



Financial Statements
June 30, 2011

City of Asbury, Iowa

Officials	1
Independent Auditor’s Report.....	2
Management’s Discussion and Analysis.....	4
Basic Financial Statements	
Government-wide Financial Statement:	
Exhibit A – Statement of Activities and Net Assets – Cash Basis.....	12
Governmental Fund Financial Statement:	
Exhibit B – Statement of Cash Receipts, Disbursements, and Changes in Cash Balances.....	13
Proprietary Fund Financial Statement:	
Exhibit C – Statement of Cash Receipts, Disbursements, and Changes in Cash Balances.....	14
Notes to Financial Statements.....	15
Supplementary Information	
Schedule 1 – Budgetary Comparison Schedule of Receipts, Disbursements, and Changes in Balances – Budget and Actual (Cash Basis) – All Governmental Funds and Proprietary Funds.....	25
Notes to Supplementary Information – Budgetary Reporting	26
Schedule 2 – Statement of Cash Receipts, Disbursements, and Changes in Cash Balances - Nonmajor Governmental Funds.....	27
Schedule 3 – Schedule of Indebtedness	28
Schedule 4 – Bond and Note Maturities	29
Schedule 5 – Schedule of Receipts by Source and Disbursements by Function - All Governmental Funds.....	32
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	33
Schedule of Findings and Responses	35

City of Asbury, Iowa
Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Jim Adams	Mayor	January 2012
Andrew Kindle	Mayor Pro Tem	January 2012
Mike Cyze	Council Member	January 2014
John Richey	Council Member	January 2014
Jaime Nedved	Council Member	January 2012
Curt Kiessling	Council Member	January 2014
Elizabeth Bonz	City Administrator, Treasurer	Appointed
Sara Burke	City Clerk	Appointed
Doug Hummel	Deputy City Clerk	Appointed
Peggy Thill	Office Assistant	Appointed
Stephen Juergens	Attorney	Appointed



Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Asbury, Iowa, as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements listed in the table of contents. These financial statements are the responsibility of the management of the City of Asbury, Iowa. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Asbury, Iowa, as of June 30, 2011, 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.

As described in Note 1 to the financial statements, the City adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2011, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. Supplementary information included in the management's discussion and analysis and Schedules 1 through 5 are presented for purposes of additional analysis and are not required parts of the basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the seven years ended June 30, 2010, (which are not presented herein) and expressed unqualified opinions on those financial statements which were prepared in conformity with an other comprehensive basis of accounting. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Eide Bailly LLP

Dubuque, Iowa
November 2, 2011

The City of Asbury provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2011. We encourage readers to consider this information in conjunction with the City's financial statements, which follow.

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

2011 Financial Highlights

Receipts of the City increased 79.11%, or approximately \$4,300,000, from fiscal year 2010 to fiscal year 2011. The City received general obligation bond proceeds in the amount of \$3,000,000 for Seippel Road street reconstruction project in fiscal year 2011. In addition, the City received \$1,160,000 for revenue bond proceeds for the west water extension. Property tax revenues increased approximately \$105,000 for new residential construction valuations that were added to the tax rolls. The business-type activities charges for services increased approximately \$76,000 for revenues received due to the increase in the number of utility accounts.

Disbursements of the City's activities increased 13.09%, or approximately \$766,000, from fiscal year 2010 to fiscal year 2011. Capital Projects decreased \$123,000. Capital expenditures included the purchase of property for right of way of \$110,900 and engineering expenses for Seippel Road Improvement Project of \$137,600. Disbursements relating to Public Safety increased \$27,000 for addition of 4th police officer and benefits. Business type expenditures increased due to the infrastructure improvements for the West Waterline Extension Project of \$523,000 and the Carver Heights Lift Station of \$90,000.

The City's total cash basis net assets increased 69.76%, or approximately \$3,900,000, from June 2010 to June 2011. Of this amount, the assets of the governmental activities increased approximately \$3,200,000, and the assets of the business-type activities increased approximately \$700,000.

Using This Annual Report

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

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the City's financial activities.

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

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

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

Supplementary Information further explains and supports the financial statements with a comparison of the City's budget for the year and provides detailed information about the nonmajor governmental funds.

Basis of Accounting

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

Statement of Financial Activities

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

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

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

Governmental Activities include:

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

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

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

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

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

Debt Service – includes general obligation and tax increment financing debt.

Capital Projects – includes sidewalks, right of way acquisition, Seippel Road improvements and park improvement projects.

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

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

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

Governmental Activities

For the year ended June 30, 2011, the City's governmental activities were funded as follows:

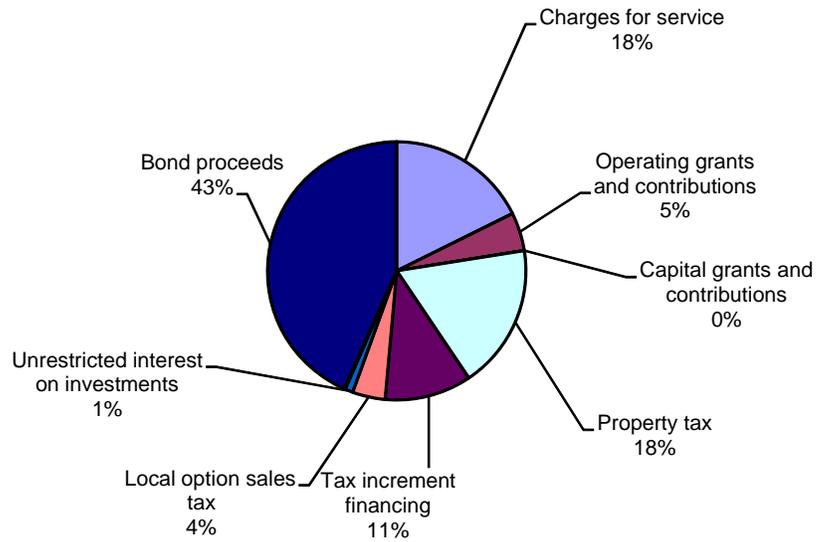
Receipts of the City's governmental activities increased 79.12%, or approximately \$3,050,000 from fiscal year 2010 to fiscal year 2011. The City received bond proceeds in the amount of \$3,000,000 for street and infrastructure improvements for Seippel Road in 2011. Property tax and tax increment financing increased approximately \$105,000 because property valuations increased \$13,037,080.

Disbursements of the City's governmental activities increased 1.27% or approximately \$47,000 from fiscal year 2010 to fiscal year 2011. Disbursements relating to Public Safety increased \$26,900 because of the addition of a fourth police officer. Culture and Recreation disbursements increased approximately \$172,000 because of operations for the Meadows Golf Course. Capital Projects completed in fiscal year 2011 were the purchase of right of way (\$110,890) and for engineering services related to the Seippel Road reconstruction project (\$137,627).

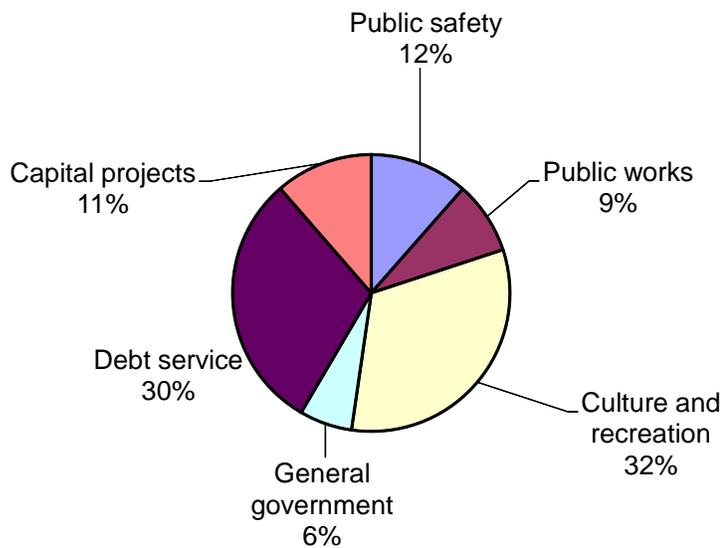
Changes in Cash Basis Net Assets of Governmental Activities

	Year Ended June 30,	
	2011	2010
Program Receipts:		
Charges for service	\$ 1,224,841	\$ 1,270,249
Operating grants and contributions	332,629	228,950
Capital grants and contributions	-	38,272
General Receipts:		
Property tax	1,253,241	1,114,279
Tax increment financing	751,140	785,152
Local option sales tax	284,693	293,913
Unrestricted interest on investments	67,836	101,088
Other general receipts	11,548	28,944
Bond proceeds	3,000,000	-
Total receipts	6,925,928	3,860,847
Program Disbursements:		
Public safety	420,940	394,059
Public works	310,272	358,947
Culture and recreation	1,185,712	1,012,938
Community and economic development	16,204	1,656
General government	225,501	185,548
Debt service	1,106,015	1,141,855
Capital projects	417,762	540,644
Total disbursements	3,682,406	3,635,647
Change in Cash Basis Net Assets Before Transfers	3,243,522	225,200
Transfers, Net	-	9,272
Change in Cash Basis Net Assets	3,243,522	234,472
Cash Basis Net Assets Beginning of Year	2,782,846	2,548,374
Cash Basis Net Assets End of Year	\$ 6,026,368	\$ 2,782,846

Receipts by Source



Disbursements by Function



Business-type Activities

For the year ended June 30, 2011, the City's business-type activities receipts and disbursements were as follows:

Changes in Cash Basis Net Assets of Business-Type Activities

	Year Ended June 30,	
	2011	2010
Receipts:		
Program receipts:		
Charges for service:		
Sewer utility	\$ 731,179	\$ 700,001
Solid waste	211,790	201,003
Water	676,232	642,248
General receipts:		
Unrestricted interest on investments	60,739	54,412
Bond proceeds	1,160,000	-
	2,839,940	1,597,664
Total receipts		
Program Disbursements:		
Sewer utility	718,477	672,440
Solid waste	171,555	172,886
Water	1,278,586	603,927
	2,168,618	1,449,253
Total disbursements		
Change in Cash Basis Net Assets Before Transfers	671,322	148,411
Transfers, Net	-	(9,272)
Change in Cash Basis Net Assets	671,322	139,139
Cash Basis Net Assets Beginning of Year	2,844,411	2,705,272
Cash Basis Net Assets End of Year	\$ 3,515,733	\$ 2,844,411

Receipts of the City's business-type activities increased 77.76%, or approximately \$1,242,000, from fiscal year 2010 to fiscal year 2011. The City received a revenue bond for the West Waterline Improvement Project in the amount of \$1,160,000. Other revenue increased for charges for services due to new residential construction.

Disbursements for business-type activities increased 51.40%, or approximately \$719,000. The City substantially completed improvements for the West Waterline Extension and the Carver Heights Lift Station.

Individual Major Governmental Fund Analysis

As the City of Asbury completed the year, its governmental funds reported a combined fund balance of \$6,026,368, an increase of more than \$3,200,000 above last year's total of \$2,782,846. The following are the major reasons for the changes in fund balances of the major funds from the prior year.

- The General Fund cash balance increased \$113,979 from the prior year to \$1,891,358. Approximately \$80,000 of this increase was due to an increase in property valuations. The City intends to use these receipts to help offset future property tax increases.
- The Special Revenue, Road Use Tax Fund cash balance increased \$109,132 to \$659,327. This increase was attributable to receiving more road use tax funding from the state in 2011. The City intends to use this money to upgrade the condition of all City roads.

The Special Revenue, Local Option Sales Tax Fund cash balance increased \$33,774 to \$426,437. This increase was attributable to transferring less money to capital projects during 2011 than in 2010. The City intends to use this money for police and fire protection, street lighting, snow and ice control, insurance, and street maintenance.

- The Special Revenue, Tax Increment Financing Fund was established to account for major urban renewal projects. This fund did not have a balance at year end, which decreased from the previous year balance of \$10,776. The decrease was the result of debt payments.
- The Capital Project, Seippel Road Project Fund increased its cash balance from \$2,673,488 to \$2,675,674. This increase was due to sale of bonds which are going to be used to fund the reconstruction of Seippel Road.
- The Debt Service Fund cash balance increased to \$4,652 from zero in the previous year. This increase was due to a combination of increased property valuations and bond principal and interest payments decreased \$35,840 in fiscal year 2011.

Individual Major Business Type Fund Analysis

- The Enterprise, Sewer Utility Fund cash balance increased \$42,645 to \$1,704,921. This slight increase was the result of a normal year of operations and increase in user accounts within the Sewer Utility Fund.
- The Enterprise, Water Fund cash balance increased \$585,058 to \$1,574,728, due primarily to sale of water revenue bonds and the start of the West Waterline Extension project.

Budgetary Highlights

City Council approved two budget amendments during the year. The amendments were to reappropriate capital project revenues and expenditures for projects that were budgeted and not completed in the prior year, bond proceeds received and additional expense related to storm damage.

For the year ended June 30, 2011, total actual receipts were \$160,983 over the final budget while total actual disbursements were \$1,975,060 under the final budget. The large difference for budgeted and actual expenditures occurred because the capital projects for the road improvements and waterline extensions were budgeted and not completed in the current fiscal year.

Debt Outstanding

As of year-end, the City had \$12,609,310 debt outstanding compared to \$9,479,500 in 2010.

Outstanding Debt at Year-End

	June 30,	
	2011	2010
General Obligation Notes:		
2000 Park expansion	\$ 30,000	\$ 60,000
2001 Street improvements	65,000	125,000
2002 Water improvements	384,000	421,000
2007 Sewer improvements	640,000	685,000
Total General Obligation Notes	1,119,000	1,291,000
General Obligation Bonds:		
2004 Water improvements	1,205,000	1,287,000
2004 Sewer improvements	-	230,000
2005 Sewer improvements	1,215,000	1,318,000
2005 Water improvements	393,000	430,000
2008 Golf course acquisition	2,750,000	2,860,000
2011 Seippel Road	3,000,000	-
Total General Obligation Bonds	8,563,000	6,125,000
Revenue Notes:		
2001 Water improvements	300,000	360,000
2006 Sewer improvements	1,439,000	1,575,000
2010 Water improvements	1,085,000	-
Total Revenue Notes	2,824,000	1,935,000
Purchase Agreement:		
2009 Yamaha Golf Carts	103,310	128,500
Total	\$ 12,609,310	\$ 9,479,500

The City as of June 30, 2011, is at 67.83% of its bonding capacity. The City's outstanding general obligation debt limit was \$14,426,696.

Economic Factors

While property taxes are important to the City, they represent less than 22% of revenue sources excluding other financing sources. TIF revenues comprise 14% of total revenues. Charges for service comprise 49% of total revenues. The City continues to grow and add residential housing at a robust pace. This has added to the property tax base and increased the number of utility users in the community.

Next Year's Budget and Rates

For the year ending June 30, 2012, the trail system for the City continues to be a priority to link neighborhoods and provide a method of safe pedestrian travel within the community. The City is in the process of updating the Comprehensive Plan and performing the annual review of the Capital Improvement Plan. The City Council is evaluating the results of the space needs assessment. All future plans will require the City Council and Mayor to balance the growth of the community with an appropriate tax levy and charge for services. Capital projects budgeted for next year include improvements to Seippel Road, Althaus Pond and the new park, new equipment, and sewer main extensions to the new annexed area. These projects will be financed with a combination of revenue bonds and reserves. While the City had a corporate tax levy of \$10.30 in 2011 the Fiscal Year 2012 total corporate tax levy will again be \$10.30.

Financial Contact

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

Elizabeth Bonz
City Administrator



Basic Financial Statements
June 30, 2011

City of Asbury, Iowa

(This page left blank intentionally.)

Functions/Programs:	Disbursements	Program Receipts		
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Public safety	\$ 420,940	\$ 136,143	\$ -	\$ -
Public works	310,272	-	311,866	-
Culture and recreation	1,185,712	1,020,177	-	-
Community and economic development	16,204	-	-	-
General government	225,501	59,497	20,763	-
Debt service	1,106,015	-	-	-
Capital projects	417,762	9,024	-	-
Total governmental activities	<u>3,682,406</u>	<u>1,224,841</u>	<u>332,629</u>	<u>-</u>
Business-type activities:				
Sewer utility	718,477	731,179	-	-
Solid waste	171,555	211,790	-	-
Water	1,278,586	676,232	-	-
Total business-type activities	<u>2,168,618</u>	<u>1,619,201</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 5,851,024</u>	<u>\$ 2,844,042</u>	<u>\$ 332,629</u>	<u>\$ -</u>
General Receipts:				
Property tax levied for:				
General purposes				
Debt service				
Tax increment financing				
Local option sales tax				
Unrestricted interest on investments				
Bond proceeds				
Discount on bonds sold				
Miscellaneous				
Total general receipts				
Change in Cash Basis Net Assets				
Cash Basis Net Assets Beginning of Year				
Cash Basis Net Assets End of Year				
Cash Basis Net Assets				
Restricted:				
Streets				
Capital projects				
Debt service				
Other purposes				
Unrestricted				
Total cash basis net assets				

See Notes to Financial Statements

City of Asbury, Iowa
 Exhibit A – Statement of Activities and Net Assets – Cash Basis
 As of and for the Year Ended June 30, 2011

Net (Disbursements) Receipts and Changes in Cash Basis Net Assets		
Governmental Activities	Business-type Activities	Total
\$ (284,797)	\$ -	\$ (284,797)
1,594	-	1,594
(165,535)	-	(165,535)
(16,204)	-	(16,204)
(145,241)	-	(145,241)
(1,106,015)	-	(1,106,015)
(408,738)	-	(408,738)
<u>(2,124,936)</u>	<u>-</u>	<u>(2,124,936)</u>
-	12,702	12,702
-	40,235	40,235
<u>-</u>	<u>(602,354)</u>	<u>(602,354)</u>
<u>-</u>	<u>(549,417)</u>	<u>(549,417)</u>
<u>(2,124,936)</u>	<u>(549,417)</u>	<u>(2,674,353)</u>
1,030,399	-	1,030,399
222,842	-	222,842
751,140	-	751,140
284,693	-	284,693
67,836	60,739	128,575
3,000,000	1,160,000	4,160,000
(13,091)	-	(13,091)
24,639	-	24,639
<u>5,368,458</u>	<u>1,220,739</u>	<u>6,589,197</u>
3,243,522	671,322	3,914,844
<u>2,782,846</u>	<u>2,844,411</u>	<u>5,627,257</u>
<u>\$ 6,026,368</u>	<u>\$ 3,515,733</u>	<u>\$ 9,542,101</u>
\$ 659,327	\$ -	\$ 659,327
2,675,674	-	2,675,674
4,652	138,000	142,652
640,946	-	640,946
<u>2,045,769</u>	<u>3,377,733</u>	<u>5,423,502</u>
<u>\$ 6,026,368</u>	<u>\$ 3,515,733</u>	<u>\$ 9,542,101</u>

	General	Special Revenue		
		Road Use Tax	Local Option Sales Tax	Tax Increment Financing
Receipts:				
Property tax	\$ 953,734	\$ -	\$ -	\$ -
Tax increment financing	-	-	-	751,140
Other City tax	-	-	284,693	-
Licenses and permits	180,275	-	-	-
Use of money and property	43,396	-	7,213	4,891
Intergovernmental	20,763	268,729	-	-
Charges for service	1,035,711	-	-	-
Special assessments	-	-	-	-
Miscellaneous	19,277	-	-	-
Total receipts	<u>2,253,156</u>	<u>268,729</u>	<u>291,906</u>	<u>756,031</u>
Disbursements:				
Operating:				
Public safety	420,940	-	-	-
Public works	150,675	159,597	-	-
Culture and recreation	1,175,520	-	-	-
Community and economic development	16,204	-	-	-
General government	225,501	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital projects	18,551	-	-	-
Total disbursements	<u>2,007,391</u>	<u>159,597</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Receipts over (Under) Disbursements	<u>245,765</u>	<u>109,132</u>	<u>291,906</u>	<u>756,031</u>
Other Financing Sources (Uses):				
Bond proceeds	-	-	-	-
Discount on bonds sold	-	-	-	-
Transfers in	223,117	-	-	-
Transfers out	(354,903)	-	(258,132)	(766,807)
Total other financing sources (uses)	<u>(131,786)</u>	<u>-</u>	<u>(258,132)</u>	<u>(766,807)</u>
Net Change in Cash Balances	113,979	109,132	33,774	(10,776)
Cash Balances Beginning of Year	<u>1,777,379</u>	<u>550,195</u>	<u>392,663</u>	<u>10,776</u>
Cash Balances End of Year	<u>\$ 1,891,358</u>	<u>\$ 659,327</u>	<u>\$ 426,437</u>	<u>\$ -</u>
Cash Basis Fund Balances				
Restricted	\$ -	\$ 659,327	\$ 426,437	\$ -
Assigned	590,210	-	-	-
Unassigned	1,301,148	-	-	-
Total cash basis fund balances	<u>\$ 1,891,358</u>	<u>\$ 659,327</u>	<u>\$ 426,437</u>	<u>\$ -</u>

See Notes to Financial Statements

City of Asbury, Iowa
 Exhibit B – Statement of Cash Receipts, Disbursements, and Changes in Cash Balances
 Governmental Funds
 As of and for the Year Ended June 30, 2011

<u>Capital Projects</u> Seippel Road Project	<u>Debt Service</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total</u>
\$ -	\$ 222,842	\$ 76,665	\$ 1,253,241
-	-	-	751,140
-	-	-	284,693
-	-	-	180,275
8,420	249	3,667	67,836
13,020	-	30,117	332,629
-	-	-	1,035,711
-	-	9,024	9,024
-	-	5,193	24,470
<u>21,440</u>	<u>223,091</u>	<u>124,666</u>	<u>3,939,019</u>
-	-	-	420,940
-	-	-	310,272
-	-	10,192	1,185,712
-	-	-	16,204
-	-	-	225,501
-	794,000	-	794,000
-	312,015	-	312,015
137,627	-	261,584	417,762
<u>137,627</u>	<u>1,106,015</u>	<u>271,776</u>	<u>3,682,406</u>
<u>(116,187)</u>	<u>(882,924)</u>	<u>(147,110)</u>	<u>256,613</u>
3,000,000	-	-	3,000,000
(13,091)	-	-	(13,091)
-	887,576	542,883	1,653,576
(197,234)	-	(76,500)	(1,653,576)
<u>2,789,675</u>	<u>887,576</u>	<u>466,383</u>	<u>2,986,909</u>
2,673,488	4,652	319,273	3,243,522
<u>2,186</u>	<u>-</u>	<u>49,647</u>	<u>2,782,846</u>
<u>\$ 2,675,674</u>	<u>\$ 4,652</u>	<u>\$ 368,920</u>	<u>\$ 6,026,368</u>
\$ 2,675,674	\$ 4,652	\$ 214,509	\$ 3,980,599
-	-	154,411	744,621
-	-	-	1,301,148
<u>\$ 2,675,674</u>	<u>\$ 4,652</u>	<u>\$ 368,920</u>	<u>\$ 6,026,368</u>

City of Asbury, Iowa
 Exhibit C – Statement of Cash Receipts, Disbursements, and Changes in Cash Balances
 Proprietary Funds
 As of and for the Year Ended June 30, 2011

	Enterprise Funds			Total
	Sewer Utility	Water	Nonmajor Solid Waste	
Operating Receipts:				
Use of money and property	\$ 29,943	\$ 27,412	\$ 3,384	\$ 60,739
Charges for service	731,179	676,232	211,790	1,619,201
Total operating receipts	<u>761,122</u>	<u>703,644</u>	<u>215,174</u>	<u>1,679,940</u>
Operating Disbursements:				
Salaries and wages	74,057	72,865	16,382	163,304
Employee benefits and costs	24,020	25,029	5,191	54,240
Staff development	432	1,769	-	2,201
Repair, maintenance, and utilities	128,523	54,743	-	183,266
Contractual services	52,707	175,162	147,791	375,660
Commodities	7,518	34,668	2,191	44,377
Capital outlay	247,970	813,569	-	1,061,539
Total operating disbursements	<u>535,227</u>	<u>1,177,805</u>	<u>171,555</u>	<u>1,884,587</u>
Excess (Deficiency) of Operating Receipts over (under) Operating Disbursements	225,895	(474,161)	43,619	(204,647)
Non-Operating Disbursements:				
Debt service	<u>(183,250)</u>	<u>(100,781)</u>	<u>-</u>	<u>(284,031)</u>
Excess (Deficiency) of Receipts over (under) Disbursements	42,645	(574,942)	43,619	(488,678)
Other Financing Sources (Uses):				
Bond proceeds	<u>-</u>	<u>1,160,000</u>	<u>-</u>	<u>1,160,000</u>
Net Change in Cash Balances	42,645	585,058	43,619	671,322
Cash Balances Beginning of Year	<u>1,662,276</u>	<u>989,670</u>	<u>192,465</u>	<u>2,844,411</u>
Cash Balances End of Year	<u>\$ 1,704,921</u>	<u>\$ 1,574,728</u>	<u>\$ 236,084</u>	<u>\$ 3,515,733</u>
Cash Basis Fund Balances				
Restricted for debt service	\$ -	\$ 138,000	\$ -	\$ 138,000
Unrestricted	<u>1,704,921</u>	<u>1,436,728</u>	<u>236,084</u>	<u>3,377,733</u>
Total cash basis fund balances	<u>\$ 1,704,921</u>	<u>\$ 1,574,728</u>	<u>\$ 236,084</u>	<u>\$ 3,515,733</u>

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

For financial reporting purposes, the City of Asbury, Iowa, has included all funds, organizations, agencies, boards, commissions, and authorities. The City has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the City. The City has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations

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

Basis of Presentation

Government-wide Financial Statement

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

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

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets not meeting the definition of the preceding category. Unrestricted net assets often have constraints on resources imposed by management, which can be removed or modified.

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

Fund Financial Statements

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

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. All general tax receipts and other receipts not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating disbursements, the fixed charges, and the capital improvement costs not paid from other funds.

Special Revenue

The Road Use Tax Fund is used to account for the road use tax allocation from the State of Iowa for road construction and maintenance.

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

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

Capital Projects

The Seippel Road Construction Fund is used to account for activities of the Seippel Road reconstruction project.

Debt Service

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

The City reports the following major proprietary funds:

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

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

Measurement Focus and Basis of Accounting

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

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

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

Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Supplementary Information. During the year ended June 30, 2011, no disbursements significantly exceeded the amounts budgeted in the general government and business-type activities.

Property Tax Receipts

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

Fund Equity

The City implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* effective with the June 30, 2011 financial statements. Fund balances for the governmental funds are reported in classifications that comprise a hierarchy based on the extent to which the government honors constraints on the specific purposes for which amounts in those funds can be spent.

The non-spendable classification contains amounts not in spendable form or legally or contractually required to be maintained intact. Restricted amounts contain restraints on their use externally imposed by creditors, grantors, contributors, or laws or regulation of other governments; or imposed by law through constitutional provisions or enabling legislation. Committed amounts can only be used for specific purposes imposed by formal action of the government's highest level of decision-making authority. The highest level of decision-making authority is the City Council and it takes an ordinance, resolution of formal vote of approval to establish a fund balance commitment. Amounts intended to be used for specific purposes are assigned as needed by the City Administrator. Assignments should not cause deficits in the unassigned fund balance. Unassigned fund balance is the residual classification for the general fund.

When committed, assigned, and unassigned resources are available for use, it is the government's policy to use committed resources first, then assigned resources, and then unassigned resources as they are needed.

Note 2 - Cash and Investments

The City's deposits in banks at June 30, 2011, were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The City is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the City Council; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The City had no investments during the year ended June 30, 2011.

Interest Rate Risk

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

Note 3 - Bonds and Notes Payable

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

Year Ending June 30,	General Obligation Notes		General Obligation Bonds		Revenue Notes	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 178,000	\$ 43,729	\$ 345,000	\$ 305,645	\$ 278,000	\$ 92,108
2013	89,000	35,888	461,000	294,432	285,000	82,468
2014	90,000	32,718	479,000	280,753	288,000	72,668
2015	96,000	29,468	491,000	266,232	295,000	62,778
2016	98,000	25,956	513,000	251,403	302,000	52,728
2017-2021	498,000	72,224	2,792,000	1,009,458	1,256,000	137,885
2022-2026	70,000	3,150	2,007,000	599,278	120,000	4,500
2027-2031	-	-	1,475,000	190,335	-	-
	<u>\$ 1,119,000</u>	<u>\$ 243,133</u>	<u>\$ 8,563,000</u>	<u>\$ 3,197,536</u>	<u>\$ 2,824,000</u>	<u>\$ 505,135</u>

Year Ending June 30,	Golf Cart Purchase Agreement		Total	
	Principal	Interest	Principal	Interest
2012	\$ 26,407	\$ 4,193	\$ 827,407	\$ 445,675
2013	27,682	2,918	862,682	415,706
2014	29,019	1,581	886,019	387,720
2015	20,202	199	902,202	358,677
2016	-	-	913,000	330,087
2017-2021	-	-	4,546,000	1,219,567
2022-2026	-	-	2,197,000	606,928
2027-2031	-	-	1,475,000	190,335
	<u>\$ 103,310</u>	<u>\$ 8,891</u>	<u>\$ 12,609,310</u>	<u>\$ 3,954,695</u>

Revenue Notes

The City has pledged future water customer receipts, net of specified operating disbursements, to repay \$900,000 of a water revenue note issued in May 2001 and \$1,160,000 of a water revenue note issued in August 2010. Proceeds from the note issued in May 2001 provided financing for the purchase of private water systems. Proceeds from the note issued in August 2010 provided financing for the West Waterline Extension project. The total principal and interest remaining to be paid on the notes is \$1,652,865. For the current year, principal and interest paid and total customer net receipts were \$184,181 and \$311,996, respectively. The 2001 note is payable from TIF funds and is payable through 2016. The 2010 note is payable solely from water funds and is payable through 2022.

The City has pledged future sewer customer receipts, net of specified operating disbursements, to repay \$2,100,000 of a sewer revenue note issued in June 2006. Proceeds from the note provided financing for the construction of improvements to the sewer treatment plant. The note is payable solely from sewer customer net receipts and is payable through 2021. The total principal and interest remaining to be paid on the note is \$1,676,270. For the current year, principal and interest paid and total customer net receipts were \$183,250 and \$443,922, respectively.

The resolutions providing for the issuance of the revenue notes include the following provisions:

- a) The notes will only be redeemed from the future earnings of the water fund activity and the note holders hold a lien on the future earnings of the funds.
- b) Sufficient monthly transfers shall be made to water revenue note sinking accounts within the Enterprise Funds for the purpose of making the note principal and interest payments when due.
- c) Additional monthly transfers of \$1,000 to a water reserve account within the Enterprise Funds shall be made until specific minimum balances have been accumulated. These accounts are restricted for the purpose of paying for any additional improvements, extensions, or repairs to the system.
- d) All funds remaining in the water account after the payment of all maintenance and operating expenses and required transfers shall be placed in a water revenue surplus account. This account is restricted for the purpose of paying for any improvement, extension, or repair to the system or for note and interest payments which the other accounts might be unable to make.

Note 4 - Pension and Retirement Benefits

The City contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Most regular plan members are required to contribute 4.50% of their annual covered salary, and the City is required to contribute 6.95% of covered salary. Certain employees in special risk occupations and the City contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The City's contributions to IPERS for the years ended June 30, 2011, 2010, and 2009, were \$53,744, \$47,115, and \$39,548, respectively, equal to the required contributions for each year.

Note 5 - Other Postemployment Benefits (OPEB)

Plan Description - The City operates a single-employer health benefit plan which provides medical/prescription drug benefits for retirees and their spouses. There are 14 active and no retired members in the plan. Participants must be age 55 or older at retirement.

The medical/prescription drug benefits are provided through a fully-insured plan with Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefits as active employees.

Funding Policy - The contribution requirements of plan members are established and may be amended by the City. The City currently finances the benefit plan on a pay-as-you-go basis. The most recent active member monthly premiums for the City and plan members are \$384 for single coverage and \$872 for family coverage. The same monthly premiums apply to retirees. For the year ended June 30, 2011, there were no participants and no contributions to the plan.

Note 6 - Compensated Absences

City employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, retirement, or death. These accumulations are not recognized as disbursements by the City until used or paid. The City's liability for earned compensated absences payable to employees at June 30, 2011, primarily relating to the General Fund, is as follows:

Type of Benefit	Amount
Vacation	\$ 7,849

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

This liability has been computed based on rates of pay in effect at June 30, 2011.

Note 7 - Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2011, is as follows:

Transfer to	Transfer from	Amount
General	Special Revenue: Local Option Sales Tax Nonmajor Governmental Funds	\$ 146,617 76,500 <u>223,117</u>
Debt Service	Special Revenue: General Tax Increment Financing Local Option Sales Tax	127,956 693,105 66,515 <u>887,576</u>
Nonmajor Governmental Funds	General Special Revenue: Local Option Sales Tax Tax Increment Financing Capital Projects: Seippel Road Project	226,947 45,000 73,702 197,234 <u>542,883</u> <u>\$ 1,653,576</u>

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

Note 8 - Risk Management

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

Note 9 - Commitments and Contingency

The City had active construction projects at June 30, 2011. At year end the City's commitments with contractors are as follows:

<u>Project</u>	<u>Total Contract</u>	<u>Payments-to- Date</u>	<u>Remaining Commitment</u>
West Waterline Extension	\$ 794,699	\$ 785,267	\$ 9,432
Salt Shed	147,671	107,082	40,589
Carver Lift Station	188,164	178,756	9,408

Note 10 - Conduit Debt

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

As of June 30, 2011, there were three series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$5,842,589.

Note 11 - Litigation

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

Note 12 - Fund Balance Reporting

The detail of the City's cash basis fund balances at June 30, 2011, is as follows:

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Special Revenue</u>	<u>Total</u>
Restricted For					
Road improvements	\$ -	\$ -	\$ -	\$ 659,327	\$ 659,327
Police	-	-	-	76,759	76,759
Street lighting	-	-	-	46,907	46,907
Fire services	-	-	-	25,586	25,586
Snow	-	-	-	42,644	42,644
Insurance	-	-	-	63,966	63,966
Street maintenance	-	-	-	170,575	170,575
Seippel road	-	-	2,675,674	-	2,675,674
Debt service	-	4,652	-	-	4,652
Special levies	-	-	-	2,729	2,729
Trail contribution	-	-	-	1,119	1,119
K-9 fund	-	-	-	346	346
Tax increment financing	-	-	-	210,315	210,315
Total restricted	<u>-</u>	<u>4,652</u>	<u>2,675,674</u>	<u>1,300,273</u>	<u>3,980,599</u>
Assigned To					
Economic development	590,210	-	-	-	590,210
Asbury intersection	-	-	94,993	-	94,993
Burr Oak reconstruction	-	-	1,309	-	1,309
Asbury walking trail	-	-	12,436	-	12,436
Sidewalk assessment	-	-	4,504	-	4,504
Public works garage	-	-	41,169	-	41,169
Total assigned	<u>590,210</u>	<u>-</u>	<u>154,411</u>	<u>-</u>	<u>744,621</u>
Unassigned	<u>1,301,148</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,301,148</u>
Total fund balances	<u>\$ 1,891,358</u>	<u>\$ 4,652</u>	<u>\$ 2,830,085</u>	<u>\$ 1,300,273</u>	<u>\$ 6,026,368</u>

Note 13 - Prospective Accounting Change

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

Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, issued December 2009, will be effective for the fiscal year ending June 30, 2012. This Statement permits an agent employer that has an individual-employer OPEB plan with fewer than 100 total plan members to use the alternative measurement method.

Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; issued November 2010, will be effective for the fiscal year ending June 30, 2013. The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements.

Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*; issued November 2010, will be effective for the fiscal year ending June 30, 2013. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity.

Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; issued December 2010, will be effective for the fiscal year ending June 30, 2013. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance.

Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, issued June 2011, will be effective for the fiscal year ending June 30, 2013. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions - an amendment to GASB Statement No. 53*, issued June 2011, will be effective for the fiscal year ending June 30, 2012. The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider.

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



Supplementary Information
June 30, 2011

City of Asbury, Iowa

(This page left blank intentionally.)

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual
Receipts:			
Property tax	\$ 1,253,241	\$ -	\$ 1,253,241
Tax increment financing	751,140	-	751,140
Other City tax	284,693	-	284,693
Licenses and permits	180,275	-	180,275
Use of money and property	67,836	60,739	128,575
Intergovernmental	332,629	-	332,629
Charges for service	1,035,711	1,619,201	2,654,912
Special assessments	9,024	-	9,024
Miscellaneous	24,470	-	24,470
Total receipts	<u>3,939,019</u>	<u>1,679,940</u>	<u>5,618,959</u>
Disbursements:			
Public safety	420,940	-	420,940
Public works	310,272	-	310,272
Culture and recreation	1,185,712	-	1,185,712
Community and economic development	16,204	-	16,204
General government	225,501	-	225,501
Debt service	1,106,015	-	1,106,015
Capital projects	417,762	-	417,762
Business-type activities	-	2,168,618	2,168,618
Total disbursements	<u>3,682,406</u>	<u>2,168,618</u>	<u>5,851,024</u>
Excess (Deficiency) of Receipts over (Under) Disbursements	256,613	(488,678)	(232,065)
Other Financing Sources, Net	<u>2,986,909</u>	<u>1,160,000</u>	<u>4,146,909</u>
Excess of Receipts and Other Financing Sources over Disbursements and Other Financing Uses	3,243,522	671,322	3,914,844
Balances Beginning of Year	<u>2,782,846</u>	<u>2,844,411</u>	<u>5,627,257</u>
Balances End of Year	<u>\$ 6,026,368</u>	<u>\$ 3,515,733</u>	<u>\$ 9,542,101</u>

City of Asbury, Iowa

Schedule 1 – Budgetary Comparison Schedule of Receipts, Disbursements, and Changes in Balances –
Budget and Actual (Cash Basis) – All Governmental Funds and Proprietary Funds
Supplementary Information
Year Ended June 30, 2011

Budgeted Amounts		Final to Actual Variance- Positive (Negative)
Original	Final	
\$ 1,242,084	\$ 1,242,084	\$ 11,157
772,949	772,949	(21,809)
329,929	329,929	(45,236)
63,785	63,785	116,490
72,500	72,500	56,075
209,720	248,720	83,909
2,639,009	2,687,009	(32,097)
-	-	9,024
41,000	41,000	(16,530)
<u>5,370,976</u>	<u>5,457,976</u>	<u>160,983</u>
466,695	493,952	73,012
408,587	427,587	117,315
1,319,172	1,403,172	217,460
36,225	36,225	20,021
282,453	282,453	56,952
1,105,766	1,105,766	(249)
945,000	1,400,000	982,238
2,418,148	2,676,929	508,311
<u>6,982,046</u>	<u>7,826,084</u>	<u>1,975,060</u>
(1,611,070)	(2,368,108)	2,136,043
<u>1,779,000</u>	<u>4,679,000</u>	<u>(532,091)</u>
167,930	2,310,892	1,603,952
<u>5,533,697</u>	<u>5,627,257</u>	<u>-</u>
<u>\$ 5,701,627</u>	<u>\$ 7,938,149</u>	<u>\$ 1,603,952</u>

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

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

Formal and legal budgetary control is based upon eight major classes of disbursements known as functions, not by fund. These eight functions are: public safety, public works, 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, Special Revenue Funds, Debt Service Fund, Capital Projects Fund, and Proprietary Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year, two budget amendments increased budgeted disbursements by \$844,038. The budget amendments are reflected in the final budgeted amounts.

During the year ended June 30, 2011, disbursements did not significantly exceed the amounts budgeted.

Capital Projects

	Asbury Intersection Project	Burr Oak Reconstruction	Asbury Walking Trail	Sidewalk Assessment Fund
Receipts:				
Property tax	\$ -	\$ -	\$ -	\$ -
Use of money and property	1,340	-	-	-
Intergovernmental	-	-	-	-
Special assessments	-	5,900	3,124	-
Miscellaneous	-	-	-	5,193
Total receipts	<u>1,340</u>	<u>5,900</u>	<u>3,124</u>	<u>5,193</u>
Disbursements:				
Operating:				
Culture and recreation	-	-	-	-
Capital projects	-	-	-	19,746
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,746</u>
Excess (Deficiency) of Receipts over (Under) Disbursements	<u>1,340</u>	<u>5,900</u>	<u>3,124</u>	<u>(14,553)</u>
Other Financing Sources (Uses):				
Transfers in	-	197,234	-	19,057
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>197,234</u>	<u>-</u>	<u>19,057</u>
Net Change in Cash Balances	1,340	203,134	3,124	4,504
Cash Balances Beginning of Year	<u>93,653</u>	<u>(201,825)</u>	<u>9,312</u>	<u>-</u>
Cash Balances End of Year	<u>\$ 94,993</u>	<u>\$ 1,309</u>	<u>\$ 12,436</u>	<u>\$ 4,504</u>
Cash Basis Fund Balances				
Restricted	\$ -	\$ -	\$ -	\$ -
Assigned	<u>94,993</u>	<u>1,309</u>	<u>12,436</u>	<u>4,504</u>
Total cash basis fund balances	<u>\$ 94,993</u>	<u>\$ 1,309</u>	<u>\$ 12,436</u>	<u>\$ 4,504</u>

City of Asbury, Iowa
Schedule 2 – Statement of Cash Receipts, Disbursements, and Changes in Cash Balances
Nonmajor Governmental Funds
As of and for the Year Ended June 30, 2011

Capital Projects		Special Revenue			Total
Public Works Garage	Land Acquisition Fund	Special Levies	Special Projects	Low Moderate Income	
\$ -	\$ -	\$ 76,665	\$ -	\$ -	\$ 76,665
-	-	-	-	2,327	3,667
30,117	-	-	-	-	30,117
-	-	-	-	-	9,024
-	-	-	-	-	5,193
<u>30,117</u>	<u>-</u>	<u>76,665</u>	<u>-</u>	<u>2,327</u>	<u>124,666</u>
-	-	-	10,192	-	10,192
<u>130,948</u>	<u>110,890</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>261,584</u>
<u>130,948</u>	<u>110,890</u>	<u>-</u>	<u>10,192</u>	<u>-</u>	<u>271,776</u>
<u>(100,831)</u>	<u>(110,890)</u>	<u>76,665</u>	<u>(10,192)</u>	<u>2,327</u>	<u>(147,110)</u>
142,000	110,890	-	-	73,702	542,883
<u>-</u>	<u>-</u>	<u>(76,500)</u>	<u>-</u>	<u>-</u>	<u>(76,500)</u>
<u>142,000</u>	<u>110,890</u>	<u>(76,500)</u>	<u>-</u>	<u>73,702</u>	<u>466,383</u>
41,169	-	165	(10,192)	76,029	319,273
<u>-</u>	<u>-</u>	<u>2,564</u>	<u>11,657</u>	<u>134,286</u>	<u>49,647</u>
<u>\$ 41,169</u>	<u>\$ -</u>	<u>\$ 2,729</u>	<u>\$ 1,465</u>	<u>\$ 210,315</u>	<u>\$ 368,920</u>
\$ -	\$ -	\$ 2,729	\$ 1,465	\$ 210,315	\$ 214,509
<u>41,169</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>154,411</u>
<u>\$ 41,169</u>	<u>\$ -</u>	<u>\$ 2,729</u>	<u>\$ 1,465</u>	<u>\$ 210,315</u>	<u>\$ 368,920</u>

Obligation	Date of Issue	Interest Rates	Amount Originally Issued	Balance Beginning of Year
General Obligation Notes:				
2000 Park expansion	4/1/2000	5.80%	\$ 280,000	\$ 60,000
2001 Street improvements	7/1/2001	4.90	515,000	125,000
2002 Water improvements	10/1/2002	3.00	681,000	421,000
2007 Street improvements	2/15/2007	3.95-4.50	800,000	<u>685,000</u>
Total General Obligation Notes				<u>1,291,000</u>
General Obligation Bonds:				
2004 Water improvements	1/9/2004	3.00	1,800,000	1,287,000
2004 Sewer improvements	9/1/2004	3.45	1,290,000	230,000
2005 Sewer improvements	6/7/2005	3.00	1,700,000	1,318,000
2005 Water improvements	6/7/2005	3.00	600,000	430,000
2008 Golf course acquisition	9/2/2008	3.75-4.90	3,100,000	2,860,000
2011 Seippel Road Construction	4/26/2011	2.00-4.00	3,000,000	<u>-</u>
Total General Obligation Bonds				<u>6,125,000</u>
Revenue Notes:				
2001 Water improvements	5/1/2001	6.25	900,000	360,000
2006 Sewer improvements	6/1/2006	3.00	2,100,000	1,575,000
2010 Water improvements	8/1/2010	2.00-3.75	1,160,000	<u>-</u>
Total Revenue Notes				<u>1,935,000</u>
Purchase Agreement:				
2009 Yamaha Golf Carts	1/1/2009	4.87	160,212	<u>128,500</u>
Total				<u><u>\$ 9,479,500</u></u>

City of Asbury, Iowa
Schedule 3 – Schedule of Indebtedness
Year Ended June 30, 2011

Issued During Year	Redeemed During Year	Balance End of Year	Interest Paid	Interest Due and Unpaid
\$ -	\$ 30,000	\$ 30,000	\$ 3,450	\$ -
-	60,000	65,000	6,065	-
-	37,000	384,000	12,630	-
-	45,000	640,000	29,040	-
-	172,000	1,119,000	51,185	-
-	82,000	1,205,000	38,610	-
-	230,000	-	7,935	-
-	103,000	1,215,000	39,540	-
-	37,000	393,000	12,900	-
-	110,000	2,750,000	127,555	-
3,000,000	-	3,000,000	-	-
3,000,000	562,000	8,563,000	226,540	-
-	60,000	300,000	23,400	-
-	136,000	1,439,000	47,250	-
1,160,000	75,000	1,085,000	25,781	-
1,160,000	271,000	2,824,000	96,431	-
-	25,190	103,310	5,410	-
<u>\$ 4,160,000</u>	<u>\$ 1,030,190</u>	<u>\$ 12,609,310</u>	<u>\$ 379,566</u>	<u>\$ -</u>

City of Asbury, Iowa
 Schedule 4 – Bond and Note Maturities
 June 30, 2011

General Obligation Notes					
Year Ending June 30,	Park Expansion Note		Street Improvement Note		
	Issued April 1, 2000		Issued July 1, 2001		
	Interest Rates	Amount	Interest Rates	Amount	
2012	5.80	\$ 30,000	4.90	\$ 65,000	

General Obligation Notes					
Year Ending June 30,	Water Improvement Note		Street Improvement Note		Total
	Issued October 1, 2002		Issued February 15, 2007		
	Interest Rates	Amount	Interest Rates	Amount	
2012	3.00	38,000	3.95	45,000	178,000
2013	3.00	39,000	4.00	50,000	89,000
2014	3.00	40,000	4.10	50,000	90,000
2015	3.00	41,000	4.15	55,000	96,000
2016	3.00	43,000	4.20	55,000	98,000
2017	3.00	44,000	4.25	60,000	104,000
2018	3.00	45,000	4.30	60,000	105,000
2019	3.00	46,000	4.35	60,000	106,000
2020	3.00	48,000	4.40	65,000	113,000
2021	-	-	4.45	70,000	70,000
2022	-	-	4.50	70,000	70,000
		<u>\$ 384,000</u>		<u>\$ 640,000</u>	<u>\$ 1,119,000</u>

City of Asbury, Iowa
Schedule 4 – Bond and Note Maturities
June 30, 2011

General Obligation Bonds							
Year Ending June 30,	Water Improvement Bond		Sewer Improvement Bond		Water Improvement Bond		
	Issued January 9, 2004		Issued June 7, 2005		Issued June 7, 2005		
	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount	
2012	3.00	\$ 85,000	3.00	\$ 106,000	3.00	\$ 39,000	
2013	3.00	87,000	3.00	109,000	3.00	40,000	
2014	3.00	90,000	3.00	113,000	3.00	41,000	
2015	3.00	93,000	3.00	116,000	3.00	42,000	
2016	3.00	96,000	3.00	119,000	3.00	43,000	
2017	3.00	98,000	3.00	123,000	3.00	45,000	
2018	3.00	101,000	3.00	127,000	3.00	46,000	
2019	3.00	104,000	3.00	130,000	3.00	48,000	
2020	3.00	108,000	3.00	134,000	3.00	49,000	
2021	3.00	111,000	3.00	138,000	-	-	
2022	3.00	114,000	-	-	-	-	
2023	3.00	118,000	-	-	-	-	
		<u>\$ 1,205,000</u>		<u>\$ 1,215,000</u>		<u>\$ 393,000</u>	

General Obligation Bonds						
Year Ending June 30,	Golf Course Acquisition Bond		Seippel Road Construction			Total
	Issued September 2, 2008		Issued April 26, 2011			
	Interest Rates	Amount	Interest Rates	Amount		
2012	3.75	\$ 115,000	2.00	\$ -		\$ 345,000
2013	3.75	120,000	2.00	105,000		461,000
2014	4.00	125,000	2.00	110,000		479,000
2015	4.00	125,000	2.00	115,000		491,000
2016	4.10	135,000	2.00	120,000		513,000
2017	4.20	140,000	2.13	125,000		531,000
2018	4.30	145,000	2.68	130,000		549,000
2019	4.40	150,000	2.63	135,000		567,000
2020	4.63	155,000	3.25	140,000		586,000
2021	4.63	165,000	3.25	145,000		559,000
2022	4.63	170,000	3.25	155,000		439,000
2023	4.63	180,000	3.25	160,000		458,000
2024	4.75	185,000	3.50	165,000		350,000
2025	4.75	195,000	3.50	175,000		370,000
2026	4.90	205,000	3.75	185,000		390,000
2027	4.90	215,000	3.75	190,000		405,000
2028	4.90	225,000	4.00	200,000		425,000
2029		-	4.00	205,000		205,000
2030		-	4.00	215,000		215,000
2031		-	4.00	225,000		225,000
		<u>\$ 2,750,000</u>		<u>\$ 3,000,000</u>		<u>\$ 8,563,000</u>

City of Asbury, Iowa
 Schedule 4 – Bond and Note Maturities
 June 30, 2011

Year Ending June 30,	Purchase Agreement	
	Yamaha Golf Carts	
	Issued January 1, 2009	
	Interest Rates	Amount
2012	4.87	\$ 26,407
2013	4.87	27,682
2014	4.87	29,019
2015	4.87	20,202
		<u>\$ 103,310</u>

Year Ending June 30,	Revenue Notes			
	Water Improvement Note		Sewer Improvement Note	
	Issued May 1, 2001		Issued June 1, 2006	
	Interest Rates	Amount	Interest Rates	Amount
2012	6.25	\$ 60,000	3.00	\$ 138,000
2013	6.25	60,000	3.00	140,000
2014	6.25	60,000	3.00	143,000
2015	6.25	60,000	3.00	145,000
2016	6.25	60,000	3.00	147,000
2017	-	-	3.00	149,000
2018	-	-	3.00	151,000
2019	-	-	3.00	154,000
2020	-	-	3.00	156,000
2021	-	-	3.00	116,000
		<u>\$ 300,000</u>		<u>\$ 1,439,000</u>

	Water Improvement Note		Total
	Issued August 1, 2010		
	Interest Rates	Amount	
2012	2.00	\$ 80,000	\$ 278,000
2013	2.00	85,000	285,000
2014	2.00	85,000	288,000
2015	2.00	90,000	295,000
2016	2.25	95,000	302,000
2017	2.50	100,000	249,000
2018	2.75	100,000	251,000
2019	3.00	105,000	259,000
2020	3.25	110,000	266,000
2021	3.50	115,000	231,000
2022	3.75	120,000	120,000
		<u>\$ 1,085,000</u>	<u>\$ 2,824,000</u>

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Receipts:				
Property tax	\$ 1,253,241	\$ 1,114,280	\$ 1,023,441	\$ 874,744
Tax increment financing	751,140	785,152	745,590	727,701
Other City tax	284,693	293,913	275,165	287,944
Licenses and permits	180,275	185,489	148,934	120,056
Use of money and property	67,836	101,091	64,433	160,180
Intergovernmental	332,629	232,794	203,276	210,987
Charges for service	1,035,711	982,911	777,291	7,280
Special assessments	9,024	122,223	50,429	-
Miscellaneous	24,470	42,998	44,227	63,877
Total receipts	<u>\$ 3,939,019</u>	<u>\$ 3,860,851</u>	<u>\$ 3,332,786</u>	<u>\$ 2,452,769</u>
Disbursements:				
Operating:				
Public safety	\$ 420,940	\$ 394,059	\$ 356,179	\$ 413,991
Public works	310,272	358,947	306,387	286,423
Culture and recreation	1,185,712	1,012,938	1,011,131	127,492
Community and economic development	16,204	1,656	85	17,745
General government	225,501	185,550	197,364	193,480
Debt service	1,106,015	1,141,855	964,006	960,719
Capital projects	417,762	540,646	4,179,669	853,990
Total disbursements	<u>\$ 3,682,406</u>	<u>\$ 3,635,651</u>	<u>\$ 7,014,821</u>	<u>\$ 2,853,840</u>

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

City of Asbury, Iowa
 Schedule 5 – Schedule of Receipts by Source and Disbursements by Function
 All Governmental Funds
 For the Last Eight Years

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004(1)</u>
\$ 749,292	\$ 698,113	\$ 640,926	\$ 532,391
798,308	781,591	643,685	373,198
279,948	260,615	252,359	262,832
127,193	139,115	137,426	126,610
172,745	100,468	42,971	27,890
215,376	205,127	216,003	239,081
6,944	9,129	9,011	8,161
500,000	-	-	9,873
51,768	60,272	48,962	46,394
<u>\$ 2,901,574</u>	<u>\$ 2,254,430</u>	<u>\$ 1,991,343</u>	<u>\$ 1,626,430</u>
\$ 311,126	\$ 322,405	\$ 277,912	\$ 272,199
167,845	260,239	152,003	243,126
84,965	101,733	73,876	71,435
12,245	2,597	4,501	4,948
254,068	306,853	287,928	287,549
896,999	753,351	492,174	425,181
86,979	33,391	-	736,904
<u>\$ 1,814,227</u>	<u>\$ 1,780,569</u>	<u>\$ 1,288,394</u>	<u>\$ 2,041,342</u>



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 Asbury, Iowa

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Asbury, Iowa, as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements listed in the table of contents and have issued our report thereon dated November 2, 2011. Our report expressed unqualified opinions on the financial statements which were prepared in conformity with an other comprehensive basis of accounting. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and 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 that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Responses, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in Part I of the accompanying Schedule of Findings and Responses as item I-A-11 to be a material weakness.

A significant deficiency is a deficiency, or a 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. We consider the deficiency described in Part I of the accompanying Schedule of Findings and Responses as item I-B-11 to be a significant deficiency.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2011, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City and are reported in Part II of the accompanying Schedule of Findings and Responses. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

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

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



Dubuque, Iowa
November 2, 2011

Part I: Findings Related to the Financial Statements:

Material Weakness

I-A-11 Preparation of Financial Statements

- **Criteria:** A properly designed system of internal control over financial reporting includes the preparation of an entity's financial statements and accompanying notes to the financial statements by internal personnel of the entity.
- **Condition:** As auditors, we were requested to draft the financial statements and accompanying notes to the financial statements. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.
- **Cause:** We recognize that with a limited number of office employees, preparation of the financial statements is difficult.
- **Effect:** The effect of this condition is that the year-end financial reporting is prepared by a party outside of the City. The outside party does not have the constant contact with ongoing financial transactions that internal staff have.
- **Recommendation:** We recommend that City officials continue reviewing operating procedures in order to obtain the maximum internal control possible under the circumstances to enable staff to draft the financial statements internally.
- **Response:** This finding and recommendation is not a result of any change in City procedures, rather it is due to an auditing standard implemented by the American Institute of Certified Public Accountants. The City will continue to seek additional training and experience and evaluate the need for additional resources to enable our staff to achieve the goal of drafting our financial statements internally.
- **Conclusion:** Response accepted.

Significant Deficiency

I-B-11 Segregation of Duties

- **Criteria:** Properly designed segregation of duties allows entities to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles.
- **Condition:** The City is still unable to fully segregate receipt and posting functions, disbursement preparation and posting functions and reconciliation function from receipt and disbursement functions. Also, the City does not have a formal process for the preparation, approval, and posting of journal entries.
- **Cause:** The City has limited time and staffing constraints.

Part I: Findings Related to the Financial Statements: (continued)

- Effect: Since job functions were not properly segregated, misstatements may not have been prevented or detected on a timely basis in the normal course of operations.
- Recommendation: We recommend that City staff review operating procedures in order to obtain the maximum internal controls possible.
- Response: With the limited number of employees in the Finance Department, it is impossible to achieve a perfect system of internal accounting control. We will continue to review the situation and assign incompatible duties to separate individuals whenever possible.
- Conclusion: Response accepted.

Part II: Other Findings Related to Statutory Reporting:

- II-A-11 Certified Budget – Disbursements during the year ended June 30, 2011, did not significantly exceed the amounts budgeted.
- II-B-11 Questionable Disbursements – We noted no disbursements that fail to meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979.
- II-C-11 Travel Expense – No disbursements of City money for travel expenses of spouses of City officials or employees were noted.
- II-D-11 Business Transactions – No business transactions between the City and City officials or employees were noted.
- II-E-11 Bond Coverage – Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.
- II-F-11 Council Minutes – No transactions were found that we believe should have been approved in the Council minutes but were not.
- II-G-11 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City’s investment policy were noted.
- II-H-11 Economic Development – We noted no instances of non-compliance relating to appropriate expenditure of public funds in accordance with Chapter 15A of the Code of Iowa and an Attorney General’s opinion dated August 28, 1986.
- II-I-11 Payment of General Obligation Bonds – We noted no instances where general obligation bond payments were paid from funds other than the Debt Service Fund.

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

II-J-11 Revenue Bonds and Notes – No instances of non-compliance with the revenue bond and note resolutions were noted