CITY OF PLEASANTVILLE

INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

SCHEDULE OF FINDINGS

June 30, 2013

Shull
and Co. P.C.
certified public accountants

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CITY OF PLEASANTVILLE

OFFICIALS

Name	Title	Term Expires
Jason Anthony	Mayor	January 2014
Aaron Hurt	Mayor Protem	January 2016
Matt Dabb	Council Member	January 2016
Nick Ellis	Council Member	January 2016
John Franey	Council Member	January 2014
Jordan Van Ness	Council Member	January 2014
Joe Mrstik	City Administrator	Indefinite
Dorothy Phipps To February 2013	City Clerk	Indefinite
Rachel Reed From May 2013	City Clerk	Indefinite
Jean McCormick	Deputy City Clerk	Indefinite
Robert Benton	City Attorney	Indefinite

Shull
and Co. P.C.
certified public accountants

INDEPENDENT AUDITORS' REPORT

To The Honorable Mayor and
Members of the City Council:

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 Pleasantville, 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 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 the cash basis of accounting described in Note 1. This includes determining the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. 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 error or fraud.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards of the United States of America and the standards applicable to financial audits contained in, Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 City'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 City's internal control. Accordingly, we express no such opinion.

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Indianola, Iowa 50125
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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 cash basis financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Pleasantville as of June 30, 2013, and the respective changes in cash basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

Basis of Accounting

As described in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a basis of accounting other than the generally accepted accounting principles of the United States of America. Our opinion is not modified with respect to this matter.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pleasantville'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 eleven years ended June 30, 2012 (which are not presented herein) and expressed unqualified opinions on those financial statements which were prepared on the basis of cash receipts and disbursements. The supplementary information included in Schedules 1 through 4 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 generally accepted auditing standards of the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The other information, Management's Discussion and Analysis and budgetary comparison information on pages 6 through 12 and 33 through 35 has 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards we have also issued our report dated December 31, 2013 on our consideration of the City of Pleasantville's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Pleasantville's internal control over financial reporting and compliance.

Shull & Co., P.C.

December 31, 2013

The City of Pleasantville provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2013. We encourage readers to consider this information in conjunction with the City's financial statements, which follow.

2013 FINANCIAL HIGHLIGHTS

Receipts of the City's governmental activities decreased 5%, or approximately $50,000, from fiscal 2012 to fiscal 2013.

Disbursements decreased 17%, or approximately $157,000, in fiscal 2013 from fiscal 2012. Public works, community and economic development and debt service decreased approximately $35,000, $89,000 and $48,000, respectively. General government increased approximately $32,000.

The City's total cash basis net position increased 11%, or approximately $195,000, from June 30, 2012 to June 30, 2013. Of this amount, the assets of the governmental activities increased approximately $130,000 and the assets of the business type activities increased by approximately $65,000.

USING THIS ANNUAL REPORT

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

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

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

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

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

Other Information further explains and supports the financial statements with a comparison of the City's budget for the year.

Supplementary Information provides detailed information about the nonmajor governmental funds and the City's indebtedness.

BASIS OF ACCOUNTING

The City maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with accounting principles generally accepted in the United States of America. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

REPORTING THE CITY'S FINANCIAL ACTIVITIES

Government-wide Financial Statement

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

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

The Cash Basis Statement of Activities and Net Position is divided into two kinds of activities:

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

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

Fund Financial Statements

The City has two kinds of funds:

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

   The required financial statement for governmental funds is a Statement of Cash Receipts, Disbursements and Changes in Cash Balances.

2. Proprietary funds account for the City's Enterprise Funds and for the Internal Service Fund. Enterprise Funds are used to report business type activities. The City maintains two Enterprise Funds to provide separate information for the water and sewer funds, considered to be major funds of the City. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the City's various functions.

   The required financial statement for proprietary funds is a Statement of Cash Receipts, Disbursements and Changes in Cash Balances.

   Reconciliations between the government-wide statement and the fund financial statements follow the fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of financial position. The City's cash balance for governmental activities increased from a year ago, increasing from $856,660 to $986,294. The analysis that follows focuses on the changes in cash balances for governmental activities.

Changes in Cash Basis Net Position of Governmental Activities

	Year ended June 30	
	2013	2012
Receipts and transfers		
Program receipts		
Charges for sevice	$ 83,685	92,320
Operating grants, contributions and restricted interest	177,175	162,565
General receipts		
Property tax	423,238	454,993
Local option sales tax	156,579	181,762
Utility tax replacement excise tax	12,567	13,741
Unrestricted interest on investments	4,614	5,154
Other general receipts	11,206	8,277
Total receipts	869,064	918,812
Disbursements		
Public safety	199,624	211,885
Public works	161,836	196,428
Culture and recreation	105,261	110,067
Community and economic development	128,576	217,113
General government	106,498	74,979
Debt service	37,635	86,018
Capital projects	-	-
Total disbursements	739,430	896,490
Change in cash basis net position before transfers	129,634	22,322
Transfers, net	-	-
Change in cash basis net position	129,634	22,322
Cash basis net position beginning of year	856,660	834,338
Cash basis net position end of year	$ 986,294	856,660

The City's total receipts for governmental activities decreased by 5%, or $49,748. The total cost of all programs and services decreased by $157,060, or 17%.

The cost of all governmental activities this year was $739,430 compared to $896,490 last year. However, as shown in the Statement of Activities and Net Position on pages 13-16, the amount taxpayers ultimately financed for these activities was only $478,570 because some of the cost was paid by those directly benefitting from the programs ($83,685) or by other governments and organizations that subsidized certain programs with grants, contributions and restricted interest ($177,175). The City paid for the remaining "public benefit" portion of governmental activities with approximately $423,000 in tax (some of which could only be used for certain programs), local option sales tax receipts of approximately $157,000 and with other receipts, such as interest and general entitlements.

Changes in Cash Basis Net Position of Business Type Activities

	Year ended June 30	
	2013	2012
Receipts and transfers		
Program receipts		
Charges for sevice		
Water	$ 302,736	274,269
Sewer	258,985	268,408
Operating grants, contributions and restricted interest	131	131
Capital grants, contributions and restricted interest	-	-
General receipts		
Unrestricted interest on investment	541	8,742
Capital loan note proceeds	-	-
Total receipts	562,393	551,550
Disbursements		
Water	229,466	287,965
Sewer	267,928	581,788
Total disbursements	497,394	869,753
Change in cash basis net position	64,999	(318,203)
Cash basis net position beginning of year	856,898	1,175,101
Cash basis net position end of year	$ 921,897	856,898

Total business type activities receipts for the fiscal year were $562,393 compared to $551,550 last year. The cash balance increased by $64,999. Total disbursements for the fiscal year decreased by 43% to a total of $497,394.

INDIVIDUAL MAJOR GOVERNMENTAL FUND ANALYSIS

As the City of Pleasantville completed the year, its governmental funds reported a combined fund balance of $843,366, an increase of approximately $138,000 from last year's total of $705,674. The following are the major reasons for the changes in fund balances of the major funds from the prior year.

The General Fund cash balance increased $35,717 from the prior year to $297,691.

The Road Use Tax Fund cash balance increased $6,322 to $81,245 during the fiscal year.

The Local Option Sales Tax Fund cash balance increased $86,389 from the prior year to $332,641.

The TIF Levy Fund cash balance increased $8,718 from the prior year to $70,096.

The Debt Service Fund cash balance increased $546 from the prior year to $28,401.

INDIVIDUAL MAJOR BUSINESS TYPE FUND ANALYSIS

The Water Fund cash balance increased by $73,752 to $316,825 during the fiscal year.

The Sewer Fund cash balance decreased by $8,870 from the prior year to $285,270.

BUDGETARY HIGHLIGHTS

Over the course of the year, the City amended its budget one time. The amendment was approved May 29, 2013 and resulted in a net increase of $10,000 in budgeted disbursements. The increase was to provide for additional disbursements in certain City departments.

DEBT ADMINISTRATION

At June 30, 2013, the City had $683,000 in general obligation bonds and capital loan notes, compared to $764,000 last year, as shown below.

Outstanding Debt at Year-End

	June 30,	
	2013	2012
General obligation bonds	$ 130,000	160,000
Capital loan notes	553,000	604,000
Total	$ 683,000	764,000

The Constitution of the State of Iowa limits the amount of general obligation debt cities can issue to 5% of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt of $130,000 is significantly below its constitutional debt limit of $ 3.48 million.

More detailed information about the City's long-term debt is presented in Note 3 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

City of Pleasantville's elected and appointed officials and citizens considered many factors when setting the fiscal year 2014 budget, tax rates, and fees that will be charged for various City activities. One of those factors is the economy. The City's total assessed valuations have increased slightly. However, funding from the State has decreased due to budget constraints.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Rachel Reed, City Clerk, 108 West Jackson Street, Pleasantville, Iowa.

BASIC FINANCIAL STATEMENTS

CITY OF PLEASANTVILLE

Cash Basis Statement of Activities and Net Position
As of and for the year ended June 30, 2013

		Program
	Disbursements	Charges for Service
Functions / Programs:		
Governmental activities:		
Public safety	$ 199,624	7,565
Public works	161,836	31,817
Culture and recreation	105,261	37,726
Community and economic development	128,576	-
General government	106,498	6,577
Debt service	37,635	-
Total governmental activities	739,430	83,685
Business type activities:		
Water	229,466	302,736
Sewer	267,928	258,985
Total business type activities	497,394	561,721
Total	$ 1,236,824	645,406
General Receipts and Transfers:		
Property tax levied for:		
General purposes		
Tax increment financing		
Debt service		
Memorial building		
Local option sales tax		
Utility tax replacement excise tax		
Unrestricted interest on investments		
Sale of assets		
Miscellaneous		
Total general receipts and transfers		

Receipts		Net (Disbursements) Receipts and Changes in Cash Basis Net Position		
Operating Grants, Contributions, and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total
4,330	-	(187,729)	-	(187,729)
164,921	-	34,902	-	34,902
7,924	-	(59,611)	-	(59,611)
-	-	(128,576)	-	(128,576)
-	-	(99,921)	-	(99,921)
-	-	(37,635)	-	(37,635)
177,175	-	(478,570)	-	(478,570)
131	-	-	73,401	73,401
-	-	-	(8,943)	(8,943)
131	-	-	64,458	64,458
177,306	-	(478,570)	64,458	(414,112)
		305,279	-	305,279
		62,403	-	62,403
		36,979	-	36,979
		18,577	-	18,577
		156,579	-	156,579
		12,567	-	12,567
		4,614	541	5,155
		1,262	-	1,262
		9,944	-	9,944
		608,204	541	608,745

CITY OF PLEASANTVILLE

Cash Basis Statement of Activities and Net Position
As of and for the year ended June 30, 2013

Change in cash basis net position

Cash basis net position beginning of year

Cash basis net position end of year

Cash Basis Net Position

Restricted
- Streets
- Urban renewal purposes
- Debt service
- Other purposes

Unrestricted

Total cash basis net position

See notes to financial statements.

Net (Disbursements) Receipts and
Changes in Cash Basis Net Position

Governmental Activities	Business Type Activities	Total
129,634	64,999	194,633
856,660	856,898	1,713,558
986,294	921,897	1,908,191
81,245	-	81,245
70,096	-	70,096
28,401	38,814	67,215
33,292	-	33,292
773,260	883,083	1,656,343
986,294	921,897	1,908,191

CITY OF PLEASANTVILLE

Statement of Cash Receipts, Disbursements
And Changes in Cash Balances
Governmental Funds
As of and for the year ended June 30, 2013

	General	Special Road Use Tax
Receipts		
Property tax	$ 322,241	-
Tax increment financing collections	-	-
Other city tax	12,980	-
Licenses and permits	9,464	-
Use of money and property	5,034	21
Intergovernmental	6,830	162,227
Charges for service	40,811	451
Special assessments	22,389	-
Miscellaneous	27,864	194
Total receipts	447,613	162,893
Disbursements		
Operating		
Public safety	199,324	-
Public works	5,265	156,571
Culture and recreation	105,261	-
Community and economic development	4,624	-
General government	98,684	-
Debt service	-	-
Total disbursements	413,158	156,571
Excess of receipts over disbursements	34,455	6,322
Other financing sources (uses)		
Sale of capital assets	1,262	-

Revenue				
Local Option Sales Tax	TIF Levy	Debt Service	Other Nonmajor Governmental Funds	Total
-	-	36,793	-	359,034
-	62,402	-	-	62,402
156,579	-	1,388	-	170,947
-	-	-	-	9,464
78	-	-	-	5,133
-	-	-	-	169,057
-	-	-	-	41,262
-	-	-	-	22,389
-	-	-	-	28,058
156,657	62,402	38,181	-	867,746
-	-	-	-	199,324
-	-	-	-	161,836
-	-	-	-	105,261
70,268	53,684	-	-	128,576
-	-	-	-	98,684
-	-	37,635	-	37,635
70,268	53,684	37,635	-	731,316
86,389	8,718	546	-	136,430
-	-	-	-	1,262

CITY OF PLEASANTVILLE

Statement of Cash Receipts, Disbursements
And Changes in Cash Balances
Governmental Funds
As of and for the year ended June 30, 2013

	General	Special Road Use Tax
Cash balances beginning of year	261,974	74,923
Cash balances end of year	$ 297,691	81,245
Cash Basis Fund Balances		
Restricted for:		
Streets	$ -	81,245
Urban renewal purposes	-	-
Debt service	-	-
Other purposes	-	-
Assigned for other purposes	-	-
Unassigned	297,691	-
Total cash basis fund balances	$ 297,691	81,245

See notes to financial statements.

Revenue				
Local Option Sales Tax	TIF Levy	Debt Service	Other Nonmajor Governmental Funds	Total
246,252	61,378	27,855	33,292	705,674
332,641	70,096	28,401	33,292	843,366
-	-	-	-	81,245
-	70,096	-	-	70,096
-	-	28,401	-	28,401
-	-	-	33,292	33,292
332,641	-	-	-	332,641
-	-	-	-	297,691
332,641	70,096	28,401	33,292	843,366

CITY OF PLEASANTVILLE

Exhibit C

Reconciliation of the Statement of Cash
Receipts, Disbursements and Changes in Cash
Balances to the Cash Basis Statement of Activities and Net Position -
Governmental Funds
As of and for the year ended June 30, 2013

Total government funds cash balances	$	843,366
Amounts reported for governmental activities in the Cash Basis Statement of Activities and Net Position are different because:		
The Internal Service Fund is used by management to charge the costs of major equipment replacement to individual funds. A portion of the cash balance of the Internal Service Fund is included in governmental activities in the Cash Basis Statement of Activities and Net Position.		142,928
Cash basis net position of governmental activities	$	986,294
Change in cash balances	$	137,692
Amounts reported for governmental activities in the Cash Basis Statement of Activities and Net Position are different because:		
The Internal Service Fund is used by management to charge the costs of major equipment replacement to individual funds. A portion of the change in the cash balance of the Internal Service Fund is reported with governmental activities in the Cash Basis Statement of Activities and Net Position.		(8,058)
Change in cash basis net position of governmental activities	$	129,634

See notes to financial statements.

CITY OF PLEASANTVILLE

Exhibit D

Statement of Cash Receipts, Disbursements
and Changes in Cash Balances -
Proprietary Funds
As of and for the year ended June 30, 2013

	Enterprise Funds			Internal Service Funds
	Water	Sewer	Total	Other Nonmajor Equipment Replacement
Operating receipts				
Use of money and property	$ 351	73	424	173
Charges for service	300,087	257,108	557,195	-
Miscellaneous	2,780	1,877	4,657	-
Total operating receipts	303,218	259,058	562,276	173
Operating disbursements				
Governmental activities				
Public safety	-	-	-	300
General government	-	-	-	7,814
Business type activities				
Water	229,466	-	229,466	-
Sewer	-	267,928	267,928	-
Total operating disbursements	229,466	267,928	497,394	8,114
Excess (deficiency) of receipts over (under) disbursements	73,752	(8,870)	64,882	(7,941)
Cash balances beginning of year	243,073	294,140	537,213	470,671
Cash balances end of year	$ 316,825	285,270	602,095	462,730
Cash Basis Fund Balances				
Restricted for debt service	-	38,814	38,814	-
Unrestricted	316,825	246,456	563,281	462,730
Total cash basis fund balances	$ 316,825	285,270	602,095	462,730

See notes to financial statements.

CITY OF PLEASANTVILLE

Exhibit E

Reconciliation of the Statement of Cash
Receipts, Disbursements and Changes in Cash
Balances to the Cash Basis Statement of Activities and Net Position -
Proprietary Funds
As of and for the year ended June 30, 2013

Total enterprise funds cash balances	$	602,095
Amounts reported for business type activities in the Cash Basis Statement of Activities and Net Position are different because:		
The Internal Service Fund is used by management to charge the costs of major equipment replacement to individual funds. A portion of the cash balance of the Internal Service Fund is included in business type activities in the Cash Basis Statement of Activities and Net Position.		319,802
Cash basis net position of business type activities	$	921,897
Change in cash balances	$	64,882
Amounts reported for business type activities in the Cash Basis Statement of Activities and Net Position are different because:		
The Internal Service Fund is used by management to charge the costs of major equipment replacement to individual funds. A portion of the change in the cash balance of the Internal Service Fund is reported with business type activities in the Cash Basis Statement of Activities and Net Position.		117
Change in cash basis net position of business type activities	$	64,999

See notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Pleasantville is a political subdivision of the State of Iowa located in Marion County. It was first incorporated in 1872 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis. The City provides numerous services to citizens including public safety, public works, culture and recreation, community and economic development and general government services. The City also provides water and sewer utilities for its citizens.

A. Reporting Entity

For financial reporting purposes, City of Pleasantville has included all funds, organizations, agencies, boards, commissions and authorities. The City has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the City. The City of Pleasantville 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: Marion County Assessor's Conference Board, Marion County Joint E911 Service Board, and Marion County Emergency Management Commission.

The City also participates in the Pleasant Grove Township Fire Department which is a jointly governed organization established pursuant to Chapter 28E of the code of Iowa.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation

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

The Cash Basis Statement of Activities and Net Position presents the City's nonfiduciary net position. Net position is reported in the following categories/components:

Nonexpendable restricted net position is subject to externally imposed stipulations which require the cash balance to be maintained permanently by the City.

Expendable restricted net position results when constraints placed on the use of cash balances are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of cash balances not meeting the definition of the preceding categories. Unrestricted net position often has constraints on cash balances imposed by management, which can be removed or modified.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

The City reports the following major governmental funds:

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

Special Revenue:

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

The Local Option Sales Tax Fund is used to account for community projects financed by local option sales tax.

The TIF Levy Fund is used to account for tax increment financing collections and the repayment of tax increment financing indebtedness.

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

The City reports the following major proprietary funds:

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

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

The City also reports the following additional proprietary fund:

An Internal Service Fund is utilized to account for the financing of goods or services purchased by one department of the City and provided to other departments or agencies.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting

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

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

When a disbursement in governmental funds can be paid using either restricted or unrestricted resources, the City's policy is generally to first apply the disbursement toward restricted fund balance and then to less-restrictive classifications – committed, assigned and then unassigned fund balances.

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

D. Governmental Cash Basis Fund Balances

In the governmental fund financial statements, cash basis fund balances are classified as follows:

Nonspendable – Amounts which cannot be spent because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Assigned – Amounts the Council intends to use for specific purposes.

Unassigned – All amounts not included in the preceding classifications.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets and Budgetary Accounting
The budgetary comparison and related disclosures are reported as Other Information.

2. CASH AND INVESTMENTS

The City's deposits in banks at June 30, 2013 were entirely covered by Federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

As of June 30, 2013, the City had no investments subject to interest rate risk or credit risk disclosure requirements.

3. BONDS AND NOTES PAYABLE

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

YEAR ENDING JUNE 30,	BONDS AND CAPITAL LOAN NOTES	
	PRINCIPAL	INTEREST
2014	$ 85,000	18,800
2015	86,000	16,383
2016	93,000	13,917
2017	96,000	11,160
2018	63,000	8,303
2019	34,000	7,037
2020	34,000	6,268
2021	36,000	5,497
2022	15,000	4,680
2023	16,000	4,230
2024	16,000	3,750
2025	17,000	3,270
2026	17,000	2,760
2027	18,000	2,250
2028	18,000	1,710
2029	19,000	1,170
2030	20,000	600
Total	$ 683,000	111,785

The resolutions providing for the issuance of the sewer revenue capital loan 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.

(2) Sufficient monthly transfers shall be made to a separate sewer revenue note sinking account for the purpose of making the note principal and interest payments when due.

3. BONDS AND NOTES PAYABLE (CONTINUED)

(3) Additional monthly transfers shall be made to a separate sewer reserve account until a specific minimum balance has been accumulated. These accounts are restricted for the purpose of paying note principal and interest payments when insufficient money is available in the sinking account.

(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.

4. TAX INCREMENT FINANCING AGREEMENTS

The City has entered into various tax increment financing development agreements. Under the terms of the agreements the developers agreed to provide minimum specified dollar amounts of improvements and infrastructure in urban renewal areas of the City prior to specified dates. The City agreed to pay certain costs to the developer under the terms of non-interest bearing tax increment revenue financing bonds which generally provide for payments equal to the incremental taxes collected on the developer improvements for a period of ten to twelve years. Commitments under the agreements are summarized as follows:

DATE	AMOUNT	REMAINING COMMITMENT	EXPIRATION DATE
April 1998	$ 150,000	$ 5,713	April 2010
May 2002	231,805	89,652	May 2012 (may be extended to May 2015)
December 2003	32,080	32,080	December 2013
November 2005	125,600	114,445	June 2016
October 2007	123,000	77,474	June 2018

5. PENSION AND RETIREMENT BENEFITS

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

Most regular plan members are required to contribute 5.78% of their annual covered salary and the City is required to contribute 8.67% of covered salary. Certain employees in special risk occupations and the City contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The City's contribution to IPERS for the years ended June 30, 2013, 2012 and 2011 were $30,361, $28,017 and $20,685, respectively, equal to the required contributions for each year.

6. COMPENSATED ABSENCES

City employees accumulate a limited amount of earned but unused vacation, sick leave, holiday and compensatory hours for subsequent use or for payment upon termination, retirement or death. However, sick leave hours are lost upon resignation or termination. These accumulations are not recognized as disbursements by the City until used or paid. The City's approximate liability for compensated absences to employees at June 30, 2013, primarily relating to the General Fund, is as follows:

TYPE OF BENEFIT	AMOUNT
Vacation, holiday and compensating time	$ 14,067
Sick leave	32,233
Total	$ 46,300

This liability has been computed based on rates of pay as of June 30, 2013.

7. RISK MANAGEMENT

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

8. CONSTRUCTION AND OTHER COMMITMENTS

The City has entered into contracts totaling $90,410 for wastewater treatment plant facility report, water and sewer rate studies and GIS mapping projects. At June 30, 2013, $54,975 of the contracts were completed. The remaining amount of the contracts will be paid as work on the projects progress.

OTHER INFORMATION

CITY OF PLEASANTVILLE

Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Balances – Budget and Actual (Cash Basis) - All Governmental Funds and Proprietary Funds
Other Information
Year ended June 30, 2013

	Governmental Funds Actual	Proprietary Funds Actual	Less Funds not Required to to be Budgeted
Receipts			
Property tax	$ 359,034	-	-
Tax increment financing collections	62,402	-	-
Other city tax	170,947	-	-
Licenses and permits	9,464	-	-
Use of money and property	5,133	597	173
Intergovernmental	169,057	-	-
Charges for service	41,262	557,195	-
Miscellanous	28,058	4,657	-
Total receipts	867,746	562,449	173
Disbursements			
Public safety	199,324	300	300
Public works	161,836	-	-
Culture and recreation	105,261	-	-
Community and economic development	128,576	-	-
General government	98,684	7,814	7,814
Debt service	37,635	-	-
Business type activities	-	497,394	-
Total disbursements	731,316	505,508	8,114
Excess of receipts over disbursements	136,430	56,941	(7,941)
Other financing sources, net	1,262	-	-
Excess of receipts and other financing sources over disbursements and other financing uses	137,692	56,941	(7,941)
Balances beginning of year	705,674	1,007,884	470,671
Balances end of year	843,366	1,064,825	462,730

Total	Budgeted Amounts Original	Budgeted Amounts Final	Final to Total Variance
359,034	357,774	357,774	1,260
62,402	61,974	61,974	428
170,947	185,554	185,554	(14,607)
9,464	7,000	7,000	2,464
5,557	5,450	5,450	107
169,057	157,542	157,542	11,515
598,457	714,500	714,500	(116,043)
32,715	2,900	2,900	29,815
1,430,022	1,492,694	1,492,694	(62,672)
199,324	246,219	246,219	46,895
161,836	213,385	213,385	51,549
105,261	122,366	122,366	17,105
128,576	202,674	202,674	74,098
98,684	100,750	100,750	2,066
37,635	109,207	119,207	81,572
497,394	568,909	568,909	71,515
1,228,710	1,563,510	1,573,510	344,800
201,312	(70,816)	(80,816)	282,128
1,262	-	-	1,262
202,574	(70,816)	(80,816)	283,390
1,242,887	1,411,277	1,411,277	(168,390)
1,445,461	1,340,461	1,330,461	115,000

CITY OF PLEASANTVILLE

Notes to Other Information –
Budgetary Reporting
June 30, 2013

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

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

Formal and legal budgetary control is based upon nine major classes of disbursements known as functions, not by fund. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects, and business type activities. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds and Enterprise Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year, one budget amendment increased budgeted disbursements by $10,000. The budget amendment is reflected in the final budgeted amounts.

SUPPLEMENTARY INFORMATION

CITY OF PLEASANTVILLE

Schedule 1

Statement of Cash Receipts, Disbursements
and Changes in Cash Balances
Nonmajor Governmental Funds
As of and for the year ended June 30, 2013

	Special Revenue		
	Emergency Levy	Ballfield Lighting	Total
Net change in cash balances	-	-	-
Cash balances beginning of year	27,792	5,500	33,292
Cash balances end of year	$ 27,792	5,500	33,292
Cash Basis Fund Balances			
Restricted for:			
Other purposes	$ 27,792	5,500	33,292
Total cash basis fund balances	$ 27,792	5,500	33,292

See accompanying independent auditor's report.

CITY OF PLEASANTVILLE

Schedule of Indebtedness
Year ended June 30, 2013

OBLIGATION	DATE OF ISSUE	INTEREST RATES	AMOUNT ORIGINALLY ISSUED	BALANCE BEGINNING OF YEAR
General Obligation Bonds				
2006 Street Improvement and Refunding	5/15/06	3.75-4.65%	$ 455,000	$ 160,000
Capital Loan Notes				
1998 Sewer Revenue	02/01/98	1.75%	436,000	170,000
2001 Sewer Revenue	08/21/01	1.75%	440,000	162,000
2010 Sewer Revenue	2/15/10	3.00%	294,000	272,000
				604,000
				$ 764,000

See accompanying independent auditor's report.

Schedule 2

ISSUED DURING YEAR	REDEEMED DURING YEAR	BALANCE END YEAR	INTEREST PAID	INTEREST DUE AND UNPAID
-	30,000	130,000	7,135	-
-	25,000	145,000	5,100	-
-	15,000	147,000	4,860	-
-	11,000	261,000	8,160	-
-	51,000	553,000	18,120	-
-	81,000	683,000	25,255	-

CITY OF PLEASANTVILLE

Bond and Note Maturities
June 30, 2013

YEAR ENDING JUNE 30,	SEWER REVENUE ISSUED FEBRUARY 1, 1998 INTEREST RATE	AMOUNT	CAPITAL SEWER REVENUE ISSUED AUGUST 21, 2001 INTEREST RATE	AMOUNT
2014	1.75	$ 27,000	1.75	$ 16,000
2015	1.75	28,000	1.75	16,000
2016	1.75	29,000	1.75	17,000
2017	1.75	30,000	1.75	18,000
2018	1.75	31,000	1.75	19,000
2019		-	1.75	20,000
2020		-	1.75	20,000
2021		-	1.75	21,000
2022		-		-
2023		-		-
2024		-		-
2025		-		-
2026		-		-
2027		-		-
2028		-		-
2029		-		-
2030		-		-
TOTAL		$ 145,000		$ 147,000

YEAR ENDING JUNE 30,	GENERAL OBLIGATION BONDS STREET IMPROVEMENT AND REFUNDING ISSUED MAY 15, 2006 INTEREST RATE	AMOUNT
2014	4.25	$ 30,000
2015	4.30	30,000
2016	4.40	35,000
2017	4.50	35,000
		$ 130,000

See accompanying independent auditor's report.

LOAN NOTES

SEWER REVENUE

ISSUED FEBRUARY 15, 2010

INTEREST RATE	AMOUNT	TOTAL
3.00	$ 12,000	$ 55,000
3.00	12,000	56,000
3.00	12,000	58,000
3.00	13,000	61,000
3.00	13,000	63,000
3.00	14,000	34,000
3.00	14,000	34,000
3.00	15,000	36,000
3.00	15,000	15,000
3.00	16,000	16,000
3.00	16,000	16,000
3.00	17,000	17,000
3.00	17,000	17,000
3.00	18,000	18,000
3.00	18,000	18,000
3.00	19,000	19,000
3.00	20,000	20,000
	$ 261,000	$ 553,000

CITY OF PLEASANTVILLE

Statement of Receipts By Source
and Disbursements By Function -
All Governmental Funds
For the Last Ten Years

	2013	2012	2011	2010
Receipts				
Property tax	$ 359,034	368,174	356,495	335,292
Tax increment financing collections	62,402	86,829	108,406	97,839
Other city tax	170,947	196,987	164,320	177,664
Licenses and permits	9,464	3,813	2,493	4,769
Use of money and property	5,133	4,073	7,026	8,071
Intergovernmental	169,057	162,565	146,856	142,575
Charges for service	41,262	71,743	38,034	9,619
Special assessments	22,389	-	646	14,765
Miscellaneous	28,058	23,547	28,707	20,667
Total	$ 867,746	917,731	852,983	811,261
Disbursements				
Operating				
Public safety	199,324	207,855	196,856	187,173
Public works	161,836	171,129	182,263	167,872
Culture and recreation	105,261	110,067	62,089	10,090
Community and economic development	128,576	217,113	140,329	145,254
General government	98,684	72,134	74,169	77,283
Debt service	37,635	86,018	83,600	224,963
Capital projects	-	-	84,471	245,054
Total	$ 731,316	864,316	823,777	1,057,689

See accompanying independent auditor's report.

2009	2008	2007	2006	2005	2004
328,356	292,017	259,259	259,592	265,847	304,899
69,702	49,782	60,705	27,932	18,829	8,565
165,228	153,769	170,226	148,123	137,503	165,211
2,455	5,247	3,673	2,548	3,405	2,768
19,122	55,556	25,285	29,961	20,190	20,504
147,046	147,561	128,101	128,686	128,513	131,611
10,690	35,338	43,086	44,120	41,528	45,183
36,149	24,435	57,419	68,890	-	-
10,572	79,309	23,455	36,466	11,601	42,757
789,320	843,014	771,209	746,318	627,416	721,498
226,867	287,830	272,627	212,849	181,349	167,159
168,138	169,784	117,605	126,231	144,215	123,171
9,703	10,105	21,328	26,224	19,035	39,459
165,939	151,558	156,769	226,553	197,485	94,583
72,113	72,927	67,887	210,471	73,457	60,627
169,015	175,079	137,240	257,580	90,196	164,675
157,486	51,998	51,998	511,011	-	-
969,261	919,281	825,454	1,570,919	705,737	649,674

Shull
and Co. P.C.
certified public accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and
Members of the City Council:

We have audited 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, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Pleasantville, Iowa, as of and for the Year Ended June 30, 2013, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 31, 2013. Our report expressed unmodified opinions on the financial statements which were prepared on the basis of cash receipts and disbursements, a basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Pleasantville's internal control over financial reporting to determine the audit procedures 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 Pleasantville's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Pleasantville'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, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

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

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A significant deficiency is a deficiency, or combination of control deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2013 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

The City of Pleasantville's Responses to Findings

The City of Pleasantville's responses to findings identified in our audit are described in the accompanying Schedule of Findings. The City of Pleasantville's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, 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 result of that testing and not to provide an opinion on the effectiveness of the City'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 City'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 Pleasantville 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.

Shull & Co., P.C.

December 31, 2013

CITY OF PLEASANTVILLE

SCHEDULE OF FINDINGS
Year ended June 30, 2013

Part I: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCY:

I-A-13 Segregation of Duties - One important aspect of the internal control structure is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. We noted that the bank deposits and the posting of the cash receipts to the general ledger and to the utility billing system are all done by the same person.

Recommendation - We realize that with a limited staff, segregation of duties is difficult. However, the City should review its control procedures to obtain the maximum internal control possible under the circumstances. In addition, the Mayor and Council should periodically review cash receipts information to detect errors or irregularities.

Response - We will consider this.

Conclusion - Response acknowledged.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Part II: Other Findings Related to Required Statutory Reporting:

II-A-13 Certified Budget – Disbursements during the year ended June 30, 2013, did not exceed the amounts budgeted.

II-B-13 Questionable Disbursements - No disbursements 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.

II-C-13 Travel Expense - No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

II-D-13 Business Transactions – No business transactions between the City and City officials or employees were noted.

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

II-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 ensure that coverage is adequate for current operations.

II-F-13 City Council Minutes - No transactions were found that we believe should have been approved in the City Council minutes but were not.

Although minutes of City Council proceedings were published, they were not published within fifteen days as required by Chapter 372.13(6) of the Code of Iowa. Also, the City did not publish annual gross salaries in accordance with an Attorney General's opinion dated April 12, 1978.

Recommendation – The City should publish minutes and annual individual salaries as required.

Response – We will publish minutes and salaries as required.

Conclusion – Response accepted.

II-G-13 Revenue Bonds – No violations of provisions of revenue bond resolution requirements were noted.

II-H-13 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the City's investment policy were noted.