

CITY OF REDFIELD

Redfield, Iowa

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

June 30, 2010

With Independent Auditor's Reports

CITY OF REDFIELD
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CITY OF REDFIELD

City Officials
June 30, 2010

Prior to January 1, 2010

<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
Debbra Light	City Clerk	Indefinite
Beverly Wild	City Attorney	Indefinite

Subsequent to December 31, 2009

Darci Alt	Mayor	December 31, 2013
Pam Danielson	Mayor Pro Tem	December 31, 2013
Darrell Bowman	Council Member	December 31, 2011
Heather Godwin	Council Member	December 31, 2013
Jon Hoy	Council Member	December 31, 2011
Dustin Lantz	Council Member	December 31, 2011
Debbra 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, 2010, 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, 2010, 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 24, 2011 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 24, 2011

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, 2010. We encourage readers to consider this information in conjunction with the City's financial statements, which follow.

2010 Financial Highlights

Total cash basis net assets of the City of Redfield at the close of the fiscal year, June 30, 2010, were \$387,823, an increase of \$12,990 from the fiscal year ended June 30, 2009. Of this amount, the assets of the governmental activities were \$149,004 and the assets of the business activities were \$238,819.

Revenues of the City's governmental activities totaled \$572,140. Property taxes were \$263,432 and intergovernmental receipts totaled \$115,800.

Total disbursements for governmental activities were \$551,927 for 2010. Public Safety disbursements totaled \$82,291, Public Works was \$130,910, Community and Economic Development was \$107,890 and Culture & Recreation was \$56,771.

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 2010.

CASH BASIS NET ASSETS OF GOVERNMENTAL ACTIVITIES

	Year Ended June 30, <u>2010</u>	Year Ended June 30, <u>2009</u>
Revenues:		
Program revenues:		
Charge for services	\$ 61,781	62,540
Licenses & permits	1,753	1,846
Use of money and property	1,676	1,982
Intergovernmental	115,800	140,466
Miscellaneous	22,842	36,828
General Revenues:		
Taxes	263,432	258,503
TIF Revenue	103,794	107,796
Other	<u>1,062</u>	<u>1,281</u>
Total revenues	<u>\$ 572,140</u>	<u>611,242</u>

Expenses:		
Public Safety	\$ 82,291	56,137
Public Works	130,910	141,987
Culture & Recreation	56,771	53,278
Community & Economic Development	107,890	113,226
General Government	85,963	75,558
Debt Service	88,102	90,101
Capital Projects	<u>0</u>	<u>0</u>
Total Expenses	<u>\$551,927</u>	<u>530,287</u>
Excess of Receipts over		
Disbursements	20,213	80,955
Operating Transfers Out	0	(11,673)
Net assets – beginning of year	<u>128,791</u>	<u>59,509</u>
Net assets – end of year	<u>\$149,004</u>	<u>128,791</u>

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

	Year ended June 30, <u>2010</u>	Year ended June 30, <u>2009</u>
Receipts:		
Program receipts:		
Charges for Service:		
Water	\$157,999	155,380
Sewer	133,334	136,153
Use of money & property	<u>2,054</u>	<u>3,628</u>
Total	<u>293,387</u>	<u>295,161</u>
Total Disbursements	<u>300,610</u>	<u>260,572</u>
Increase (Decrease) in cash balance	(7,223)	34,589
Operating Transfers In	0	11,673
Cash basis net assets beginning of year	<u>246,042</u>	<u>199,780</u>
Cash basis net assets end of year	<u>\$238,819</u>	<u>\$246,042</u>

INDIVIDUAL MAJOR GOVERNMENTAL FUND ANALYSIS

As the City of Redfield completed the year, its governmental funds reported receipts of \$572,140 and disbursements of \$551,927, an increase of \$20,213. The General Fund showed receipts of \$256,434 and disbursements and transfers of \$267,568 for a deficit of \$11,134 leaving a fund balance of \$9,362. The Road Use Tax Fund had receipts of \$74,393 and disbursements of \$62,228 for a surplus of \$12,165 leaving a fund balance of \$45,888.

The TIF Fund had receipts of \$103,794 and disbursements of \$103,794 for a deficit of zero dollars. The Debt Service Fund had receipts of \$114,385 and disbursements of \$88,102, leaving an excess of \$26,283 which leaves a fund balance of \$20,101.

INDIVIDUAL MAJOR BUSINESS TYPE FUND ANALYSIS

The Water Fund had receipts and transfers of \$159,048 and disbursements of \$189,243, a deficit of \$30,195 leaving a fund balance of \$83,965. The Sewer Fund had receipts of \$134,339 and disbursements of \$111,367 for an increase of \$22,972 leaving a fund balance of \$154,854. Water and sewer rates were raised in May of 2010, which helped to eliminate the deficit in the water fund.

BUDGETARY HIGHLIGHTS

The City amended its budget on May 24, 2010, to provide for additional disbursements in certain City departments. The City of Redfield exceeded amounts budgeted for in general government function. 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, 2010</u>	<u>June 30, 2009</u>
Governmental:		
General Obligation	\$ 135,521	210,368
Business-type:		
Revenue Debt	<u>711,313</u>	<u>732,839</u>
Total	<u>\$ 846,834</u>	<u>\$943,207</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 \$135,521 is significantly below the constitutional debt limit of \$1,623,295.

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 2010 were as follows:

	<u>Rebate Scheduled</u>	<u>Actual Rebate</u>
Brooklyn Estates	\$103,794	\$103,794

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, 2010

	<u>Disbursements</u>	<u>Charges for Services</u>	<u>Program Receipts Operating Grants, Contributions, and Restricted Interest</u>
Function / Programs:			
Governmental activities:			
Public safety	\$ 82,291	75	27,047
Public works	130,910	61,706	78,031
Culture and recreation	56,771	0	16,549
Community and economic development	107,890	0	0
General government	85,963	0	0
Debt service	88,102	0	0
Total Governmental Activities	<u>551,927</u>	<u>61,781</u>	<u>121,627</u>
Business type activities:			
Water	189,243	157,999	1,049
Sewer	111,367	133,334	1,005
Total Business Type Activities	<u>300,610</u>	<u>291,333</u>	<u>2,054</u>
Total	<u>\$ 852,537</u>	<u>353,114</u>	<u>123,681</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, 2010

Capital Grants, Contributions, and Restricted <u>Interest</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
0	55,169	0	55,169
0	(8,827)	0	(8,827)
0	40,222	0	40,222
0	107,890	0	107,890
0	85,963	0	85,963
0	88,102	0	88,102
<u>0</u>	<u>368,519</u>	<u>0</u>	<u>368,519</u>
0	0	30,195	30,195
0	0	(22,972)	(22,972)
<u>0</u>	<u>0</u>	<u>7,223</u>	<u>7,223</u>
<u>0</u>	<u>368,519</u>	<u>7,223</u>	<u>375,742</u>
	149,047	0	149,047
	103,794	0	103,794
	114,385	0	114,385
	1,640	0	1,640
	19,866	0	19,866
	0	0	0
	<u>388,732</u>	<u>0</u>	<u>388,732</u>
	20,213	(7,223)	12,990
	128,791	246,042	374,833
	<u>\$ 149,004</u>	<u>238,819</u>	<u>387,823</u>
	\$ 45,888	0	45,888
	0	0	0
	20,101	58,580	78,681
	73,653	0	73,653
	9,362	180,239	189,601
	<u>\$ 149,004</u>	<u>238,819</u>	<u>387,823</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, 2010

	<u>General</u>	<u>Special Revenue</u>		<u>Debt Service</u>
		<u>Road Use Tax</u>	<u>TIF</u>	
Receipts:				
Property tax	\$ 137,555	0	0	114,385
TIF revenues	0	0	103,794	0
Other city taxes	1,062	0	0	0
Licenses and permits	1,753	0	0	0
Use of money and property	1,640	0	0	0
Intergovernmental	35,592	74,393	0	0
Charges for services	61,781	0	0	0
Miscellaneous	17,051	0	0	0
Total Receipts	<u>256,434</u>	<u>74,393</u>	<u>103,794</u>	<u>114,385</u>
Disbursements:				
Operating:				
Public safety	68,096	0	0	0
Public works	56,868	62,228	0	0
Culture and recreation	52,819	0	0	0
Community and economic development	4,096	0	103,794	0
General government	77,816	0	0	0
Debt service	0	0	0	88,102
Total Disbursements	<u>259,695</u>	<u>62,228</u>	<u>103,794</u>	<u>88,102</u>
Excess (Deficit) of Receipts over (under) Disbursements	<u>(3,261)</u>	<u>12,165</u>	<u>0</u>	<u>26,283</u>
Other Financing Sources (Uses):				
Operating transfers in (out)	(7,873)	0	0	0
Total Other Financing Sources (Uses)	<u>(7,873)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Cash Balances	(11,134)	12,165	0	26,283
Cash Balances at Beginning of Year	20,496	33,723	0	(6,182)
Cash Balances at End of Year	<u>\$ 9,362</u>	<u>45,888</u>	<u>0</u>	<u>20,101</u>
Cash Basis Fund Balances:				
Reserved:				
Debt service	\$ 0	0	0	20,101
Unreserved:				
General fund	9,362	0	0	0
Special revenue funds	0	45,888	0	0
Permanent fund	0	0	0	0
Total Cash Basis Fund Balances	<u>\$ 9,362</u>	<u>45,888</u>	<u>0</u>	<u>20,101</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, 2010

Other Nonmajor Governmental Funds	<u>Total</u>
11,492	263,432
0	103,794
0	1,062
0	1,753
36	1,676
5,815	115,800
0	61,781
5,791	22,842
23,134	572,140
14,195	82,291
11,814	130,910
3,952	56,771
0	107,890
8,147	85,963
0	88,102
38,108	551,927
(14,974)	20,213
7,873	0
7,873	0
(7,101)	20,213
80,754	128,791
73,653	149,004
0	20,101
0	9,362
49,145	95,033
24,508	24,508
73,653	149,004

CITY OF REDFIELD
Statement of Cash Receipts, Disbursements
and Changes in Cash Balances - Proprietary Funds
As of and For the Year Ended June 30, 2010

	<u>Water</u>	<u>Enterprise Funds Sewer</u>	<u>Total</u>
Operating Receipts:			
Charges for services	\$ 155,749	133,334	289,083
Miscellaneous	2,250	0	2,250
Total Operating Receipts	<u>157,999</u>	<u>133,334</u>	<u>291,333</u>
Operating Disbursements:			
Business type activities	170,453	75,572	246,025
Total Disbursements	<u>170,453</u>	<u>75,572</u>	<u>246,025</u>
Excess (Deficit) of Operating Receipts over (under) Disbursements	<u>(12,454)</u>	<u>57,762</u>	<u>45,308</u>
Non-Operating Receipts (Disbursements):			
Use of money and property	1,049	1,005	2,054
Debt service	(18,790)	(35,795)	(54,585)
Total Non-Operating Receipts (Disbursements)	<u>(17,741)</u>	<u>(34,790)</u>	<u>(52,531)</u>
Net Change in Cash Balances	(30,195)	22,972	(7,223)
Cash Balances at Beginning of Year	114,160	131,882	246,042
Cash Balances at End of Year	<u>\$ 83,965</u>	<u>154,854</u>	<u>238,819</u>
Cash Basis Fund Balances:			
Unrestricted:			
Reserved for debt service	\$ 37,580	21,000	58,580
Unreserved	46,385	133,854	180,239
Total Cash Basis Fund Balances	<u>\$ 83,965</u>	<u>154,854</u>	<u>238,819</u>

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

CITY OF REDFIELD
Notes to the Financial Statements
June 30, 2010

(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, 2010 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, 2010 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
2011	4.16 - 6.40%	\$ 42,563	3,099	54,585	100,247
2012	4.16 - 6.40	32,208	3,099	54,585	89,892
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
2015	4.16 - 5.00	21,817	3,099	54,585	79,501
		140,222	15,495	272,925	428,642
2016-2020	4.16 - 5.00	10,908	15,495	232,860	259,263
2021-2025	4.50	0	15,495	178,975	194,470
2026-2030	4.50	0	3,118	178,975	182,093
2031-2035	4.50	0	0	178,975	178,975
2036-2040	4.50	0	0	178,975	178,975
2041	4.50	0	0	33,231	33,231
Total principal and interest		151,130	49,603	1,254,916	1,455,649
Less interest		15,609	0	543,603	559,212
Principal balance		\$ 135,521	49,603	711,313	896,437

Interest paid on General Obligation Capital Loan Notes amounted to \$9,755 and interest paid on Revenue Bonds amounted to \$33,059 for the year ended June 30, 2010. The entire amount of \$42,814 was expensed.

Assets restricted for the payment of the bonds at June 30, 2010 are as follows:

General Obligation	\$20,101
Water	37,580
Sewer	21,000
	\$78,681

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>
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
2015	18,790	35,795	54,585
	<u>93,950</u>	<u>178,975</u>	<u>272,925</u>
2016-2041	53,885	928,106	981,991
	<u>\$ 147,835</u>	<u>1,107,081</u>	<u>1,254,916</u>

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>
2011	\$ 3,099
2012	3,099
2013	3,099
2014	3,099
2015	3,099
	<u>15,495</u>
2016-2026	34,108
	<u>\$ 49,603</u>

(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 4.30% of their annual salary and the City is required to contribute 6.65% 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, 2010, 2009, and 2008 were \$9,263, \$8,362, and \$10,236, 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, 2010 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	\$ 210,368	52,702	263,070
Principal payments during year	(74,847)	(3,099)	(77,946)
Balance at end of year	\$ 135,521	49,603	185,124

- (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	\$ 4,554
Sick leave	7,032
	\$ 11,586

The liability has been computed based on rates of pay as of June 30, 2010.

- (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, 2010, disbursements in the general government function exceeded the amounts budgeted.

CITY OF REDFIELD
Notes to the Financial Statements – Continued

(10) Interfund Transfers

The detail of interfund transfers during the year ended June 30, 2010 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Permanent Fund	General Fund	<u>\$ 7,873</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, 2010

	Governmental <u>Funds</u>	Proprietary <u>Funds</u>	<u>Total</u>
Receipts:			
Property tax	\$ 263,432	0	263,432
TIF revenues	103,794	0	103,794
Other city taxes	1,062	0	1,062
Licenses and permits	1,753	0	1,753
Use of money and property	1,676	2,054	3,730
Intergovernmental	115,800	0	115,800
Charges for services	61,781	291,333	353,114
Miscellaneous	22,842	0	22,842
Other financing sources	0	0	0
	<u>572,140</u>	<u>293,387</u>	<u>865,527</u>
Total Receipts			
Disbursements:			
Public safety	82,291	0	82,291
Public works	130,910	0	130,910
Culture and recreation	56,771	0	56,771
Community and economic development	107,890	0	107,890
General government	85,963	0	85,963
Debt service	88,102	0	88,102
Business type activities	0	300,610	300,610
Transfers out	0	0	0
	<u>551,927</u>	<u>300,610</u>	<u>852,537</u>
Total Disbursements			
Excess (Deficit) of Receipts over (under) Disbursements	20,213	(7,223)	12,990
Balances at Beginning of Year	128,791	246,042	374,833
Balances at End of Year	<u>\$ 149,004</u>	<u>238,819</u>	<u>387,823</u>

CITY OF REDFIELD
 Budgetary Comparison Schedule of Receipts, Disbursements
 and Changes in Cash Balaces - Budget and Actual (Cash Basis)
 All Governmental Funds and Proprietary Funds
 Year Ended June 30, 2010

<u>Budgeted Amounts</u>		<u>Variance to Final</u>
<u>Original</u>	<u>Amended</u>	
260,050	260,050	3,382
109,293	109,293	(5,499)
8,317	8,317	(7,255)
2,015	2,015	(262)
3,475	3,475	255
120,325	122,468	(6,668)
343,915	343,915	9,199
7,800	7,800	15,042
0	47,950	(47,950)
<u>855,190</u>	<u>905,283</u>	<u>(39,756)</u>
82,850	91,826	9,535
130,415	142,800	11,890
55,700	58,650	1,879
131,153	131,153	23,263
64,900	82,450	(3,513)
90,161	90,161	2,059
269,923	302,735	2,125
0	47,950	47,950
<u>825,102</u>	<u>947,725</u>	<u>95,188</u>
30,088	(42,442)	55,432
229,221	375,051	(218)
<u>259,309</u>	<u>332,609</u>	<u>55,214</u>

CITY OF REDFIELD
Notes to Required Supplementary Information
June 30, 2010

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 \$2,143 and increased budgeted disbursements by \$74,673. The budget amendment is reflected in the final budgeted amounts.

During the year ended June 30, 2010, amounts expended exceeded budgeted amounts in the general government function.

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, 2010

	Employee <u>Benefits</u>	Local Option <u>Sales Tax</u>	<u>Special Revenue</u> <u>IJOBS</u>
Receipts:			
Property tax	\$ 11,492	0	0
Use of money and property - interest	0	0	0
Intergovernmental	0	0	3,638
Miscellaneous	0	0	0
Total Receipts	11,492	0	3,638
Disbursements:			
Operating:			
Public safety	5,220	0	0
Public works	11,814	0	0
Culture and recreation	3,952	0	0
General government	8,147	0	0
Total Disbursements	29,133	0	0
Excess (Deficit) of Receipts over (under) Disbursements	(17,641)	0	3,638
Other Financing Sources - Transfers	0	0	0
Net Change in Cash Balances	(17,641)	0	3,638
Cash Balances at Beginning of Year	46,641	10,869	0
Cash Balances at End of Year	\$ 29,000	10,869	3,638
Cash Basis Fund Balances:			
Unreserved:			
Special revenue funds	\$ 29,000	10,869	3,638
Permanent fund	0	0	0
	\$ 29,000	10,869	3,638

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, 2010

<u>FEMA Assistance</u>	<u>Permanent Fund</u>	<u>Total</u>
0	0	11,492
0	36	36
2,177	0	5,815
0	5,791	5,791
<u>2,177</u>	<u>5,827</u>	<u>23,134</u>
8,975	0	14,195
0	0	11,814
0	0	3,952
0	0	8,147
<u>8,975</u>	<u>0</u>	<u>38,108</u>
(6,798)	5,827	(14,974)
<u>0</u>	<u>7,873</u>	<u>7,873</u>
(6,798)	13,700	(7,101)
12,436	10,808	80,754
<u>5,638</u>	<u>24,508</u>	<u>73,653</u>
5,638	0	49,145
0	24,508	24,508
<u>5,638</u>	<u>24,508</u>	<u>73,653</u>

CITY OF REDFIELD
Schedule of Long-Term Debt and Interest
Year Ended June 30, 2010

<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, 2010

<u>Outstanding June 30, 2009</u>	<u>Principal</u>		<u>Outstanding June 30, 2010</u>	<u>Interest Paid</u>
	<u>Issued</u>	<u>Redeemed</u>		
\$ 40,000	0	40,000	0	\$ 2,040
123,144	0	16,868	106,276	4,949
47,224	0	17,979	29,245	2,766
<u>210,368</u>	<u>0</u>	<u>74,847</u>	<u>135,521</u>	<u>9,755</u>
132,508	0	12,746	119,762	6,044
600,331	0	8,780	591,551	27,015
<u>732,839</u>	<u>0</u>	<u>21,526</u>	<u>711,313</u>	<u>33,059</u>
<u>52,702</u>	<u>0</u>	<u>3,099</u>	<u>49,603</u>	<u>0</u>
<u>\$ 995,909</u>	<u>0</u>	<u>99,472</u>	<u>896,437</u>	<u>\$ 42,814</u>

CITY OF REDFIELD
 Bond Maturities
 June 30, 2010

Year Ending June 30,	<u>General Obligation</u>						
	<u>Capital Loan Notes</u>		<u>Raccoon Valley Bank</u>			<u>South Dallas</u>	
	<u>Issued 3/15/05</u>		<u>Promissory Note</u>			<u>County Landfill</u>	
	Interest		Interest			Interest	
	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	<u>Total</u>	<u>Rate</u>	<u>Amount</u>
2011	4.16%	\$ 17,577	6.40	19,176	36,753	--	3,099
2012	4.16	18,316	6.40	10,069	28,385	--	3,099
2013	4.16	19,085	--	--	19,085	--	3,099
2014	4.16	19,888	--	--	19,888	--	3,099
2015	4.16	20,724	--	--	20,724	--	3,099
2016	4.16	10,686	--	--	10,686	--	3,099
2017	--	--	--	--	--	--	3,099
2018	--	--	--	--	--	--	3,099
2019	--	--	--	--	--	--	3,099
2020	--	--	--	--	--	--	3,099
2021	--	--	--	--	--	--	3,099
2022	--	--	--	--	--	--	3,099
2023	--	--	--	--	--	--	3,099
2024	--	--	--	--	--	--	3,099
2025	--	--	--	--	--	--	3,099
2026	--	--	--	--	--	--	3,118
2027	--	--	--	--	--	--	--
2028	--	--	--	--	--	--	--
2029	--	--	--	--	--	--	--
2030	--	--	--	--	--	--	--
2031	--	--	--	--	--	--	--
2032	--	--	--	--	--	--	--
2033	--	--	--	--	--	--	--
2034	--	--	--	--	--	--	--
2035	--	--	--	--	--	--	--
2036	--	--	--	--	--	--	--
2037	--	--	--	--	--	--	--
2038	--	--	--	--	--	--	--
2039	--	--	--	--	--	--	--
2040	--	--	--	--	--	--	--
2041	--	--	--	--	--	--	--
		<u>\$ 106,276</u>		<u>29,245</u>	<u>135,521</u>		<u>49,603</u>

CITY OF REDFIELD
 Bond Maturities
 June 30, 2010

<u>Revenue Bonds</u>				
Water		Sewer		
<u>Issued 6/1/79</u>		<u>Issued 12/8/00</u>		
Interest		Interest		
<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	<u>Total</u>
5.00	12,802	4.50	9,175	21,977
5.00	13,442	4.50	9,588	23,030
5.00	14,114	4.50	10,019	24,133
5.00	14,820	4.50	10,470	25,290
5.00	15,561	4.50	10,942	26,503
5.00	16,339	4.50	11,434	27,773
5.00	17,156	4.50	11,949	29,105
5.00	15,528	4.50	12,486	28,014
--	--	4.50	13,048	13,048
--	--	4.50	13,635	13,635
--	--	4.50	14,249	14,249
--	--	4.50	14,890	14,890
--	--	4.50	15,560	15,560
--	--	4.50	16,260	16,260
--	--	4.50	16,992	16,992
--	--	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>119,762</u>		<u>591,551</u>	<u>711,313</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, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents and have issued my report thereon dated January 24, 2011. 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying schedule of findings, 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 deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the City of Redfield's financial statements will not be prevented or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I consider the deficiency described in Part II of the accompanying Schedule of Findings to be a significant deficiency.

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, 2010 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 10-III-A and 10-III-F.

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 24, 2011

CITY OF REDFIELD
Schedule of Findings
Year Ended June 30, 2010

Part I: Summary of Independent Auditor's Results

- (a) Unqualified opinions were issued on the financial statements which were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than 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, 2010

Part II: Findings Related to the Financial Statements

Instances of Non-compliance

No matters were noted.

Significant Deficiency

10-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, 2010

Part III: Other Findings Related to Statutory Reporting

10-III-A Certified Budget

City expenditures during the year ended June 30, 2010 exceeded amounts budgeted therefore in the general government function. 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.

10-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.

10-III-C Travel Expense

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

10-III-D Business Transactions

During the year ended June 30, 2010, there were no business transactions between the City and City officials.

10-III-E Bond Coverage

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

10-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.

10-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, 2010

10-III-H Deposits and Investments

The City has adopted an appropriate resolution regarding the deposit of public funds in an approved financial institution. During the year ended June 30, 2010, the maximum deposit amount specified in the resolution was exceeded. I noted no other 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.

Response: We will evaluate the maximum deposit amount to determine if it needs to be increased.

Conclusion: Response accepted.