

CITY OF REDFIELD

Redfield, Iowa

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

June 30, 2009

With Independent Auditor's Reports

CITY OF REDFIELD
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CITY OF REDFIELD
City Officials
June 30, 2009

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Dennis Madren	Mayor	December 31, 2009
Pam Danielson	Mayor Pro Tem	December 31, 2009
Darci Alt	Council Member	December 31, 2011
Darrell Bowman	Council Member	December 31, 2011
Heather Godwin	Council Member	December 31, 2009
John Hoy	Council Member	December 31, 2011
Debra Light	City Clerk	Indefinite
Beverly Wild	City Attorney	Indefinite

INDEPENDENT AUDITOR'S REPORT

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

I 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 Redfield, Iowa, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents of this report. These financial statements are the responsibility of the City of Redfield's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my 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 I 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. I believe that my audit provides a reasonable basis for my opinions.

As described more fully in Note 1, the financial statements referred to above have been prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

In my 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 Redfield, Iowa at 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.

In accordance with Government Auditing Standards, I have also issued my report dated January 18, 2010 on my consideration of the City of Redfield's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

Management's Discussion and Analysis and budgetary comparison information on pages 4 through 9 and 21 through 22 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. I applied limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. I did not audit the information and express no opinion on it.

My audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Redfield's basic financial statements. Other supplementary information included on pages 24 through 29 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 my audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

S/ Stanley E. Siebke

Urbandale, Iowa
January 18, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Redfield 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, 2009. We encourage readers to consider this information in conjunction with the City's financial statements, which follow.

2009 Financial Highlights

Total cash basis net assets of the City of Redfield at the close of the fiscal year, June 30, 2009, were \$374,834, an increase of \$115,544 from the fiscal year ended June 30, 2008. Of this amount, the assets of the governmental activities were \$128,792 and the assets of the business activities were \$246,042.

Revenues of the City's governmental activities totaled \$611,242. Property taxes were \$258,503 and intergovernmental receipts totaled \$140,466.

Total disbursements for governmental activities were \$530,287 for 2009. Public Safety disbursements totaled \$56,137, Public Works was \$141,987, Community and Economic Development was \$113,226, and Culture & Recreation was \$53,278.

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 non-major 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

One of the most important questions asked about the City's finances is, "is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Activities and Net Assets reports information, which helps answer this question.

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.

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

Governmental Activities include public safety, public works, culture and recreation, community and economic development, general government, debt service and capital projects. Property tax and state and federal grants finance most of these activities.

Business Type Activities include the waterworks and the sanitary sewer system. These activities are financed primarily by user charges.

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 and

Urban Renewal Tax Increment, 3) the Debt Service Fund, 4) the Capital Projects Fund and 5) the Permanent 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.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of financial position. The following shows the cash balances for governmental activities for fiscal 2009.

CASH BASIS NET ASSETS OF GOVERNMENTAL ACTIVITIES

	Year Ended June 30, <u>2009</u>	Year Ended June 30, <u>2008</u>
Revenues:		
Program revenues:		
Charge for services	\$ 62,540	63,948
Licenses & permits	1,846	2,306
Use of money and property	1,982	2,509
Intergovernmental	140,466	115,644
Miscellaneous	36,828	16,535
General Revenues:		
Taxes	258,503	229,592
TIF Revenue	107,796	66,480
Other	<u>1,281</u>	<u>730</u>
Total revenues	<u>\$ 611,242</u>	<u>497,744</u>

Expenses:		
Public Safety	\$ 56,137	99,675
Public Works	141,987	145,428
Culture & Recreation	53,278	53,196
Community & Economic Development	113,226	69,270
General Government	75,558	82,668
Debt Service	90,101	92,062
Capital Projects	<u>0</u>	<u>1,000</u>
Total Expenses	<u>\$530,287</u>	<u>543,299</u>
Excess (Deficit) of Receipts over (under) Disbursements	80,955	(45,555)
Operating Transfers Out	(11,673)	0
Net assets – beginning of year	<u>59,510</u>	<u>105,065</u>
Net assets – end of year	<u>\$128,792</u>	<u>59,510</u>

**CHANGES IN CASH BASIS NET ASSETS OF BUSINESS TYPE
ACTIVITIES**

	Year ended June 30, <u>2009</u>	Year ended June 30, <u>2008</u>
Receipts:		
Program receipts:		
Charges for Service:		
Water	\$155,380	135,394
Sewer	136,153	110,311
Use of money & property	<u>3,628</u>	<u>3,623</u>
Total	<u>295,161</u>	<u>249,328</u>
Total Disbursements	<u>260,572</u>	<u>261,623</u>
Increase (Decrease) in cash balance	34,589	(12,295)
Operating Transfers In	11,673	0
Cash basis net assets beginning of year	<u>199,780</u>	<u>212,075</u>
Cash basis net assets end of year	<u>\$246,042</u>	<u>199,780</u>

INDIVIDUAL MAJOR GOVERNMENTAL FUND ANALYSIS

As the City of Redfield completed the year, its governmental funds reported receipts of \$611,242 and disbursements of \$530,287, an increase of \$80,955. The General Fund showed receipts and transfers of \$226,482 and disbursements of \$239,167 for a deficit of \$12,685 leaving a fund balance of \$20,496. The Road Use Tax Fund had receipts of \$69,838 and disbursements of \$67,804 for a surplus of \$2,034 leaving a fund balance of \$33,723.

The TIF Fund had receipts of \$107,796 and disbursements of \$109,376 for a deficit of \$1,580. The Debt Service Fund had receipts of \$92,101 and disbursements of \$90,101, leaving an excess of \$2,000 which leaves a fund balance deficit of \$6,182.

INDIVIDUAL MAJOR BUSINESS TYPE FUND ANALYSIS

The Water Fund had receipts and transfers of \$168,956 and disbursements of \$151,372, an increase of \$17,584 leaving a fund balance of \$114,160. The Sewer Fund had receipts of \$137,878 and disbursements of \$109,200 for an increase of \$28,678 leaving a fund balance of \$131,882. Water and sewer rates were raised in June of 2008, which helped to eliminate last year's deficit.

BUDGETARY HIGHLIGHTS

The City amended its budget on May 18, 2009, to provide for additional disbursements in certain City departments. The City of Redfield exceeded amounts budgeted for in the community and economic development function, general government and business type activities functions. Expenditures will be more carefully monitored in the future.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City of Redfield's elected and appointed officials and citizens considered many factors when setting the fiscal year 2010 budget, tax rates, and fees that will be charged for various City activities.

Debt Outstanding

Outstanding Debt at Year End

	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Governmental:		
General Obligation	\$ 210,368	283,463
Business-type:		
Revenue Debt	<u>732,839</u>	<u>752,464</u>
Total	<u>\$ 943,207</u>	<u>1,035,927</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 \$210,368 is significantly below the constitutional debt limit of \$1,603,978.

TIF Rebates

The City has one TIF Rebate agreement for Brooklyn Estates. The agreement requires that all taxes received for this development shall be paid to the developer. Taxes to be paid are based on an estimate of taxable value added at the time of development. Any non-payment of taxes results in a dollar for dollar reduction in the rebate paid to Brooklyn Estates. Rebates for fiscal year 2009 were as follows:

	<u>Rebate Scheduled</u>	<u>Actual Rebate</u>
Brooklyn Estates	\$107,796	\$109,376

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 questions about this report or need additional financial information, please contact Deb Light, City Clerk at 808 First Street, PO Box 127, Redfield, IA 50233 or telephone 515-833-2512.

CITY OF REDFIELD
Statement of Activities and Net Assets - Cash Basis
As of and For the Year Ended June 30, 2009

	<u>Disbursements</u>	<u>Charges for Services</u>	<u>Program Receipts Operating Grants, Contributions, and Restricted Interest</u>
Function / Programs:			
Governmental activities:			
Public safety	\$ 56,137	60	24,761
Public works	141,987	62,215	75,444
Culture and recreation	53,278	0	10,489
Community and economic development	113,226	0	30,718
General government	75,558	265	0
Debt service	90,101	0	0
Total Governmental Activities	<u>530,287</u>	<u>62,540</u>	<u>141,412</u>
Business type activities:			
Water	151,372	155,380	1,903
Sewer	109,200	136,153	1,725
Total Business Type Activities	<u>260,572</u>	<u>291,533</u>	<u>3,628</u>
Total	<u>\$ 790,859</u>	<u>354,073</u>	<u>145,040</u>
General Receipts:			
Property tax levied for:			
General purposes			
Tax increment financing			
Debt service			
Unrestricted interest on investments			
Miscellaneous			
Transfers			
Total General Receipts			
Change in Cash Basis Net Assets			
Cash Basis Net Assets at Beginning of Year			
Cash Basis Net Assets at End of Year			
Cash Basis Net Assets:			
Restricted:			
Streets			
Urban renewal purposes			
Debt service			
Other			
Unrestricted			
Total Cash Basis Net Assets			

The accompanying notes are an integral part of these financial statements.

CITY OF REDFIELD
Statement of Activities and Net Assets - Cash Basis
As of and For the Year Ended June 30, 2009

Capital Grants, Contributions, and Restricted <u>Interest</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
0	31,316	0	31,316
0	4,328	0	4,328
0	42,789	0	42,789
0	82,508	0	82,508
0	75,293	0	75,293
0	90,101	0	90,101
<u>0</u>	<u>326,335</u>	<u>0</u>	<u>326,335</u>
0	0	(5,911)	(5,911)
0	0	(28,678)	(28,678)
<u>0</u>	<u>0</u>	<u>(34,589)</u>	<u>(34,589)</u>
<u>0</u>	<u>326,335</u>	<u>(34,589)</u>	<u>291,746</u>
	166,402	0	166,402
	107,796	0	107,796
	92,101	0	92,101
	1,915	0	1,915
	39,076	0	39,076
	(11,673)	11,673	0
	<u>395,617</u>	<u>11,673</u>	<u>407,290</u>
	69,282	46,262	115,544
	59,510	199,780	259,290
	<u>\$ 128,792</u>	<u>246,042</u>	<u>374,834</u>
	\$ 33,723	0	33,723
		0	0
	(6,182)	58,580	52,398
	80,755	0	80,755
	20,496	187,462	207,958
	<u>\$ 128,792</u>	<u>246,042</u>	<u>374,834</u>

CITY OF REDFIELD
Statement of Cash Receipts, Disbursements
and Changes in Cash Balances - Governmental Funds
As of and For the Year Ended June 30, 2009

	<u>General</u>	<u>Special Revenue</u>		<u>Debt Service</u>
		<u>Road Use Tax</u>	<u>TIF</u>	
Receipts:				
Property tax	\$ 133,833	0	0	92,101
TIF revenues	0	0	107,796	0
Other city taxes	1,281	0	0	0
Licenses and permits	1,846	0	0	0
Use of money and property	1,915	0	0	0
Intergovernmental	39,910	69,838	0	0
Charges for services	62,540	0	0	0
Miscellaneous	36,011	0	0	0
Total Receipts	<u>277,336</u>	<u>69,838</u>	<u>107,796</u>	<u>92,101</u>
Disbursements:				
Operating:				
Public safety	48,681	0	0	0
Public works	67,096	67,804	0	0
Culture and recreation	49,601	0	0	0
Community and economic development	3,850	0	109,376	0
General government	69,939	0	0	0
Debt service	0	0	0	90,101
Total Disbursements	<u>239,167</u>	<u>67,804</u>	<u>109,376</u>	<u>90,101</u>
Excess (Deficit) of Receipts over (under) Disbursements	<u>38,169</u>	<u>2,034</u>	<u>(1,580)</u>	<u>2,000</u>
Other Financing Sources (Uses):				
Operating transfers in (out)	(50,854)	5,344	0	0
Total Other Financing Sources (Uses)	<u>(50,854)</u>	<u>5,344</u>	<u>0</u>	<u>0</u>
Net Change in Cash Balances	(12,685)	7,378	(1,580)	2,000
Cash Balances at Beginning of Year	33,181	26,345	1,580	(8,182)
Cash Balances at End of Year	<u>\$ 20,496</u>	<u>33,723</u>	<u>0</u>	<u>(6,182)</u>
Cash Basis Fund Balances:				
Reserved:				
Debt service	\$ 0	0	0	(6,182)
Unreserved:				
General fund	20,496	0	0	0
Special revenue funds	0	33,723	0	0
Permanent fund	0	0	0	0
Total Cash Basis Fund Balances	<u>\$ 20,496</u>	<u>33,723</u>	<u>0</u>	<u>(6,182)</u>

The accompanying notes are in integral part of these financial statements.

CITY OF REDFIELD
Statement of Cash Receipts, Disbursements
and Changes in Cash Balances - Governmental Funds
As of and For the Year Ended June 30, 2009

Other Nonmajor Governmental Funds	<u>Total</u>
32,569	258,503
0	107,796
0	1,281
0	1,846
67	1,982
30,718	140,466
0	62,540
817	36,828
64,171	611,242
7,456	56,137
7,087	141,987
3,677	53,278
0	113,226
5,619	75,558
0	90,101
23,839	530,287
40,332	80,955
33,837	(11,673)
33,837	(11,673)
74,169	69,282
6,586	59,510
80,755	128,792
0	(6,182)
0	20,496
69,947	103,670
10,808	10,808
80,755	128,792

CITY OF REDFIELD
Statement of Cash Receipts, Disbursements
and Changes in Cash Balances - Proprietary Funds
As of and For the Year Ended June 30, 2009

	<u>Water</u>	<u>Enterprise Funds</u> <u>Sewer</u>	<u>Total</u>
Operating Receipts:			
Charges for services	\$ 153,755	136,153	289,908
Miscellaneous	1,625	0	1,625
Total Operating Receipts	<u>155,380</u>	<u>136,153</u>	<u>291,533</u>
Operating Disbursements:			
Business type activities	132,582	73,405	205,987
Total Disbursements	<u>132,582</u>	<u>73,405</u>	<u>205,987</u>
Excess of Operating Receipts over Disbursements	<u>22,798</u>	<u>62,748</u>	<u>85,546</u>
Non-Operating Receipts (Disbursements):			
Use of money and property	1,903	1,725	3,628
Transfers	11,673	0	11,673
Debt service	(18,790)	(35,795)	(54,585)
Total Non-Operating Receipts (Disbursements)	<u>(5,214)</u>	<u>(34,070)</u>	<u>(39,284)</u>
Net Change in Cash Balances	17,584	28,678	46,262
Cash Balances at Beginning of Year	96,576	103,204	199,780
Cash Balances at End of Year	<u>\$ 114,160</u>	<u>131,882</u>	<u>246,042</u>
Cash Basis Fund Balances:			
Unrestricted:			
Reserved for debt service	\$ 37,580	21,000	58,580
Unreserved	76,580	110,882	187,462
Total Cash Basis Fund Balances	<u>\$ 114,160</u>	<u>131,882</u>	<u>246,042</u>

The accompanying notes are an integral part of these financial statements.

CITY OF REDFIELD
Notes to the Financial Statements
June 30, 2009

(1) Summary of Significant Accounting Policies

The City of Redfield is a political subdivision of the State of Iowa located in Dallas County. The City operates under the Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis.

Reporting Entity

For financial reporting purposes, the City of Redfield has included all funds, organizations, account groups, 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 of Redfield has no component units.

The City also participates in jointly governed organizations that provide goods or services to the citizens 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 Dallas County Zoning Board and the Dallas County E911 Service Board.

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.

CITY OF REDFIELD
Notes to the Financial Statements – Continued

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:

General Fund – 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 Funds:

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

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

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

The City reports the following major proprietary funds:

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

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

Measurement Focus and Basis of Accounting

The City of Redfield 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 or results of operations of the funds in accordance with U.S. generally accepted accounting principles.

Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services 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.

Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

CITY OF REDFIELD
Notes to the Financial Statements – Continued

(2) Pooled Deposits and Investments

The City's deposits 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.

Funds that have deficit cash in bank balances are considered to have borrowed cash from other funds.

The City is authorized, by its investment policy, to invest public funds only in certificates of deposit or other evidences of deposit at federally insured depository institutions within the State of Iowa.

(3) Long-Term Debt

A summary of the City's June 30, 2009 general obligation, landfill closure and postclosure costs and revenue bonds is as follows:

Year Ending June 30,	Interest Rates	General Obligation Capital Loan Notes	Landfill Closure and Postclosure Costs	Revenue Bonds	Total
2010	4.16 - 6.40%	84,603	3,099	54,585	142,287
2011	4.16 - 6.40	42,563	3,099	54,585	100,247
2012	4.16 - 6.40	32,178	3,099	54,585	89,862
2013	4.16 - 5.00	21,817	3,099	54,585	79,501
2014	4.16 - 5.00	21,817	3,099	54,585	79,501
		202,978	15,495	272,925	491,398
2015-2019	4.16 - 5.00	32,725	15,495	252,509	300,729
2020-2024	4.50	0	15,495	178,975	194,470
2025-2029	4.50	0	6,217	178,975	185,192
2030-2034	4.50	0	0	178,975	178,975
2035-2039	4.50	0	0	178,975	178,975
2040-2041	4.50	0	0	69,026	69,026
Total principal and interest		235,703	52,702	1,310,360	1,598,765
Less interest		25,335	0	577,521	602,856
Principal balance		\$ 210,368	52,702	732,839	995,909

Interest paid on General Obligation Capital Loan Notes amounted to \$13,508 and interest paid on Revenue Bonds amounted to \$34,960 for the year ended June 30, 2009. The entire amount of \$48,468 was expensed.

Assets restricted for the payment of revenue bonds at June 30, 2009 are as follows:

Water	\$37,580
Sewer	21,000
	\$58,580

CITY OF REDFIELD

Notes to the Financial Statements - Continued

(3) Long-Term Debt - continued

The Water Revenue Bonds provide for annual transfers to the Water Sinking Fund from the Water Revenue Fund sufficient to cover the annual principal and interest payments on the Water Revenue Bonds. The Sewer Revenue Bonds provide for annual transfers to the Sewer Sinking Fund from the Sewer Revenue Fund sufficient to cover the annual principal and interest payments on the Sewer Revenue Bonds. Minimum annual sinking fund requirements are as follows:

Year Ending <u>June 30,</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
2010	\$ 18,790	35,795	54,585
2011	18,790	35,795	54,585
2012	18,790	35,795	54,585
2013	18,790	35,795	54,585
2014	18,790	35,795	54,585
	<hr/>	<hr/>	<hr/>
	93,950	178,975	272,925
2015-2041	73,534	963,901	1,037,435
	<hr/>	<hr/>	<hr/>
	\$ 167,484	1,142,876	1,310,360

During the year ended June 30, 1997, the City of Redfield, along with seven other defendants, reached an agreement on the closure/post-closure costs relating to the operation of the South Dallas County Landfill Agency.

Future payments by the City of Redfield are as follows:

Year Ending <u>June 30,</u>	<u>Amount</u>
2010	\$ 3,099
2011	3,099
2012	3,099
2013	3,099
2014	3,099
	<hr/>
	15,495
2015-2026	37,207
	<hr/>
	\$ 52,702

(4) Retirement System - IPERS

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 administered 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% of their annual salary and the City is required to contribute 6.35% of annual covered payroll. 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 \$8,362, \$10,236, and \$10,008, respectively, equal to the required contributions for each year.

CITY OF REDFIELD
Notes to the Financial Statements – Continued

- (5) General Long-Term Debt Account Group
Changes in the general long-term debt account group during the year ended June 30, 2009 are summarized as follows:

	General Obligation Capital Loan <u>Notes</u>	Landfill Closure and Postclosure <u>Costs</u>	<u>Total</u>
Balance at beginning of year	\$ 283,463	55,801	339,264
Principal payments during year	(73,095)	(3,099)	(76,194)
Balance at end of year	\$ 210,368	52,702	263,070

- (6) Compensated Absences

City employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, retirement or death. City employees also accumulate a limited amount of earned but unused sick leave hours for subsequent use. Sick leave is payable when used. It is not paid upon termination, retirement or death. These accumulations are not recognized as disbursements by the City until used or paid. The City's approximate maximum liability for unrecognized accrued employee benefits are as follows:

<u>Type of Benefit</u>	<u>Amount</u>
Vacation	\$ 2,977
Sick leave	6,388
	\$ 9,365

The liability has been computed based on rates of pay as of June 30, 2009.

- (7) Risk Management

The City of Redfield 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.

- (8) Property Tax Calendar

Property taxes are collected and remitted to the City by the county government. Taxes are levied annually on July 1 based on an assessment as of January 1. Taxes are due one-half on September 30 in the year following the levy and one-half on the subsequent March 31. The lien date is July 1. Current and delinquent tax payments are recognized as receipts by the City when received.

- (9) Budget Overexpenditure

Per the Code of Iowa, disbursements may not legally exceed budgeted appropriations at the function level. During the year ended June 30, 2009, disbursements in the community and economic development, general government and business type activities functions exceeded the amounts budgeted.

CITY OF REDFIELD
Notes to the Financial Statements – Continued

(10) Deficit Fund Balances

At June 30, 2009, the City had a deficit fund balance in the Debt Service Fund of \$6,182 as a result of disbursements exceeding receipts during the year ended June 30, 2008. The City plans to assess a sufficient tax levy in the Debt Service Fund to eliminate the deficit.

(11) Interfund Transfers

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

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
General Fund	Permanent Fund	\$ 1,929
	FEMA Assistance	1,264
		<u>3,193</u>
Road Use Tax	FEMA Assistance	<u>5,344</u>
Housing Rehab	General Fund	<u>22,359</u>
Capital Projects	General Fund	<u>31,688</u>
Water Revenue	FEMA Assistance	<u>11,673</u>
		<u>\$ 74,257</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 REDFIELD
 Budgetary Comparison Schedule of Receipts, Disbursements
 and Changes in Cash Balances - Budget and Actual (Cash Basis)
 All Governmental Funds and Proprietary Funds
 Year Ended June 30, 2009

	Governmental <u>Funds</u>	Proprietary <u>Funds</u>	<u>Total</u>
Receipts:			
Property tax	\$ 258,503	0	258,503
TIF revenues	107,796	0	107,796
Other city taxes	1,281	0	1,281
Licenses and permits	1,846	0	1,846
Use of money and property	1,982	3,628	5,610
Intergovernmental	140,466	0	140,466
Charges for services	62,540	291,533	354,073
Miscellaneous	36,828	0	36,828
Other financing sources	0	11,673	11,673
 Total Receipts	 <u>611,242</u>	 <u>306,834</u>	 <u>918,076</u>
Disbursements:			
Public safety	56,137	0	56,137
Public works	141,987	0	141,987
Culture and recreation	53,278	0	53,278
Community and economic development	113,226	0	113,226
General government	75,558	0	75,558
Debt service	90,101	0	90,101
Business type activities	0	260,572	260,572
Transfers out	11,673	0	11,673
 Total Disbursements	 <u>541,960</u>	 <u>260,572</u>	 <u>802,532</u>
 Excess (Deficit) of Receipts over (under) Disbursements	 69,282	 46,262	 115,544
 Balances at Beginning of Year	 59,510	 199,780	 259,290
 Balances at End of Year	 <u>\$ 128,792</u>	 <u>246,042</u>	 <u>374,834</u>

CITY OF REDFIELD
 Budgetary Comparison Schedule of Receipts, Disbursements
 and Changes in Cash Balances - Budget and Actual (Cash Basis)
 All Governmental Funds and Proprietary Funds
 Year Ended June 30, 2009

<u>Budgeted Amounts</u>		<u>Variance to Final</u>
<u>Original</u>	<u>Amended</u>	
250,932	250,932	7,571
108,800	108,800	(1,004)
8,334	8,334	(7,053)
1,215	1,215	631
3,000	3,000	2,610
190,925	245,925	(105,459)
324,285	324,285	29,788
10,800	10,800	26,028
51,000	51,000	(39,327)
<u>949,291</u>	<u>1,004,291</u>	<u>(86,215)</u>
96,915	71,915	15,778
143,400	153,400	11,413
54,750	54,750	1,472
112,626	5,626	(107,600)
58,550	73,550	(2,008)
92,162	92,162	2,061
247,685	247,685	(12,887)
51,000	33,000	21,327
<u>857,088</u>	<u>732,088</u>	<u>(70,444)</u>
92,203	272,203	(156,659)
292,997	610,137	(350,847)
<u>385,200</u>	<u>882,340</u>	<u>(507,506)</u>

CITY OF REDFIELD
Notes to Required Supplementary Information
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. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based on nine major classes of disbursements, known as functions, not by fund. These 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 include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund, the Capital Projects Fund, the Permanent Fund and the 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 receipts by \$55,000 and decreased budgeted disbursements by \$125,000. The budget amendment is reflected in the final budgeted amounts.

During the year ended June 30, 2009, amounts expended exceeded budgeted amounts in the community and economic development, general government and business type activities functions.

CITY OF REDFIELD
Schedule of Cash Receipts, Disbursements
and Changes in Cash Balances -
Nonmajor Governmental Funds
As of and for the Year Ended June 30, 2009

		<u>Special Revenue</u>	
	<u>Employee</u> <u>Benefits</u>	<u>Local Option</u> <u>Sales Tax</u>	<u>Housing</u> <u>Rehab</u>
Receipts:			
Property tax	\$ 32,569	0	0
Use of money and property - interest	0	0	0
Intergovernmental	0	0	0
Miscellaneous	0	0	0
Total Receipts	32,569	0	0
Disbursements:			
Operating:			
Public safety	7,456	0	0
Public works	7,087	0	0
Culture and recreation	3,677	0	0
General government	5,619	0	0
Total Disbursements	23,839	0	0
Excess (Deficit) of Receipts over (under) Disbursements	8,730	0	0
Other Financing Sources (Uses) - Transfers	0	0	22,359
Net Change in Cash Balances	8,730	0	22,359
Cash Balances at Beginning of Year	37,911	10,869	(22,359)
Cash Balances at End of Year	\$ 46,641	10,869	0
Cash Basis Fund Balances:			
Unreserved:			
Special revenue funds	\$ 46,641	10,869	0
Permanent fund	0	0	0
	\$ 46,641	10,869	0

CITY OF REDFIELD
Schedule of Cash Receipts, Disbursements
and Changes in Cash Balances -
Nonmajor Governmental Funds
As of and for the Year Ended June 30, 2009

<u>FEMA Assistance</u>	<u>Capital Projects</u>	<u>Permanent Fund</u>	<u>Total</u>
0	0	0	32,569
0	0	67	67
30,718	0	0	30,718
0	0	817	817
<u>30,718</u>	<u>0</u>	<u>884</u>	<u>64,171</u>
0	0	0	7,456
0	0	0	7,087
0	0	0	3,677
0	0	0	5,619
<u>0</u>	<u>0</u>	<u>0</u>	<u>23,839</u>
30,718	0	884	40,332
<u>(18,281)</u>	<u>31,688</u>	<u>(1,929)</u>	<u>33,837</u>
12,437	31,688	(1,045)	74,169
0	(31,688)	11,853	6,586
<u>12,437</u>	<u>0</u>	<u>10,808</u>	<u>80,755</u>
12,437	0	0	69,947
0	0	10,808	10,808
<u>12,437</u>	<u>0</u>	<u>10,808</u>	<u>80,755</u>

CITY OF REDFIELD
Schedule of Long-Term Debt and Interest
Year Ended June 30, 2009

<u>Obligation</u>	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Amount Originally Issued</u>
General Obligation:			
Bridge, water and sewer improvements	2/01/98	4.20 - 5.10%	\$ 390,000
Fire truck	3/15/05	4.16%	177,000
Raccoon Valley Bank promissory note	1/10/07	6.40%	80,000
Total G.O. Capital Loan Notes			
Revenue Bonds:			
Water	6/01/79	5.00%	316,900
Sewer	12/08/00	4.50%	646,000
Total Revenue Bonds			
Landfill Closure and Postclosure Costs		0.00%	103,745
Grand Total			

CITY OF REDFIELD
Schedule of Long-Term Debt and Interest
Year Ended June 30, 2009

<u>Outstanding June 30, 2008</u>	<u>Principal</u>		<u>Outstanding June 30, 2009</u>	<u>Interest Paid</u>
	<u>Issued</u>	<u>Redeemed</u>		
\$ 80,000	0	40,000	40,000	4,040
139,331	0	16,187	123,144	5,630
64,132	0	16,908	47,224	3,838
<u>283,463</u>	<u>0</u>	<u>73,095</u>	<u>210,368</u>	<u>13,508</u>
143,731	0	11,223	132,508	7,567
608,733	0	8,402	600,331	27,393
<u>752,464</u>	<u>0</u>	<u>19,625</u>	<u>732,839</u>	<u>34,960</u>
<u>55,801</u>	<u>0</u>	<u>3,099</u>	<u>52,702</u>	<u>0</u>
<u>\$ 1,091,728</u>	<u>0</u>	<u>95,819</u>	<u>995,909</u>	<u>48,468</u>

CITY OF REDFIELD
 Bond Maturities
 June 30, 2009

General Obligation

Year Ending June 30,	<u>Capital Loan Notes</u> <u>Issued 2/1/98</u>		<u>Capital Loan Notes</u> <u>Issued 3/15/05</u>		<u>Raccoon Valley Bank</u> <u>Promissory Note</u> <u>Issued 1/10/07</u>		<u>Total</u>
	<u>Interest</u> <u>Rate</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Amount</u>	
2010	5.10%	\$ 40,000	4.16	16,868	6.40	18,007	74,875
2011	--	--	4.16	17,577	6.40	19,178	36,755
2012	--	--	4.16	18,316	6.40	10,039	28,355
2013	--	--	4.16	19,085	--	--	19,085
2014	--	--	4.16	19,888	--	--	19,888
2015	--	--	4.16	20,724	--	--	20,724
2016	--	--	4.16	10,686	--	--	10,686
2017	--	--	--	--	--	--	--
2018	--	--	--	--	--	--	--
2019	--	--	--	--	--	--	--
2020	--	--	--	--	--	--	--
2021	--	--	--	--	--	--	--
2022	--	--	--	--	--	--	--
2023	--	--	--	--	--	--	--
2024	--	--	--	--	--	--	--
2025	--	--	--	--	--	--	--
2026	--	--	--	--	--	--	--
2027	--	--	--	--	--	--	--
2028	--	--	--	--	--	--	--
2029	--	--	--	--	--	--	--
2030	--	--	--	--	--	--	--
2031	--	--	--	--	--	--	--
2032	--	--	--	--	--	--	--
2033	--	--	--	--	--	--	--
2034	--	--	--	--	--	--	--
2035	--	--	--	--	--	--	--
2036	--	--	--	--	--	--	--
2037	--	--	--	--	--	--	--
2038	--	--	--	--	--	--	--
2039	--	--	--	--	--	--	--
2040	--	--	--	--	--	--	--
2041	--	--	--	--	--	--	--
		<u>\$ 40,000</u>		<u>123,144</u>		<u>47,224</u>	<u>210,368</u>

CITY OF REDFIELD

Bond Maturities

June 30, 2009

South Dallas County Landfill		Revenue Bonds				Total
		Water Issued 6/1/79		Sewer Issued 12/8/00		
Interest Rate	Amount	Interest Rate	Amount	Interest Rate	Amount	
--	3,099	5.00	12,165	4.50	8,780	20,945
--	3,099	5.00	12,773	4.50	9,175	21,948
--	3,099	5.00	13,411	4.50	9,588	22,999
--	3,099	5.00	14,082	4.50	10,019	24,101
--	3,099	5.00	14,786	4.50	10,470	25,256
--	3,099	5.00	15,525	4.50	10,942	26,467
--	3,099	5.00	16,302	4.50	11,434	27,736
--	3,099	5.00	17,117	4.50	11,949	29,066
--	3,099	5.00	16,347	4.50	12,486	28,833
--	3,099	--	--	4.50	13,048	13,048
--	3,099	--	--	4.50	13,635	13,635
--	3,099	--	--	4.50	14,249	14,249
--	3,099	--	--	4.50	14,890	14,890
--	3,099	--	--	4.50	15,560	15,560
--	3,099	--	--	4.50	16,260	16,260
--	3,099	--	--	4.50	16,992	16,992
--	3,118	--	--	4.50	17,757	17,757
--	--	--	--	4.50	18,556	18,556
--	--	--	--	4.50	19,391	19,391
--	--	--	--	4.50	20,263	20,263
--	--	--	--	4.50	21,175	21,175
--	--	--	--	4.50	22,128	22,128
--	--	--	--	4.50	23,124	23,124
--	--	--	--	4.50	24,164	24,164
--	--	--	--	4.50	25,252	25,252
--	--	--	--	4.50	26,388	26,388
--	--	--	--	4.50	27,575	27,575
--	--	--	--	4.50	28,816	28,816
--	--	--	--	4.50	30,113	30,113
--	--	--	--	4.50	31,468	31,468
--	--	--	--	4.50	32,884	32,884
--	--	--	--	4.50	31,800	31,800
	<u>52,702</u>		<u>132,508</u>		<u>600,331</u>	<u>732,839</u>

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
City of Redfield, Iowa

I have audited the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Redfield, Iowa, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents and have issued my report thereon dated January 18, 2010. My report expressed unqualified opinions on the financial statements which were prepared in conformity with an other comprehensive basis of accounting. I conducted my 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 my audit, I considered the City of Redfield's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing my opinion on the effectiveness of the City of Redfield's internal control over financial reporting.

My 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, I identified certain deficiencies in internal control over financial reporting that I consider to be significant deficiencies but none that I consider to be material weaknesses.

A control deficiency exists when the design or operation of the internal 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 Redfield's ability to initiate, authorize, record, process, or report financial data reliably in accordance with another comprehensive basis of accounting such that there is more than a remote likelihood a misstatement in the City of Redfield's financial statements that is more than inconsequential will not be prevented or detected by the City of Redfield's internal control. I consider the deficiency in internal control described in Part II of the accompanying Schedule of Findings to be a significant deficiency 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 Redfield's internal control.

My 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, I believe none of the items are material weaknesses. Prior year significant deficiencies have been resolved except for item 09-II-A.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Redfield's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of non-compliance that are required to be reported under Government Auditing Standards. However, I noted certain immaterial instances of non-compliance that are described in Part III of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the City of Redfield's operations for the year ended June 30, 2009 are based exclusively on knowledge obtained from procedures performed during my audit of the financial statements. Since my audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes. Prior year statutory comments have been resolved except for items 09-III-A, 09-III-F and 09-III-I.

The City of Redfield's responses to findings identified in my audit are described in the accompanying Schedule of Findings. While I have expressed my conclusions on the City of Redfield's responses, I did not audit the City of Redfield's responses and, accordingly, I 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 Redfield and other parties to whom the City of Redfield may report. This report is not intended to be and should not be used by anyone other than those specified parties.

S/ Stanley E. Siebke

Urbandale, Iowa
January 18, 2010

CITY OF REDFIELD
Schedule of Findings
Year Ended June 30, 2009

Part I: Summary of Independent Auditor's Results

- (a) An unqualified opinion was issued on the financial statements which were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.
- (b) A significant deficiency in internal control over financial reporting was disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.

CITY OF REDFIELD
Schedule of Findings
Year Ended June 30, 2009

Part II: Findings Related to the Financial Statements

Instances of Non-compliance

No matters were noted.

Significant Deficiency

09-II-A Segregation of Duties

One important aspect of the internal control over financial reporting is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. I noted that one employee is involved in cash receipts, bank deposits, cash disbursements, bank reconciliations, utility billing and general ledger accounting.

I realize that with the limited number of employees, improvement of these controls is not economically feasible. However, I believe management of the City should be aware of the situation.

Response: The Council is aware of the situation.

Conclusion: Response accepted.

CITY OF REDFIELD
Schedule of Findings
Year Ended June 30, 2009

Part III: Other Findings Related to Statutory Reporting

09-III-A Certified Budget

City expenditures during the year ended June 30, 2009 exceeded amounts budgeted therefore in the community and economic development, general government and business type activities functions. Chapter 384 of the Code of Iowa prohibits such budget overruns. City officials should carefully monitor expenditures and prepare budget amendments when necessary.

Response: We will carefully monitor expenditures to avoid budget overruns.

Conclusion: Response accepted.

09-III-B Questionable Disbursements

I noted no expenditures for parties, banquets, or other entertainment for employees that I believe may constitute an unlawful expenditure from public funds as defined in an Attorney General's opinion dated April 25, 1979.

09-III-C Travel Expense

No expenditures of City money for travel expenses of spouses of City officials and/or employees were noted.

09-III-D Business Transactions

During the year ended June 30, 2009, there were no business transactions between the City and City officials.

09-III-E Bond Coverage

Surety bond coverage of City officials and employees is in accordance with statutory provisions.

09-III-F Council Minutes

No transactions were found that I believe should have been approved in the Council minutes but were not.

I did note occasions when the Council minutes were not published within fifteen days of the Council meeting in accordance with Chapter 372.13(6) of the Code of Iowa. In addition, the published minutes did not include the summary of receipts. The City should publish the Council minutes and required information within fifteen days of the Council meeting.

Response: We will attempt to publish the Council minutes within fifteen days of the meeting and include all necessary items.

Conclusion: Response accepted.

09-III-G Water and Sewer Revenue Bonds

The provisions of the resolutions for the issuance of the revenue bonds relating to the funding of the sinking funds were followed.

CITY OF REDFIELD
Schedule of Findings
Year Ended June 30, 2009

09-III-H Deposits and Investments

I noted no instances of non-compliance with the deposit and investments provisions of Chapter 12B and 12C of the Code of Iowa and the City's investment policy.

09-III-I Deficit Fund Balances

At June 30, 2009, the City had a deficit fund balance in the Debt Service Fund of \$6,182. The City should take necessary action to eliminate this deficit.

Response: The City will increase the tax levy for the Debt Service Fund eliminate the deficit.

Conclusion: Response accepted.