Increment
Receipts:		
Property tax	\$ 540,670	\$ --
Tax increment financing collections	--	1,631,084
Other city tax	98,168	--
Use of money and property	121,774	9,365
Licenses and permits	5,590	--
Intergovernmental	60,372	--
Charges for service	206,977	--
Special assessments	--	--
Miscellaneous	72,413	--
Total receipts	1,105,964	1,640,449
Disbursements:		
Operating:		
Public safety	583,171	--
Public works	157,239	--
Health and social services	1,200	--
Culture and recreation	707,564	--
Community and economic development	15,996	91,635
General government	203,736	--
Debt service	--	--
Capital projects	--	--
Total disbursements	1,668,906	91,635
Excess (deficiency) of receipts over (under) disbursements	( 562,942)	1,548,814
Other financing sources (uses):		
Debt proceeds	--	--
Premium on debt issue	--	--
Sale of real property	118,854	--
Operating transfers in	835,699	--
Operating transfers out	( 236,113)	( 1,551,506)
Total other financing sources (uses)	718,440	( 1,551,506)
Net change in cash balances	155,498	( 2,692)

(continued next page)

<u>Capital Projects</u>	<u>Debt Service</u>	<u>Non-Major Funds</u>	<u>Total</u>
\$ 43,539	\$ 203,164	\$ --	\$ 787,373
--	--	--	1,631,084
--	--	325,820	423,988
38,645	12,810	2,417	185,011
--	--	--	5,590
209,197	--	219,586	489,155
--	--	--	206,977
--	964	--	964
<u>25,200</u>	<u>--</u>	<u>51,564</u>	<u>149,177</u>
<u>316,581</u>	<u>216,938</u>	<u>599,387</u>	<u>3,879,319</u>
--	--	14,099	597,270
--	--	238,146	395,385
--	--	--	1,200
--	--	9,858	717,422
--	--	--	107,631
--	--	--	203,736
--	2,938,235	--	2,938,235
<u>3,009,992</u>	<u>--</u>	<u>--</u>	<u>3,009,992</u>
<u>3,009,992</u>	<u>2,938,235</u>	<u>262,103</u>	<u>7,970,871</u>
( 2,693,411)	( 2,721,297)	337,284	( 4,091,552)
1,570,157	1,455,000	--	3,025,157
19,522	--	--	19,522
--	--	--	118,854
590,350	1,299,154	--	2,725,203
<u>( 611,049)</u>	<u>--</u>	<u>( 300,000)</u>	<u>( 2,698,668)</u>
<u>1,568,980</u>	<u>2,754,154</u>	<u>( 300,000)</u>	<u>3,190,068</u>
( 1,124,431)	32,857	37,284	( 901,484)

CITY OF WILLIAMSBURG, IOWA  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN CASH BALANCES - Continued  
GOVERNMENTAL FUNDS

As of and for the year ended June 30, 2009

	General	Special Revenue Urban Renewal Tax Increment
Net change in cash balances	\$ 155,498	\$( 2,692)
Cash balances beginning of year	1,920,364	199,432
Cash balances end of year	\$ 2,075,862	\$ 196,740
 Cash Basis Fund Balances		
Reserved for debt service	\$ --	\$ --
Unreserved:		
General fund	2,075,862	--
Special revenue funds	--	196,740
Capital projects funds	--	--
Total cash basis fund balances	\$ 2,075,862	\$ 196,740

The accompanying notes are an integral part of these statements.

<u>Capital Projects</u>	<u>Debt Service</u>	<u>Non-Major Funds</u>	<u>Total</u>
\$( 1,124,431)	\$ 32,857	\$ 37,284	\$( 901,484)
<u>2,506,509</u>	<u>161,928</u>	<u>310,211</u>	<u>5,098,444</u>
<u>\$ 1,382,078</u>	<u>\$ 194,785</u>	<u>\$ 347,495</u>	<u>\$ 4,196,960</u>
\$ --	\$ 194,785	\$ --	\$ 194,785
--	--	--	2,075,862
--	--	347,495	544,235
<u>1,382,078</u>	<u>--</u>	<u>--</u>	<u>1,382,078</u>
<u>\$ 1,382,078</u>	<u>\$ 194,785</u>	<u>\$ 347,495</u>	<u>\$ 4,196,960</u>

CITY OF WILLIAMSBURG, IOWA  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN CASH BALANCES  
PROPRIETARY FUNDS

As of and for the year ended June 30, 2009

	Enterprise Funds			Total
	Water	Sewer	Sinking Fund	
Operating receipts:				
Charges for service	\$ 286,046	\$ 285,992	\$ 79,088	\$ 651,126
Total operating receipts	<u>286,046</u>	<u>285,992</u>	<u>79,088</u>	<u>651,126</u>
Operating disbursements:				
Business type activities	<u>307,973</u>	<u>294,397</u>	<u>81,836</u>	<u>684,206</u>
Total operating disbursements	<u>307,973</u>	<u>294,397</u>	<u>81,836</u>	<u>684,206</u>
Deficiency of operating receipts under operating disbursements	( 21,927)	( 8,405)	( 2,748)	( 33,080)
Non-operating receipts:				
Interest on investments	2,937	6,549	768	10,254
Miscellaneous	<u>26,735</u>	<u>175</u>	<u>--</u>	<u>26,910</u>
Total non-operating receipts	<u>29,672</u>	<u>6,724</u>	<u>768</u>	<u>37,164</u>
Excess (deficiency) of receipts over (under) disbursements	7,745	( 1,681)	( 1,980)	4,084
Other financing sources (uses):				
Operating transfers in	--	75,000	--	75,000
Operating transfers out	<u>( 24,229)</u>	<u>( 77,306)</u>	<u>--</u>	<u>( 101,535)</u>
Total other financing uses	<u>( 24,229)</u>	<u>( 2,306)</u>	<u>--</u>	<u>( 26,535)</u>
Net change in cash balances	( 16,484)	( 3,987)	( 1,980)	( 22,451)
Cash balances beginning of year	<u>114,976</u>	<u>306,820</u>	<u>4,711</u>	<u>426,507</u>
Cash balances end of year	<u>\$ 98,492</u>	<u>\$ 302,833</u>	<u>\$ 2,731</u>	<u>\$ 404,056</u>
Cash Basis Fund Balances				
Reserved for debt service	\$ --	\$ --	\$ 2,731	\$ 2,731
Unreserved	<u>98,492</u>	<u>302,833</u>	<u>--</u>	<u>401,325</u>
Total cash basis fund balances	<u>\$ 98,492</u>	<u>\$ 302,833</u>	<u>\$ 2,731</u>	<u>\$ 404,056</u>

The accompanying notes are an integral part of these statements.

CITY OF WILLIAMSBURG, IOWA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Williamsburg, Iowa is a political subdivision of the State of Iowa located in Iowa County. It was first incorporated in 1885 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, health and social services, culture and recreation, community and economic development, and general government services. The City also provides water and sewer utilities services for its citizens.

A. Reporting Entity

For financial reporting purposes, the City of Williamsburg 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 two component units. Williamsburg Fire Fighters Association, which is incorporated under Chapter 504A of the Code of Iowa, is a component unit because it has the potential to provide benefits to the City of Williamsburg Fire Department. The Fire Fighters Association Board of Directors is, in appearance, essentially the same as the Williamsburg Fire Department. The Williamsburg Library Foundation, Inc. is a separate non-profit organization created for the sole purpose of raising funds to support the Williamsburg Library. The Williamsburg Library Foundation component unit has been blended with the funds of the City on Schedule 2. The City has elected to exclude the financial information of the Williamsburg Fire Fighters Association component unit from these financial statements. The Williamsburg Fire Fighters Association component unit should be blended into the Special Revenue Funds of the City of Williamsburg.

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: Iowa County Assessor's Conference Board, Iowa County Joint E911 Service Board, Parks and Recreation Board and Regional Environmental Improvement Commission.

Related Organization

The Friends of the Williamsburg Library is an organization separate from the City. The Friends has been created for the sole purpose of raising funds to support the Williamsburg Library but is not financially accountable to the City.

CITY OF WILLIAMSBURG, IOWA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation

Government-wide Financial Statements

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 services.

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.

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 charge and the capital improvement costs that are not paid from other funds.

Special Revenue:

The Urban Renewal Tax Increment Fund is used to account for urban renewal projects financed by tax increment financing.

CITY OF WILLIAMSBURG, IOWA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The Capital Projects Funds are used to account for the payment of construction projects either financed by bond proceeds or tax levies that exceed one year in length.

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

The City reports the following major proprietary funds:

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

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

The City also reports the following additional proprietary fund:

The Sewer Sinking Fund covers expenses related to the Sewer Projects, including future maintenance.

The City also reports the following fiduciary fund:

The Trust Fund is used to account for monies and properties received and held by the City in a trustee capacity. These include non-expendable trust funds.

C. Measurement Focus and Basis of Accounting

The City of Williamsburg 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 U.S. generally accepted accounting principles.

Under the terms of grant agreements, the City funds certain activities by a combination of specific cost-reimbursement grants, categorical block grants, and general receipts. Thus, when program disbursements are paid, there are both restricted and unrestricted cash basis net assets available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general receipts.

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.

CITY OF WILLIAMSBURG, IOWA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2009, disbursements exceeded the amounts budgeted in the public safety and debt service functions.

NOTE 2 - CASH AND POOLED INVESTMENTS

The City's deposits in banks at June 30, 2009 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.

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) in 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.

Credit risk - The city had no investments with credit risk.

NOTE 3 - BONDS AND NOTES PAYABLE

Annual debt service requirements to maturity for general obligation and revenue bonds are as follows:

Year Ending June 30,	General Obligation Bonds		Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 855,000	\$ 219,727	\$ 844,000	\$ 26,610	\$ 1,699,000	\$ 246,337
2011	850,000	189,400	45,000	25,290	895,000	214,690
2012	670,000	158,970	47,000	23,940	717,000	182,910
2013	600,000	134,920	48,000	22,530	648,000	157,450
2014	405,000	114,007	49,000	21,090	454,000	135,097
2015-2019	1,275,000	403,125	270,000	19,620	1,545,000	422,745
2020-2024	765,000	194,422	315,000	11,520	1,080,000	205,942
2025-2029	420,000	26,988	69,000	2,070	489,000	29,058
	<u>\$ 5,840,000</u>	<u>\$ 1,441,559</u>	<u>\$ 1,687,000</u>	<u>\$ 152,670</u>	<u>\$ 7,527,000</u>	<u>\$ 1,594,229</u>

CITY OF WILLIAMSBURG, IOWA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

NOTE 3 - BONDS AND NOTES PAYABLE - Continued

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

Debt Refunding

In April, 2009, the City issued \$750,000 of Series 2009A General Obligation Corporate Purpose Bonds with an interest rate of 3.5% and \$1,675,000 Series 2009B General Obligation Corporate Purpose Bonds with varying interest rates ranging from 3.5% to 4.2% (effective interest rate of 3.8%). A portion of these bonds were used to current refund \$455,000 of 2001 Series General Obligation Bonds, \$300,000 of 2002 Series General Obligation Bonds, and \$700,000 of 2004 Series General Obligation Bonds with varying interest rates ranging from 4.0% to 4.8%. As a result, the 2001, 2002 and 2004 Series General Obligation Bonds are considered defeased. The City, in effect, increased its aggregate debt service payments by approximately \$16,800 over the next 10 years and incurred an economic gain (the difference between the present values of the old and new debt service payments) of approximately \$29,750.

Revenue Bonds

The City has pledged future sewer customer receipts, net of specified operating disbursements, to repay \$1,200,000 in sewer revenue bonds issued in June, 2005 and February, 2006. Proceeds from the bonds provided financing for the construction of improvements to the sewer treatment system. The bonds are payable solely from sewer customer net receipts and are payable through 2026. Annual principal and interest payments on the bonds are expected to require 100 percent of the sinking fund operating receipts. The total principal and interest remaining to be paid on the bonds is \$1,039,670. For the current year, principal and interest paid and total customer net receipts were \$79,135 and \$79,088, respectively.

The City has pledged future child care facility customer receipts, net of operating disbursements, to repay \$1,200,000 in child care facility enterprise revenue anticipation project note issued in December, 2007. As of June 30, 2009, the City has drawn \$800,000 of the \$1,200,000 maximum amount. As of the date of this report, the remaining \$400,000 of debt proceeds have been drawn subsequent to year end. Proceeds from the note are for the acquisition of land and construction, furnishing and equipping of a child care center. The maturity date of the anticipation project note has been extended to February 15, 2010, and will be paid from proceeds of the Child Care Facility Enterprise Revenue Notes that will be issued at the completion of the project.

The resolutions providing for the issuance of the revenue bonds include the following provisions.

- a. The bonds will only be redeemed from the future earnings of the enterprise activity and the bond holders hold a lien on the future earnings of the funds.
- b. Sufficient monthly transfers shall be made to the separate water and sewer revenue bond sinking accounts within the Enterprise Funds for the purpose of making the note principal and interest payments when due.
- c. There shall be a special fund to be known and designated as the Surplus Fund into which there shall be set apart and paid all of the Net Revenues remaining after first making the required payments in to the Sinking Fund. All money credited to the Surplus Fund shall be transferred and credited to the Sinking Funds whenever necessary to prevent or remedy a default in the payment of the principal of or interest on the Bonds and Parity Obligations.

CITY OF WILLIAMSBURG, IOWA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

NOTE 3 - BONDS AND NOTES PAYABLE - Continued

As long as the Sinking Fund has the full amounts required to be deposited therein by this resolution, any balance in the Surplus Fund may be made available to the City as the Council, or such other duly constituted body as may then be charged with the operation on the utility, may from time to time direct.

NOTE 4 - LEASE PURCHASE AGREEMENT

On June 1, 2006, the City entered into a lease purchase agreement to purchase the fire station for \$2,300,000. The lease purchase agreement bears interest at an average rate of 4.3% and matures June 1, 2017. Principal and interest paid during fiscal year 2009 totaled \$303,395. The remaining annual lease purchase payments are as follows:

Year Ending June 30,	Capital Lease		Total
	Principal	Interest	
2010	\$ 250,000	\$ 68,833	\$ 318,833
2011	275,000	58,208	333,208
2012	190,000	46,520	236,520
2013	190,000	38,445	228,445
2014	190,000	30,655	220,655
2015-2017	<u>530,000</u>	<u>43,990</u>	<u>573,990</u>
	<u>\$ 1,625,000</u>	<u>\$ 286,651</u>	<u>\$ 1,911,651</u>

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.

Most regular plan members are required to contribute 4.10% (4.30% effective July 1, 2009) of their annual covered salary and the City is required to contribute 6.35% (6.65% effective July 1, 2009) 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 contribution to IPERS for the years ended June 30, 2009, 2008, and 2007 were \$58,980, \$54,637, and \$52,110, respectively, equal to the required contribution for each year.

CITY OF WILLIAMSBURG, IOWA  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2009

NOTE 6 - COMPENSATED ABSENCES

City employees accumulate a limited amount of earned but unused vacation and comp time 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 vacation and comp time payable to employees at June 30, 2009, primarily relating to the General Fund is \$33,691 for vacation and \$15,573 for comp time, for a total liability of \$49,264. The liability has been computed based on rates of pay in effect on June 30, 2009.

NOTE 7 - INTERFUND TRANSFERS

The detail of interfund transfers for the year ended June 30, 2009 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
General	Special Revenue:	
	Local Option Sales Tax	\$ 300,000
	Tax Incremental Financing	325,000
	Capital Projects	<u>22,699</u>
		647,699
Debt Service	Special Revenue:	
	Tax Incremental Financing	1,224,506
	General Fund	48,113
	Enterprise:	
	Water	24,229
	Sewer	<u>2,306</u>
		1,299,154
Capital Projects	Special Revenue:	
	Tax Incremental Financing	2,000
 <u>Intrafund Transfers</u>		
General Fund		188,000
Capital Projects		588,350
Enterprise		<u>75,000</u>
		<u>851,350</u>
		<u>\$ 2,800,203</u>

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

CITY OF WILLIAMSBURG, IOWA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

NOTE 8 - ECONOMIC DEVELOPMENT LOAN

On January 24, 2000, the City entered into a Development Agreement with Williamsburg Manufacturing, in which the City agrees to make economic development tax rebate payments to Williamsburg Manufacturing, pursuant to Chapters 15A and 403 of the Code of Iowa, in amounts which represent 50% of the property taxes paid with respect to the incremental property valuation of the construction project to expand the facilities of Williamsburg Manufacturing through June 1, 2011. The tax rebate payments shall not constitute general obligations of the City, but shall be paid solely and only from incremental property taxes received by the City from the County Treasurer which are attributable to the construction project.

NOTE 9 - THELMA WYMAN MEMORIAL

During August of 1991, the family of Thelma Wyman contributed \$500 to be put into an interest bearing account, the principal of which is to remain intact and cannot be withdrawn for any reason. One percent of the yearly interest shall be added to and become part of the principal. The remaining interest from this account is paid to Williamsburg Public Library to be used as the Library Board deems necessary in order to maintain the library.

NOTE 10 - RISK MANAGEMENT

The City of Williamsburg 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 11 - REGIONAL ENVIRONMENTAL IMPROVEMENT COMMISSION

The City, in conjunction with all other municipalities in Iowa County, has created the Regional Environmental Improvement Commission. The Commission was established for the primary purpose of providing for the collection and disposal of solid waste produced or generated by each participant. Upon dissolution of the corporation, the net assets of the Commission will be prorated among the municipalities. The Commission is governed by a board composed of an elected representative of the governing body of each participating governmental jurisdiction.

NOTE 12 - BOYD MONIES

Walter C. Boyd left the balance of his estate to the town of Williamsburg, Iowa, to be used as the City sees fit. The City Council set up a separate account in the General Fund to track this money and show the citizens where the money is being spent.

CITY OF WILLIAMSBURG, IOWA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

NOTE 13 - CONDUIT DEBT OBLIGATIONS

On February 15, 2005, Assisted Living Facility Revenue Refunding Bonds in the amount of \$10,000,000 were issued. These revenue bonds were issued for the purpose of refunding two previous issuances of Revenue Bonds (Series 2002 Bonds and Series 2003 Bonds) which financed the cost of construction of the Williamsburg Retirement Community, Inc. Project.

On November 13, 2006, Nursing and Independent Living Facilities Revenue Bonds (Williamsburg Retirement Community, Inc. Project) in the amount not to exceed \$7,000,000 were issued to finance the costs of constructing and furnishing a 44 bed skilled nursing facility and 8 independent living units.

These bonds are a special limited obligation of the City and shall not be payable from or charged upon any funds other than Loan Repayments made by the Williamsburg Retirement Community, Inc. The bonds do not constitute a debt of the City within any constitutional or statutory limitation.

NOTE 14 - OTHER POST EMPLOYMENT BENEFITS (OPEB)

The City implemented GASB Statement No. 45 Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions during the year ended June 30, 2009.

**Plan Description:** As required by state law, the City offers health insurance to former employees who have retired after age 55, but have not reached Medicare eligibility. The fully insured plan is a part of the plan offered to all City employees, and the retiree must pay a health insurance premium equal to that charged for current employees.

**Potential for Liability:** A review of the City's current and potential future exposure to this requirement resulted in the conclusion that no material liability exists.

NOTE 15 - COMMITMENTS AND CONTINGENCIES

Construction Contracts

The City has entered into several construction contracts that are still in process as of June 30, 2009. The net remaining amount committed to these contracts is approximately \$1,004,000, which will be paid with existing capital project funds.

Subsequent Events

The City has evaluated all subsequent events through December 29, 2009, the date the financial statements were available to be issued.

\* \* \*

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WILLIAMSBURG, IOWA  
 BUDGETARY COMPARISON SCHEDULE  
 OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN BALANCES -  
 BUDGET AND ACTUAL (CASH BASIS) - ALL GOVERNMENTAL  
 FUNDS AND PROPRIETRY FUNDS  
 REQUIRED SUPPLEMENTARY INFORMATION

Year ended June 30, 2009

	<u>Governmental Funds Actual</u>	<u>Proprietary Funds Actual</u>	<u>Less Funds not Required to be Budgeted</u>
<b>Receipts:</b>			
Property tax	\$ 787,373	\$ --	\$ --
Tax increment financing collections	1,631,084	--	--
Other city tax	423,988	--	--
Use of money and property	185,011	10,254	--
Licenses and permits	5,590	--	--
Intergovernmental	489,155	--	--
Charges for service	206,977	651,126	--
Special assessments	964	--	--
Miscellaneous	<u>149,177</u>	<u>26,910</u>	<u>51,564</u>
Total receipts	<u>3,879,319</u>	<u>688,290</u>	<u>51,564</u>
<b>Disbursements:</b>			
Public safety	597,270	--	--
Public works	395,385	--	--
Health and social services	1,200	--	--
Culture and recreation	717,422	--	9,858
Community and economic development	107,631	--	--
General government	203,736	--	--
Debt service	2,938,235	--	--
Capital projects	3,009,992	--	--
Business type activities	--	684,206	--
Total disbursements	<u>7,970,871</u>	<u>684,206</u>	<u>9,858</u>
Excess (deficiency) of receipts over (under) disbursements	( 4,091,552)	4,084	41,706
Other financing sources (uses), net	<u>3,190,068</u>	<u>( 26,535)</u>	<u>--</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	( 901,484)	( 22,451)	41,706
Balances beginning of year	<u>5,098,444</u>	<u>426,507</u>	<u>187,880</u>
Balances end of year	<u>\$ 4,196,960</u>	<u>\$ 404,056</u>	<u>\$ 229,586</u>

See accompanying independent auditor's report.

<u>Total</u>	<u>Budgeted Amounts</u>		<u>Final to Total Variance</u>
	<u>Original</u>	<u>Final</u>	
\$ 787,373	\$ 643,377	\$ 643,377	\$ 143,996
1,631,084	1,560,000	1,600,000	31,084
423,988	539,351	559,351	( 135,363)
195,265	173,300	204,234	( 8,969)
5,590	10,100	10,100	( 4,510)
489,155	549,220	581,058	( 91,903)
858,103	914,650	924,650	( 66,547)
964	--	--	964
124,523	81,800	98,085	26,438
<u>4,516,045</u>	<u>4,471,798</u>	<u>4,620,855</u>	<u>( 104,810)</u>
597,270	581,071	584,921	( 12,349)
395,385	401,805	422,280	26,895
1,200	1,200	1,200	--
707,564	897,026	921,022	213,458
107,631	126,000	122,636	15,005
203,736	174,643	204,643	907
2,938,235	1,491,942	1,491,942	( 1,446,293)
3,009,992	1,596,100	4,970,804	1,960,812
684,206	687,067	692,067	7,861
<u>8,645,219</u>	<u>5,956,854</u>	<u>9,411,515</u>	<u>766,296</u>
( 4,129,174)	( 1,485,056)	( 4,790,660)	661,486
<u>3,163,533</u>	<u>547,380</u>	<u>3,191,902</u>	<u>( 28,369)</u>
( 965,641)	( 937,676)	( 1,598,758)	633,117
<u>5,337,071</u>	<u>4,072,641</u>	<u>5,337,990</u>	<u>( 919)</u>
<u>\$ 4,371,430</u>	<u>\$ 3,134,965</u>	<u>\$ 3,739,232</u>	<u>\$ 632,198</u>

CITY OF WILLIAMSBURG, IOWA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -  
BUDGETARY REPORTING

June 30, 2009

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 except Fiduciary Funds and the City's Library Foundation. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon nine major classes of disbursements known as functions, not by fund. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects, and business type activities. Function disbursements required to be budgeted included disbursements for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds and Enterprise 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 \$3,454,661. The budget amendment is reflected in the final budgeted amounts.

During the year ended June 30, 2009, disbursements exceeded amounts budgeted in the public safety and debt service functions.

OTHER SUPPLEMENTARY INFORMATION

CITY OF WILLIAMSBURG, IOWA  
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN CASH BALANCES  
CAPITAL PROJECTS

As of and for the year ended June 30, 2009

	Capital Projects			
	2008 Trunk Sewer Project	2008 Highland St. Project	2008 Long St/School Project	2007 Library Site/ Building Project
Receipts:				
Property tax	\$ --	\$ --	\$ --	\$ --
Use of money and property	15,904	4,524	1,193	--
Intergovernmental	--	--	--	--
Miscellaneous	--	--	--	200
Total receipts	15,904	4,524	1,193	200
Disbursements:				
Capital projects	1,241,997	888,529	134,497	2,325
Total disbursements	1,241,997	888,529	134,497	2,325
Excess (deficiency) of receipts over (under) disbursements	( 1,226,093)	( 884,005)	( 133,304)	( 2,125)
Other financing sources (uses):				
Debt proceeds	970,000	--	--	--
Premium on debt issue	19,522	--	--	--
Operating transfers in	26,189	351,409	147,155	2,000
Operating transfers out	( 498,172)	--	( 63,579)	--
Total other financing sources (uses)	517,539	351,409	83,576	2,000
Net change in cash balances	( 708,554)	( 532,596)	( 49,728)	( 125)
Cash balances, beginning of year	961,064	628,871	199,814	654
Cash balances, end of year	\$ 252,510	\$ 96,275	\$ 150,086	\$ 529
 Cash Basis Fund Balances				
Unreserved:				
Capital projects fund	\$ 252,510	\$ 96,275	\$ 150,086	\$ 529
Total cash basis fund balances	\$ 252,510	\$ 96,275	\$ 150,086	\$ 529

See accompanying independent auditor's report.

## Capital Projects

2007 Child Development Project	2006 North St. Project	2004 Fire Station Project	2004 Trunk Sewer Project	Capital Improvements	Total
\$ --	\$ --	\$ --	\$ --	\$ 43,539	\$ 43,539
4,150	--	96	96	12,682	38,645
209,197	--	--	--	--	209,197
25,000	--	--	--	--	25,200
<u>238,347</u>	<u>--</u>	<u>96</u>	<u>96</u>	<u>56,221</u>	<u>316,581</u>
<u>561,413</u>	<u>--</u>	<u>--</u>	<u>63,597</u>	<u>117,634</u>	<u>3,009,992</u>
<u>561,413</u>	<u>--</u>	<u>--</u>	<u>63,597</u>	<u>117,634</u>	<u>3,009,992</u>
( 323,066)	--	96	( 63,501)	( 61,413)	( 2,693,411)
600,000	--	--	157	--	1,570,157
--	--	--	--	--	19,522
--	--	--	63,597	--	590,350
--	( 410)	( 22,699)	( 26,189)	--	( 611,049)
<u>600,000</u>	<u>( 410)</u>	<u>( 22,699)</u>	<u>37,565</u>	<u>--</u>	<u>1,568,980</u>
276,934	( 410)	( 22,603)	( 25,936)	( 61,413)	( 1,124,431)
<u>143,401</u>	<u>410</u>	<u>22,603</u>	<u>26,093</u>	<u>523,599</u>	<u>2,506,509</u>
<u>\$ 420,335</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 157</u>	<u>\$ 462,186</u>	<u>\$ 1,382,078</u>
<u>\$ 420,335</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 157</u>	<u>\$ 462,186</u>	<u>\$ 1,382,078</u>
<u>\$ 420,335</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 157</u>	<u>\$ 462,186</u>	<u>\$ 1,382,078</u>

CITY OF WILLIAMSBURG, IOWA  
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN CASH BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS

As of and for the year ended June 30, 2009

	Special Revenue	
	Road Use Tax	Asset Forfeiture
Receipts:		
Other City tax	\$ --	\$ --
Use of money and property	--	96
Intergovernmental	217,546	2,040
Miscellaneous	--	--
Total receipts	217,546	2,136
Disbursements:		
Operating:		
Public safety	--	14,099
Public works	238,146	--
Culture and recreation	--	--
Total disbursements	238,146	14,099
Excess (deficiency) of receipts over (under) disbursements	( 20,600)	( 11,963)
Other financing sources (uses):		
Operating transfers out	--	--
Total other financing sources (uses)	--	--
Net change in cash balances	( 20,600)	( 11,963)
Cash balances, beginning of year	40,376	15,695
Cash balances, end of year	\$ 19,776	\$ 3,732
Cash Basis Fund Balances		
Unreserved:		
Special revenue funds	\$ 19,776	\$ 3,732
Total cash basis fund balances	\$ 19,776	\$ 3,732

See accompanying independent auditor's report.

<u>Special Revenue</u>		
<u>Local Option Sales Tax</u>	<u>Library Foundation</u>	<u>Total</u>
\$ 325,820	\$ --	\$ 325,820
2,321	--	2,417
--	--	219,586
--	<u>51,564</u>	<u>51,564</u>
<u>328,141</u>	<u>51,564</u>	<u>599,387</u>
--	--	14,099
--	--	238,146
--	<u>9,858</u>	<u>9,858</u>
<u>--</u>	<u>9,858</u>	<u>262,103</u>
328,141	41,706	337,284
( 300,000)	--	( 300,000)
( 300,000)	--	( 300,000)
28,141	41,706	37,284
<u>66,260</u>	<u>187,880</u>	<u>310,211</u>
<u>\$ 94,401</u>	<u>\$ 229,586</u>	<u>\$ 347,495</u>
<u>\$ 94,401</u>	<u>\$ 229,586</u>	<u>\$ 347,495</u>
<u>\$ 94,401</u>	<u>\$ 229,586</u>	<u>\$ 347,495</u>

CITY OF WILLIAMSBURG, IOWA  
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS  
 AND CHANGES IN CASH BALANCES  
 FIDUCIARY FUND

As of and for the year ended June 30, 2009

	<u>Thelma Wyman Fund</u>
Receipts:	
Use of money and property	\$ <u>30</u>
Total receipts	<u>30</u>
Disbursements :	
Culture and recreation	<u>--</u>
Excess of receipts over disbursements	30
Cash balances, beginning of year	<u>922</u>
Cash balances, end of year	<u>\$ 952</u>
Cash Basis Fund Balances	
Unreserved	<u>\$ 952</u>
Total cash basis fund balances	<u>\$ 952</u>

See accompanying independent auditor's report.

CITY OF WILLIAMSBURG, IOWA  
SCHEDULE OF INDEBTEDNESS  
Year ended June 30, 2009

<u>Obligation</u>	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Amount Originally Issued</u>
General Obligation Bonds:			
Corporate purpose - street, storm & sanitary sewer, waterworks & park improvements	August 1, 2001	3.75% - 4.80%	\$ 1,115,000
Corporate purpose - street, storm sewer & curb & gutter improvements & projects	March 1, 2002	2.65% - 4.50%	900,000
Corporate purpose - street, water & sanitary sewer improvements	June 14, 2004	3.00% - 4.35%	1,400,000
Corporate purpose - street, water & sanitary sewer improvements	July 1, 2005	3.50% - 3.63%	1,400,000
Corporate purpose - street, water & sanitary sewer improvements	May 1, 2006	3.75% - 4.50%	2,660,000
Urban renewal - land acquisition	July 10, 2007	3.80%	450,000
Corporate purpose - child care development center	April 1, 2008	2.50% - 4.10%	1,000,000
Corporate purpose - street, water & sanitary sewer improvements, and refunding			
Series 2009A	April 1, 2009	3.50%	750,000
Series 2009B	April 1, 2009	3.50% - 4.20%	1,675,000
Total General Obligation Bonds			
Revenue Bonds:			
State revolving funds	June 13, 2005	3.00%	1,050,000
State revolving funds	February 27, 2006	3.00%	150,000
Childcare facility enterprise revenue loan agreement anticipation project note	December 4, 2007	4.96%	1,200,000
Total Revenue Bonds			
Lease Purchase			
Fire Station lease purchase	June 27, 2005	4.25% - 4.35%	2,300,000

See accompanying independent auditor's report.

<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>
\$ 565,000	\$ --	\$ 565,000	\$ --	\$ 26,020	\$ --
400,000	--	400,000	--	17,500	--
840,000	--	840,000	--	34,580	--
355,000	--	195,000	160,000	12,519	454
2,315,000	--	115,000	2,200,000	95,532	7,530
335,000	--	95,000	240,000	12,730	760
1,000,000	--	185,000	815,000	36,954	2,254
--	750,000	--	750,000	--	6,563
<u>--</u>	<u>1,675,000</u>	<u>--</u>	<u>1,675,000</u>	<u>--</u>	<u>15,375</u>
<u>\$5,810,000</u>	<u>\$2,425,000</u>	<u>\$2,395,000</u>	<u>\$5,840,000</u>	<u>\$ 235,835</u>	<u>\$ 32,936</u>
\$ 930,000	\$ --	\$ 43,000	\$ 887,000	\$ 27,900	\$ 2,187
7,843	157	8,000	--	235	--
<u>200,000</u>	<u>600,000</u>	<u>--</u>	<u>800,000</u>	<u>23,055</u>	<u>3,642</u>
<u>\$1,137,843</u>	<u>\$ 600,157</u>	<u>\$ 51,000</u>	<u>\$1,687,000</u>	<u>\$ 51,190</u>	<u>\$ 5,829</u>
<u>\$1,850,000</u>	<u>\$ --</u>	<u>\$ 225,000</u>	<u>\$1,625,000</u>	<u>\$ 78,395</u>	<u>\$ 7,190</u>

CITY OF WILLIAMSBURG, IOWA  
 BOND AND NOTE MATURITIES  
 June 30, 2009

Year ending June 30,	General Obligation Bonds			
	Issued July 1, 2005		Issued May 1, 2006	
	Interest Rate	Amount	Interest Rate	Amount
2010	3.30%	\$ 50,000	4.50%	\$ 115,000
2011	3.40	50,000	4.50	100,000
2012	3.50	60,000	4.50	100,000
2013	--	--	3.75	100,000
2014	--	--	3.80	100,000
2015-2019	--	--	3.80-4.00	500,000
2020-2024	--	--	4.0-4.125	765,000
2025-2029	--	--	4.25	420,000
		<u>\$ 160,000</u>		<u>\$2,200,000</u>

General Obligation Bonds

Year ending June 30,	Issued April 1, 2009 Series A		Issued April 1, 2009 Series B		Total
	Interest Rate	Amount	Interest Rate	Amount	
	2010	3.50%	\$ 205,000	3.50%	
2011	3.50	210,000	3.50	250,000	850,000
2012	3.50	210,000	3.50	200,000	670,000
2013	3.50	125,000	3.50	240,000	600,000
2014	--	--	3.50	200,000	405,000
2015-2019	--	--	4.00-4.20	525,000	1,275,000
2020-2024	--	--	--	--	765,000
2025-2029	--	--	--	--	420,000
		<u>\$ 750,000</u>		<u>\$1,675,000</u>	<u>\$5,840,000</u>

See accompanying independent auditor's report.

General Obligation Bonds			
Issued July 10, 2007		Issued April 8, 2008	
Interest Rate	Amount	Interest Rate	Amount
3.80%	\$ 110,000	2.65%	\$ 115,000
3.80	130,000	2.90	110,000
--	--	3.10	100,000
--	--	3.25	135,000
--	--	3.40	105,000
--	--	3.65-4.10	250,000
--	--	--	--
--	--	--	--
	<u>\$ 240,000</u>		<u>\$ 815,000</u>

Revenue Bonds				
Sewer Revenue Bonds - SRF		Child Care Facility Enterprise Revenue Bonds		
Issued		Issued		
June 13, 2005		December 4, 2007		
Interest Rate	Amount	Interest Rate	Amount	Total
3.00%	\$ 44,000	4.96%	\$ 800,000	\$ 844,000
3.00	45,000	--	--	45,000
3.00	47,000	--	--	47,000
3.00	48,000	--	--	48,000
3.00	49,000	--	--	49,000
3.00	270,000	--	--	270,000
3.00	315,000	--	--	315,000
3.00	69,000	--	--	69,000
	<u>\$ 887,000</u>		<u>\$ 800,000</u>	<u>\$ 1,687,000</u>

CITY OF WILLIAMSBURG, IOWA  
 SCHEDULE OF RECEIPTS BY SOURCE AND  
 DISBURSEMENTS BY FUNCTION -  
 ALL GOVERNMENTAL FUNDS  
 For the Last Five Years

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Receipts:					
Property tax	\$ 787,373	\$ 593,123	\$ 944,096	\$ 526,093	\$ 488,445
Tax increment financing collections	1,631,084	1,563,029	1,500,055	1,469,800	1,209,469
Other city tax	423,988	446,083	419,263	347,347	405,485
Use of money and property	185,011	327,267	253,153	258,356	103,249
Licenses and permits	5,590	8,787	6,247	24,916	11,806
Intergovernmental	489,155	313,959	260,262	310,225	237,257
Charges for service	206,977	239,226	242,471	194,269	297,499
Special assessments	964	948	1,004	1,113	10,244
Miscellaneous	<u>149,177</u>	<u>563,337</u>	<u>868,333</u>	<u>158,791</u>	<u>243,063</u>
Total	<u>\$3,879,319</u>	<u>\$4,055,759</u>	<u>\$4,494,884</u>	<u>\$3,290,910</u>	<u>\$3,006,517</u>
Disbursements:					
Operating:					
Public safety	\$ 597,270	\$ 557,288	\$ 569,356	\$ 509,101	\$ 422,794
Public works	395,385	393,721	374,606	400,671	444,297
Health and social services	1,200	1,200	1,200	1,000	900
Culture and recreation	717,422	1,242,755	1,837,607	791,147	624,977
Community and economic development	107,631	93,870	217,725	221,911	117,097
General government	203,736	173,863	166,960	146,756	152,526
Debt service	2,938,235	1,350,466	1,338,712	1,110,648	836,970
Capital projects	<u>3,009,992</u>	<u>343,686</u>	<u>1,919,561</u>	<u>2,384,546</u>	<u>1,623,061</u>
Total	<u>\$7,970,871</u>	<u>\$4,156,849</u>	<u>\$6,425,727</u>	<u>\$5,565,780</u>	<u>\$4,222,622</u>

See accompanying independent auditor's report.

## COMMENTS AND RECOMMENDATIONS

# Gronewold, Bell, Kyhnn & Co. P.C.

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Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance with  
Government Auditing Standards

To the Honorable Mayor and  
Members of the City Council

We have audited the accompanying financial statements of the governmental activities, business type activities, each major fund and the aggregate remaining fund information of City of Williamsburg, Iowa, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements listed in the table of contents and have issued our report thereon dated December 23, 2009. Our report expressed a qualified opinion 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 of Williamsburg's internal control over financial reporting in order to determine 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 of Williamsburg's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Williamsburg'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 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.

To the Honorable Mayor and  
Members of the City Council

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 of Williamsburg'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 of Williamsburg's financial statements that is more than inconsequential will not be prevented or detected by the City of Williamsburg's internal control. We consider the deficiencies in internal control described in Part I of the accompanying Schedule of Findings 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 of Williamsburg'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 09-I-A is a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Williamsburg'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 certain immaterial instances of non-compliance or other matters that are described in Part II of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2009 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.

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

To the Honorable Mayor and  
Members of the City Council

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 Williamsburg and other parties to whom the City of Williamsburg 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.

GAMMILL, Ben, Kuhn + W.P.C.

Atlantic, Iowa  
December 23, 2009

CITY OF WILLIAMSBURG, IOWA

Schedule of Findings

Year ended June 30, 2009

PART I: Findings Related to the Financial Statements

SIGNIFICANT DEFICIENCIES:

09-I-A Segregation of Duties: One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. However, because there are a limited number of people that have the primary responsibility for the accounting and financial duties, those aspects of internal accounting control which rely upon an adequate segregation of duties are missing in the City.

Recommendation: We recommend that the City review its control procedures to obtain the maximum internal control possible under the circumstances and the Council be aware of the lack of segregation of duties and that they act as an oversight group to the accounting personnel.

Response: We will continue work in this area to increase segregation of duties.

Conclusion: Response accepted.

OTHER FINDINGS:

09-I-B Water Loss: Water usage reports calculated by the utility clerk indicate a fluctuating water loss problem. Review of water usage reports from fiscal year 2009 reveal that the City's monthly water loss ranged from 2.0 million gallons during the month of November, 2008 to 4.9 million gallons during the month of March, 2009, with an average loss of 3.4 million gallons of water per month.

Recommendation: Continuing efforts should be made to investigate why the City is experiencing substantial water loss.

Response: We will continue to investigate the water loss.

Conclusion: Response accepted.

CITY OF WILLIAMSBURG, IOWA

Schedule of Findings

Year ended June 30, 2009

PART II: Other Findings Related to Statutory Reporting

09-II-A Certified Budget: Disbursements during the year ended June 30, 2009 exceeded the amounts budgeted in the public safety and debt service functions. 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.

09-II-B Questionable Disbursements: During the audit, we did not note any disbursements that did not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

09-II-C Travel Expense: No expenditures of City money for travel expenses of spouses of City officials and/or employees were noted.

09-II-D Business Transactions: In accordance with Chapter 362.5(10) of the Code of Iowa, no transactions between the City and the City officials and City employees were noted that represented conflicts of interest.

09-II-E 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.

09-II-F Council Minutes: No transactions were found that we believe should have been approved in the Council minutes but were not.

09-II-G Deposits and Investments: We noted no instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa.

09-II-H Revenue Bonds: The City has complied with the revenue bond resolutions.

\* \* \*