

# **City of Clinton, Iowa**

Financial and Compliance Report  
Year Ended June 30, 2013



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# CITY OF CLINTON, IOWA

## List of Principal Officials

June 30, 2013

### ELECTED OFFICIALS

(Fiscal Year 2013)

Mayor

Mark S. Vulich

Council Member

Julie Allessee

Council Member

Paul Gassman

Council Member

Jennifer Graf

Council Member

Bev Hermann

Council Member

Maggie Klaes

Council Member

Charlie Mulholland

Council Member

John Rowland

### APPOINTED OFFICIALS

Interim City Administrator

Jessica Kinser

City Attorney

Jeffrey L. Farwell

City Clerk

Pat Van Loo

Finance Director

Jessica Kinser

Airport Manager

Mike Nass

Fire Chief

Mike Brown

Library Director

Amy Birtell

Recreation Director

Gregg Obren

Police Chief

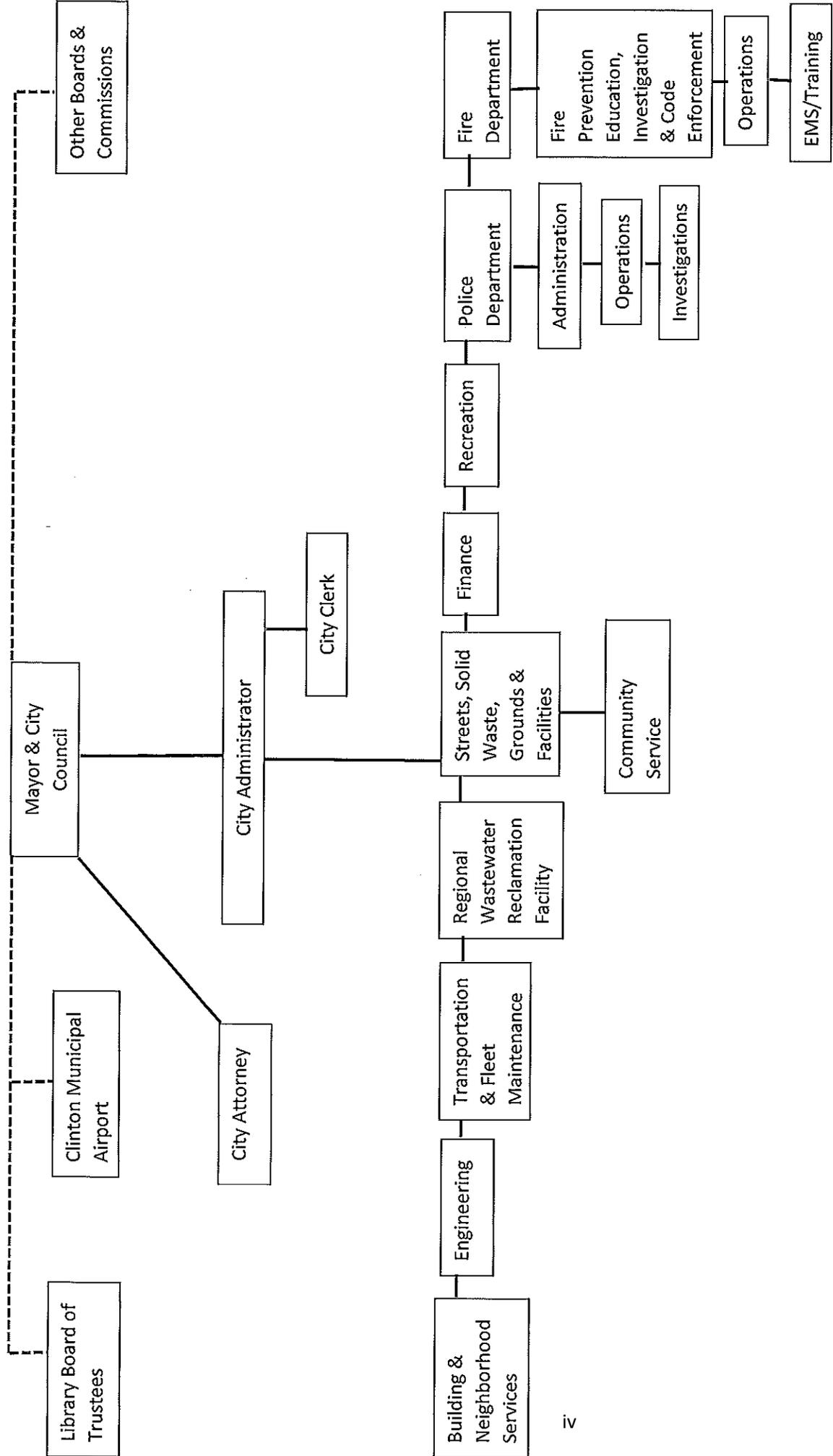
Brian Guy

City Engineer

Jason Craft

Building & Neighborhood Services

Creighton Regenwether



Contracted Services:  
 Human Resources  
 Information Technology

## **FINANCIAL SECTION**

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**Winkel, Parker  
& Foster, CPA PC**

Certified Public Accountants & Consultants

## **Independent Auditor's Report**

Honorable Mayor and  
Members of the City Council  
City of Clinton, Iowa

### **Report on the Financial Statements**

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 Clinton, Iowa, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clinton, Iowa, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress and budgetary comparison information on pages 4-13 and 60-63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Clinton, Iowa's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the four years ended June 30, 2012 (which are not presented herein) and expressed unqualified opinions on those financial statements. The financial statements for the 5 years ended June 30, 2008, presented on pages 76-77 of this report, were audited by other auditors whose reports expressed unqualified opinions on those financial statements. The introductory section, combining and individual nonmajor fund financial statements, the statements and schedules required by bond ordinance and the other information section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section, the statements and schedules required by bond ordinance and the other information section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2014, on our consideration of the City of Clinton, Iowa's internal control over financial reporting and on 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* in considering the City of Clinton, Iowa's internal control over financial reporting and compliance.

*Winkel, Parker & Foster, CPA PC*

Clinton, Iowa  
March 21, 2014

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## City of Clinton, Iowa

### Management's Discussion and Analysis Year Ended June 30, 2013

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It is an honor to present to you the financial picture of the City of Clinton, Iowa. We offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Clinton, Iowa for the year ended June 30, 2013.

#### Financial Highlights

The assets of the City of Clinton, Iowa exceeded its liabilities at the close of the most recent fiscal year by \$152,050,452 (net position). Of this amount, (\$1,888,899) is unrestricted. For the fiscal year ended June 30, 2012, assets exceeded liabilities by \$157,774,208. Of this amount, (\$3,311,101) was unrestricted.

The government's total net position decreased by \$5,723,756 during the year ended 2013. Governmental activities decreased by \$2,453,353 and business-type activities decreased by \$3,270,403. For fiscal year ended June 30, 2012, total net position increased by \$9,402,025. Governmental activities increased by \$7,877,119 and business-type activities increased by \$1,524,906.

As of the close of this current fiscal year, the City of Clinton, Iowa's governmental funds reported combined ending fund balances of \$5,852,208, an increase of \$2,228,629 in comparison with the prior year. Approximately 29.7 percent of this total amount, \$1,738,751, is unassigned fund balance which is available for spending at the City's discretion. As of the close of the fiscal year June 30, 2012, governmental funds reported combined ending fund balances of \$3,623,579, of which \$1,098,014 or 30.3 percent is unassigned.

At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,821,354 or 12.0 percent of total General Fund expenditures compared to \$2,079,410 and 14.4 percent as of June 30, 2012.

#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Clinton, Iowa's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements** – The government-wide financial statements are designed to provide readers with a broad overview of the City of Clinton, Iowa's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the City of Clinton, Iowa's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguished functions of the City of Clinton, Iowa that are principally supported by taxes (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

## City of Clinton, Iowa

### Management's Discussion and Analysis Year Ended June 30, 2013

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The governmental activities of the City of Clinton, Iowa include general government, public safety, public works, culture and recreation and community and economic development. The business-type activities of the City of Clinton, Iowa include sewer revenue, solid waste collection, transit system, airport operations, dock operations, marina and parking system.

**Fund financial statements** – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Clinton, Iowa, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Clinton, Iowa maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Road Use Tax Fund, Local Option Sales Tax Fund, Employee Benefits Fund, Capital Projects Fund, and Debt Service Fund which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

**Proprietary funds** – The City of Clinton, Iowa maintains two different types of proprietary funds. The City maintains enterprise funds which are used to report the same functions presented as business-type activities in the government-wide financial statements and maintains internal service funds which are used to accumulate and allocate costs internally among the City's various functions.

Enterprise funds serve external customers and are primarily funded through user charges. The City of Clinton, Iowa maintains seven enterprise funds. The enterprise fund financial statements provide separate information for the Sewer Revenue Fund, Solid Waste Collection Fund, Transit System Fund, Airport Operations Fund, and Dock Operations Fund as these funds are considered to be major funds of the City of Clinton. The City also has the Marina Fund and Parking System Fund which are considered nonmajor enterprise funds.

The City uses an internal service fund to account for its employee health insurance costs. Because this activity predominantly benefits governmental rather than business-type functions, it has been included within the governmental activities in the government-wide financial statements.

**Fiduciary funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's programs. The City has two agency funds. The accounting used for fiduciary funds is much like that used for proprietary funds.

City of Clinton, Iowa

Management’s Discussion and Analysis  
Year Ended June 30, 2013

**Notes to basic financial statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Supplementary and other information** - The combining statements referred to earlier in connection with nonmajor governmental funds and nonmajor enterprise funds are presented immediately following the notes to basic financial statements and the required supplementary information. The other information is provided for bond requirements and additional analysis.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. The City’s total net position has decreased from a year ago. Table 1 reflects total net position of \$152,050,452, which represents a decrease of \$5,723,756 from 2012.

Of the City of Clinton’s net position, 97.1 percent reflects its net investment in capital assets (e.g., land, construction-in-progress, buildings and improvements, infrastructure, machinery and equipment); less depreciation and any related debt used to acquire those assets that are still outstanding. The City of Clinton uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1 - City of Clinton's Net Position

	Governmental Activities June 2013	Governmental Activities June 2012	Business-Type Activities June 2013	Business-Type Activities June 2012	Total June 2013	Total June 2012
Current and other assets	\$ 27,169,697	\$ 21,209,448	\$ 7,638,952	\$ 8,626,685	\$ 34,808,649	\$ 29,836,133
Capital assets	103,092,654	105,409,998	134,764,349	134,460,924	237,857,003	239,870,922
<b>Total assets</b>	<b>130,262,351</b>	<b>126,619,446</b>	<b>142,403,301</b>	<b>143,087,609</b>	<b>272,665,652</b>	<b>269,707,055</b>
Noncurrent liabilities	22,806,329	20,928,336	70,089,224	62,307,211	92,895,553	83,235,547
Other liabilities	6,434,172	6,723,721	3,860,683	9,056,601	10,294,855	15,780,322
<b>Total liabilities</b>	<b>29,240,501</b>	<b>27,652,057</b>	<b>73,949,907</b>	<b>71,363,812</b>	<b>103,190,408</b>	<b>99,015,869</b>
Deferred inflows of resources	17,424,792	12,916,978	-	-	17,424,792	12,916,978
Net position:						
Net investment in capital assets	81,843,291	86,679,831	65,817,624	72,461,781	147,660,915	159,141,612
Restricted	4,422,233	1,943,697	1,856,203	-	6,278,436	1,943,697
Unrestricted	(2,668,466)	(2,573,117)	779,567	(737,984)	(1,888,899)	(3,311,101)
<b>Total net position</b>	<b>\$ 83,597,058</b>	<b>\$ 86,050,411</b>	<b>\$ 68,453,394</b>	<b>\$ 71,723,797</b>	<b>\$ 152,050,452</b>	<b>\$ 157,774,208</b>

A restricted portion of the City’s net position (4 percent as of June 30, 2013) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, (\$1,888,899) may be used to meet the government’s ongoing obligations to citizens and creditors.

City of Clinton, Iowa

Management's Discussion and Analysis  
Year Ended June 30, 2013

Table 2 - City of Clinton's Changes in Net Position

	Governmental Activities 2013	Governmental Activities 2012	Business-Type Activities 2013	Business-Type Activities 2012	Total 2013	Total 2012
Revenues:						
Program revenues:						
Charges for services	\$ 3,748,259	\$ 1,899,013	\$ 11,698,871	\$ 10,423,552	\$ 15,447,130	\$ 12,322,565
Operating grants and contributions	3,416,929	3,881,965	800,445	709,035	4,217,374	4,591,000
Capital grants and contributions	791,216	3,661,520	457,246	5,649,459	1,248,462	9,310,979
General revenues:						
Property taxes	16,031,059	14,232,627	-	-	16,031,059	14,232,627
Hotel/Motel tax	462,582	332,554	-	-	462,582	332,554
Local option sales tax	3,154,992	3,419,117	-	-	3,154,992	3,419,117
Tax increment financing	1,862,284	1,877,031	-	-	1,862,284	1,877,031
Gaming tax	179,083	190,496	-	-	179,083	190,496
Other taxes	11,465	10,108	-	-	11,465	10,108
Investment earnings	26,244	60,202	22,905	47,335	49,149	107,537
Miscellaneous	-	501,810	-	-	-	501,810
Sale of capital assets	-	(104,785)	-	3,901,286	-	3,796,501
<b>Total revenues</b>	<b>29,684,113</b>	<b>29,961,658</b>	<b>12,979,467</b>	<b>20,730,667</b>	<b>42,663,580</b>	<b>50,692,325</b>
Expenses:						
Public safety	\$ 10,011,552	\$ 11,712,289	\$ -	\$ -	\$ 10,011,552	\$ 11,712,289
Public works	11,560,064	6,682,717	-	-	11,560,064	6,682,717
Culture and recreation	3,528,540	3,822,784	-	-	3,528,540	3,822,784
Community and economic development	2,053,951	2,796,559	-	-	2,053,951	2,796,559
General government	3,185,580	1,555,462	-	-	3,185,580	1,555,462
Interest on long-term debt	893,347	794,170	-	-	893,347	794,170
Sewer	-	-	12,059,803	7,923,045	12,059,803	7,923,045
Solid waste	-	-	1,412,741	2,210,585	1,412,741	2,210,585
Transit	-	-	2,048,243	2,458,875	2,048,243	2,458,875
Airport operations	-	-	944,800	639,311	944,800	639,311
Dock operations	-	-	-	40,079	-	40,079
Marina	-	-	688,715	653,391	688,715	653,391
Parking system	-	-	-	1,033	-	1,033
<b>Total expenses</b>	<b>31,233,034</b>	<b>27,363,981</b>	<b>17,154,302</b>	<b>13,926,319</b>	<b>48,387,336</b>	<b>41,290,300</b>
<b>Excess (deficiency) before transfers</b>	<b>(1,548,921)</b>	<b>2,597,677</b>	<b>(4,174,835)</b>	<b>6,804,348</b>	<b>(5,723,756)</b>	<b>9,402,025</b>
Transfers	(904,432)	5,279,442	904,432	(5,279,442)	-	-
<b>Change in net position</b>	<b>(2,453,353)</b>	<b>7,877,119</b>	<b>(3,270,403)</b>	<b>1,524,906</b>	<b>(5,723,756)</b>	<b>9,402,025</b>
Net position, beginning	86,050,411	78,173,292	71,723,797	70,198,891	157,774,208	148,372,183
Net position, ending	\$ 83,597,058	\$ 86,050,411	\$ 68,453,394	\$ 71,723,797	\$ 152,050,452	\$ 157,774,208

**City of Clinton, Iowa**

**Management's Discussion and Analysis  
Year Ended June 30, 2013**

Table 2 highlights the City's revenues and expenses for the year ended June 30, 2013. These two main components are subtracted to yield the change in net position. This table utilizes the full accrual method of accounting. Revenue is further divided into two major components: program revenue and general revenue. Program revenue is defined as charges for sales and services, operating grants and contributions and capital grants and contributions. General revenue includes taxes, investment income and other unrestricted revenue sources.

The City's total net position decreased by \$5,723,756 during the year ended June 30, 2013. The governmental-type activities' net position decreased by \$2,453,353. The total business-type activities' net position decreased by \$3,270,403. These decreases were due to debt restructuring and user charges not funding operating and interest expenses.

Table 3 below discloses cost of services for governmental activities.

The total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Succinctly put, net costs are costs that must be covered by local taxes or other general revenue or transfers.

Table 3 - Governmental Activities

Programs	<b>Total Cost of Services 2013</b>	Total Cost of Services 2012	<b>Net Cost of Services 2013</b>	Net Cost of Services 2012
Public safety	<b>\$ 10,011,552</b>	\$ 11,712,289	<b>\$ 8,577,587</b>	\$ 10,152,289
Public works	<b>11,560,064</b>	6,682,717	<b>7,340,748</b>	349,723
Culture and recreation	<b>3,528,540</b>	3,822,784	<b>2,817,388</b>	3,133,509
Community and economic development	<b>2,053,951</b>	2,796,559	<b>1,353,135</b>	2,004,972
General government	<b>3,185,580</b>	1,555,462	<b>2,294,425</b>	1,486,820
Interest on long-term debt	<b>893,347</b>	794,170	<b>893,347</b>	794,170
<b>Total</b>	<b>\$ 31,233,034</b>	\$ 27,363,981	<b>\$ 23,276,630</b>	\$ 17,921,483

Net cost of services is 75 percent of total cost of services for the year ended June 30, 2013 and 65 percent for the year ended June 30, 2012. As expected, this reflects a continued reliance on taxes and other general revenue sources to fund the cost of services.

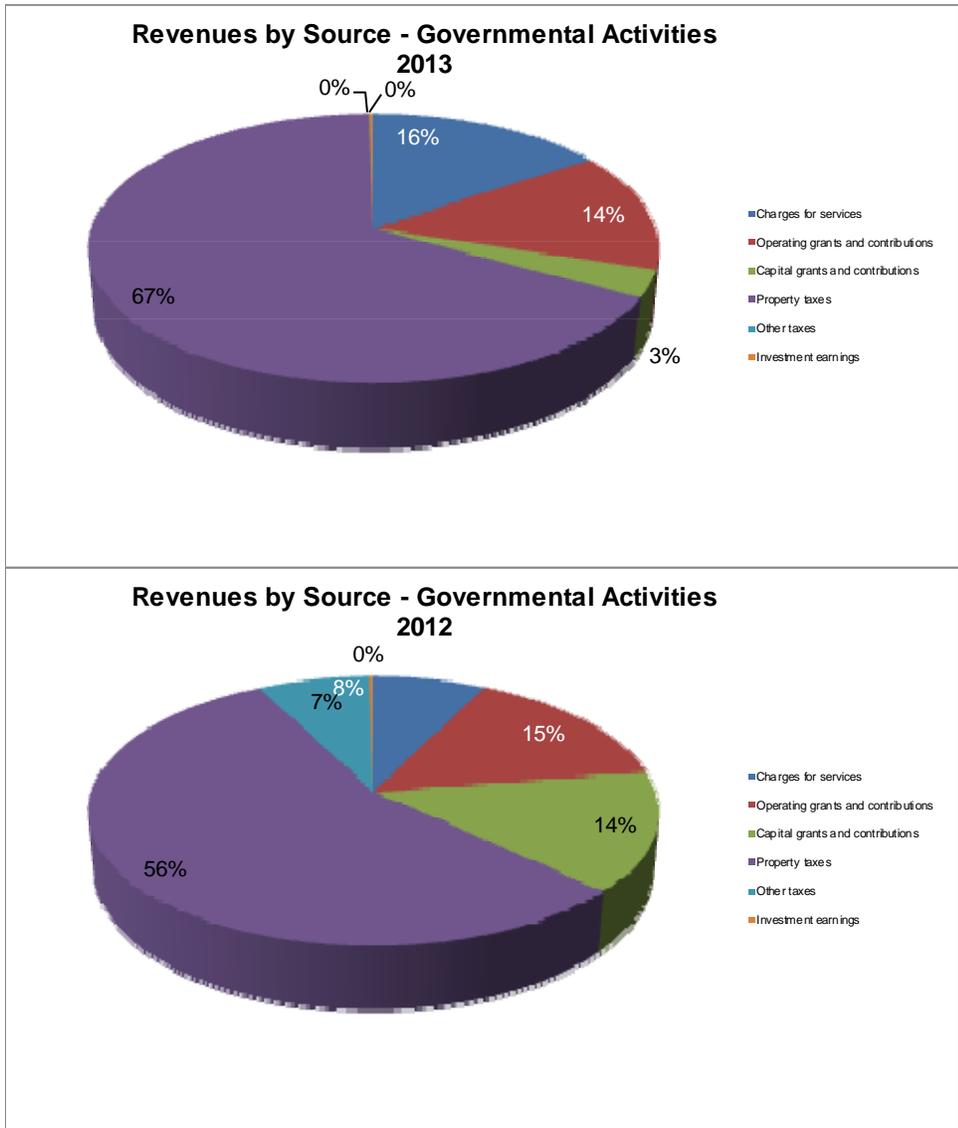
City of Clinton, Iowa

Management's Discussion and Analysis  
Year Ended June 30, 2013

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Governmental Activities

The graphs below show the percentage of the total governmental activities revenues allocated by each revenue type for 2013 and 2012.



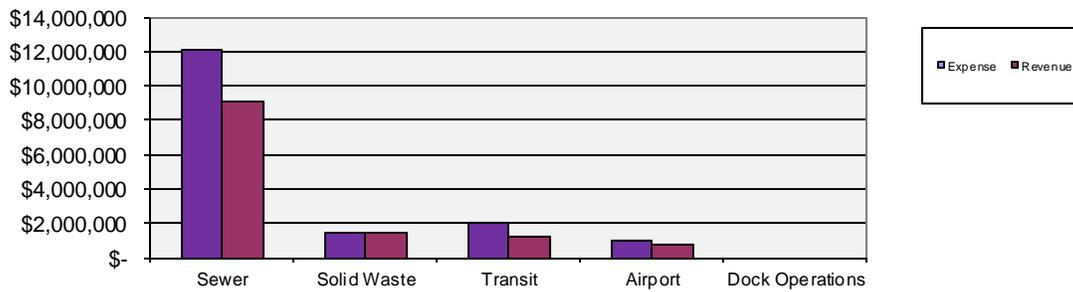
City of Clinton, Iowa

Management's Discussion and Analysis  
Year Ended June 30, 2013

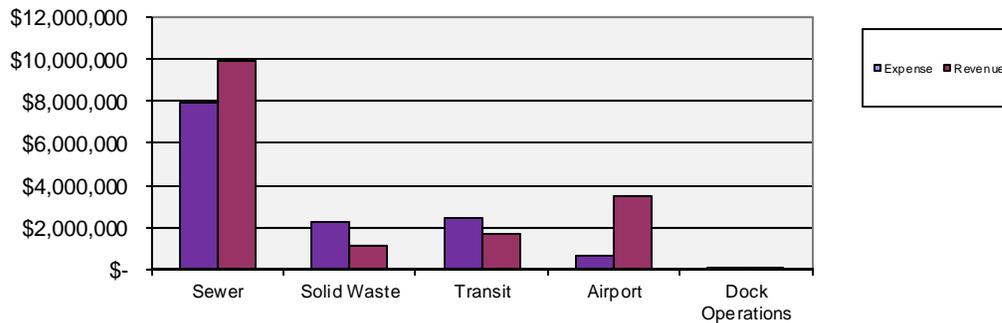
**Business-type activities:** For the year ended June 30, 2013, business-type activities decreased the City of Clinton's net position by \$3,270,403.

Total business-type activities' revenue for the fiscal year was \$12,979,467. All but \$22,905 of this revenue was generated for specific business-type activity expenses. The graph below shows a comparison between the business-type activity expenditures and program revenues for 2013 and 2012.

Expenses and Program Revenues - Business-Type Activities  
2013



Expenses and Program Revenues - Business-Type Activities  
2012



## City of Clinton, Iowa

### Management's Discussion and Analysis Year Ended June 30, 2013

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#### Financial Analysis of the Government's Funds

As noted earlier, the City of Clinton, Iowa uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds** – The focus of the City of Clinton, Iowa's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City of Clinton itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City of Clinton's City Council.

As of June 30, 2013, the City of Clinton, Iowa's governmental funds reported combined ending fund balances of \$5,852,208, an increase of \$2,228,629 from June 30, 2012. The City's unassigned balance was \$1,738,751 as of June 30, 2013 compared to \$1,098,014 as of June 30, 2012. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form - \$207,918, 2) legally required to be maintained intact or restricted for particular purposes by enabling legislation or by third parties - \$3,905,539 or 3) Committed for particular purposes - \$0.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,821,354, while total fund balance decreased by \$253,013. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to general fund expenditures. Unassigned fund balance represents approximately 12 percent of total General Fund expenditures compared to 14.4 percent in the prior year, while total fund balance represents approximately 12 percent of General fund expenditures compared to 15 percent in the prior year.

The General Fund's largest revenue source is taxes which consists of property taxes, utility replacement excise tax, hotel/motel tax and other taxes. These sources contribute 80 percent of revenue used to fund the general purposes of the City including police, streets and parks. These revenue sources have a direct correlation with the health of the economy. Another 8.6 percent of the City's General Fund revenues were derived from charges for services.

The fund balance of the City's General Fund decreased by \$253,013 during the current fiscal year. This was due primarily from increases in the general government function for legal services and judgments.

The Road Use Tax Fund accounts for the road use tax allocation from the state of Iowa to be used for street improvements. Fund balance increased \$234,818 from \$334,621 in 2012 to \$569,439 in 2013. The increase was primarily due to an increase in the state allocation and timing of the capital projects expenditures.

The Local Option Sales Tax Fund accounts for the local sales tax. Fund balance increased \$64,316 from \$330,532 in 2012 to \$394,848 in 2013 due to an increase in sales tax collected.

The Employee Benefits Fund accounts for the taxes levied specifically to fund the City's required contribution to the state retirement systems. Fund balance increased \$29,782 from \$642,644 in 2012 to \$672,426 in 2013.

The Capital Projects Fund fund balance increased by \$2,051,320 to \$1,069,924 in 2013 from \$(981,396) in 2012. This increase was due to continued progress on planned capital projects and the issuance of long-term debt to fund the projects.

## City of Clinton, Iowa

### Management's Discussion and Analysis Year Ended June 30, 2013

The Debt Service Fund fund balance decreased \$376,117 from \$293,514 in 2012 to \$(82,603) in 2013. The Debt Service Fund continues to service debt as it becomes due. In the current year, the City current refunded several debt issuances.

**Proprietary funds** – The City of Clinton's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail.

The Sewer Revenue Fund had a change in net position of \$(2,980,070) primarily due to user charges not adequately funding interest expense and operating expenses. The Solid Waste Collection Fund had a change in net position of \$57,967. The Transit System Fund had a change in net position of \$(53,448). The Airport Operations Fund had a change in net position of \$(91,526). There was no activity in the current year for Dock Operations Fund.

### Budgetary Highlights

Formal and legal budgetary control is based on nonmajor classes of disbursements known as functions, not by fund or fund type.

During the year, one budget amendment increased budgeted expenditures and transfers out by a total of \$23,924,501. The budget amendment was made to adjust revenues and expenditures for capital projects and grant revenues. During the year, expenditures for all functions were less than budgeted except for the general government and capital projects functions which were overbudget by \$526,311 and \$482,791 respectively.

### Capital Asset and Debt Administration

**Capital assets** - The City of Clinton's investment in capital assets for its governmental and business-type activities as of June 30, 2013, amounts to \$237,857,003 (net of accumulated depreciation). This investment in capital assets includes land, construction-in-progress, buildings and improvements, machinery and equipment, and infrastructure. Major capital asset events during the year included completion of railport development, Mississippi River trail, and various street improvements as well as water pollution control infrastructure and pump stations and improvements to an airport runway.

	City of Clinton's Capital Assets net of depreciation					
	Governmental Activities		Business-Type		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 21,293,288	\$ 21,659,331	\$ 3,654,071	\$ 3,654,071	\$ 24,947,359	\$ 25,313,402
Construction-in-progress	2,740,020	21,732,043	945,925	65,949,227	3,685,945	87,681,270
Intangible assets	20,430	28,755	3,006	1,913	23,436	30,668
Machinery and equipment	1,684,965	1,747,297	3,367,992	3,739,952	5,052,957	5,487,249
Land Improvements	1,401,702	1,450,095	452,014	476,403	1,853,716	1,926,498
Buildings	11,635,856	12,116,514	11,080,739	11,505,350	22,716,595	23,621,864
Infrastructure	64,316,393	46,675,963	115,260,602	49,134,008	179,576,995	95,809,971
<b>Total</b>	<b>\$ 103,092,654</b>	<b>\$105,409,998</b>	<b>\$ 134,764,349</b>	<b>\$134,460,924</b>	<b>\$ 237,857,003</b>	<b>\$ 239,870,922</b>

Additional information on the City of Clinton's capital assets can be found in Note 3 of this report.

**Debt** - As of June 30, 2013, the City of Clinton, Iowa had general obligation loan notes and general obligation bonds payable totaling \$20,468,334 compared to \$18,038,667 as of June 30, 2012. For the year ended June 30, 2013, the City paid \$7,705,333 in principal and \$472,334 in interest on outstanding general obligation debt. The City issued \$10,135,000 of general obligation debt for capital improvements and to current refund prior issuances. As of June 30, 2013, the City had \$71,567,960 in sewer revenue notes. The City paid \$2,046,000 in principal and drew \$9,067,013 of new proceeds.

**City of Clinton, Iowa**

**Management's Discussion and Analysis  
Year Ended June 30, 2013**

Table 5 - City of Clinton's Outstanding Debt, June30

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
General obligation bonds and notes	\$ 20,468,334	\$ 17,976,167	\$ -	\$ 62,500	\$ 20,468,334	\$ 18,038,667
Notes payable	754,000	754,000	-	-	754,000	754,000
Sewer revenue notes	-	-	71,567,960	64,546,947	71,567,960	64,546,947
	<b>\$ 21,222,334</b>	<b>\$ 18,730,167</b>	<b>\$ 71,567,960</b>	<b>\$ 64,609,447</b>	<b>\$ 92,790,294</b>	<b>\$ 83,339,614</b>

Additional information about the City's long-term debt can be found in Note 4 to the financial statements.

**Economic Factors and Next Year's Budgets and Rates**

- Real property assessed values have continued to rise with tax year 2013 to \$1,505,922,667 from \$1,504,449,212 in 2012.
- The unemployment rate for Clinton County for June 2013 was 5.5 percent.
- The General Fund is significantly funded by property taxes. Therefore, the City continues to encourage new development that supports these revenue sources.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Clinton's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Anita Dalton, Finance Director, City of Clinton, Iowa, 611 South 3<sup>rd</sup> Street, Clinton, Iowa 52733-2958.

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City of Clinton, Iowa

Statement of Net Position  
June 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 5,751,891	\$ 1,145,236	\$ 6,897,127
Restricted cash and investments	-	1,856,203	1,856,203
Receivables:			
Taxes	19,204,474	-	19,204,474
Special assessments	240,465	746,919	987,384
Accounts, net of allowances for uncollectibles of \$700,779	251,970	3,803,130	4,055,100
Other	305,897	700,115	1,006,012
Intergovernmental	583,380	-	583,380
Prepays	202,969	16,000	218,969
Internal balances	628,651	(628,651)	-
<b>Total current assets</b>	<b>27,169,697</b>	<b>7,638,952</b>	<b>34,808,649</b>
Noncurrent assets:			
Capital assets:			
Nondepreciable:			
Land	21,293,288	3,654,071	24,947,359
Construction-in-progress	2,740,020	945,925	3,685,945
Depreciable:			
Machinery and equipment	14,828,285	9,450,138	24,278,423
Land improvements	3,640,836	807,670	4,448,506
Buildings	19,346,900	23,151,299	42,498,199
Intangibles	171,663	56,357	228,020
Infrastructure	125,826,039	167,955,547	293,781,586
Less accumulated depreciation	(84,754,377)	(71,256,658)	(156,011,035)
<b>Total capital assets</b>	<b>103,092,654</b>	<b>134,764,349</b>	<b>237,857,003</b>
<b>Total assets</b>	<b>\$ 130,262,351</b>	<b>\$ 142,403,301</b>	<b>\$ 272,665,652</b>

See Notes to Basic Financial Statements.

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>			
Liabilities			
Current liabilities:			
Accounts payable	\$ 1,290,116	\$ 1,213,512	\$ 2,503,628
Contracts payable	109,277	258,543	367,820
Deposits	33,719	-	33,719
Claims payable	479,691	-	479,691
Accrued liabilities	9,360	-	9,360
Unearned revenue	-	133,012	133,012
Accrued interest payable	273,364	175,494	448,858
Compensated absences	477,311	109,122	586,433
Current portion of early retirement	198,000	66,000	264,000
Current portion of litigation payable	450,000	-	450,000
Current portion of bonds and notes	3,113,334	1,905,000	5,018,334
<b>Total current liabilities</b>	<b>6,434,172</b>	<b>3,860,683</b>	<b>10,294,855</b>
Noncurrent liabilities:			
Other postemployment benefits obligation	867,800	244,764	1,112,564
Early retirement	1,102,500	181,500	1,284,000
Litigation payable	2,700,000	-	2,700,000
General obligation notes and bonds	17,382,029	-	17,382,029
Notes payable	754,000	69,662,960	70,416,960
<b>Total noncurrent liabilities</b>	<b>22,806,329</b>	<b>70,089,224</b>	<b>92,895,553</b>
<b>Total liabilities</b>	<b>29,240,501</b>	<b>73,949,907</b>	<b>103,190,408</b>
Deferred inflows of resources, unavailable revenue, property taxes	17,424,792	-	17,424,792
Net Position:			
Net investment in capital assets	81,843,291	65,817,624	147,660,915
Restricted for:			
Nonexpendable endowment corpus	7,000	-	7,000
Streets	569,399	-	569,399
Capital improvements	1,438,433	-	1,438,433
Community programs and services	1,518,721	-	1,518,721
Employee benefits	800,337	-	800,337
Other purposes	88,343	-	88,343
Capital reserves	-	1,499,092	1,499,092
Debt service	-	357,111	357,111
Unrestricted	(2,668,466)	779,567	(1,888,899)
<b>Total net position</b>	<b>83,597,058</b>	<b>68,453,394</b>	<b>152,050,452</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 130,262,351</b>	<b>\$ 142,403,301</b>	<b>\$ 272,665,652</b>

**City of Clinton, Iowa**

**Statement of Activities  
Year Ended June 30, 2013**

Functions/Programs	Expenses	Program Revenues		
		Charges for Sales and Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities:				
Public safety	\$ 10,011,552	\$ 869,997	\$ 473,568	\$ 90,400
Public works	11,560,064	1,423,969	2,795,347	-
Culture and recreation	3,528,540	563,138	148,014	-
Community and economic development	2,053,951	-	-	700,816
General government	3,185,580	891,155	-	-
Interest on long-term debt	893,347	-	-	-
<b>Total governmental activities</b>	<b>31,233,034</b>	<b>3,748,259</b>	<b>3,416,929</b>	<b>791,216</b>
Business-type activities:				
Sewer revenue	12,059,803	9,056,828	-	-
Solid waste collection	1,412,741	1,470,708	-	-
Transit system	2,048,243	285,298	800,445	152,592
Airport operations	944,800	445,648	-	304,654
Dock operations	-	-	-	-
Marina	688,715	440,389	-	-
Parking system	-	-	-	-
<b>Total business-type activities</b>	<b>17,154,302</b>	<b>11,698,871</b>	<b>800,445</b>	<b>457,246</b>
<b>Total primary government</b>	<b>\$ 48,387,336</b>	<b>\$ 15,447,130</b>	<b>\$ 4,217,374</b>	<b>\$ 1,248,462</b>

**General Revenues**

- Taxes:
  - Property taxes
  - Hotel/Motel tax
  - Local option sales tax
  - Tax increment financing tax
  - Gaming tax
  - Other taxes
- Investment earnings

**Transfers**

**Total general revenues and transfers**

Changes in net position  
 Net position, beginning of year  
 Net position, end of year

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (8,577,587)	\$ -	\$ (8,577,587)
(7,340,748)	-	(7,340,748)
(2,817,388)	-	(2,817,388)
(1,353,135)	-	(1,353,135)
(2,294,425)	-	(2,294,425)
(893,347)	-	(893,347)
<u>(23,276,630)</u>	<u>-</u>	<u>(23,276,630)</u>
-	(3,002,975)	(3,002,975)
-	57,967	57,967
-	(809,908)	(809,908)
-	(194,498)	(194,498)
-	-	-
-	(248,326)	(248,326)
-	-	-
<u>-</u>	<u>(4,197,740)</u>	<u>(4,197,740)</u>
\$ (23,276,630)	\$ (4,197,740)	\$ (27,474,370)
16,031,059	-	16,031,059
462,582	-	462,582
3,154,992	-	3,154,992
1,862,284	-	1,862,284
179,083	-	179,083
11,465	-	11,465
26,244	22,905	49,149
(904,432)	904,432	-
<u>20,823,277</u>	<u>927,337</u>	<u>21,750,614</u>
(2,453,353)	(3,270,403)	(5,723,756)
86,050,411	71,723,797	157,774,208
<u>\$ 83,597,058</u>	<u>\$ 68,453,394</u>	<u>\$ 152,050,452</u>

City of Clinton, Iowa

**Balance Sheet  
Governmental Funds  
June 30, 2013**

	Special Revenue		
	General	Road Use Tax	Local Option Sales Tax
<b>Assets</b>			
Cash and investments	\$ 775,116	\$ 518,916	\$ 46,068
Receivables, net of allowance \$102,115:			
Taxes	9,110,030	220,170	614,230
Service fees	236,127	-	-
Intergovernmental	23,231	-	-
Special assessments	44,031	-	-
Other	62,347	40	-
Prepaid insurance	595	-	-
Prepaid-other	59,235	1,500	-
Due from other funds	937,610	-	-
<b>Total assets</b>	<b>\$ 11,248,322</b>	<b>\$ 740,626</b>	<b>\$ 660,298</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 288,951	\$ 162,443	\$ -
Deposits payable	-	8,744	-
Contracts payable	-	-	-
Accrued liabilities	9,360	-	-
Due to other funds	-	-	174,772
<b>Total liabilities</b>	<b>298,311</b>	<b>171,187</b>	<b>174,772</b>
Deferred Inflows of Resources, unavailable revenue:			
Property taxes	8,542,544	-	-
Grants	20,173	-	-
Special assessments	44,031	-	-
Local option sales tax	-	-	90,678
Hotel/motel tax	100,921	-	-
Delinquent taxes	361,158	-	-
<b>Total deferred inflows of resources</b>	<b>9,068,827</b>	<b>-</b>	<b>90,678</b>
Fund balances:			
Nonspendable:			
Prepaid items	59,830	1,500	-
Endowment corpus	-	-	-
Restricted:			
Streets	-	567,939	-
Capital improvements	-	-	197,424
Employee benefits	-	-	-
Community programs and services	-	-	197,424
Other	-	-	-
Unassigned	1,821,354	-	-
<b>Total fund balances</b>	<b>1,881,184</b>	<b>569,439</b>	<b>394,848</b>
<b>Total liabilities, deferred inflow of resources and fund balances</b>	<b>\$ 11,248,322</b>	<b>\$ 740,626</b>	<b>\$ 660,298</b>

See Notes to Basic Financial Statements.

Employee Benefits	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
\$ 623,570	\$ 1,136,242	\$ -	\$ 1,346,831	\$ 4,446,743
4,683,616	-	2,579,117	1,997,311	19,204,474
-	-	-	-	236,127
-	547,932	-	12,217	583,380
-	18,005	-	178,429	240,465
-	172,390	28,416	42,704	305,897
-	-	-	39,588	40,183
-	100,000	-	-	160,735
-	-	-	-	937,610
<u>\$ 5,307,186</u>	<u>\$ 1,974,569</u>	<u>\$ 2,607,533</u>	<u>\$ 3,617,080</u>	<u>\$ 26,155,614</u>

\$ 5,031	\$ 652,473	\$ -	\$ 83,427	\$ 1,192,325
-	-	-	24,975	33,719
-	107,094	-	2,183	109,277
-	-	-	-	9,360
-	-	134,187	-	308,959
<u>5,031</u>	<u>759,567</u>	<u>134,187</u>	<u>110,585</u>	<u>1,653,640</u>

4,445,797	-	2,471,356	1,965,095	17,424,792
-	127,256	-	-	147,429
-	17,822	-	178,429	240,282
-	-	-	-	90,678
-	-	-	-	100,921
183,932	-	84,593	15,981	645,664
<u>4,629,729</u>	<u>145,078</u>	<u>2,555,949</u>	<u>2,159,505</u>	<u>18,649,766</u>

-	100,000	-	39,588	200,918
-	-	-	7,000	7,000
-	-	-	-	567,939
-	969,924	-	-	1,167,348
672,426	-	-	-	672,426
-	-	-	1,212,059	1,409,483
-	-	-	88,343	88,343
-	-	(82,603)	-	1,738,751
<u>672,426</u>	<u>1,069,924</u>	<u>(82,603)</u>	<u>1,346,990</u>	<u>5,852,208</u>

<u>\$ 5,307,186</u>	<u>\$ 1,974,569</u>	<u>\$ 2,607,533</u>	<u>\$ 3,617,080</u>	<u>\$ 26,155,614</u>
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**City of Clinton, Iowa**

**Reconciliation of Total Governmental Fund Balances  
to Net Position of Governmental Activities  
June 30, 2013**

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Total governmental fund balances \$ 5,852,208

Amounts reported for governmental activities in the statement of net position  
are different because:

Capital assets used in governmental activities are not financial  
resources and, therefore, are not reported in the funds:

Capital assets	\$ 187,847,031	
Accumulated depreciation	(84,754,377)	103,092,654

Other long-term assets are not available to pay for current-period expenditures  
and, therefore, are reported as unavailable in the funds:

Unavailable revenues		1,224,974
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Long-term liabilities, including bonds payable, are not due and payable in the  
current period and, therefore, are not reported in the funds:

General obligation loan notes, current	(3,113,334)	
General obligation loan notes, noncurrent	(17,355,000)	
Bond premium	(27,029)	
Notes payable, noncurrent	(754,000)	
Accrued interest payable	(273,364)	
Litigation payable, current	(450,000)	
Litigation payable, noncurrent	(2,700,000)	
Compensated absences, current	(477,311)	
Early retirement, current	(198,000)	
Early retirement, noncurrent	(1,102,500)	
Net OPEB obligation	(867,800)	(27,318,338)

The Internal Service Fund is used by management to charge the costs of employee  
health benefits to individual funds. The assets and liabilities of the Internal Service  
Fund are included in governmental activities in the statement of net position:

Other current assets	1,323,042	
Other current liabilities	(577,482)	745,560

<b>Net position of governmental activities</b>		<b>\$ 83,597,058</b>

See Notes to Basic Financial Statements.

City of Clinton, Iowa

**Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)  
Governmental Funds  
Year Ended June 30, 2013**

	General	Special Revenue	
		Road Use Tax	Local Option Sales Tax
Revenues:			
Taxes	\$ 9,114,778	\$ -	\$ 3,064,314
Licenses and permits	354,019	3,675	-
Use of money and property	339,990	-	2
Intergovernmental	249,739	2,638,967	-
Charges for services	990,643	20	-
Miscellaneous	346,854	126,962	-
<b>Total revenues</b>	<b>11,396,023</b>	<b>2,769,624</b>	<b>3,064,316</b>
Expenditures:			
Current:			
Public safety	9,837,766	-	-
Public works	33,484	2,397,406	-
Culture and recreation	2,673,943	-	-
Community and economic development	584,264	-	-
General government	2,032,515	-	-
Capital projects	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Bond issuance costs	-	-	-
<b>Total expenditures</b>	<b>15,161,972</b>	<b>2,397,406</b>	<b>-</b>
<b>Revenues over (under) expenditures</b>	<b>(3,765,949)</b>	<b>372,218</b>	<b>3,064,316</b>
Other financing sources (uses):			
Issuance of long-term debt	20,750	-	-
Bond issuance premium	-	-	-
Transfers in	4,965,502	-	-
Transfers out	(1,473,316)	(137,400)	(3,000,000)
<b>Total other financing sources (uses)</b>	<b>3,512,936</b>	<b>(137,400)</b>	<b>(3,000,000)</b>
<b>Net change in fund balances</b>	<b>(253,013)</b>	<b>234,818</b>	<b>64,316</b>
Fund balances (deficits), beginning	2,134,197	334,621	330,532
Fund balances (deficits), ending	\$ 1,881,184	\$ 569,439	\$ 394,848

See Notes to Basic Financial Statements.

Employee Benefits	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
\$ 4,452,485	\$ -	\$ 2,011,648	\$ 2,416,822	\$ 21,060,047
-	-	-	32,520	390,214
-	195,060	-	173	535,225
-	2,113,798	-	422,556	5,425,060
-	932	-	53,728	1,045,323
-	873,294	-	157,845	1,504,955
4,452,485	3,183,084	2,011,648	3,083,644	29,960,824
-	11,499	-	268,213	10,117,478
-	10,358	-	29,753	2,471,001
-	6,249	-	239,053	2,919,245
-	14,298	-	1,430,159	2,028,721
19,145	-	450,472	260,540	2,762,672
-	8,188,231	-	33,710	8,221,941
-	-	7,642,833	-	7,642,833
-	-	682,918	-	682,918
-	38,545	104,438	-	142,983
19,145	8,269,180	8,880,661	2,261,428	36,989,792
4,433,340	(5,086,096)	(6,869,013)	822,216	(7,028,968)
-	5,209,400	4,809,850	95,000	10,135,000
-	-	27,029	-	27,029
-	2,258,054	1,720,189	685,840	9,629,585
(4,403,558)	(330,038)	(64,172)	(1,125,533)	(10,534,017)
(4,403,558)	7,137,416	6,492,896	(344,693)	9,257,597
29,782	2,051,320	(376,117)	477,523	2,228,629
642,644	(981,396)	293,514	869,467	3,623,579
\$ 672,426	\$ 1,069,924	\$ (82,603)	\$ 1,346,990	\$ 5,852,208

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**City of Clinton, Iowa**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities  
Year Ended June 30, 2013**

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Net change in fund balances - governmental funds \$ 2,228,629

Amounts reported for governmental activities in the statement of activities are different because governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the detail of the amount by which depreciation exceeded capital outlays in the current year:

Capital outlay		6,156,012
Depreciation:		
Public safety	(378,641)	
Public works	(7,043,532)	
Culture and recreation	(625,710)	
General government	(46,756)	
	(8,094,639)	(8,094,639)

Proceeds from sale of capital assets		-
Loss on sale of capital assets		(378,717)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Delinquent taxes	449,819	
Special assessments	29,304	
Hotel/Motel tax	100,921	
Local option sales tax	90,678	
Grants	(1,322,583)	
	(651,861)	(651,861)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in compensated absences	46,693	
Change in other postemployment benefits obligation	(275,465)	
Change in litigation payable	450,000	
Change in early retirement payable	198,000	
	419,228	419,228

The Internal Service Fund is used by management to charge the costs of employee health benefits to individual funds. The change in net position of certain activities of the Internal Service Fund is reported with governmental activities 454,637

The issuance of long-term debt (e.g. bonds, loan, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:

Issuance of long-term debt	(10,135,000)	
Bond premium	(27,029)	
Repayment of bond principal	7,642,833	
Accrued interest payable	(67,446)	
	(2,586,642)	(2,586,642)
<b>Change in net position of governmental activities</b>		<b>\$ (2,453,353)</b>

See Notes to Basic Financial Statements.

City of Clinton, Iowa

**Statement of Net Position  
Proprietary Funds  
June 30, 2013**

<b>Assets</b>	Sewer Revenue	Solid Waste Collection	Transit System	Airport Operations	Dock Operations
<b>Current assets:</b>					
Cash and investments	\$ 605,781	\$ -	\$ 44,510	\$ -	\$ 62,416
Restricted cash and investments	1,856,203	-	-	-	-
Due from other funds	-	-	1,111,150	-	-
Receivables, net of allowance for uncollectible amounts of \$598,664:					
Service fees	3,119,050	684,080	-	-	-
Special assessments	638,285	108,634	-	-	-
Other	604,399	-	78,950	6,707	-
Prepays	3,000	-	3,000	-	-
<b>Total current assets</b>	<b>6,826,718</b>	<b>792,714</b>	<b>1,237,610</b>	<b>6,707</b>	<b>62,416</b>
<b>Noncurrent assets:</b>					
<b>Capital assets:</b>					
<b>Nondepreciable:</b>					
Land	2,377,526	-	84,600	790,945	-
Construction-in-progress	802,521	-	-	143,404	-
<b>Depreciable:</b>					
Machinery and equipment	4,240,093	1,117,810	3,760,434	321,801	-
Land improvements	448,078	36,000	-	131,200	-
Buildings	18,684,198	136,000	2,152,608	1,426,288	-
Intangibles	35,756	-	8,200	-	-
Infrastructure	138,940,053	-	15,800	19,523,553	-
Accumulated depreciation	(54,831,428)	(430,656)	(2,413,405)	(11,883,542)	-
<b>Total noncurrent assets</b>	<b>110,696,797</b>	<b>859,154</b>	<b>3,608,237</b>	<b>10,453,649</b>	<b>-</b>
<b>Total assets</b>	<b>\$ 117,523,515</b>	<b>\$ 1,651,868</b>	<b>\$ 4,845,847</b>	<b>\$ 10,460,356</b>	<b>\$ 62,416</b>
<b>Liabilities and Net Position</b>					
<b>Current liabilities:</b>					
Accounts payable	\$ 1,054,923	\$ 29,108	\$ 40,328	\$ 71,042	\$ -
Contracts payable	258,543	-	-	-	-
Early retirement payable	33,000	-	33,000	-	-
Unearned revenue	133,012	-	-	-	-
Due to other funds	-	1,704,343	-	35,458	-
Accrued interest payable	175,494	-	-	-	-
Compensated absences	56,598	13,555	34,494	4,475	-
Claims payable	-	-	-	-	-
Notes payable	1,905,000	-	-	-	-
<b>Total current liabilities</b>	<b>3,616,570</b>	<b>1,747,006</b>	<b>107,822</b>	<b>110,975</b>	<b>-</b>
<b>Noncurrent liabilities:</b>					
Other postemployment benefits obligation	113,864	30,253	92,056	8,591	-
Early retirement payable	16,500	-	165,000	-	-
Notes payable	69,662,960	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>69,793,324</b>	<b>30,253</b>	<b>257,056</b>	<b>8,591</b>	<b>-</b>
<b>Total liabilities</b>	<b>73,409,894</b>	<b>1,777,259</b>	<b>364,878</b>	<b>119,566</b>	<b>-</b>
<b>Net position:</b>					
Net investment in capital assets	41,750,072	859,154	3,608,237	10,453,649	-
Restricted for capital	1,499,092	-	-	-	-
Restricted for debt service	357,111	-	-	-	-
Unrestricted	507,346	(984,545)	872,732	(112,859)	62,416
<b>Total net position</b>	<b>44,113,621</b>	<b>(125,391)</b>	<b>4,480,969</b>	<b>10,340,790</b>	<b>62,416</b>
<b>Total liabilities and net position</b>	<b>\$ 117,523,515</b>	<b>\$ 1,651,868</b>	<b>\$ 4,845,847</b>	<b>\$ 10,460,356</b>	<b>\$ 62,416</b>

See Notes to Basic Financial Statements.

Nonmajor Enterprise	Total Enterprise Funds	Internal Service	
		Health Insurance	
\$ 432,529	\$ 1,145,236	\$ 1,305,148	
-	1,856,203	-	
-	1,111,150	-	
-	3,803,130	15,843	
-	746,919	-	
10,059	700,115	-	
10,000	16,000	2,051	
452,588	9,378,753	1,323,042	
401,000	3,654,071	-	
-	945,925	-	
10,000	9,450,138	-	
192,392	807,670	-	
752,205	23,151,299	-	
12,401	56,357	-	
9,476,141	167,955,547	-	
(1,697,627)	(71,256,658)	-	
9,146,512	134,764,349	-	
\$ 9,599,100	\$ 144,143,102	\$ 1,323,042	
\$ 18,111	\$ 1,213,512	\$ 97,791	
-	258,543	-	
-	66,000	-	
-	133,012	-	
-	1,739,801	-	
-	175,494	-	
-	109,122	-	
-	-	479,691	
-	1,905,000	-	
18,111	5,600,484	577,482	
-	244,764	-	
-	181,500	-	
-	69,662,960	-	
-	70,089,224	-	
18,111	75,689,708	577,482	
9,146,512	65,817,624	-	
-	1,499,092	-	
-	357,111	-	
434,477	779,567	745,560	
9,580,989	68,453,394	745,560	
\$ 9,599,100	\$ 144,143,102	1,323,042	

City of Clinton, Iowa

Statement of Revenues, Expenses and Changes in Net Position  
 Proprietary Funds  
 Year Ended June 30, 2013

	Sewer Revenue	Solid Waste Collection	Transit System	Airport Operations	Dock Operations
Operating revenues:					
Charges for services	\$ 9,004,922	\$ 1,469,428	\$ 249,931	\$ -	\$ -
Property rental	-	-	-	107,176	-
Miscellaneous	51,906	1,280	35,367	338,472	-
<b>Total operating revenues</b>	<b>9,056,828</b>	<b>1,470,708</b>	<b>285,298</b>	<b>445,648</b>	<b>-</b>
Operating expenses:					
Personal services	2,024,478	525,175	1,182,734	135,862	-
Commodities	-	124,508	277,253	285,227	-
Contractual services	3,519,291	340,642	70,308	21,338	-
Repairs, maintenance and utilities	1,255,285	268,328	54,972	19,327	-
Depreciation	3,003,438	154,088	462,976	481,375	-
<b>Total operating expenses</b>	<b>9,802,492</b>	<b>1,412,741</b>	<b>2,048,243</b>	<b>943,129</b>	<b>-</b>
<b>Operating income (loss)</b>	<b>(745,664)</b>	<b>57,967</b>	<b>(1,762,945)</b>	<b>(497,481)</b>	<b>-</b>
Nonoperating revenues (expenses):					
Investment earnings	22,905	-	-	-	-
Interest expense	(2,257,311)	-	-	(1,671)	-
Intergovernmental	-	-	949,890	304,654	-
Gain on sale of capital assets	-	-	3,147	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>(2,234,406)</b>	<b>-</b>	<b>953,037</b>	<b>302,983</b>	<b>-</b>
<b>Income (loss) before transfers</b>	<b>(2,980,070)</b>	<b>57,967</b>	<b>(809,908)</b>	<b>(194,498)</b>	<b>-</b>
Transfers in	-	-	756,460	174,155	-
Transfers out	-	-	-	(71,183)	-
<b>Change in net position</b>	<b>(2,980,070)</b>	<b>57,967</b>	<b>(53,448)</b>	<b>(91,526)</b>	<b>-</b>
Total net position, beginning of year	47,093,691	(183,358)	4,534,417	10,432,316	62,416
Total net position, end of year	\$ 44,113,621	\$ (125,391)	\$ 4,480,969	\$ 10,340,790	\$ 62,416

See Notes to Basic Financial Statements.

Nonmajor Enterprise	Total Enterprise Funds	Internal Service
		Health Insurance
\$ -	\$ 10,724,281	\$ 3,824,840
246,438	353,614	-
193,951	620,976	-
<u>440,389</u>	<u>11,698,871</u>	<u>3,824,840</u>
-	3,868,249	-
106,400	793,388	3,370,203
169,373	4,120,952	-
25,092	1,623,004	-
387,850	4,489,727	-
<u>688,715</u>	<u>14,895,320</u>	<u>3,370,203</u>
<u>(248,326)</u>	<u>(3,196,449)</u>	<u>454,637</u>
-	22,905	-
-	(2,258,982)	-
-	1,254,544	-
-	3,147	-
<u>-</u>	<u>(978,386)</u>	<u>-</u>
(248,326)	(4,174,835)	454,637
45,000	975,615	-
-	(71,183)	-
<u>(203,326)</u>	<u>(3,270,403)</u>	<u>454,637</u>
9,784,315	71,723,797	290,923
<u>\$ 9,580,989</u>	<u>\$ 68,453,394</u>	<u>\$ 745,560</u>

City of Clinton, Iowa

Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2013

	Sewer Revenue	Solid Waste Collection	Transit System	Airport Operations	Dock Operations
Cash flows from operating activities:					
Receipts from customers and users	\$ 8,590,638	\$ 1,387,895	\$ 275,613	\$ 447,999	\$ -
Payments to suppliers	(5,130,559)	(731,298)	(402,756)	(305,187)	-
Payments to employees	(2,021,022)	(512,130)	(1,191,717)	(135,137)	-
<b>Net cash provided by (used in) operating activities</b>	<b>1,439,057</b>	<b>144,467</b>	<b>(1,318,860)</b>	<b>7,675</b>	<b>-</b>
Cash flows from noncapital financing activities:					
Intergovernmental	-	-	880,625	304,654	-
Proceeds from interfund accounts	-	-	-	35,458	-
Payments to interfund accounts	-	(144,467)	(1,111,150)	-	-
Transfers in	-	-	823,021	174,155	-
Transfers out	-	-	(66,561)	(71,183)	-
<b>Net cash provided by (used in)noncapital financing activities</b>	<b>-</b>	<b>(144,467)</b>	<b>525,935</b>	<b>443,084</b>	<b>-</b>
Cash flows from capital and related financing activities:					
Purchase of capital assets	(6,487,178)	-	(219,673)	(408,043)	-
Proceeds from sale of capital assets	-	-	3,147	-	-
Payment on debt	(2,046,000)	-	-	(62,500)	-
Proceeds from state revolving note	9,067,013	-	-	-	-
Interest on debt	(2,239,339)	-	-	(1,671)	-
<b>Net cash (used in) capital and related financing activities</b>	<b>(1,705,504)</b>	<b>-</b>	<b>(216,526)</b>	<b>(472,214)</b>	<b>-</b>
Cash flows from investing activities, investment earnings	22,905	-	-	-	-
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(243,542)</b>	<b>-</b>	<b>(1,009,451)</b>	<b>(21,455)</b>	<b>-</b>
Cash and cash equivalents, beginning of year	2,705,526	-	1,053,961	21,455	62,416
Cash and cash equivalents, end of year	\$ 2,461,984	\$ -	\$ 44,510	\$ -	\$ 62,416

(Continued)

Nonmajor Enterprise	Total Enterprise Funds	Internal Service Health Insurance
\$ 450,397 (332,271) -	\$ 11,152,542 (6,902,071) (3,860,006)	\$ 3,822,079 (3,392,575) -
118,126	390,465	429,504
-	1,185,279	-
-	35,458	-
-	(1,255,617)	-
45,000	1,042,176	-
-	(137,744)	-
45,000	869,552	-
-	(7,114,894)	-
-	3,147	-
-	(2,108,500)	-
-	9,067,013	-
-	(2,241,010)	-
-	(2,394,244)	-
-	22,905	-
163,126	(1,111,322)	429,504
269,403	4,112,761	875,644
<u>\$ 432,529</u>	<u>\$ 3,001,439</u>	<u>\$ 1,305,148</u>

City of Clinton, Iowa

Statement of Cash Flows (Continued)  
 Proprietary Funds  
 Year Ended June 30, 2013

	Sewer Revenue	Solid Waste Collection	Transit System	Airport Operations	Dock Operations
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (745,664)	\$ 57,967	\$ (1,762,945)	\$ (497,481)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	3,003,438	154,088	462,976	481,375	-
Change in assets and liabilities:					
Receivables	(755,049)	(71,459)	(9,685)	2,351	-
Special assessments	163,713	(11,354)	-	-	-
Prepays	-	-	(1,500)	-	-
Unearned revenue	125,146	-	-	-	-
Accounts payable	(355,983)	2,180	1,277	20,705	-
Compensated absences	5,220	3,956	(652)	(1,868)	-
Claims payable	-	-	-	-	-
Early retirement benefit	(36,000)	-	(36,000)	-	-
Other postemployment benefits obligation	34,236	9,089	27,669	2,593	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 1,439,057</b>	<b>\$ 144,467</b>	<b>\$ (1,318,860)</b>	<b>\$ 7,675</b>	<b>\$ -</b>
Schedule of noncash items, capital and related financing activities, Payment of contracts payable for acquisition of capital assets	\$ (2,284,692)	\$ -	\$ -	\$ (37,050)	\$ -

See Notes to Basic Financial Statements.

Nonmajor Enterprise	Total Enterprise Funds	<u>Internal Service</u> Health Insurance
\$ (248,326)	\$ (3,196,449)	\$ 454,637
387,850	4,489,727	-
10,008	(823,834)	(2,761)
-	152,359	-
(10,000)	(11,500)	-
-	125,146	-
(21,406)	(353,227)	17,856
-	6,656	-
-	-	(40,228)
-	(72,000)	-
-	73,587	-
<u>\$ 118,126</u>	<u>\$ 390,465</u>	<u>\$ 429,504</u>
<u>\$ -</u>	<u>\$ (2,321,742)</u>	<u>\$ -</u>

City of Clinton, Iowa

Statement of Fiduciary Assets and Liabilities

Agency Fund

June 30, 2013

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	<u>Agency</u> <u>Payroll</u> <u>Clearing</u>
<b>Assets</b>	
Cash and investments	\$ 78,885
Prepaid insurance	59,802
<b>Total assets</b>	<u>\$ 138,687</u>
<b>Liabilities,</b>	
Accounts payable	<u>\$ 138,687</u>

See Notes to Basic Financial Statements.

## City of Clinton, Iowa

### Notes to Basic Financial Statements

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#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies**

##### **Nature of operations:**

The City of Clinton, Iowa (City) was incorporated in 1857 and is a political subdivision of the State of Iowa located in Clinton County. It operates under the Home Rule provisions of the Constitution of Iowa and under a 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 sewer and solid waste utilities for its citizens, operates a transit system, marina, airport, and a parking system.

Responsibility for the City's operations is vested with the City's elected officials. Management of the City is appointed by and is accountable to the Council.

The City's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America applicable to state and local governments as prescribed by the Governmental Accounting Standards Board.

##### **Reporting entity:**

Accounting principles generally accepted in the United States of America require the financial reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The City of Clinton, Iowa is a municipal corporation governed by a council, which is elected by the public and has the exclusive responsibility and accountability for the decisions it makes. The City has the statutory authority to adopt its own budget, to levy taxes and to issue bonded debt without the approval of another government. It has the right to sue and be sued and has the right to buy, sell, lease or mortgage property in its own name. 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 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 also 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:

City Assessor Conference Board  
Clinton County Area Solid Waste Agency  
Clinton County Communications Commission  
East Central Intergovernmental Association

ECIA Regional Planning Affiliation  
Enhanced 911 Service Board  
Mobile Team Training Unit IV  
Resource Enhancement Protection Agency

## City of Clinton, Iowa

### Notes to Basic Financial Statements

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#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

##### **Basis of presentation:**

Government-wide and fund financial statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues 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 and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general revenues.

Fund accounting: Separate financial statements are provided for governmental funds and proprietary funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column within the governmental and enterprise funds in the financial section of the basic financial statements and are detailed in the supplementary information.

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, reserves, fund balance/net position, revenues and expenditures or expenses, as appropriate. The City has the following funds:

**Governmental fund types:** Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as "fund balance." The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the City's major governmental funds:

*General Fund:* The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

*Special Revenue Funds:* Are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

*Road Use Tax Fund:* A special revenue fund used to account for state revenue allocated to the City for maintenance and improvements of City streets. This state revenue representing the City's share of state gasoline taxes is received on a per capita basis. State law requires these revenues be received and expended in a special revenue fund.

## City of Clinton, Iowa

### Notes to Basic Financial Statements

---

#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

*Local Option Sales Tax Fund:* A special revenue fund used to account for revenue from the 1% local option tax approved by the voters of the City. This revenue has been restricted to finance major storm sewer projects and provide property tax relief on a 50/50% basis. This fund also pays principal and interest on bonds which were issued to finance storm sewer projects. Additionally, local option sales taxes provide property tax relief from certain other debt requirements.

*Employee Benefits Fund:* A special revenue fund used to account for the funding of employee benefits related to those City employees who are paid through the General Fund. The benefits are funded by property tax levies and public safety funds restricted to be used for City retirement contributions.

*Capital Projects Fund:* The Capital Projects Fund is used to account for resources used for the acquisition or construction of major capital improvements and certain capital purchases, which the exception of those that are financed by the enterprise funds.

*Debt Service Fund:* The Debt Service Fund is used to account for the accumulation of resources for and the payment of, principal and interest on the City's general obligation debt including the tax increment portion of the bonds in addition to general obligation refunding bonds.

The other governmental funds of the City are considered nonmajor. The City's nonmajor special revenue funds are Leisure/Cultural Programs Fund, Community and Economic Development Fund, Tort Liability Fund, and Miscellaneous Fund. Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used to support programs of the City. The City's nonmajor permanent funds are Hayes Trust Fund and Boyd Henningsen Trust Fund.

**Proprietary fund types:** Proprietary fund types are used to account for a government's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position and cash flows.

*Enterprise Funds:* Are used to account for those operations that are financed and operated in a manner similar to private business or where the City has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The following is the City's major enterprise funds:

*Sewer Revenue Fund:* To account for the operation of the municipally owned sewer treatment plant which provides services to the City. Additionally, this fund accounts for plant improvements, various sewer improvement projects, and reserve requirements according to the provisions of the sewer revenue bond ordinance. Services are primarily supported from user fees.

*Solid Waste Collection Fund:* To account for the operation of the City's refuse collection services and recycling operations including capital equipment replacement. Revenues to fund the services are received from monthly service charges to residential users.

*Transit System Fund:* To account for the operation of the municipal transit operations. The service is funded from user fees, grants, and property taxes from a special transit levy. The fund also includes funds for capital equipment replacement.

*Airport Operations Fund:* To account for the activities and improvements of the Municipal Airport. Hangar fees and farm land rentals support its operation in addition to an operating subsidy provided by the General Fund.

## City of Clinton, Iowa

### Notes to Basic Financial Statements

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#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

*Dock Operations Fund:* To account for the activities at the City's municipal dock.

The other enterprise funds of the City are considered nonmajor and are Marina Fund and Parking System Fund.

*Internal Service Fund:* Is used to account for services provided by designated departments to other departments of the City. The City's internal service fund, Health Insurance, accounts for the costs related to the City's self-insurance plan which provides health insurance benefits to its employees, City retirees, and two outside agencies. The City's Assessor's Office, Clinton Housing Authority, and certain retirees have the ability to participate in the plan, but at their cost.

Additionally, the City reports the following fund type:

**Fiduciary fund type:** Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others. The City has one fiduciary fund type as follows:

*Agency Funds:* Are custodial in nature, report assets and liabilities and do not involve measurement of the results of operations. These funds function primarily as a clearing mechanism for resources which are collected by the City, held for a brief period, and then disbursed to an authorized recipient.

#### **Measurement focus and basis of accounting:**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due or matured. Capital asset acquisitions are reported as expenditures in the governmental funds. Issuances of general long-term debt are reported as other financing sources.

Revenues-exchange and nonexchange: Property taxes, other taxes, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the City.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and available.

## City of Clinton, Iowa

### Notes to Basic Financial Statements

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#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

Nonexchange transactions, in which the City receives value without a direct link to giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which it is budgeted. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Proprietary funds distinguished operating revenues and expenses from nonoperating items. Operating revenues and expense generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's internal service fund are charges to operating activities for employee health insurance benefits. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for the internal service fund and enterprise funds include costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### **Summary of significant accounting policies:**

The significant accounting policies followed by the City include the following:

**Cash and investments:** The City maintains a cash and investment pool for all funds. Cash resources have been pooled in order to maximize investment opportunities. Income from investments purchased with pooled cash is allocated to individual funds based on the fund's average cash balance and legal requirements. Each fund's portion of total cash and investments is reported as such within this report.

Investments are stated at fair value or amortized cost. Amortized cost is used only for money market investments that have a remaining maturity at the time of purchase of one year or less.

**Statement of cash flows:** For purposes of the statement of cash flows for proprietary fund type funds, the City considers the pooled cash to be cash equivalents as these pooled amounts have the same characteristics of demand deposits. Cash equivalents also include restricted cash.

**Property tax receivable:** Property tax, including tax increment financing, in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized on the levy or lien date, which is the date that the tax asking is certified by the City to the County Board of Supervisors. Current year property tax receivable represent taxes collected by the County but not remitted to the City at year-end and unpaid taxes. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year.

## City of Clinton, Iowa

### Notes to Basic Financial Statements

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#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

Property taxes are levied as of July 1 on property values assessed as of January 1 of the previous year. The current tax levy recorded as taxes receivable was certified in March 2013 based on the 2012 assessed valuations. These taxes are due in two installments, on September 1, 2013 and the following March 1, 2014 with a 1.5 percent per month penalty for delinquent payment. Since the 2013 tax levy is budgeted and levied for the fiscal year 2014, the revenue is a deferred inflow of resources and is reported as unavailable revenue. Revenue has been recognized for those taxes receivable which represent the prior year's delinquent taxes and which are expected to be collected within 60 days after year-end.

Accounts receivable: Accounts receivable are recorded at the time the service is billed. Unbilled usage for services used between scheduled billing dates is estimated and recognized as revenue in the period in which the service is provided. These receivables are net of allowance for doubtful accounts.

Intergovernmental receivables: Intergovernmental receivables represent amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Prepaid items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Reported prepaid items in the governmental funds are reported as nonspendable fund balance to indicate that the balances are not available for appropriation.

Restricted assets: Assets within the individual funds which can be designated by the City Council for any use within the fund's purpose are considered to be unrestricted assets. Assets which are restricted for specific uses by bonded debt requirements or other external requirements are classified as restricted assets.

Capital assets: Capital assets, including land, construction-in-progress, machinery and equipment, land improvements, buildings, intangibles and infrastructure are reported in the applicable governmental or business-type activities columns in the government-wide and the proprietary fund statement of net position. All land is capitalized. All other capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 (\$25,000 for buildings and improvements and \$50,000 for infrastructure) and an initial useful life in excess of two years. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the year ended June 30, 2013, no interest expense was added to the cost of assets acquired in the business-type activities.

The City's collection of works of art and other similar assets are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to City policy that requires proceeds from the sale of these items to be used to acquire other collection items.

## City of Clinton, Iowa

### Notes to Basic Financial Statements

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#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

Depreciation has been provided using the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives for each capital asset type are as follows:

Machinery and equipment	5-20 years
Land improvements	20 years
Buildings and infrastructure	10-75 years

The City reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

Unearned revenues: Unearned revenues represent monies received by the City which are not yet earned.

Interfund transactions: Transactions among City funds that would be treated as revenues and expenditures or expenses if they involved organizations external to City government are accounted for as revenues and expenditures or expenses in the funds involved.

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective funds' operating statements.

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Noncurrent portions of long-term interfund loan receivables are reported as advances within the governmental funds and are offset equally by a fund balance reserve account which indicates they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

Compensated absences: City employees accumulate earned but unused vacation and compensatory time benefits. For proprietary fund types and the government-wide statements, these accumulations are recorded as expenses and liabilities of the appropriate fund and activity in the fiscal year earned. For governmental fund types, the amount of accumulated unpaid vacation leave, which is payable from available resources, is recorded as a liability of the respective fund only if they have matured, for example, as a result of employee retirements and resignations. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2013. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

## City of Clinton, Iowa

### Notes to Basic Financial Statements

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#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

Long-term obligations: In the government-wide financial statements and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activities column or applicable proprietary fund in the Statement of Net Position. In the governmental fund financial statements, the face amount of the debt issued is reported as other financing sources. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures.

Deferred outflows/inflows of resources: In addition to assets, the balance sheet and/or the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of fund balance or net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City does not have items that qualify for reporting in this category.

In addition to liabilities, the balance sheet and/or statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance or net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from three sources: taxes, intergovernmental and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the City's government-wide statements only the succeeding year property tax revenues remain as a deferred inflow of resources under the full accrual basis of accounting and will become an inflow in the year for which they are levied.

Fund equity: Governmental funds equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance is reported for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. Committed fund balance is constrained by formal actions of the City council, which is considered the City's highest level of decision making authority. Formal actions include resolutions and ordinances by the City with intent to use them for a specific purpose. Assigned fund balances are amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the City Administrator and Finance Director. Any residual fund balance of the General Fund and a deficit in other funds, if any, is reported as unassigned.

The City's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the City considers committed funds to be expended first followed by assigned and then unassigned funds.

Net position: In proprietary funds, and government-wide financial statements, net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets, excludes unspent bond proceeds. There are no unspent bond proceeds. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted through enabling legislation consists of \$2,319,058 for tax levy purposes and \$569,399 for road use tax. Other restricted net position consists of \$1,438,433 for capital improvements, \$7,000 for trust corpus and \$88,343 from external contributions.

## City of Clinton, Iowa

### Notes to Basic Financial Statements

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#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

The City first applied restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgetary and legal appropriation and amendment policies: The City Council annually adopts a budget on or before March 15 of each year, which becomes effective July 1 and constitutes the City's appropriation for each program and purpose specified therein until amended. City budgets may be amended for specified purposes and budget amendments must be prepared and adopted in the same manner at the original budgets. The legal level of control (the level on which expenditures may not legally exceed appropriations) is the program level. Appropriations, as adopted and amended, lapse at the end of the fiscal year. The City adopts its annual program budget which includes all funds on a modified accrual basis.

As allowed by GASB Statement No. 41, *Budgetary Comparison Schedules-Perspective Differences*, the City presents budgetary comparison schedules as required supplementary information based on the program structure of eight functional areas as required by state statute for its legally adopted budget.

#### **Note 2. Deposits and Investments**

Authorized deposits and investments: The City is authorized by state statute to invest public funds in interest bearing savings accounts, interest bearing money market accounts, interest bearing checking accounts, obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured Iowa depository institutions approved by the City Council and the Treasurer of the State of Iowa; Iowa Public Agency Investment Trust, prime bankers acceptances that mature within 270 days of purchase; commercial paper or other short-term corporate debt that matures within 270 days of purchase and is rated within the two highest classifications; perfected repurchase agreements; and certain registered investment open-end management investment companies.

Investments are reported at fair value except for the City's investment in the Iowa Public Agency Investment Trust. The Iowa Public Agency Trust is a common law trust established by Iowa code law and is administered by an appointed investment management company. The Pool operates in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Act of 1940, as amended. Accordingly, the Pool qualifies as a 2a7 like pool as is reported at the net asset value per share which approximates fair value.

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. 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.

**City of Clinton, Iowa**

**Notes to Basic Financial Statements**

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**Note 2. Deposits and Investments (Continued)**

Credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally statistical rating organization. The City had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$222,176 pursuant to Rule 2a-7 under the Investment Company Act of 1940. The City's investments in the Iowa Public Agency Investment Trust are unrated.

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Chapter 12c of the Code of Iowa requires all City funds be deposited into an approved depository and be either insured or collateralized. As of June 30, 2013, the City's deposits with financial institutions were entirely covered by federal depository insurance or insured by the state through pooled collateral, state sinking funds and by the state's ability to assess for lost funds.

A reconciliation of cash and investments as shown on the financial statements for the City follows:

Depository accounts	\$ 8,610,039
Iowa Public Agency Investment Trust	222,176
	<u>\$ 8,832,215</u>
Cash and investments	\$ 6,897,127
Cash and investments-Agency Funds	78,885
Restricted cash and investments	1,856,203
	<u>\$ 8,832,215</u>

City of Clinton, Iowa

Notes to Basic Financial Statements

**Note 3. Capital Assets**

The following is a summary of changes in capital assets for the year ended June 30, 2013:

	June 30, 2012 Balance	Additions	Deletions	June 30, 2013 Balance
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 21,659,331	\$ -	\$ 366,043	\$ 21,293,288
Construction-in-progress	21,732,043	5,068,457	24,060,480	2,740,020
<b>Total capital assets, not being depreciated</b>	<b>43,391,374</b>	<b>5,068,457</b>	<b>24,426,523</b>	<b>24,033,308</b>
Capital assets, being depreciated:				
Machinery and equipment	14,474,124	485,448	131,287	14,828,285
Land Improvements	3,640,836	-	-	3,640,836
Buildings	19,227,001	119,899	-	19,346,900
Intangibles	171,663	-	-	171,663
Infrastructure	101,283,351	24,542,688	-	125,826,039
<b>Total capital assets, being depreciated</b>	<b>138,796,975</b>	<b>25,148,035</b>	<b>131,287</b>	<b>163,813,723</b>
Less accumulated depreciation for:				
Machinery and equipment	12,726,827	535,106	118,613	13,143,320
Land Improvements	2,190,741	48,393	-	2,239,134
Buildings	7,110,487	600,557	-	7,711,044
Intangibles	142,908	8,325	-	151,233
Infrastructure	54,607,388	6,902,258	-	61,509,646
<b>Total accumulated depreciation</b>	<b>76,778,351</b>	<b>8,094,639</b>	<b>118,613</b>	<b>84,754,377</b>
<b>Total capital assets, being depreciated, net</b>	<b>62,018,624</b>	<b>17,053,396</b>	<b>12,674</b>	<b>79,059,346</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 105,409,998</b>	<b>\$ 22,121,853</b>	<b>\$ 24,439,197</b>	<b>\$ 103,092,654</b>

City of Clinton, Iowa

Notes to Basic Financial Statements

Note 3. Capital Assets (Continued)

	June 30, 2012		June 30, 2013	
	Balance	Additions	Deletions	Balance
<b>Business-Type Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 3,654,071	\$ -	\$ -	\$ 3,654,071
Construction-in-progress	65,949,227	3,826,062	68,829,364	945,925
<b>Total capital assets, not being depreciated</b>	<b>69,603,298</b>	<b>3,826,062</b>	<b>68,829,364</b>	<b>4,599,996</b>
Machinery and equipment	9,318,753	346,849	215,464	9,450,138
Land Improvements	807,670	-	-	807,670
Buildings	23,151,299	-	-	23,151,299
Intangibles	56,357	-	-	56,357
Infrastructure	98,505,942	69,449,605	-	167,955,547
<b>Total capital assets, being depreciated</b>	<b>131,840,021</b>	<b>69,796,454</b>	<b>215,464</b>	<b>201,421,011</b>
Less accumulated depreciation for:				
Machinery and equipment	5,578,801	718,809	215,464	6,082,146
Land Improvements	331,267	24,389	-	355,656
Buildings	11,645,949	424,611	-	12,070,560
Intangibles	54,444	(1,093)	-	53,351
Infrastructure	49,371,934	3,323,011	-	52,694,945
<b>Total accumulated depreciation</b>	<b>66,982,395</b>	<b>4,489,727</b>	<b>215,464</b>	<b>71,256,658</b>
<b>Total capital assets, being depreciated, net</b>	<b>64,857,626</b>	<b>65,306,727</b>	<b>-</b>	<b>130,164,353</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 134,460,924</b>	<b>\$ 69,132,789</b>	<b>\$ 68,829,364</b>	<b>\$ 134,764,349</b>

Depreciation expense was charged to the functions of the City as follows:

<b>Governmental Activities:</b>	
Public safety	\$ 378,641
Public works	7,043,532
Culture and recreation	625,710
General government	46,756
<b>Total depreciation expense, governmental activities</b>	<b>\$ 8,094,639</b>
<b>Business-Type Activities:</b>	
Sewer	\$ 3,003,438
Solid Waste	154,088
Transit	462,976
Airport Operations	481,375
Other business-type funds	387,850
<b>Total depreciation expense, business-type activities</b>	<b>\$ 4,489,727</b>

**City of Clinton, Iowa**

**Notes to Basic Financial Statements**

**Note 4. Long-Term Debt**

A summary of the changes in bonded and other long-term debt for the year ended June 30, 2013 is as follows:

<b>Governmental Activities</b>	Balance, Beginning	Additions	Redeemed/ Matured	Balance, Ending	Due Within One Year
General obligation bonds and notes	\$ 17,976,167	\$ 10,135,000	\$ 7,642,833	\$ 20,468,334	\$ 3,113,334
Bond premium	-	27,029	-	27,029	-
Notes payable	754,000	-	-	754,000	-
Compensated absences	524,004	564,443	611,136	477,311	477,311
Early retirement	1,516,500	-	216,000	1,300,500	198,000
Litigation payable	3,600,000	-	450,000	3,150,000	450,000
Net OPEB liability	592,335	275,465	-	867,800	-
	<u>\$ 24,963,006</u>	<u>\$ 11,001,937</u>	<u>\$ 8,919,969</u>	<u>\$ 27,044,974</u>	<u>\$ 4,238,645</u>

<b>Business-Type Activities</b>	Balance, Beginning	Additions	Redeemed/ Matured	Balance, Ending	Due Within One Year
General obligation bonds and notes	\$ 62,500	\$ -	\$ 62,500	\$ -	\$ -
Sewer revenue notes	64,546,947	9,067,013	2,046,000	71,567,960	1,905,000
Compensated absences	102,466	157,297	150,641	109,122	109,122
Early retirement	319,500	-	72,000	247,500	66,000
Net OPEB liability	171,177	73,587	-	244,764	-
	<u>\$ 65,202,590</u>	<u>\$ 9,297,897</u>	<u>\$ 2,331,141</u>	<u>\$ 72,169,346</u>	<u>\$ 2,080,122</u>

Governmental activities:

**General obligation bonds and notes:** The City issues general obligation bonds and capital loan notes to provide funds for the acquisition and construction of major capital facilities and procurement of capital equipment. General obligation bonds and capital notes have been issued for general government purposes.

Governmental activities general obligation bonds and notes outstanding at June 30, 2013 are as follows:

Purpose	Date of Issue	Interest Rates	Amount Originally Issued	Amount Outstanding
Corporate purpose bond	09/01/08	3.25 - 4.75	\$ 6,270,000	\$ 6,100,000
Corporate purpose bond	08/26/09	1.75 - 5.00	4,600,000	3,680,000
				<u>9,780,000</u>
Capital loan note	05/11/12	1.00	910,000	320,000
Capital loan note	03/22/11	1.85	700,000	233,334
Capital loan note	10/10/12	0.60 - 1.90	3,065,000	3,065,000
Capital loan note	02/20/13	1.00 - 2.15	4,975,000	4,975,000
Capital loan note, taxable	02/20/13	0.50 - 1.30	2,095,000	2,095,000
				<u>10,688,334</u>
Total				<u>\$ 20,468,334</u>

## City of Clinton, Iowa

### Notes to Basic Financial Statements

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#### **Note 4. Long-Term Debt (Continued)**

During 2013, the following capital loan notes were issued:

In October 2012, the City issued \$3,065,000 General Obligation Capital Loan Notes, Series 2012C to provide funds to pay costs of improvements to the police and fire department facilities; improvements to City recreation areas; equipping the engineering department; street improvements; sewer improvements; and equipping the police and fire stations. The notes have an outstanding balance of \$3,065,000 which matures in annual amounts ranging from \$50,000 to \$520,000 through June 1, 2022.

In February 2013, the City issued \$4,975,000 General Obligation Capital Loan Notes, Series 2013A and \$2,095,000 Taxable General Obligation Capital Loan Notes, Series 2013B.

The 2013A Notes were issued to provide funds to pay costs for recreation purposes; library projects; rail park improvements and street improvements. A portion of the funds were used on June 1, 2013 to current refund \$1,670,000 of the General Obligation Bonds Series 2006A dated April 13, 2006, \$406,668 of the General Obligation Capital Loan Notes, Series 2011B dated December 8, 2011, \$516,000 of the General Obligation Capital Loan Notes, Series 2011C, dated December 29, 2011 and \$372,000 of the General Obligation Capital Loan Notes, Series 2012A, dated May 29, 2012.

The Series 2013B Notes were issued to provide funds to pay costs of equipping the police and fire department; improvements to the police station; City Hall improvements; recreation department equipment ; equipping City Hall and public works and on June 1, 2013 to current refund \$1,760,000 General Obligation Bonds, Taxable Series 2006B dated April 13, 2006.

The 2013A Notes current refunding of \$2,964,668 did not result in a difference between the reacquisition price and the net carrying amount of the old debt. The City completed the current refunding to reduce its total debt service payments over the next 5 years by \$160,862 and to obtain an economic gain (the difference between the present values of the old and new debt service payments) of \$152,835. The bonds have an outstanding balance of \$4,975,000 which matures in remaining annual amounts ranging from \$280,000 to \$840,000 through June 1, 2025.

The 2013B Notes current refunding of \$1,760,000 did not result in a difference between the reacquisition price and the net carrying amount of the old debt. The City completed the current refunding to reduce its total debt service payments over the next 5 years by \$247,347 and to obtain an economic gain (the difference between the present values of the old and new debt service payments) of \$240,142. The bonds have an outstanding balance of \$2,095,000 which matures in remaining annual amounts ranging from \$350,000 to \$675,000 through June 1, 2018.

City of Clinton, Iowa

Notes to Basic Financial Statements

**Note 4. Long-Term Debt (Continued)**

Annual debt requirements to maturity for general obligation bonds were as follows:

<u>Year ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 1,130,000	\$ 406,364	\$ 1,536,364
2015	1,165,000	367,601	1,532,601
2016	1,315,000	325,466	1,640,466
2017	1,050,000	274,886	1,324,886
2018	1,290,000	232,676	1,522,676
2019	870,000	176,801	1,046,801
2020	880,000	136,675	1,016,675
2021	900,000	95,115	995,115
2022	330,000	52,515	382,515
2023	350,000	38,325	388,325
2024	100,000	23,100	123,100
2025	100,000	18,650	118,650
2026	100,000	14,100	114,100
2027	100,000	9,450	109,450
2028	100,000	4,750	104,750
	<u>\$ 9,780,000</u>	<u>\$ 2,176,474</u>	<u>\$ 11,956,474</u>

Annual debt requirements to maturity for general obligation notes were as follows:

<u>Year ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 1,983,334	\$ 151,947	\$ 2,135,281
2015	1,435,000	115,363	1,550,363
2016	1,335,000	103,038	1,438,038
2017	1,055,000	90,528	1,145,528
2018	855,000	79,978	934,978
2019	760,000	68,398	828,398
2020	780,000	57,968	837,968
2021	790,000	46,268	836,268
2022	805,000	32,978	837,978
2023	290,000	17,968	307,968
2024	295,000	12,458	307,458
2025	305,000	6,558	311,558
	<u>\$ 10,688,334</u>	<u>\$ 783,450</u>	<u>\$ 11,471,784</u>

In addition, the City has an Urban Renewal Tax Increment Bond (TIF Bonds) with an original amount of \$800,000 plus interest at 6% per year and an outstanding balance of \$754,000. The TIF Bonds are not general obligations of the City but are payable solely from the incremental property taxes to be paid in the future with respect to the property financed through the project. The bonds mature on June 30, 2018.

**City of Clinton, Iowa**

**Notes to Basic Financial Statements**

**Note 4. Long-Term Debt (Continued)**

Business-type activities:

Sewer revenue notes have been issued to provide funds for sewer plant improvements. Notes payable at June 30, 2013 are as follows:

Purpose	Date of Issue	Interest Rates	Amount Originally Issued	Amount Outstanding
Sewer revenue notes	08/03/06	3.00	\$ 2,478,000	\$ 1,760,000
Sewer revenue notes	12/13/07	3.00	9,898,000	7,943,000
Sewer revenue notes	07/06/11	3.00	9,797,000	9,241,000
Sewer revenue notes	07/06/11	3.00	4,577,000	4,241,960
Sewer revenue notes	09/15/10	3.00	46,660,000	45,718,000
Sewer revenue notes	11/30/12	2.00	2,179,000	2,089,000
Sewer revenue notes	11/30/12	3.00	800,000	575,000
				<u>\$ 71,567,960</u>

During 2013, the following sewer revenue notes were issued:

In November 2012, the City issued \$2,179,000 sewer revenue notes. The notes have an outstanding balance of \$2,089,000 which matures in annual amounts ranging from \$90,000 to \$131,000 through June 1, 2032.

In June 2013, the City drew \$575,000 on a sewer revenue note. The note was not final as of year-end and is projected to include interest at 2 percent.

Annual debt requirements to maturity for the sewer revenue notes were as follows:

Year ending June 30:	Principal	Interest	Total
2014	\$ 1,905,000	\$ 2,105,928	\$ 4,010,928
2015	2,541,000	2,049,915	4,590,915
2016	2,026,000	1,992,097	4,018,097
2017	2,091,000	1,932,505	4,023,505
2018	2,157,000	1,870,988	4,027,988
2019-2023	11,839,000	8,362,100	20,201,100
2024-2028	13,478,000	6,510,187	19,988,187
2029-2033	11,513,000	4,647,973	16,160,973
2034-2038	12,914,000	2,863,920	15,777,920
2039-2042	11,103,960	819,270	11,923,230
	<u>\$ 71,567,960</u>	<u>\$ 33,154,883</u>	<u>\$ 104,722,843</u>

## City of Clinton, Iowa

### Notes to Basic Financial Statements

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#### **Note 4. Long-Term Debt (Continued)**

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay the sewer revenue notes. Proceeds from the notes provided financing for acquisition, construction, reconstruction, extending, remodeling, improving, repairing and equipping the sewer system. The notes are payable solely from sewer customer net revenues and are payable through 2042. Total principal and interest remaining to be paid on the sewer revenue notes and total customer net revenues were \$104,722,843 and \$5,143,655 and principal and interest payments were \$4,107,091.

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

- 1) The notes will only be redeemed from the future earnings of the enterprise activity and the note holders hold a lien on the future earnings of the funds. All revenue must be initially deposited into the sewer revenue fund.
- 2) Sufficient monthly transfers shall be made to a separate sewer revenue note sinking fund for the purpose of making the note principal and interest payments when due. The amount of monthly deposit required is 1/6 of the next interest payment and 1/12 of the next principal payment.
- 3) All funds remaining in the sewer rental fund after the payment of all maintenance and operating expenses and required transfers shall be placed in a sewer revenue surplus account. This account is restricted for the purpose of paying for any extraordinary repairs or replacement to the system or for note and interest payments which the other accounts might be unable to make.
- 4) User rates shall be established at a level which produces and maintains net revenues at a level not less than 110% of the amount of principal and interest on the notes falling due in the same year.

Compensated absences, early retirement and other post-employment benefits: Compensated absences, early retirement and other post-employment benefits attributable to governmental activities are generally liquidated by the General Fund. Compensated absences and other post-employment benefits attributable to business-type activities are generally liquidated by the respective enterprise fund.

Operating leases: The City has an operating lease for occupancy of a building and parking lot for the police department which resulted in rent paid of \$68,612 for the year ended June 30, 2013. The original lease agreement was signed in November 1997 and renewed in October 2002, February 2006 and March 2008. The term of the current lease is five years with two five year options at current monthly payments of \$5,808.

Litigation: In September 2009, the City was ordered to pay \$4,500,000 in regards to a federal lawsuit. The balance owed is to be paid over a 10 year period, with the final payment being due in 2019. As of June 30, 2013, the City owed \$3,150,000 in regards to the judgment.

#### **Note 5. Termination Benefits**

In October 2011, the City approved a voluntary early retirement plan for employees. The plan was only offered to employees for one year. Eligible employees must have completed at least ten years of full-time service to the City, must have reached the age of fifty-four and be no older than sixty-four, and must retire prior to June 30, 2012.

Early retirement benefits are equal to \$1,500 per month beginning on the first of the month following the date of termination and shall continue to receive such payment on the first of each month until the month in which the employee becomes eligible for Medicare.

At June 30, 2013, the City has obligations to sixteen participants with a total liability of \$1,548,000. Actual early retirement expenditures for the year ended June 30, 2013 totaled \$288,000.

**City of Clinton, Iowa**

**Notes to Basic Financial Statements**

**Note 6. Interfund Receivables, Payables and Transfers**

Individual interfund receivables and payables balances as of June 30, 2013 were:

	Total	
	Interfund Receivables	Interfund Payables
Governmental, major funds:		
General	\$ 937,610	\$ -
Local options sales tax	-	174,772
Debt service	-	134,187
Enterprise, major funds:		
Solid waste collection	-	1,704,343
Transit system	1,111,150	-
Airport operations	-	35,458
<b>Total</b>	<b>\$ 2,048,760</b>	<b>\$ 2,048,760</b>

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

The following is a schedule of transfers as included in the basic financial statements of the City:

	Transfers In	Transfers Out
Governmental activities:		
Major governmental funds:		
General	\$ 4,965,502	\$ 1,473,316
Road use tax	-	137,400
Local option sales tax	-	3,000,000
Employee benefits	-	4,403,558
Capital projects	2,258,054	330,038
Debt service	1,720,189	64,172
Nonmajor governmental funds	685,840	1,125,533
<b>Total governmental activities</b>	<b>\$ 9,629,585</b>	<b>\$ 10,534,017</b>
Business-type activities:		
Major enterprise funds:		
Transit system	\$ 756,460	\$ -
Airport operations	174,155	71,183
Nonmajor enterprise funds	45,000	-
<b>Total governmental activities</b>	<b>\$ 975,615</b>	<b>\$ 71,183</b>
<b>Total</b>	<b>\$ 10,605,200</b>	<b>\$ 10,605,200</b>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

## City of Clinton, Iowa

### Notes to Basic Financial Statements

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#### Note 7. Risk Management

The City is exposed to various risks of loss related to torts; theft; damage to the destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 670.7 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 663 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine, and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained to equal 150 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

The City's contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The City's contributions to the Pool for the year ended June 30, 2013 were \$409,872.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$250,000 per claim. Claims exceeding \$250,000 are reinsured in an amount not to exceed \$1,750,000 per claim and \$5,000,000 in aggregate per year. For members requiring specific coverage from \$2,000,000 up to \$10,000,000 such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$100,000 each occurrence, each location, with excess coverage reinsured on an individual-member basis.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The City does not report a liability for losses in excess of the reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2013, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given sixty days' prior written notice may withdraw from the Pool. Upon withdrawal, payments for all claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their capital contributions. If a member withdraws after the sixth year, the member is refunded 100 percent of its casualty capital contributions. However, the refund is reduced by an amount equal to the annual operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

**City of Clinton, Iowa**

**Notes to Basic Financial Statements**

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**Note 7. Risk Management (Continued)**

The City has established a Health Insurance Fund for insuring benefits provided to City employees covered dependents, retirees, and two outside agencies which is included in the Internal Service Fund. Health benefits were self-insured up to a specific stop loss amount of \$50,000 and an aggregate stop loss of approximately \$2.6 million for 2013. Coverage from a private insurance company is maintained for losses in excess of the stop loss amount. All claims handling procedures are performed by a third-party claims administrator. Incurred but not reported claims have been accrued as a liability based upon the claims administrator's estimate.

All funds of the City participate in the program and make payments to the Health Insurance Fund based on actuarial estimates of the amounts needed to pay prior-year and current-year claims. Certain retirees and the two outside agencies make payments directly to the fund. The claims liability of \$479,691 in the Health Insurance Fund is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The estimated claims liability does not include any allocated or unallocated claims adjustment expenses.

Changes in reported liabilities for the fiscal year ended June 30, 2013 are summarized as follows:

	2013	2012
Claims payable, beginning of the year	\$ 519,919	\$ 524,686
Claims expense	3,157,714	3,040,273
Claims payments	(3,197,942)	(3,045,040)
Claims payable, end of the year	<u>\$ 479,691</u>	<u>\$ 519,919</u>

**Note 8. Pension and Retirement Systems**

**Iowa Public Employees Retirement System:**

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.

Plan members are required to contribute 5.78 percent of their annual covered salary and the City is required to contribute 8.67 percent of annual covered payroll, except for police and fire members in which case the plan members are required to contribute 6.84 percent of their annual covered salary and the City is required to contribute 10.27 percent. Contribution requirements are established by state statute. The City's contribution to IPERS for the years ended June 30, 2013, 2012, and 2011 were \$434,256, \$446,652, and \$408,559, respectively, equal to the required contributions for each year.

**Note 8. Pension and Retirement Systems (Continued)**

**Municipal Fire and Police Retirement System of Iowa:**

The City contributes to the Municipal Fire and Police Retirement System of Iowa (MFPRSI) which is a cost-sharing, multiple-employer defined benefit pension plan administered by a board of trustees. MFPRSI provides retirement, disability and death benefits which are established by state statute to plan members and beneficiaries. MFPRSI issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to MFPRSI, 7155 Lake Drive, Suite 201, West Des Moines, Iowa 50266.

Plan members are required to contribute 9.40% of earnable compensation and the City's contribution rate, based upon actuarially determined normal contribution rate, and cannot be less than 17% of earnable compensation. The City's contribution rate for fiscal year 2013 was 26.12%. Contribution requirements are established by state statute. The City's contributions to MFPRSI for the years ended June 30, 2013, 2012, and 2011 were \$1,271,080, \$1,186,430, and \$1,025,225, respectively, which met the required contribution for each year.

**Note 9. Other Postemployment Benefits**

Plan description: The City operates a single-employer health benefit plan which provides medical and prescription drug benefits for retirees and their spouses. There are 193 active and 24 retired members in the plan. Participants must be age 55 or older at retirement.

The medical/prescription drug coverage is provided through a fully-insured plan with United Healthcare of the River Valley. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability.

Funding policy: The contribution requirements of plan members are established and may be amended by the City. The current funding policy of the City is to pay claims as they occur. The required contributions are based on projected pay-as-you-go financing. For fiscal year 2013, the City contributed \$73,784 which includes \$57,968 and \$15,816 related to the City's explicit and implicit subsidy, respectively for including the retirees in the plan.

Annual OPEB Cost and Net OPEB Obligation: The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance to the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

**City of Clinton, Iowa**

**Notes to Basic Financial Statements**

**Note 9. Other Postemployment Benefits (Continued)**

The following table shows the components of the City's annual OPEB cost for the year, the amount actuarially contributed to the plan and changes in the City's annual OPEB obligation:

Annual required contribution	\$ 461,506
Interest on net OPEB obligation	19,088
Adjustment to annual required contribution	(57,758)
Annual OPEB cost	<u>422,836</u>
Contributions and payments made	<u>73,784</u>
Increase in net OPEB obligation	349,052
Net OPEB obligation, beginning of year	<u>763,512</u>
Net OPEB obligation, end of year	<u><u>\$ 1,112,564</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2013, 2012 and 2011 are as follows in the table below:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	\$ 422,836	17.5%	\$ 1,112,564
June 30, 2012	422,310	21.0	763,512
June 30, 2011	331,110	26.8	672,473

Funded status and funding progress: As of July 1, 2011, the most recent valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$3,201,687 and the actuarial value of assets was none, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,201,687. The covered payroll (annual payroll of active employees covered by the plan) was \$9,541,600 and the ratio of the UAAL to the covered payroll was 33.56 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial methods and assumptions: Projections and benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and included in the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

## City of Clinton, Iowa

### Notes to Basic Financial Statements

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#### **Note 9. Other Postemployment Benefits (Continued)**

In the July 1, 2011 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 2.5 percent discount rate, inflation rate of 3 percent and an annual health care cost trend rate of 6 percent. The City's unfunded actuarial accrued liability is being amortized as a level dollar amount on an closed basis. The remaining amortization period at June 30, 2013 was 30 years.

#### **Note 10. Industrial Development Revenue Bonds**

From time to time, the City has issued industrial development revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The City has issued a total of \$145,305,000 of industrial development revenue bonds.

#### **Note 11. Deficit Fund Balance**

At June 30, 2013, the Debt Service Fund and Solid Waste Collection Fund had deficit fund balances of \$82,603 and \$125,391, respectively. The Debt Service Fund deficit is the result of debt service payments in excess of taxes collected or transferred and will be eliminated upon the collection of future taxes. The Solid Waste Collection Fund deficit is the result of lost revenue due to problems related to the implementation of a new solid waste collection process that began in fiscal year 2012. This deficit will be eliminated by the implementation of a new rate structure that passed City Council in May 2012.

#### **Note 12. Commitment and Contingent Liabilities**

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

The City was involved in various construction projects throughout the year. The total cost of these projects is approximately \$98.3 million. As of June 30, 2013, costs of \$84.4 million have been incurred on the projects. The remaining contractual amounts on these projects total approximately \$13.9 million as of June 30, 2013 and will be paid as work on the projects progresses.

The City has received financial assistance from numerous federal and state agencies in the form of grants and entitlements. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability applicable fund.

**Note 13. New Governmental Accounting Standards Board (GASB) Statements and Pending Pronouncements**

The City adopted the following statements during the year ended June 30, 3013:

- GASB Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements. This Statement is intended to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. Specifically, this Statement improves financial reporting by establishing recognition, measurement, and disclosure requirements SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. This Statement also improves the decision usefulness of financial reporting by requiring that specific relevant disclosures be made by transferors and governmental operators about SCAs.
- GASB Statement No. 61, The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34, issued November 2010. This Statement is intended to improve financial reporting for a governmental financial reporting entity by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. The amendments to the criteria for including component units allow users of financial statements to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. The amendments to the criteria for blending also improve the focus of a financial reporting entity on the primary government by ensuring that the primary government includes only those component units that are so intertwined with the primary government that they are essentially the same as the primary government, and by clarifying which component units have that characteristic.
- GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. This Statement is intended to enhance the usefulness of the Codification of Governmental Accounting and Financial Reporting Standards by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements. This Statement incorporates into the GASB's authoritative literature the applicable guidance previously presented in the following pronouncements issued before November 30, 1989: FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA's Committee on Accounting Procedure. By incorporating and maintaining this guidance in a single source, the GASB believes that GASB 62 reduces the complexity of locating and using authoritative literature needed to prepare state and local government financial reports.
- GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This Statement is intended to improve financial reporting by providing citizens and other users of state and local government financial reports with information about how past transactions will continue to impact a government's financial statements in the future. This Statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities deferred inflows of resources, and net position (which is the net residual amount of the other elements). The Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets.

Notes to Basic Financial Statements

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**Note 13. New Governmental Accounting Standards Board (GASB) Statements and Pending Pronouncements (Continued)**

- GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. This Statement clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. GASB Concepts Statement (CON) No. 4, Elements of Financial Statements, specifies that recognition of deferred outflows and deferred inflows should be limited to those instances specifically identified in authoritative GASB pronouncements. Consequently, guidance was needed to determine which balances being reported as assets and liabilities should actually be reported as deferred outflows of resources or deferred inflows of resources, according to the definitions in CON 4. Based on those definitions, this Statement reclassifies certain items currently being reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. In addition, the Statement recognizes certain items currently being reported as assets and liabilities as outflows of resources and inflows of resources.

The implementation of the above statements did not have a material impact to the City's financial statements other than GASB Statement No. 63 and No. 65. The adoption of these statements changed the presentation of the basic financial statements to a statement of net position format.

As of June 30, 2013, the Governmental Accounting Standards Board had issued the following statements not yet implemented by the City. The statements which might impact the City are as follows:

- GASB Statement No. 66, Technical Corrections - 2012, issued April 2012, will be effective for the City with its year ending June 30, 2014. This Statement enhances the usefulness of financial reports by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. This Statement amends GASB Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, by removing the provision that limits fund-based reporting of a state or local government's risk financing activities to the general fund and the internal service fund types. As a result, governments would base their decisions about governmental fund type usage for risk financing activities on the definitions in GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This Statement also amends GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, by modifying the specific guidance on accounting for: (a) operating lease payments that vary from a straight-line basis; (b) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans; and (c) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes would eliminate any uncertainty regarding the application of GASB Statement No. 13, Accounting for Operating Leases with Scheduled Rent Increases, and result in guidance that is consistent with the requirements in GASB Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues, respectively.

Notes to Basic Financial Statements

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**Note 13. New Governmental Accounting Standards Board (GASB) Statements and Pending Pronouncements (Continued)**

- GASB Statement No. 67, Financial Reporting for Pension Plans, issued June 2012, will be effective for the City beginning with its year ending June 30, 2014. This Statement replaces the requirements of GASB Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and GASB Statement No. 50, Pension Disclosures, as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. This Statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. This Statement enhances note disclosures and required supplementary information for both defined benefit and defined contribution pension plans. This Statement also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year required supplementary information schedules.
- GASB Statement No. 68, Accounting and Financial Reporting for Pensions, issued June 2012, will be effective for the City beginning with its year ending June 30, 2015. This Statement replaces the requirements of GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, and GASB Statement No. 50, Pension Disclosures, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. This Statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information.
- GASB Statement No. 69, Government Combinations and Disposals of Government Operations, issued January 2013, will be effective for the City beginning with its year ending June 30, 2015. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This Statement provides guidance for:
  - Determining whether a specific government combination is a government merger, a government acquisition, or a transfer of operations;
  - Using carrying values (generally, the amounts recognized in the pre-combination financial statements of the combining governments or operations) to measure the assets, deferred outflows of resources, liabilities, and deferred inflows of resources combined in a government merger or transfer of operations;
  - Measuring acquired assets, deferred outflows of resources, liabilities, and deferred inflows of resources based upon their acquisition values in a government acquisition; and
  - Reporting the disposal of government operations that have been transferred or sold.

## City of Clinton, Iowa

### Notes to Basic Financial Statements

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#### **Note 13. New Governmental Accounting Standards Board (GASB) Statements and Pending Pronouncements (Continued)**

- GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees, issued April 2013, will be effective for the City beginning with its year ending June 30, 2014. This Statement provides accounting and financial reporting guidance to state and local governments that offer nonexchange financial guarantees and for governments that receive guarantees on their obligations. This Statement requires a state or local government guarantor that offers a nonexchange financial guarantee to another organization or government to recognize a liability on its financial statements when it is more likely than not that the guarantor will be required to make a payment to the obligation holders under the agreement. A nonexchange financial guarantee is a credit enhancement or assurance offered by a guarantor without receiving equal or approximately equal value in exchange. The guarantor agrees to pay an obligation holder in the event that the issuer of the obligation is not able to make its required payments to the obligation holder. Nonexchange financial guarantees can include guarantees by a state for bonds issued by local governments within that state or guarantees of mortgage loans to individuals, if equal or approximately equal value is not received in exchange.
- GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date-an Amendment of GASB Statement No.68, issued November 2013, will be effective for the City beginning with its year ending June 30, 2015. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68.

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

#### **Note 14. Subsequent Events**

On July 24, 2013, the City Council approved an agreement between the City of Clinton and the Iowa Finance Authority for the issuance of \$6,550,000 Taxable Sewer Revenue Capital Loan Notes Series 2013C.

On October 8, 2013, the City Council authorized the issuance of \$4,155,000 General Obligation Capital Loan Notes, Series 2013D.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**City of Clinton, Iowa**

**Required Supplementary Information  
Other Postemployment Benefit Plan**

**SCHEDULE OF FUNDING PROGRESS**

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over-funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
<b>2013</b>	<b>7/1/2011</b>	\$ -	\$ 3,201,687	\$ 3,201,687	- %	\$ 9,541,600	33.56%
2012	7/1/2011	-	3,201,687	3,201,687	-	9,434,000	33.94%
2011	7/1/2009	-	2,616,000	2,616,000	-	10,900,000	24.00%
2010	7/1/2009	-	2,616,000	2,616,000	-	10,500,000	24.91%

The information presented in the required supplementary schedule was determined as part of the actuarial valuation as of July 1, 2011. Additional information follows:

1. The actuarial method used to determine the ARC is the entry age actuarial cost method.
2. There are no plan assets.
3. The actuarial assumptions included: (1) 2.5 percent discount rate, (2) The projected annual health care cost rate is 6 percent.
4. The amortization method is level dollar amount over 30 years on an closed basis.

City of Clinton, Iowa

**Budgetary Comparison Schedule**  
**Budget and Actual - All Governmental and Proprietary Funds**  
**Required Supplementary Information**  
**Year Ended June 30, 2013**

	Governmental Fund Types Actual	Proprietary Fund Types Actual	Total Actual
<b>Revenues:</b>			
Taxes	\$ 21,060,047	\$ -	\$ 21,060,047
Licenses and permits	390,214	-	390,214
Use of money and property	535,225	22,905	558,130
Intergovernmental	5,425,060	1,254,544	6,679,604
Charges for services	1,045,323	11,077,895	12,123,218
Miscellaneous	1,504,955	624,123	2,129,078
<b>Total revenues</b>	<b>29,960,824</b>	<b>12,979,467</b>	<b>42,940,291</b>
<b>Expenditures/expenses:</b>			
Public safety	10,117,478	-	10,117,478
Public works	2,471,001	-	2,471,001
Culture and recreation	2,919,245	-	2,919,245
Community and economic development	2,028,721	-	2,028,721
General government	2,762,672	-	2,762,672
Debt service	8,468,734	-	8,468,734
Capital projects	8,221,941	-	8,221,941
Business-type	-	17,154,302	17,154,302
<b>Total expenditures/expenses</b>	<b>36,989,792</b>	<b>17,154,302</b>	<b>54,144,094</b>
<b>Excess (deficiency) of revenues over (under) expenditures/expenses</b>	<b>(7,028,968)</b>	<b>(4,174,835)</b>	<b>(11,203,803)</b>
<b>Other financing sources (uses)</b>			
Bond proceeds	10,162,029	-	10,162,029
Transfers in	9,629,585	1,042,176	10,671,761
Transfers out	(10,534,017)	(137,744)	(10,671,761)
<b>Net change in fund balance</b>	<b>2,228,629</b>	<b>(3,270,403)</b>	<b>(1,041,774)</b>
Balance, beginning of year	3,623,579	71,723,797	75,347,376
Balance, end of year	<b>\$ 5,852,208</b>	<b>\$ 68,453,394</b>	<b>\$ 74,305,602</b>

See Note to Required Supplementary Information.

Budgeted Amounts		Final to Actual	
Original	Final	Variance	
		Positive (Negative)	
\$ 21,134,914	\$ 20,753,379	\$	306,668
343,680	448,380		(58,166)
943,847	600,322		(42,192)
6,600,279	7,601,632		(922,028)
13,109,694	12,831,394		(708,176)
227,249	5,697,511		(3,568,433)
42,359,663	47,932,618		(4,992,327)
10,051,746	10,385,583		268,105
2,495,726	2,615,695		144,694
2,783,765	2,973,690		54,445
2,341,704	2,073,667		44,946
1,771,132	2,236,361		(526,311)
4,143,698	8,861,155		392,421
6,377,500	7,739,150		(482,791)
26,540,674	28,921,718		11,767,416
56,505,945	65,807,019		11,662,925
(14,146,282)	(17,874,401)		6,670,598
12,492,500	20,139,956		(9,977,927)
9,531,522	24,154,949		(13,483,188)
(9,531,522)	(24,154,949)		13,483,188
\$ (1,653,782)	\$ 2,265,555	\$	(3,307,329)

## **City of Clinton, Iowa**

### **Note to Required Supplementary Information**

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In accordance with the Code of Iowa, the City Council annually adopts a budget following required public notice and hearing for all funds. The budget basis of accounting is in accordance with accounting principles generally accepted in the United States of America. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon nine major classes of disbursements known as functions, not by fund or fund type. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital outlay and business-type. During the year, one budget amendment increased budgeted expenditures and transfers out by a total of \$23,924,501. The budget amendment was made to adjust revenues and expenditures for capital projects and grant revenues. Also, to adjust revenues for revised estimates in TIF revenues and adjust for refunding of general obligation bonds.

During the year ended June 30, 2013, expenditures in the general government and capital projects functions exceeded the amounts budgeted.

## **SUPPLEMENTARY AND OTHER INFORMATION**

City of Clinton, Iowa

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2013

	Special Revenue			
	Leisure/ Cultural Programs	Community and Economic Development	Tort Liability	Miscellaneous
<b>Assets</b>				
Cash and investments	\$ 220,988	\$ 328,151	\$ 86,555	\$ 702,349
Receivables:				
Taxes	-	-	-	1,997,311
Intergovernmental	1,910	-	-	10,307
Special assessments	-	-	-	178,429
Other	42,661	-	-	43
Prepaid insurance	-	-	39,588	-
<b>Total assets</b>	<b>\$ 265,559</b>	<b>\$ 328,151</b>	<b>\$ 126,143</b>	<b>\$ 2,888,439</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 38,511	\$ -	\$ -	\$ 44,916
Deposits payable	-	-	-	24,975
Contracts payable	-	-	-	2,183
<b>Total liabilities</b>	<b>38,511</b>	<b>-</b>	<b>-</b>	<b>72,074</b>
Deferred inflows of resources, unavailable revenue:				
Property taxes	-	-	-	1,965,095
Special assessments	-	-	-	178,429
Delinquent taxes	-	-	-	15,981
<b>Total deferred inflows of     resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,159,505</b>
Fund Balances:				
Nonspendable:				
Prepaid items	-	-	39,588	-
Endowments, corpus	-	-	-	-
Restricted:				
Community programs and services	227,048	328,151	-	656,860
Other purposes	-	-	86,555	-
<b>Total fund balances</b>	<b>227,048</b>	<b>328,151</b>	<b>126,143</b>	<b>656,860</b>
<b>Total liabilities, deferred inflow of     resources and fund balances</b>	<b>\$ 265,559</b>	<b>\$ 328,151</b>	<b>\$ 126,143</b>	<b>\$ 2,888,439</b>

Permanent			
Hayes Trust	Boyd Henningsen	Total	
\$ 3,747	\$ 5,041	\$	1,346,831
-	-		1,997,311
-	-		12,217
-	-		178,429
-	-		42,704
-	-		39,588
<u>\$ 3,747</u>	<u>\$ 5,041</u>	<u>\$</u>	<u>3,617,080</u>
\$ -	\$ -	\$	83,427
-	-		24,975
-	-		2,183
-	-		110,585
-	-		1,965,095
-	-		178,429
-	-		15,981
-	-		2,159,505
-	-		39,588
3,000	4,000		7,000
-	-		1,212,059
747	1,041		88,343
<u>3,747</u>	<u>5,041</u>		<u>1,346,990</u>
<u>\$ 3,747</u>	<u>\$ 5,041</u>	<u>\$</u>	<u>3,617,080</u>

City of Clinton, Iowa

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Year Ended June 30, 2013**

	Special Revenue			
	Leisure/ Cultural Programs	Community and Economic Development	Tort Liability	Miscellaneous
Revenues:				
Taxes	\$ 179,083	\$ -	\$ -	\$ 2,237,739
Licenses and permits	-	-	-	32,520
Use of money and property	-	-	-	173
Intergovernmental	138,755	-	-	283,801
Charges for services	41,305	-	-	12,423
Miscellaneous	30	-	48,147	109,668
<b>Total revenues</b>	<b>359,173</b>	<b>-</b>	<b>48,147</b>	<b>2,676,324</b>
Expenditures:				
Current:				
Public safety	30,621	-	-	237,592
Public works	-	-	-	29,753
Culture and recreation	226,412	-	-	12,641
Community and economic development	-	6,696	-	1,423,463
General government	-	-	260,540	-
Capital projects	24,096	-	-	9,614
<b>Total expenditures</b>	<b>281,129</b>	<b>6,696</b>	<b>260,540</b>	<b>1,713,063</b>
<b>Revenue over (under) expenditures</b>	<b>78,044</b>	<b>(6,696)</b>	<b>(212,393)</b>	<b>963,261</b>
Other financing sources (uses):				
Issuance of long-term debt	-	-	-	95,000
Transfers in	361,661	30,117	280,195	13,867
Transfers out	(343,461)	-	-	(782,072)
<b>Total other financing sources (uses)</b>	<b>18,200</b>	<b>30,117</b>	<b>280,195</b>	<b>(673,205)</b>
<b>Net change in fund balances</b>	<b>96,244</b>	<b>23,421</b>	<b>67,802</b>	<b>290,056</b>
Fund balances, beginning of year	130,804	304,730	58,341	366,804
Fund balances, end of year	\$ 227,048	\$ 328,151	\$ 126,143	\$ 656,860

Permanent			
Hayes Trust	Boyd Henninsen Trust		Total
\$ -	\$ -	\$	2,416,822
-	-		32,520
-	-		173
-	-		422,556
-	-		53,728
-	-		157,845
-	-		3,083,644
-	-		268,213
-	-		29,753
-	-		239,053
-	-		1,430,159
-	-		260,540
-	-		33,710
-	-		2,261,428
-	-		822,216
-	-		95,000
-	-		685,840
-	-		(1,125,533)
-	-		(344,693)
-	-		477,523
3,747	5,041		869,467
\$ 3,747	\$ 5,041	\$	1,346,990

City of Clinton, Iowa

Combining Statement of Net Position  
 Nonmajor Enterprise Funds  
 June 30, 2013

<b>Assets</b>	Marina	Parking System	Total
Current assets:			
Cash and investments	\$ 422,216	\$ 10,313	\$ 432,529
Receivables	10,034	25	10,059
Prepays	10,000	-	10,000
<b>Total current assets</b>	<b>442,250</b>	<b>10,338</b>	<b>452,588</b>
Noncurrent assets:			
Capital assets:			
Land	184,000	217,000	401,000
Machinery and equipment	10,000	-	10,000
Land improvements	39,692	152,700	192,392
Buildings	752,205	-	752,205
Intangibles	-	12,401	12,401
Infrastructure	9,326,625	149,516	9,476,141
Accumulated depreciation	(1,383,010)	(314,617)	(1,697,627)
<b>Total noncurrent assets</b>	<b>8,929,512</b>	<b>217,000</b>	<b>9,146,512</b>
<b>Total assets</b>	<b>\$ 9,371,762</b>	<b>\$ 227,338</b>	<b>\$ 9,599,100</b>
<b>Liabilities and Net Position</b>			
Current liabilities:			
Accounts payable	\$ 18,111	\$ -	\$ 18,111
Net position:			
Net investment in capital assets	8,929,512	217,000	9,146,512
Unrestricted	424,139	10,338	434,477
<b>Total net position</b>	<b>9,353,651</b>	<b>227,338</b>	<b>9,580,989</b>
<b>Total liabilities and net position</b>	<b>\$ 9,371,762</b>	<b>\$ 227,338</b>	<b>\$ 9,599,100</b>

City of Clinton, Iowa

**Combining Statement of Revenues, Expenses and Changes in Net Position  
Nonmajor Enterprise Funds  
Year Ended June 30, 2013**

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	Marina	Parking System	Total
Operating revenues:			
Property rental	\$ 246,438	\$ -	\$ 246,438
Miscellaneous	193,951	-	193,951
<b>Total operating revenues</b>	<b>440,389</b>	<b>-</b>	<b>440,389</b>
Operating expenses:			
Personal services	-	-	-
Commodities	106,400	-	106,400
Contractual services	169,373	-	169,373
Repairs, maintenance and utilities	25,092	-	25,092
Depreciation	387,850	-	387,850
<b>Total operating expenses</b>	<b>688,715</b>	<b>-</b>	<b>688,715</b>
<b>Operating (loss)</b>	<b>(248,326)</b>	<b>-</b>	<b>(248,326)</b>
Transfers in	45,000	-	45,000
<b>Change in net position</b>	<b>(203,326)</b>	<b>-</b>	<b>(203,326)</b>
Total net position, beginning of year	9,556,977	227,338	9,784,315
Total net position, end of year	<b>\$ 9,353,651</b>	<b>\$ 227,338</b>	<b>\$ 9,580,989</b>

City of Clinton, Iowa

**Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
Year Ended June 30, 2013**

	Marina	Parking System	Total
Cash flows from operating activities:			
Cash received from customers	\$ 450,397	\$ -	\$ 450,397
Cash paid to suppliers	(332,271)	-	(332,271)
<b>Net cash provided by operating activities</b>	<b>118,126</b>	<b>-</b>	<b>118,126</b>
Cash flows from noncapital financing activities, transfers in	45,000	-	45,000
<b>Increase in cash and cash equivalents</b>	<b>163,126</b>	<b>-</b>	<b>163,126</b>
Cash and cash equivalents, beginning of year	259,090	10,313	269,403
Cash and cash equivalents, end of year	<u>\$ 422,216</u>	<u>\$ 10,313</u>	<u>\$ 432,529</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (248,326)	\$ -	\$ (248,326)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	387,850	-	387,850
(Increase) decrease in:			
Receivables	10,008	-	10,008
Prepaid expenses	(10,000)	-	(10,000)
Increase (decrease) in:			
Accounts payable	(21,406)	-	(21,406)
<b>Net cash provided by operating activities</b>	<b>\$ 118,126</b>	<b>\$ -</b>	<b>\$ 118,126</b>

City of Clinton, Iowa

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

Year Ended June 30, 2013

	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013
<b>Payroll Clearing Fund</b>				
<b>Assets:</b>				
Cash and investments	\$ 532,025	\$ 13,365,121	\$ 13,818,261	\$ 78,885
Prepaid insurance	76,324	119,604	136,126	59,802
<b>Total assets</b>	<b>\$ 608,349</b>	<b>\$ 13,484,725</b>	<b>\$ 13,954,387</b>	<b>\$ 138,687</b>
<b>Liabilities</b> , accounts payable	\$ 608,349	\$ 17,727,386	\$ 18,197,048	\$ 138,687
<b>Miscellaneous Clearing Fund</b>				
<b>Assets</b> , receivables				
	\$ 538	\$ 1,249	\$ 1,787	\$ -
<b>Liabilities</b> , accounts payable	\$ 538	\$ 1,249	\$ 1,787	\$ -
<b>Total All Agency Funds</b>				
<b>Assets:</b>				
Cash and investments	\$ 532,025	\$ 13,365,121	\$ 13,818,261	\$ 78,885
Receivables	538	1,249	1,787	-
Prepaid insurance	76,324	119,604	136,126	59,802
<b>Total assets</b>	<b>\$ 608,887</b>	<b>\$ 13,485,974</b>	<b>\$ 13,956,174</b>	<b>\$ 138,687</b>
<b>Liabilities</b> , accounts payable	\$ 608,887	\$ 17,728,635	\$ 18,198,835	\$ 138,687

City of Clinton, Iowa

**Schedule of Balance Sheet Accounts Required by Revenue Bond Ordinance  
Sewer Revenue Fund-By Account on Bond Ordinance Basis  
June 30, 2013**

	Water Pollution Control Operations	Emergency Repair Reserve	EPA Equipment Replacement Reserve	Sewer Sinking Fund
<b>Assets</b>				
Cash and investments	\$ 84,973	\$ -	\$ -	\$ -
Restricted cash and investments	-	741,674	757,418	357,111
Receivables, net of allowance for uncollectible amounts of \$:				
Service fees	-	-	-	-
Special assessments	-	-	-	-
Other	8,065	-	-	-
Prepaid expenses	3,000	-	-	-
<b>Total assets</b>	<b>96,038</b>	<b>741,674</b>	<b>757,418</b>	<b>357,111</b>
<b>Liabilities and Net Position</b>				
Liabilities:				
Accounts payable	155,465	-	-	-
Contracts payable	-	-	-	-
<b>Total liabilities</b>	<b>155,465</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net position:				
Restricted for capital	-	741,674	757,418	-
Restricted for debt service	-	-	-	357,111
Unrestricted	(59,427)	-	-	-
<b>Total net position</b>	<b>(59,427)</b>	<b>741,674</b>	<b>757,418</b>	<b>357,111</b>
<b>Total liabilities and net position</b>	<b>\$ 96,038</b>	<b>\$ 741,674</b>	<b>\$ 757,418</b>	<b>\$ 357,111</b>

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Sewer Reserve Fund	Sewer Revenue Fund	Sewer Improvement	Total
\$ -	\$ 379,594	\$ 141,214	\$ 605,781
-	-	-	1,856,203
-	3,119,050	-	3,119,050
-	638,285	-	638,285
-	11,972	584,362	604,399
-	-	-	3,000
-	4,148,901	725,576	6,826,718
-	34,579	864,879	1,054,923
-	-	258,543	258,543
-	34,579	1,123,422	1,313,466
-	-	-	1,499,092
-	-	-	357,111
-	4,114,322	(397,846)	3,657,049
-	4,114,322	(397,846)	5,513,252
\$ -	\$ 4,148,901	\$ 725,576	\$ 6,826,718

City of Clinton, Iowa

**Schedule of Revenues, Expenses and Changes in Net Position Required by Revenue Bond Ordinance  
Sewer Revenue Fund-By Account on Bond Ordinance Basis  
Year Ended June 30, 2013**

	Water Pollution Control Operations	Emergency Repair Reserve	EPA Equipment Replacement Reserve	Sewer Sinking Fund	Sewer Reserve Fund
Operating revenues:					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	47,884	-	-	-	-
<b>Total operating revenues</b>	<b>47,884</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operating expenses:					
Personal services	2,019,243	-	-	-	-
Commodities	-	-	-	-	-
Contractual services	1,218,299	-	1,032	-	-
Repairs, maintenance and utilities	647,945	3,875	83,213	-	-
Capital outlay/improvements	127,176	-	-	-	-
<b>Total operating expenses</b>	<b>4,012,663</b>	<b>3,875</b>	<b>84,245</b>	<b>-</b>	<b>-</b>
<b>Operating income (loss)</b>	<b>(3,964,779)</b>	<b>(3,875)</b>	<b>(84,245)</b>	<b>-</b>	<b>-</b>
Nonoperating revenues (expenses):					
Investment earnings	-	-	-	-	-
Interest expense	-	-	-	(2,239,339)	-
State revolving loan proceeds	-	-	-	-	-
Principal payments	-	-	-	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,239,339)</b>	<b>-</b>
<b>Income (loss) before transfers</b>	<b>(3,964,779)</b>	<b>(3,875)</b>	<b>(84,245)</b>	<b>(2,239,339)</b>	<b>-</b>
Transfers in	7,003,981	80,000	-	5,646,132	-
Transfers out	-	(249,640)	-	(3,049,682)	-
<b>Change in net position</b>	<b>3,039,202</b>	<b>(173,515)</b>	<b>(84,245)</b>	<b>357,111</b>	<b>-</b>
Total net position, beginning of year	(3,098,629)	915,189	841,663	-	-
Total net position, end of year	\$ (59,427)	\$ 741,674	\$ 757,418	\$ 357,111	\$ -

	Sewer Revenue Fund	Sewer Improvement	Total
\$	9,342,857	\$ -	\$ 9,342,857
	3,645	377	51,906
	9,346,502	377	9,394,763
	-	-	2,019,243
	-	-	-
	-	2,514,527	3,733,858
	300,406	219,846	1,255,285
	-	4,075,311	4,202,487
	300,406	6,809,684	11,210,873
	9,046,096	(6,809,307)	(1,816,110)
	22,905	-	22,905
	-	-	(2,239,339)
	-	9,067,013	9,067,013
	-	(2,046,000)	(2,046,000)
	22,905	7,021,013	4,804,579
	9,069,001	211,706	2,988,469
	117,157	100,000	12,947,270
	(8,693,948)	(954,000)	(12,947,270)
	492,210	(642,294)	2,988,469
	3,622,112	244,448	2,524,783
\$	4,114,322	\$ (397,846)	\$ 5,513,252

City of Clinton, Iowa

Schedule of Revenues by Source and Expenditures by Function  
 All Governmental Funds (Unaudited)  
 For the Last Ten Years

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>REVENUES</b>				
Taxes	\$ 21,060,047	\$ 20,061,933	\$ 19,459,376	\$ 18,966,982
Licenses and permits	390,214	388,142	280,236	756,662
Use of money and property	535,225	166,362	409,167	433,911
Intergovernmental	5,425,060	5,077,516	15,396,842	4,401,029
Charges for services	1,045,323	1,276,132	1,257,521	1,365,157
Miscellaneous	1,504,955	2,301,813	326,379	529,325
<b>TOTAL REVENUES</b>	<u>\$ 29,960,824</u>	<u>\$ 29,271,898</u>	<u>\$ 37,129,521</u>	<u>\$ 26,453,066</u>
<b>EXPENDITURES</b>				
Current				
Public safety	\$ 10,117,478	\$ 10,099,168	\$ 10,522,406	\$ 9,451,323
Public works	2,471,001	2,931,985	3,831,214	3,364,814
Culture and recreation	2,919,245	3,016,460	3,056,645	2,691,561
Community and economic development	2,028,721	2,749,648	2,500,810	1,933,560
General government	2,762,672	1,656,335	1,860,914	2,288,430
Debt service	8,468,734	3,477,659	3,348,133	3,993,984
Capital projects	8,221,941	7,817,225	10,061,875	6,267,321
<b>TOTAL EXPENDITURES</b>	<u>\$ 36,989,792</u>	<u>\$ 31,748,480</u>	<u>\$ 35,181,997</u>	<u>\$ 29,990,993</u>

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 17,685,612	\$ 16,696,773	\$ 16,356,349	\$ 15,093,950	\$ 14,569,285	\$ 13,209,020
278,034	302,729	271,733	192,010	247,289	183,969
467,610	505,698	533,043	509,542	407,488	413,213
3,287,033	6,943,004	8,325,118	6,926,122	4,384,103	5,324,550
1,230,528	1,566,224	1,518,430	1,363,812	1,338,684	1,104,422
558,340	723,501	938,498	970,657	309,536	349,131
<u>\$ 23,507,157</u>	<u>\$ 26,737,929</u>	<u>\$ 27,943,171</u>	<u>\$ 25,056,093</u>	<u>\$ 21,256,385</u>	<u>\$ 20,584,305</u>
\$ 9,632,937	\$ 9,414,773	\$ 9,103,189	\$ 8,704,919	\$ 8,118,198	\$ 7,773,283
3,449,917	3,147,176	2,819,417	2,689,177	2,680,519	2,371,651
2,882,200	2,560,291	2,525,097	2,443,820	2,468,359	2,291,667
966,803	1,346,733	1,175,920	1,356,850	1,718,548	737,029
2,432,760	1,128,739	1,047,609	1,050,086	972,907	1,039,592
4,750,160	4,445,382	4,755,246	8,379,435	4,140,643	12,068,982
6,986,200	7,915,554	7,553,288	12,522,925	4,852,235	4,907,607
<u>\$ 31,100,977</u>	<u>\$ 29,958,648</u>	<u>\$ 28,979,766</u>	<u>\$ 37,147,212</u>	<u>\$ 24,951,409</u>	<u>\$ 31,189,811</u>

City of Clinton, Iowa

Schedule of Taxes and Intergovernmental Revenues  
 All Governmental Funds (Unaudited)  
 For the Last Ten Years

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Taxes</b>				
Property taxes	\$ 16,287,628	\$ 14,972,295	\$ 14,488,035	\$ 14,498,220
Mobile home taxes	4,528	5,205	5,713	6,179
Utility excise taxes	1,151,368	1,129,203	1,001,996	684,958
Local option sales taxes	3,064,314	3,429,223	3,345,242	2,931,452
Hotel/motel taxes	361,661	332,554	313,352	252,413
Gaming/Cable television franchise fees	179,083	190,496	142,155	142,675
Other taxes	11,465	-	-	-
	<u>\$ 21,060,047</u>	<u>\$ 20,058,976</u>	<u>\$ 19,296,493</u>	<u>\$ 18,515,897</u>
<b>Intergovernmental</b>				
Road use taxes	\$ 2,606,751	\$ 2,529,235	\$ 2,559,000	\$ 2,445,174
State consolidated payments	-	-	-	-
Bank franchise tax	-	-	-	-
Machinery and equipment tax replacement	-	-	-	-
Other federal/state revenues	2,605,406	7,607,513	10,892,450	7,474,466
County contributions	50,948	105,757	78,385	58,088
School district contributions	161,955	-	-	-
	<u>\$ 5,425,060</u>	<u>\$ 10,242,505</u>	<u>\$ 13,529,835</u>	<u>\$ 9,977,728</u>
<b>TOTAL</b>	<u><u>\$ 26,485,107</u></u>	<u><u>\$ 30,301,481</u></u>	<u><u>\$ 32,826,328</u></u>	<u><u>\$ 28,493,625</u></u>

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 13,062,069	\$ 12,594,715	\$ 11,943,048	\$ 11,624,678	\$ 10,935,516	\$ 9,701,894
7,544	6,029	6,717	7,492	7,001	11,356
699,751	710,877	747,851	658,333	653,610	618,326
3,412,843	2,883,810	3,211,844	2,363,972	2,532,034	2,472,374
348,364	357,639	303,726	296,306	290,812	248,276
144,091	143,701	143,163	143,172	138,787	145,264
-	-	-	-	11,508	11,529
<u>\$ 17,674,662</u>	<u>\$ 16,696,771</u>	<u>\$ 16,356,349</u>	<u>\$ 15,093,953</u>	<u>\$ 14,569,268</u>	<u>\$ 13,209,019</u>
\$ 2,301,748	\$ 2,379,640	\$ 2,323,732	\$ 2,323,216	\$ 2,308,180	\$ 2,327,048
-	-	-	-	-	-
-	-	-	-	5,886	24,730
-	-	-	-	16	350,166
3,032,831	5,411,763	6,290,529	5,264,706	2,588,722	4,026,803
42,726	46,731	50,893	58,083	40,544	44,738
-	-	-	-	-	-
<u>\$ 5,377,305</u>	<u>\$ 7,838,134</u>	<u>\$ 8,665,154</u>	<u>\$ 7,646,005</u>	<u>\$ 4,943,348</u>	<u>\$ 6,773,485</u>
<u>\$ 23,051,967</u>	<u>\$ 24,534,905</u>	<u>\$ 25,021,503</u>	<u>\$ 22,739,958</u>	<u>\$ 19,512,616</u>	<u>\$ 19,982,504</u>

City of Clinton, Iowa

**Schedule of Actual Property Valuation Comparison  
(Unaudited)  
For the Last Eight Years**

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<b>Fiscal Year:</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>January 1 Valuation</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Residential property	\$ 651,917,505	\$ 680,990,248	\$ 717,652,186
Commercial property	212,733,005	239,709,838	254,475,073
Industrial property	90,567,968	92,280,556	103,889,045
Utilities	85,108,878	87,104,661	86,562,503
Other	446,750	446,750	446,750
Subtotal	1,040,774,106	1,100,532,053	1,163,025,557
Agricultural land	10,420,888	10,961,103	10,898,984
<b>TOTAL</b>	<b>\$ 1,051,194,994</b>	<b>\$ 1,111,493,156</b>	<b>\$ 1,173,924,541</b>

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
\$ 794,554,206	\$ 809,102,152	\$ 824,901,714	\$ 873,107,272	\$ 838,077,699
258,943,100	263,428,838	264,671,175	270,207,165	263,324,605
113,859,248	144,102,110	143,732,802	193,742,825	223,544,136
84,928,187	87,449,615	519,907,540	151,620,680	162,756,342
446,750	446,750	446,750	446,750	446,750
1,252,731,491	1,304,529,465	1,753,659,981	1,489,124,692	1,488,149,532
10,628,345	10,611,413	13,514,673	15,324,520	17,773,135
<u>\$ 1,263,359,836</u>	<u>\$ 1,315,140,878</u>	<u>\$ 1,767,174,654</u>	<u>\$ 1,504,449,212</u>	<u>\$ 1,505,922,667</u>

City of Clinton, Iowa

**Schedule of Taxable Property Valuation Comparison  
(Unaudited)  
For the Last Eight Years**

<b>Fiscal Year:</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b><u>January 1 Valuation</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>
Residential property	\$ 312,687,063	\$ 310,556,419	\$ 323,640,980
Commercial property	212,733,005	237,440,179	254,475,073
Industrial property	90,567,968	92,280,556	103,889,045
Utilities	65,735,002	65,194,081	62,171,994
Other	446,750	446,750	446,750
Subtotal	682,169,788	705,917,985	744,623,842
Less military exemptions	4,004,950	3,851,234	3,817,898
<b>TOTAL</b>	<b>\$ 678,164,838</b>	<b>\$ 702,066,751</b>	<b>\$ 740,805,944</b>
Agricultural land	\$ 10,210,421	\$ 10,420,888	\$ 10,961,103

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
\$ 345,681,673	\$ 364,473,337	\$ 383,571,449	\$ 421,511,650	\$ 422,003,802
258,177,965	263,428,838	264,671,175	270,207,165	263,324,605
113,859,248	144,102,110	143,732,802	193,742,825	223,544,136
64,187,274	63,694,959	66,006,035	94,263,469	101,857,832
446,750	446,750	446,750	446,750	446,750
782,352,910	836,145,994	858,428,211	980,171,859	1,011,177,125
3,647,514	3,578,990	3,456,758	3,389,160	3,313,228
<u>\$ 778,705,396</u>	<u>\$ 832,567,004</u>	<u>\$ 854,971,453</u>	<u>\$ 976,782,699</u>	<u>\$ 1,007,863,897</u>
<u>\$ 9,576,396</u>	<u>\$ 9,955,176</u>	<u>\$ 8,950,487</u>	<u>\$ 10,576,243</u>	<u>\$ 10,194,936</u>

City of Clinton, Iowa

Schedule of General Obligation Bond and Capital Loan Note Maturities  
June 30, 2013

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<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 3,113,334	\$ 558,311	\$ 3,671,645
2015	2,600,000	482,964	3,082,964
2016	2,650,000	428,504	3,078,504
2017	2,105,000	365,414	2,470,414
2018	2,145,000	312,654	2,457,654
2019	1,630,000	245,199	1,875,199
2020	1,660,000	194,643	1,854,643
2021	1,690,000	141,383	1,831,383
2022	1,135,000	85,493	1,220,493
2023	640,000	56,293	696,293
2024	395,000	35,558	430,558
2025	405,000	25,208	430,208
2026	100,000	14,100	114,100
2027	100,000	9,450	109,450
2028	100,000	4,750	104,750
	<u>\$ 20,468,334</u>	<u>\$ 2,959,924</u>	<u>\$ 23,428,258</u>

City of Clinton, Iowa

Schedule of General Obligation Bond Maturities  
June 30, 2013

Summary

Year Ending June 30	Principal	Interest	Total
2014	\$ 1,130,000	\$ 406,364	\$ 1,536,364
2015	1,165,000	367,601	1,532,601
2016	1,315,000	325,466	1,640,466
2017	1,050,000	274,886	1,324,886
2018	1,290,000	232,676	1,522,676
2019	870,000	176,801	1,046,801
2020	880,000	136,675	1,016,675
2021	900,000	95,115	995,115
2022	330,000	52,515	382,515
2023	350,000	38,325	388,325
2024	100,000	23,100	123,100
2025	100,000	18,650	118,650
2026	100,000	14,100	114,100
2027	100,000	9,450	109,450
2028	100,000	4,750	104,750
	<u>\$ 9,780,000</u>	<u>\$ 2,176,474</u>	<u>\$ 11,956,474</u>

General Corporate Purpose Bonds, Series 2008A  
Dated September 1, 2008

Year Ending June 30	Principal	Interest	Total
2014	\$ 800,000	\$ 238,110	\$ 1,038,110
2015	825,000	211,310	1,036,310
2016	965,000	182,435	1,147,435
2017	690,000	146,730	836,730
2018	720,000	119,820	839,820
2019	295,000	91,020	386,020
2020	305,000	78,925	383,925
2021	320,000	66,115	386,115
2022	330,000	52,515	382,515
2023	350,000	38,325	388,325
2024	100,000	23,100	123,100
2025	100,000	18,650	118,650
2026	100,000	14,100	114,100
2027	100,000	9,450	109,450
2028	100,000	4,750	104,750
	<u>\$ 6,100,000</u>	<u>\$ 1,295,355</u>	<u>\$ 7,395,355</u>

General Corporate Purpose Bonds, Series 2009A  
Dated August 26, 2009

Year Ending June 30	Principal	Interest	Total
2014	\$ 330,000	\$ 168,254	\$ 498,254
2015	340,000	156,291	496,291
2016	350,000	143,031	493,031
2017	360,000	128,156	488,156
2018	570,000	112,856	682,856
2019	575,000	85,781	660,781
2020	575,000	57,750	632,750
2021	580,000	29,000	609,000
	<u>\$ 3,680,000</u>	<u>\$ 881,119</u>	<u>\$ 4,561,119</u>

**City of Clinton, Iowa**

**Schedule of General Obligation Capital Loan Note Maturities  
June 30, 2013**

**Summary - Capital Loan Note Principal and Interest**

<b>Year Ending June 30</b>	<b>\$3,065,000</b>	<b>\$4,975,000</b>	<b>\$2,095,000</b>	<b>\$910,000</b>	<b>\$700,000</b>	<b>Total</b>
2014	\$ 91,430	\$ 787,025	\$ 695,975	\$ 323,200	\$ 237,651	\$ 2,135,281
2015	281,130	900,368	368,865	-	-	1,550,363
2016	284,690	791,968	361,380	-	-	1,438,038
2017	402,730	379,568	363,230	-	-	1,145,528
2018	184,080	386,218	364,680	-	-	934,978
2019	517,355	311,043	-	-	-	828,398
2020	526,050	311,918	-	-	-	837,968
2021	528,550	307,718	-	-	-	836,268
2022	529,880	308,098	-	-	-	837,978
2023	-	307,968	-	-	-	307,968
2024	-	307,458	-	-	-	307,458
2025	-	311,558	-	-	-	311,558
	<u>\$ 3,345,895</u>	<u>\$ 5,410,908</u>	<u>\$ 2,154,130</u>	<u>\$ 323,200</u>	<u>\$ 237,651</u>	<u>\$ 11,471,784</u>

**Summary - Capital Loan Note Principal**

<b>Year Ending June 30</b>	<b>\$3,065,000</b>	<b>\$4,975,000</b>	<b>\$2,095,000</b>	<b>\$910,000</b>	<b>\$700,000</b>	<b>Total</b>
2014	\$ 50,000	\$ 705,000	\$ 675,000	\$ 320,000	\$ 233,334	\$ 1,983,334
2015	240,000	840,000	355,000	-	-	1,435,000
2016	245,000	740,000	350,000	-	-	1,335,000
2017	365,000	335,000	355,000	-	-	1,055,000
2018	150,000	345,000	360,000	-	-	855,000
2019	485,000	275,000	-	-	-	760,000
2020	500,000	280,000	-	-	-	780,000
2021	510,000	280,000	-	-	-	790,000
2022	520,000	285,000	-	-	-	805,000
2023	-	290,000	-	-	-	290,000
2024	-	295,000	-	-	-	295,000
2025	-	305,000	-	-	-	305,000
	<u>\$ 3,065,000</u>	<u>\$ 4,975,000</u>	<u>\$ 2,095,000</u>	<u>\$ 320,000</u>	<u>\$ 233,334</u>	<u>\$ 10,688,334</u>

**Summary - Capital Loan Note Interest**

<b>Year Ending June 30</b>	<b>\$3,065,000</b>	<b>\$4,975,000</b>	<b>\$2,095,000</b>	<b>\$910,000</b>	<b>\$700,000</b>	<b>Total</b>
2014	\$ 41,430	\$ 82,025	\$ 20,975	\$ 3,200	\$ 4,317	\$ 151,947
2015	41,130	60,368	13,865	-	-	115,363
2016	39,690	51,968	11,380	-	-	103,038
2017	37,730	44,568	8,230	-	-	90,528
2018	34,080	41,218	4,680	-	-	79,978
2019	32,355	36,043	-	-	-	68,398
2020	26,050	31,918	-	-	-	57,968
2021	18,550	27,718	-	-	-	46,268
2022	9,880	23,098	-	-	-	32,978
2023	-	17,968	-	-	-	17,968
2024	-	12,458	-	-	-	12,458
2025	-	6,558	-	-	-	6,558
	<u>\$ 280,895</u>	<u>\$ 435,908</u>	<u>\$ 59,130</u>	<u>\$ 3,200</u>	<u>\$ 4,317</u>	<u>\$ 783,450</u>

City of Clinton, Iowa

Computation of Legal Debt Margin

June 30, 2013

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Actual Property Valuation-January 1, 2011	<u>\$ 1,505,922,667</u>
Debt limit, 5% of total actual valuation	\$ 75,296,133
Debt applicable to debt limit, debt service:	
General obligation loan notes and bonds	20,495,363
Economic development note	<u>754,000</u>
Legal debt margin	<u>\$ 54,046,770</u>

## City of Clinton, Iowa

### Miscellaneous Statistics (Unaudited) June 30, 2013

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Date Chartered	January 28.1857
Form of Government	Mayor/Council/City Administrator
Number of Employees (excluding seasonal)	
Full-time Equivalent	176
Area in Square Miles	38.4
Population	26,886
<b>City of Clinton Facilities and Services:</b>	
Miles of Streets	123
<b>Parks and Recreation:</b>	
Parks	18
Park Acreage	496
Swimming Pool	1
Softball and Baseball Diamonds	15
Tennis Courts	10
Baseball Stadium	1
<b>Libraries:</b>	
Number of Registered Borrowers	18,271
Number of Items in Collection	101,356
<b>Police Protection:</b>	
Number of Stations	1
Number of Sworn Officers	40
<b>Fire Protection:</b>	
Number of Stations	3
Number of Fire Personnel	44
<b>Sewer System:</b>	
Number of Treatment Plants	1
Daily Average Treatment in Gallons	4.5 million
Maximum Daily Capacity in Gallons	18 million
Number of Customers	10,350
Sewer Rate - Residential	\$8.18 per 100 cubic feet
Commercial Class 1	\$8.18 per 100 cubic feet
Commercial Class 2	\$8.98 per 100 cubic feet
Commercial Class 3	\$10.634 per 100 cubic feet
Commercial Class 4	\$12.270 per 100 cubic feet
Commercial Class 5	\$13.906 per 100 cubic feet
<b>Public Transportation System:</b>	
Buses	12
Fixed Routes Served	6
Para Transit Vehicles	6
<b>Municipal Airport:</b>	
Primary Runway Length (in feet)	5,204
Other Runway (in feet)	4,201

## **COMPLIANCE SECTION**

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**CITY OF CLINTON, IOWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2013**

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Pass-Through Number</u>	<u>Program Expenditures</u>
Direct:			
Department of Transportation			
Federal Aviation Administration			
Airport Improvement Program - Main Apron Rehab	20.106	3-19-0019-018-2012	\$ 116,757
Environmental Protection Agency			
Office of Solid Waste and Emergency Response			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	BF98798201	95,486
Department of Justice			
Bureau of Justice Assistance			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2012-DJ-BX-0113	21,021
ARRA-Edward Byrne Memorial			
Justice Assistance Grant (JAG)	16.803	2009-SB-B9-1971	33,676
			<u>54,697</u>
Total Direct			<u>266,940</u>
Indirect:			
Department of Housing and Urban Development			
Iowa Department of Economic Development			
Community Development Block Grants/ State's program and Non-Entitlement Grants in Hawaii	14.228	11-WS-013	731,303
Community Development Block Grants/Entitlement Grants	14.218	08-DRPG-008	17,877
			<u>749,180</u>
Department of Transportation			
Iowa Department of Transportation			
Formula Grants for Rural Areas	20.509	IA-18-X030	562,803
Federal Transit-Capital Investment Grants	20.500	IA-04-0117	149,445
Highway Planning and Construction (19th Avenue N)	20.205	TSCP-1415(614)-9S-23	58,956
Highway Planning and Construction (19th Avenue N - Wicks)	20.205	ESL-1415(619)-7S-23	46,938
Highway Planning and Construction (19th Avenue N)	20.205	HDP-1415(618)-71-23	64,499
			<u>882,641</u>
Department of Homeland Security			
Iowa Homeland Security and Emergency Management Department			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4119-DR-IA	14,967
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2011-FH-00164	27,915
Assistance to Firefighters Grant	97.044	EMW-2011-FO-08835	217,196
			<u>260,078</u>
Department of Justice			
Iowa Governor's Office of Drug Control Policy			
Project Safe Neighborhoods	16.609	10-PSN-6392	19,679
Public Safety Partnership and Community Policing Grants	16.710	09-HotSpots-PSE-03	5,068
			<u>24,747</u>
Environmental Protection Agency			
Iowa Financing Authority			
State Revolving Loan Fund			
Capitalization Grants for Clean Water State Revolving Funds	66.458	C0396RT	1,990,621
Total Indirect			<u>3,907,267</u>
Total expenditures of federal awards			<u>\$ 4,174,207</u>

See notes to the schedule of expenditures of federal awards.

**City of Clinton, Iowa**

**Notes to the Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013**

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**Note 1 Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "schedule") includes the federal grant activity of City of Clinton, Iowa under programs of the federal government for the year ended June 30, 2013. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of City of Clinton, Iowa, it is not intended to and does not present the financial position, changes in net position or cash flows of City of Clinton, Iowa.

**Note 2 Summary of Significant Accounting Policies**

Expenditures reported on the schedule are reported on the modified accrual or accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State and Local Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Revenue from federal awards is recognized when the City has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal awards is recognized when it is both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

**CITY OF CLINTON, IOWA  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS  
Year Ended June 30, 2013**

<u>Reference</u>	<u>Comment Title</u>	<u>Status</u>
III-A-12	Noncompliance with Cash Management and Reporting Requirements	Resolved

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

Honorable Mayor and  
Members of the City Council  
City of Clinton, Iowa

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clinton, Iowa, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Clinton, Iowa's basic financial statements and have issued our report thereon dated March 21, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Clinton, Iowa's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Clinton, Iowa's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Clinton, Iowa's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and another 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items II-A-13 through II-C-13 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompany schedule of findings and questioned costs as item II-D-13 to be a significant deficiency.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Clinton, Iowa's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as items II-E-13 and II-F-13. We also noted certain immaterial instances of non-compliance or other matters which are described in Part IV of the accompanying schedule of findings and questioned costs.

We also noted other matters that we reported to management of the City of Clinton, Iowa, in a separate letter dated March 21, 2014.

#### **The City of Clinton, Iowa's Responses to Findings**

The City of Clinton, Iowa's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City of Clinton, Iowa's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the City of Clinton, Iowa during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

*Winkel, Parker & Foster, CPA PC*

Clinton, Iowa  
March 21, 2014



**Independent Auditor's Report on Compliance for Each Major Federal Program, on Internal Control Over Compliance and on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

Honorable Mayor and  
Members of the City Council

**Report on Compliance for Each Major Federal Program**

We have audited the City of Clinton, Iowa's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Clinton, Iowa's major federal programs for the year ended June 30, 2013. The City of Clinton, Iowa's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of Clinton, Iowa's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Clinton, Iowa's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Clinton, Iowa's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City of Clinton, Iowa, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

**Report on Internal Control Over Compliance**

Management of the City of Clinton, Iowa, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Clinton, Iowa's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of

expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Clinton, Iowa's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Winkel, Parker & Foster, CPA PC*

Clinton, Iowa  
March 21, 2014

**CITY OF CLINTON, IOWA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2013**

**Part I: Summary of Auditor's Results:**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?   x   yes        no
- Significant deficiencies identified that are not considered to be material weaknesses?   x   yes        none reported
- Noncompliance material to financial statements noted?   x   yes        no

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?        yes   x   no
- Significant deficiencies identified that are not considered to be material weaknesses?        yes   x   none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?        yes   x   no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.509	Formula Grants for Other Than Urbanized Areas
66.458	Capitalization Grants for Clean Water State Revolving Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?        yes   x   no

**CITY OF CLINTON, IOWA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2013**

**Part II: Findings Related to the Financial Statements:**

**INTERNAL CONTROL DEFICIENCIES:**

II-A-13 Audit Adjustments

Criteria - Auditing standards indicate that an important aspect of internal control is the adjustment and reconciliation of general ledger account balances to supporting information.

Condition - During the course of our audit, we noted accounts in which adjusting entries were required to prevent the financial statements from being misstated. Audit adjustments were required to correct misstatements in accounts receivable, accounts payable, revenue, deferred revenue, capital assets and debt.

Effect - As a result of these conditions, there is a higher risk that account balances could be materially misstated.

Cause - The City has not implemented procedures to ensure that accounts receivable, accounts payable, revenue, deferred revenue, capital assets and debt are properly recorded, recorded timely and agree to supporting information.

Recommendation - We recommend that the City implement procedures to ensure that all accounts receivable, accounts payable, revenue, deferred revenue, capital assets and debt are identified and properly included in the City's financial statements.

Response - The City will review current procedures and adjust accordingly.

Conclusion - Response accepted.

II-B-13 Sewer and Solid Waste Revenue and Receivables

Criteria - In order to make the financial reports generated by the accounting system as meaningful as possible, the City should post revenue timely and reconcile general ledger accounts receivable balances to subsidiary ledgers on a monthly basis. A reconciliation of accounts receivable from the general ledger to the accounts receivable detail ledger should be prepared to check that the recording of transactions is accurate and proper and that any adjustments to or write-offs of accounts receivable have been approved. A benefit of monthly reconciliations is that errors do not accumulate but can be identified and attributed to a particular period, which makes it easier to perform future reconciliations.

Condition - During the course of our audit, we noted that sewer and solid waste revenue was not posted timely during the year to the general ledger.

Effect - As a result, revenue reported on monthly basis did not agree to the general ledger.

Cause - The City has not implemented procedures to ensure that revenues are recorded timely and that reconciliations are performed on a monthly basis.

**CITY OF CLINTON, IOWA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2013**

**Part II: Findings Related to the Financial Statements:** (Continued)

II-B-13 Sewer and Solid Waste Revenue and Receivables (continued)

Recommendation - We recommend that the City implement procedures to ensure that all revenue is recorded and that accounts receivable balances are reconciled to subsidiary ledgers on a monthly basis.

Response - The City will implement procedures to ensure the timely recording of utility billing revenue and accounts receivable in the financial system.

Conclusion - Response accepted.

II-C-13 Grant Reimbursement Requests

Criteria - The City has a number of grants that are paid on the reimbursement basis. Therefore, the City must incur and actually pay for the expenditures with City funds. Once the City has expended the funds, reimbursement is requested from the grantor.

Condition - It was noted that reimbursements are not being requested on a timely basis for all reimbursement type grants.

Effect - Cash owed to the City is not being received on a timely basis. The result is that cash flow is decreased. In addition, this leads to audit findings due to amounts owed at year end not being recorded as receivables in the financial statements.

Cause - The City has not implemented procedures to ensure that reimbursements are requested on a timely basis.

Recommendation - We recommend that the City implement procedures to ensure that reimbursements are requested on a timely basis.

Response - The City will review current procedures and adjust accordingly.

Conclusion - Response accepted.

**CITY OF CLINTON, IOWA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2013**

**Part II: Findings Related to the Financial Statements:** (Continued)

II-D-13 Journal Entry Review

Criteria - A good system of internal controls contemplates an adequate segregation of duties so that no one individual handles a transaction from its inception to its completion.

Condition - Monthly recurring journal entries are not being reviewed by someone other than the preparer.

Effect - There is a higher risk that errors or irregularities could occur and not be detected and corrected within a timely period.

Cause - The City has not implemented procedures to ensure that all journal entries recorded have been review and approved.

Recommendation - The City should implement procedures to ensure that all journal entries are reviewed and approved by someone other than the preparer.

Response - A procedure regarding the review of journal entries will be developed and followed.

Conclusion - Response accepted.

**CITY OF CLINTON, IOWA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2013**

**INSTANCES OF NON-COMPLIANCE:**

II-E-13 Deficit Balances

Criteria - The fundamental purpose of fund accounting is to properly account for all resources received and used. Each fund has its own revenues, expenditures, transfers, assets, liabilities, and fund balance. A change in fund balance represents the difference between fund additions (revenues and transfers in) and deductions (expenditures and transfers out). A fund balance is identified as the net difference between a fund's assets and liabilities. A fund is in a deficit status if the expenditures and transfers out exceed revenues and transfers in.

Condition - The Debt Service Fund and the Solid Waste Fund both have deficit fund balances.

Effect - Fund balance deficits could continue to increase if spending levels are not adjusted to correspond with the amount of revenue received in each of these funds.

Cause - The deficit in the Debt Service Fund is the result of debt service payments being in excess of taxes collected or transferred. The deficit in the Solid Waste Fund is the result of lost revenue due to problems related to the implementation of a new solid waste collection process that began in fiscal year 2012.

Recommendation - The City should investigate alternatives to eliminate these deficits and return the funds to a sound financial condition.

Response - The Debt Service fund will be reviewed annually to verify if additional local option sales tax needs to be transferred based upon taxes not collected. A rate structure to bring the Solid Waste Fund to a positive balance by 2019 has been started.

Conclusion - Response accepted.

II-F-13 Certified Budget

Criteria - Chapter 384.20 of the Code of Iowa states, in part, "Public monies may not be expended or encumbered except under an annual or continuing appropriation." Due to changing circumstances, the budget made need to be amended to incorporate changes in the operating environment.

Condition - Expenditures for the year ended June 30, 2013 exceeded the certified budget amount in the general government and capital projects functions.

Effect - The City is not in compliance with statutory requirements.

Cause - The City did not amend the certified budget prior to expenditures being incurred.

Recommendation - The budget should have been amended in accordance with Chapter 384.18 of the Code of Iowa before disbursements were allowed to exceed the budget.

Response - Future budgets will be amended in sufficient amounts to ensure the certified budget is not exceeded.

Conclusion - Response accepted.

**CITY OF CLINTON, IOWA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2013**

**Part III: Findings and Questioned Costs for Federal Awards:**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**INTERNAL CONTROL DEFICIENCIES:**

No matters were noted.

**CITY OF CLINTON, IOWA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2013**

**Part IV: Other Findings Related to Required Statutory Reporting:**

- IV-A-13      Certified Budget - See item II-F-13.
- IV-B-13      Questionable Expenditures - No expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979, were noted.
- IV-C-13      Travel Expenses - No expenditures of City money for travel expenses of spouses of City officials or employees were noted.
- IV-D-13      Business Transactions - Business transactions between the City and City officials or employees are detailed as follows:

<u>Name, Title, and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
James McGraw, City Planning Commission and Parkland and Facilities Development, Owner of Happy Joe's Pizza	Food	\$    315
Lynn McGraw, Library Board, Owner of Happy Joe's Pizza	Food	315
Jim Thyne, Zoning Board of Adjustments, Owner of R.H.A. Service Inc.	Parts, Repairs and Maintenance	14,374
Charles Graf, Planning Commission, Owner of 730 Enterprises LLC	Inspections	683
Jennifer Graf, City Council Member, Owner of 730 Enterprises LLC	Inspections	6,013
Mary Connell, Housing Board, Owner of Air Control, Inc.	Repairs	430

In accordance with Chapter 362.5(3)(j) of the Code of Iowa, the transactions with the Planning Commission, Library Board and Housing Board do not appear to represent a conflict of interest since total transactions were less than \$1,500 during the fiscal year. Based upon testwork performed, it appears that the transactions with the Zoning Board of Adjustments do not appear to represent a conflict of interest since they were entered into through competitive bidding in accordance with Chapter 362.5(4).

**CITY OF CLINTON, IOWA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2013**

**Part IV: Other Findings Related to Required Statutory Reporting:** (Continued)

- IV-E-13      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 insure that the coverage is adequate for current operations.
- IV-F-13      Council Minutes - No transactions were found that we believe should have been approved in the Council minutes but were not.
- Although minutes of Council proceedings were published, they did not include a summary of all receipts or a reason for each claim as required by Chapter 372.13(6) of the Code of Iowa.
- Recommendation - The City should comply with Chapters 372 and 380 of the Code of Iowa and should publish a summary of all receipts and a reason for each claim for each month of the year as required.
- Response - We will comply with the Code requirements and publish a summary of receipts and a reason for each claim for each month as required.
- Conclusion - Response accepted.
- IV-G-13      Deposits and Investments - No instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the City's investment policy were noted.
- IV-H-13      Revenue notes - We noted no instances of noncompliance with the provisions of the City's revenue note resolutions.
- IV-I-13      Urban Renewal Annual Report - The urban renewal annual report was properly approved and certified to the Iowa Department of Management on or before December 1.